

RESOLUTION NO. 2025-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECEIVING AND FILING THE CITY OF MARINA COMPREHENSIVE ANNUAL FINANCIAL REPORT, TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUNDS REPORT WITH INDEPENDENT AUDITORS REPORT; AND AUDITOR'S GOVERNANCE LETTER (SAS 114), CITY AUDITOR'S MANAGEMENT LETTER OF COMMENTS (SAS 115) FOR THE FISCAL YEAR ENDED JUNE 30, 2024.

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 an unmodified ("clean") opinion for City of Marina's financial statements for the fiscal year ended June 30, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.," 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 they 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, a Single Audit Report was not prepared for Fiscal Year 2023/24, as the City did not expend over \$750,000 in Federal awards, and a Single Audit was not required 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, a Transportation Safety and Investment Plan Account Funds Report (Measure X) with the Independent Auditors' Report was prepared to be in compliance with the Transportation Agency of Monterey County (TAMC) Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement (**Exhibit B**);

WHEREAS, the Independent Auditors' Report on Compliance with TAMC Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement states "The City complied, in all material respects, with the compliance requirements".

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, 2024; and
2. Receive and file the Transportation Safety and Investment Plan Account Funds Report with the Independent Auditors' Report for the Year Ending June 30, 2024; 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, 2024.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 22nd day of January by the following vote:

AYES: COUNCIL MEMBERS: McCarthy, Biala, Visscher, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: McAdams

ABSTAIN: COUNCIL MEMBERS: None

ATTEST:

Bruce C. Delgado, Mayor

Anita Sharp, Deputy City Clerk

City of Marina California

Annual
Comprehensive
Financial Report

For the Fiscal
Year Ended
June 30, 2024



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City of Marina California



Annual Comprehensive Financial Report For The Fiscal Year Ended June 30, 2024



Prepared by the Finance Department

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CITY OF MARINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024
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INTRODUCTORY SECTION

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TRANSMITTAL LETTER



City of Marina
211 HILLCREST AVENUE

January 16, 2025

Honorable Mayor,
Members of the City Council, and
Citizens of Marina

Subject: Annual Comprehensive Financial Report – June 30, 2024

The Annual Comprehensive Financial Report (ACFR) for the City of Marina for fiscal year ended June 30, 2024 is hereby submitted.

REPORT PURPOSE AND ORGANIZATION

State law requires that the accounts and affairs of all municipal entities are to be examined annually by an independent certified public accountant. The City's independent auditor, Chavan and Associates, LLP, has audited the City's financial statements and issued an unmodified opinion that the financial statements for the year ended June 30, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). This opinion, along with the basic financial statements, are hereby submitted as the ACFR for the City of Marina for the fiscal year ended June 30, 2024. The information included in the financial section of this report fulfills the above requirement.

The independent audit of the financial statements is also typically conducted in conjunction with the federally mandated Single Audit. The standards governing the Single Audit require the independent auditor to report on items beyond fair presentation of the financial statements, including internal controls and compliance with legal requirements involving the administration of federal awards. A Single Audit is required when a nonprofit or governmental organization has federal expenditures in excess of \$750,000. In Fiscal Year 23/24, the City did not expend more than \$750,000 in federal funds therefore a single audit was not required.

This report consists of City Management's representations concerning the finances of the City of Marina. Consequently, management assumes full responsibility for completeness, accuracy of data, and fairness of presentation, including all footnotes and disclosures. Management believes the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of the operations of the City. To provide a reasonable basis for making these representations, City management has established a comprehensive framework of internal controls designed both to protect the City's assets from loss, theft, or misuse; and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity

with generally accepted accounting principles. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatements. The audit also provides users with reasonable assurance that the information presented is free from material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Annual Comprehensive Financial Report includes all financial activities of the City. Financial data for all funds through which services are provided by the City have been included in this report based on the criteria adopted by the Government Accounting Standards Board (GASB), which is the authoritative body establishing U.S. Generally Accepted Accounting Principles (GAAP) for local governments.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in conjunction with it. The City's MD & A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

CITY OF MARINA PROFILE

The City of Marina was incorporated in 1975 and occupies 9.76 square miles. Marina is located on the California Coast, ten miles north of Monterey and the renowned Monterey Bay Aquarium. The City's picturesque coastline includes Marina State Beach and the Fort Ord Dunes State Park; with additional access provided along the 18-mile Monterey Bay Coastal Recreation Trail. Marina is ideally suited for recreational and cultural opportunities and offers a safe and family-friendly living environment. Initially, the City served as a bedroom community for the former Fort Ord, which served as a major US Army facility from 1917 until the base closed in 1994. The City is now actively engaged in the redevelopment of Fort Ord, which serves as the home of California State University Monterey Bay, new retailers, hotels, Veterans Affairs Clinic, equestrian center, and over 2,200 planned new housing units. A portion of the former Fort Ord has also been designated as a National Monument, with beautiful vistas and 86 miles of multi-use trails.

Marina has a diverse population of 22,695, with a median age of 36. The City is committed to protected its natural environment, while offering a balanced mix of residential and commercial uses designed to result in an outstanding quality of life for residents.

Form of Government

The City of Marina has operated under the council-manager form of government since 1975. Policy-making and legislative authority are vested in the governing council (Council) consisting of the Mayor and four Council Members. The Mayor is elected separately for a four-year term; and the Council Members serve four-year terms, with two members elected every two years.

The City Council appoints a City Manager to serve as the City's chief administrative officer. The City Manager provides direction and leadership to all City departments and ensures that all City Council policies are implemented.

City Services

The City of Marina provides police and fire protection; street, park, and facility maintenance; planning and building services; oversight of public works projects; recreation and cultural activities; low-income housing; administrative and financial services; and general aviation services. Water and sewer services are provided through legally separate entities and are not shown in the City's financial statements.

Budget Policy and Control

The City adopts a two-year budget, which includes two discrete single-year budgets. The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available; and expenditures are recorded when goods or services are received, and the liability incurred. The Council priorities and corresponding budget serve as the foundation for the City's financial planning and control. Prior to each two-year budget cycle, the Council holds a retreat or strategic planning session to identify and rank key priorities. The resulting priorities are communicated to City departments and incorporated into the budget.

As part of the budget process, the City references a structurally balanced budget formula. This calculation, which is referenced in Resolution 2012-46, evaluates whether there are sufficient on-going revenues to cover operating expenses. One-time revenues or the unassigned fund balance may be used to support non-recurring expenditures. The balanced budget formula, along with an emergency reserve calculation, is provided to the City Council prior to the budget adoption. Consideration is also given to maintaining a structurally balanced budget when new positions or major on-going contracts are contemplated during the two-year period.

The City Manager recommends and presents the budget in June. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Following public input and Council discussion, the City Council may request modifications to the proposed budget, with the final budget adopted by resolution. The City's budget becomes effective on July 1st of each fiscal year. Expenditures are authorized at the Fund level. The City Manager and the Executive Director of the Successor Agency to the Marina Redevelopment Agency, or his/her designee, has the authority to transfer appropriations within a given fund and between department appropriations to ensure that budgets can adapt throughout the year to evolving circumstances. The department directors may adjust line items within their respective departments, with the exception of personnel expenditures. All new appropriations or transfers between funds require City Council approval.

All governmental, enterprise, and fiduciary funds are appropriated annually. The governmental funds include the General, special revenue, capital project, debt service, and fiduciary funds.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment in which the City operates.

Local Economy

Marina's local economy is influenced by State and national trends, as well as growth within the City. As consistent with the US, the local economy entered into a period of rapid expansion following the

pandemic. This became evident beginning in Fiscal Year 21/22, with the City's sales tax and transient occupancy tax receipts exceeding budgetary projections. This increase was primarily driven by revitalization of the economy, as well as inflationary increases in the underlying taxable items. To assist in slowing inflation, the Federal Reserve increased interest rates to make borrowing more expensive, and in turn reducing the amount available for investment. In December of 2023, the State Legislative Analyst's Office (LAO) reported that this reduced overall home sales in California by half, largely because the monthly mortgage to purchase a typical California home has gone from \$3,000 to \$5,400 a month ⁽¹⁾. While Marina experienced a 21% reduction in the number of home sales within the same period, the decrease could be partially attributed to rising interest rates, as well as changing new home inventory levels. In Fiscal Year 23/24, the State also cited a gradual slowdown or flattening in consumer spending.

While the City has also seen a similar slowing in economic growth, revenues remain strong and stable. Marina's economy is primarily driven by local and regional residents; however, shops, hotels, and restaurants also benefit from visitors to the Monterey Bay area. Major retailers include Walmart, Target, REI, Kohls, and Best Buy. Marina's unemployment rate remained relatively constant, with a slight increase from 3.1% to 3.3%, while during this same period, the County decreased from 6.3% to 5.7%. While Marina's unemployment rate is relatively low, affordable housing continues to be a concern in Monterey County. The annual per capita personal income in Marina is approximately \$50,025. The average home price at the beginning of Fiscal Year 23/24 was approximately \$1.1 million, with a reduction to approximately \$910,000 in October of 2024.

Marina is the fastest growing community on the Monterey Peninsula. This is largely driven by the City's commitment to redeveloping the former Fort Ord. Within this area, an additional 1,200 homes are planned to be added to the Dunes and Sea Haven developments, along with additional retail and professional establishments. In Fiscal Year 24/25, the Marina Station residential and commercial development broke ground. This project includes 1,360 housing units, with 270 below-market-rate affordable homes; retail shops, industrial facilities, offices, parks, and open space. Additional economic growth is also expected as a result of the expansion of the Joby Aviation aircraft manufacturing facility. The new 225,000 square foot facility, which is located at the Marina Municipal Airport, is estimated to open in calendar year 2025 and provide more than 300 new jobs.

The City's priorities include several initiatives to define Marina as a desirable place to live and conduct business. This includes significant investments in parks, recreational opportunities, downtown vitalization, and infrastructure improvements. These efforts are primarily funded through a combination of public facility impact fees, Fort Ord Reuse Authority (FORA) Community Facilities District (CFD) fees, and general fund appropriations. Additional details regarding these efforts can be found in the major initiatives section of this document.

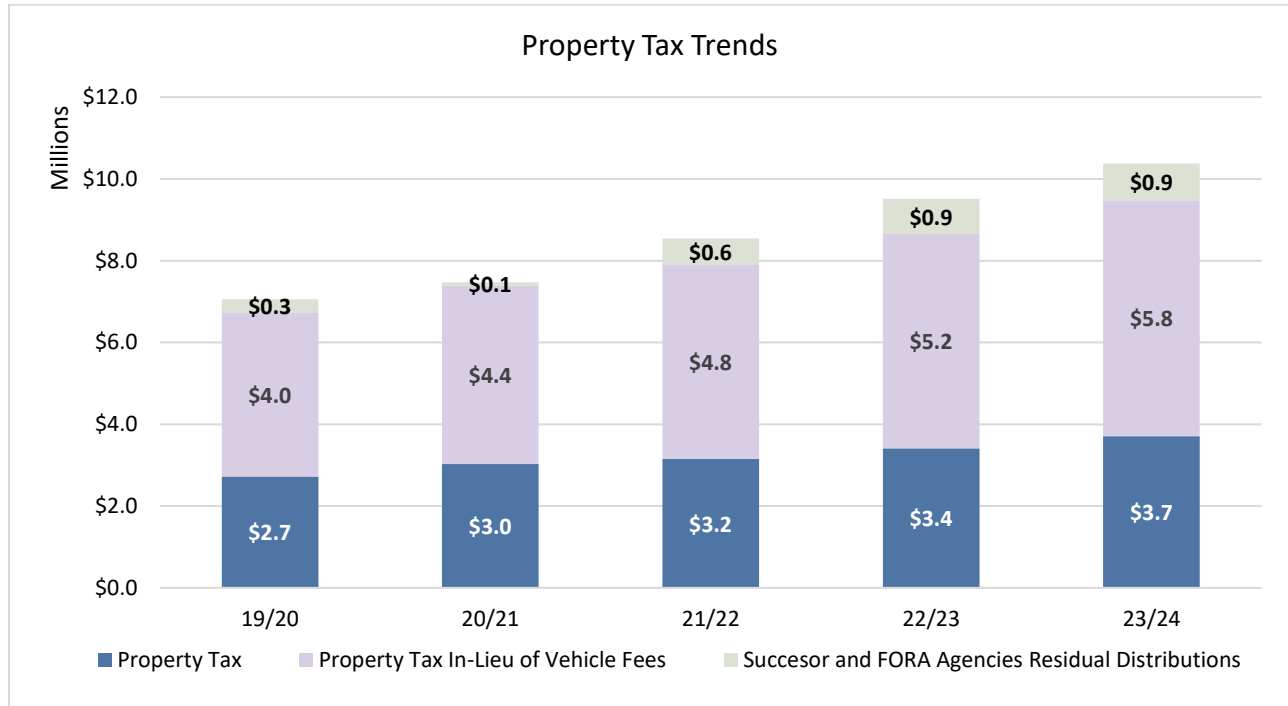
Local economic indicators can also be gauged by reviewing the General Fund's top three revenue sources. The General Fund's primary sources of revenue are Property Tax, Sales Tax, and Transient Occupancy Tax (TOT). They represent approximately 64.5% of the fund's on-going revenues. Additional information on these key revenue sources are provided in subsequent sections.

Property Tax

Property tax is the City's largest source of revenue, representing approximately \$10.4 million or 25.8% of all on-going General revenues. This revenue source is fairly stable and does not respond

(1) *The 2024-25 Budget, California's Fiscal Outlook, California State Legislative Analyst's Office, December 2023*

quickly to changes in the economy. In Fiscal Year 23/24, the City's property tax receipts increased by approximately \$895,000 or 9%. This can largely be attributed to increases in property values and home sales. Property Tax In Lieu of Vehicle License Fees represents approximately \$5.8 million or 55% of the combined property tax receipts, while residual distributions from the Successor Agency to the former Marina Redevelopment Agency and FORA are \$764,997 and \$130,121, respectively.

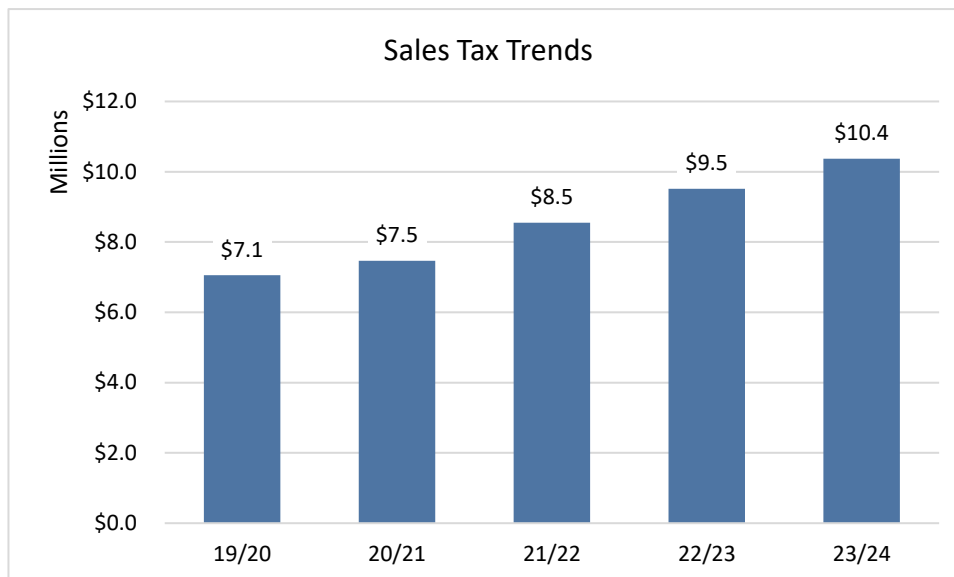


The Dunes and Sea Haven housing tracts plan to build approximately 1,200 new homes over the next eight years; however, the City's corresponding property tax revenues will not increase at the same rate of growth. This is consistent with prior construction in the FORA redevelopment boundaries. Through developer agreements, the City's share of property tax revenues for these locations are calculated on their original base assessment values, with the City only receiving a portion of the incremental growth from the Sea Haven development. The incremental revenue growth from the secured and unsecured property tax assessments that are primarily generated by the Dunes project are pledged to pay debt service on bond proceeds or fund costs for blight removal and land development costs. Additional information on the allocation of property tax assessments is included in Table 10 of the Statistical Section. It is anticipated that these incremental revenues will transition to the City, as the bonds retire; with the repayment anticipated in 2045.

The Marina Station residential and commercial development is outside of the FORA boundaries. The General Fund will be able to recognize all property tax revenues from this project, with the groundbreaking beginning in Fiscal Year 24/25.

Sales Tax

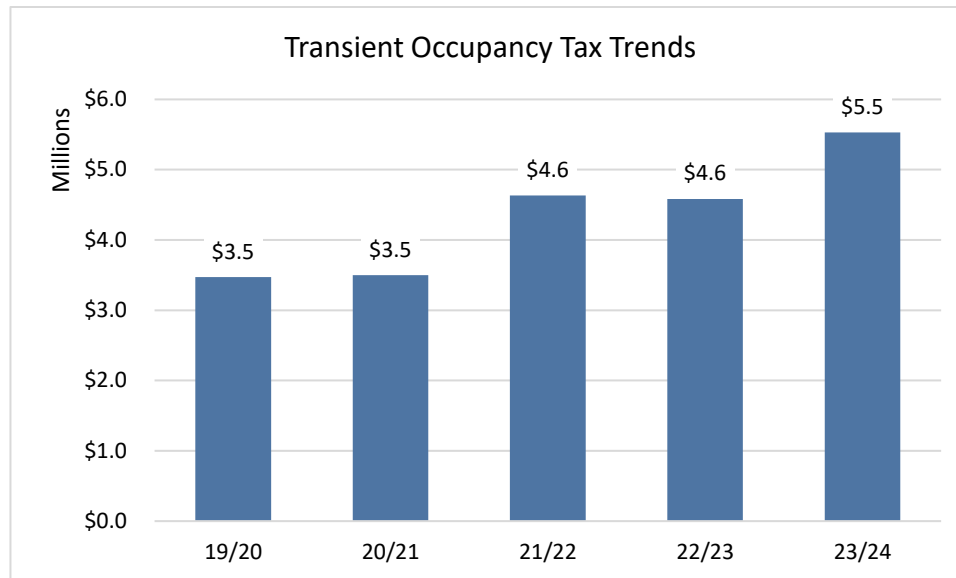
Sales and Use Tax revenues represent the second largest source or 25.0% of all on-going General Fund revenues. In November of 2018, voters approved Measure N. This initiative increased the City's sales tax rate from 8.75% to 9.25%; and extended the original tax sunset date to March 2034. While this tax became effective in Fiscal Year 19/20, the impact of the increase is not readily visible in the first two years of the chart. This is primarily due to reductions in consumer spending during the pandemic. In Fiscal Year 21/22 and the remaining two years, growth continued as a result of economic recovery and underlying inflationary prices.



In Fiscal Year 24/25, the City welcomed a new Trader Joe's retail store in the Dunes Promenade Center; and a Ross Dress for Less store in the prior Bed, Bath & Beyond location. At the time the mid-cycle budget amendment was made, revenue projections for these new two locations were not incorporated into the budget. The Fiscal Year 24/25 budgetary estimates reflect strong, but slower-paced growth. This information was based on an internal analysis and data provided by the City's sales tax consultant. The City plans to continue to attract businesses to central Marina, while also keeping abreast of redevelopment opportunities. Prospective businesses include the potential addition of a major auto dealership.

Transient Occupancy Tax

The City of Marina's third major source of revenue is Transient Occupancy Tax (TOT). This category represents 13.8% of the general fund on-going revenues. Prior to Fiscal Year 18/19, the City's TOT rate was 12%. In November of 2018, voters approved Measure P which permanently increased the City's TOT rate from 12% - 14%. This was followed by an ordinance to allow short-term rentals, which became effective in Fiscal Year 19/20. The City's TOT receipts include both commercial and short-term rental revenues, with commercial property revenues representing over 96% of the receipts. As with sales tax, the full impact of Measure P was not readily visible in the following chart due to the pandemic. The increase in Fiscal Year 23/24 was largely due to the addition of two hotels that were opened over the last two fiscal years.



Long-Term Financial Planning

In prior years, the City implemented several measures to maintain fiscal resiliency and respond to economic challenges. This included establishing an emergency reserve policy, a pension stabilization fund, and a vehicle and equipment replacement fund. The City also evaluates any new significant on-going expenditures to determine if there are sufficient recurring revenues to support the costs. To accommodate for the appropriate level of public safety services, the City has completed a Fire Department Service Study; and incorporated \$100,000 in the Fiscal Year 23/24 budget to fund a Police Department Staffing Study. Additional efforts to assist with long-term planning, include conducting master fee and impact fee studies every five years.

As part of the Fiscal Year 25/26 and 26/27 City Council retreat, the Council will receive a five-year General Fund forecast to evaluate the City's fiscal condition prior to beginning the budget process. This forecast will assist in identifying key trends and understanding long-term consequences of budgetary decisions. Key documents that guide capital expenditures include the City's Pavement Assessment Program, which is routinely updated; and the Parks and Recreation Facilities Master Plan. Funding has also been placed in the biennial budget for additional long-term planning documents, including \$100,000 allocation for a comprehensive infrastructure and maintenance plan for City facilities and parks; and \$24,000 for a similar maintenance and asset replacement plan for the Abrams Park and Preston Park rental properties.

Strategic Initiatives and Priorities

The following key priorities were identified during the two-year budget process:

Expanding and Enhancing Parks and Playgrounds

In Fiscal Year 23/24, approximately \$10.9 million was allocated for parks, playgrounds, and recreational improvements. This included \$6.5 million for Preston Park upgrades, which consist of new playground equipment, picnic amenities, replacement of existing turf, renovation of the concession building and expansion of the multi-use fields; and \$750,000 for the initial costs of the Phase II improvements at Glorya Jean Tate Park. Phase I of this project was completed at the

beginning of Fiscal Year 23/24 and included a pump track, restrooms, and other site improvements. Phase II of this project is anticipated to cost \$6.2 million and includes previously purchased ocean-themed playground equipment, a new dog park, sports courts, outdoor fitness area, open turf, and walkways. In February 2024, the City also approved elements for the proposed new \$10.0 million Dunes City Park, which will be located adjacent to the proposed new Aquatic and Sports Center. The proposed park design includes a great lawn, fitness court, basketball and volleyball courts; tennis/pickleball courts, and an inclusive playground. Other notable projects completed in Fiscal Year 23/24 include a \$566,000 Martin Luther King, Jr. sculpture garden at Locke Paddon Park.

The City is also placing an emphasis on adding or upgrading playground equipment. Based on community workshops, which included 36 participants between the ages of 5 and 12, residents indicated they wanted taller structures, faster slides, multiple swing choices, and inclusive play options. At the close of the Fiscal Year 23/24, the City selected the final design for two playgrounds. This included an owl-based theme for Windy Hill Park, with biennial budget allocations of \$75,000 and \$1 million, respectively; and \$985,469 for pirate ship-themed equipment at Sea Haven Community Park. The actual park and recreation expenditures for Fiscal Year 23/24 were \$1.3 million, with the balance carried forward into the next fiscal year.

Providing a New Aquatic and Sports Center to Increase Recreational Opportunities

Previous community outreach efforts indicated that 85% of the surveyed residents wanted a centralized recreation center with an indoor pool. Over the last four fiscal years, \$6.1 million was allocated from the FORA Dissolution Fund to analyze alternatives, develop plans, and provide seed funding for the renovation of a decommissioned former military gym building and an indoor pool. Subsequent to the close of this fiscal year, the City requested an update to the original plan, which included some revisions to the scope and a phased implementation plan. The resulting \$41.4 million project included a 25-yard competition pool, a multi-purpose water play structure and shallow play area; a 20 yard lap pool, wellness and therapy pool; climbing wall, indoor sports courts, fitness area; a two-story connector building, and an elevated walking track.

The Council provided preliminary approval to move forward with the project. Funding would come from the projected remaining FORA Dissolution Fund balance of \$17.5 million, the initial \$6.1 million project allocation, \$5.7 million in CFD fees held in escrow, and approximately three years of projected FORA CFD fees. Pending the timing of construction, the City may choose to authorize a loan from the General Fund to temporarily bridge the forthcoming FOR A CFD fees. Preliminary estimates indicate that the Aquatics and Sports Center will be self-sufficient in the second year of operations.

Improving the City's Streets and Related Infrastructure

Like many municipalities in California, Marina had deferred facility and infrastructure maintenance. The City references a 2022 Pavement Management Assessment for street improvements. This assessment indicated the City's average Pavement Condition Index (PCI) was 67, which qualifies as a "fair" rating. The City's goal is to increase the PCI score to a 70 or a "good" rating. As part of this endeavor, the City issued revenue bonds of \$10.9 million to initiate various street improvements throughout the City. In Fiscal Year 23/24, the City appropriated \$10.3 million to resurface streets based on the assessment plan. Funding for the street resurfacing project and the bond debt is primarily from Measure X proceeds, the General Fund, and other street-related resources. The Fiscal Year 23/24 budget also included \$16.3 million for additional street, storm drain, and traffic light

improvements. This includes \$7.0 million in grant-supported costs for the Imjin Parkway Widening Project. In Fiscal Year 23/24, the City expended approximately \$846,000 on street resurfacing and \$11.7 million on additional street-related projects. The remaining project balances will be carried forward into Fiscal Year 24/25.

Consideration of a Bond Measure to Construct Aging City Facilities

The City's population has more than doubled since the City was incorporated in 1975, but the City still relies on the same aging facilities for police, fire, City Hall offices, and a community center. These City facilities have been slowly deteriorating, are undersized, and some do not meet current earthquake and accessibility standards. This includes temporary modular buildings that house the main City Hall offices and Council Chambers. In addition to these challenges, the current two fire stations are not appropriately located to serve the growing community. Response times in some areas of the city are close to 10 minutes, which is much slower than the five-minute national standard. To assist in funding new facilities, the City placed a \$50 million general obligation bond measure on the November 2024 ballot. Subsequent to this report, the Measure received 60% of the votes, however, it did not meet the necessary 2/3 majority threshold to become effective. In Fiscal Year 24/25, the Council will be evaluating alternatives for constructing and funding these facilities.

Envisioning and Designing a Vibrant Downtown

The Fiscal Year 23/24 Budget included approximately \$164,000 to prepare an Environmental Impact Report related to the Downtown Vitalization Plan. At full build-out, this Downtown Specific Plan will provide an additional 2,904 housing units and 1.3 million square feet of new retail and office space. The Downtown Vitalization Plan conceptual design is built on providing a vibrant, pedestrian friendly, and visitor-serving commercial district, with landscaping and amenities to encourage people to walk along tree-lined streets and socialize in civic and public spaces. The final plan is anticipated to be adopted in Fiscal Year 24/25. To facilitate this transformation, the City allocated \$4.0 million for landscape and right-of-way streetscape improvements in the current two-year budget. This includes medians with stamped concrete and cobble stones; decorative lighting; and plants and color palettes that are inspired by the texture and movement of the region's wind and waves. Phase I of the Downtown Vitalization Implementation Project is estimated to cost \$2.1 million and provide for improvements on Del Monte Boulevard between Reservation Road and Carmel Avenue. This phase is anticipated to be completed in Spring 2025.

Setting Aside Funds to Repay the Preston Park Loan

On January 7, 2016, the Preston Park Sustainable Community Non-Profit Corporation entered into a loan in the amount of \$35.9 million. While interest is paid each year, the full principal balance is due on February 1, 2026. At the close of Fiscal Year 23/24, approximately \$10.8 million was earmarked to pay for this debt, while it is estimated that \$12.2 million will be available at the end of Fiscal Year 24/25. The City plans to refinance the remaining portion of this obligation with a traditional amortization loan.

Managing Rising Pension Costs

The City of Marina, like many municipalities through California, is facing rising pension costs. These increases primarily relate to changes in the CalPERS actuarial assumptions which include modifications to the discount rate, amortization policies, mortality rates, and the implementation of

risk management strategies. The City's estimate Fiscal Year 24/25 contribution for the normal and unfunded liability portion of the pension costs is approximately \$2.2 and \$2.3, respectively. To assist in mitigating the impacts of rising unfunded liability payments, the City has set aside \$5 million in a pension stabilization fund. The City also elects to pay a lump sum unfunded liability payment at the beginning of each fiscal year, rather than through the bi-weekly payroll process. In Fiscal Year 24/25, this will result in an annual savings of \$74,000.

Receiving Major Grants to Assist with Key Projects

Imjin Parkway Widening Project from Imjin Road to Reservation Road - \$40.9 million

The City received a \$20.1 million grant from the State of California's Local Partnership Program, a \$19.1 million grant from the Transportation Agency of Monterey County (TAMC), and a \$1.7 million State Grant to increase one of the City's busiest regional arterials from two lanes to four lanes. Additional funding for this project includes a \$3 million contribution from public facility impact fees. This vital improvement, which also includes four roundabouts, is anticipated to address the growing roadway demands within the City and the region.

Pedestrian and Bicycle and Crossing Improvements - \$1.7 million grant

The City was awarded a \$1.7 million Regional Surface Transportation Program (RSTP) grant to fund pedestrian and bicycle crossing improvements, and traffic signal modifications at the City's main downtown intersection at Del Monte Boulevard and Reservation Road. This location receives a high volume of pedestrian and bicycle traffic due to its proximity to the Monterey Bay Coastal Recreation Trail; and serves as the cornerstone for the downtown vitalization plan. The resulting project is intended to increase visibility and safety.

Marina Senior Center - \$1 million

The City received a \$1 million grant from the State of California Department of Aging to assist with funding the Marina Senior Center project. This new facility is projected to cost \$4.5 million.

Fort Ord Dunes State Park Access Improvements - \$800,000 grant

The State Coastal Conservancy awarded a \$800,000 grant to assist with the design, public outreach, and environmental plan for future improvements at the Fort Ord Dunes Park. The proposed project improves beach access for individuals with mobility impairments and emergency response teams; and provides for the addition of a restroom. This project is also anticipated to increase ADA compliance. Funding for the improvements are anticipated to come from a State Coastal Conservancy grant.

Building a High-Performance Team to Support a Growing Community.

Attracting and retaining high-performing staff is essential to maintaining the level of service that is needed for a growing community. This has become more challenging due to the limited pool of qualified applicants, combined with the high cost of regional housing. To assist with this goal, the City entered into two-year agreements with all bargaining units, which included a 4% cost of living increase in each of the years and an enhanced medical benefit. These agreements will expire at the end of Fiscal Year 24/25. To complement these efforts, the City promotes employee development and offers several opportunities for employee engagement. In Fiscal Year 23/24, the City added eight new positions to align with the community's growth and increasing demand for services. As part of

the upcoming budget process, consideration will be given to balancing new compensation packages, with additional staffing, and competing priorities.

Relevant Financial Management Policies

The City maintains various policies which are evaluated as part of the annual budget process or periodically reviewed. These policies provide guidance on emergency reserve levels, maintaining a structurally balanced budget, debt, investments, procurement, and capital assets.

Two key components include committing funds for an emergency reserve and preparing a structurally balanced budget. In Fiscal Year 23/24 and 24/25, the policy levels were established at 18% of general fund revenues. At the close of the fiscal year, the City was in compliance with this policy. The General Fund emergency reserve balance was \$6.8 million, while the unassigned fund balance was \$24.0 million. In accordance with Resolution 2012-46, the biennial budget is structurally balanced when on-going revenues are projected to be higher than on-going expenses. This policy is referenced as part of the annual budget, as well as when new positions or other on-going expenditures are added during the year. As part of the Fiscal Year 23/24 and 24/25 budget process, it was estimated that revenues were in excess of expenditures by \$294,000 and \$471,000, respectively. At the mid-cycle budget presentation, the Fiscal Year 24/25 structurally balanced budget formula was updated to reflect a positive net difference of \$1 million.

AWARDS

It is the Finance Department's two-year goal to work towards receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's Annual Comprehensive Financial Report (ACFR). This award is given to governments that publish an easily readable and efficiently organized ACFR. The report must go above standard audit requirements and meet generally accepted accounting principles and applicable legal requirements.

The City has taken the award requirements into development of the Fiscal Year 23/24 ACFR and plans to submit the document to GFOA for feedback and consideration of the award.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the year-round dedication and efficiency of the City's Finance Department staff.

We would also like to express thanks and appreciation to the Mayor and members of the City Council for their leadership, support, and commitment to fiscal sustainability and long-term financial planning.

Respectfully submitted,



Tori A. Hannah
Finance Director



**City of Marina
List of Principal Officials
Fiscal Year Ended June 30, 2024**

Elected Officials



Bruce Carlos Delgado
Mayor



Liesbeth Visscher
District 4
Mayor Pro Tem



Brian McCarthy
District 1
Council Member



Kathy Y. Biala
District 2
Council Member



Jenny McAdams
District 3
Council Member

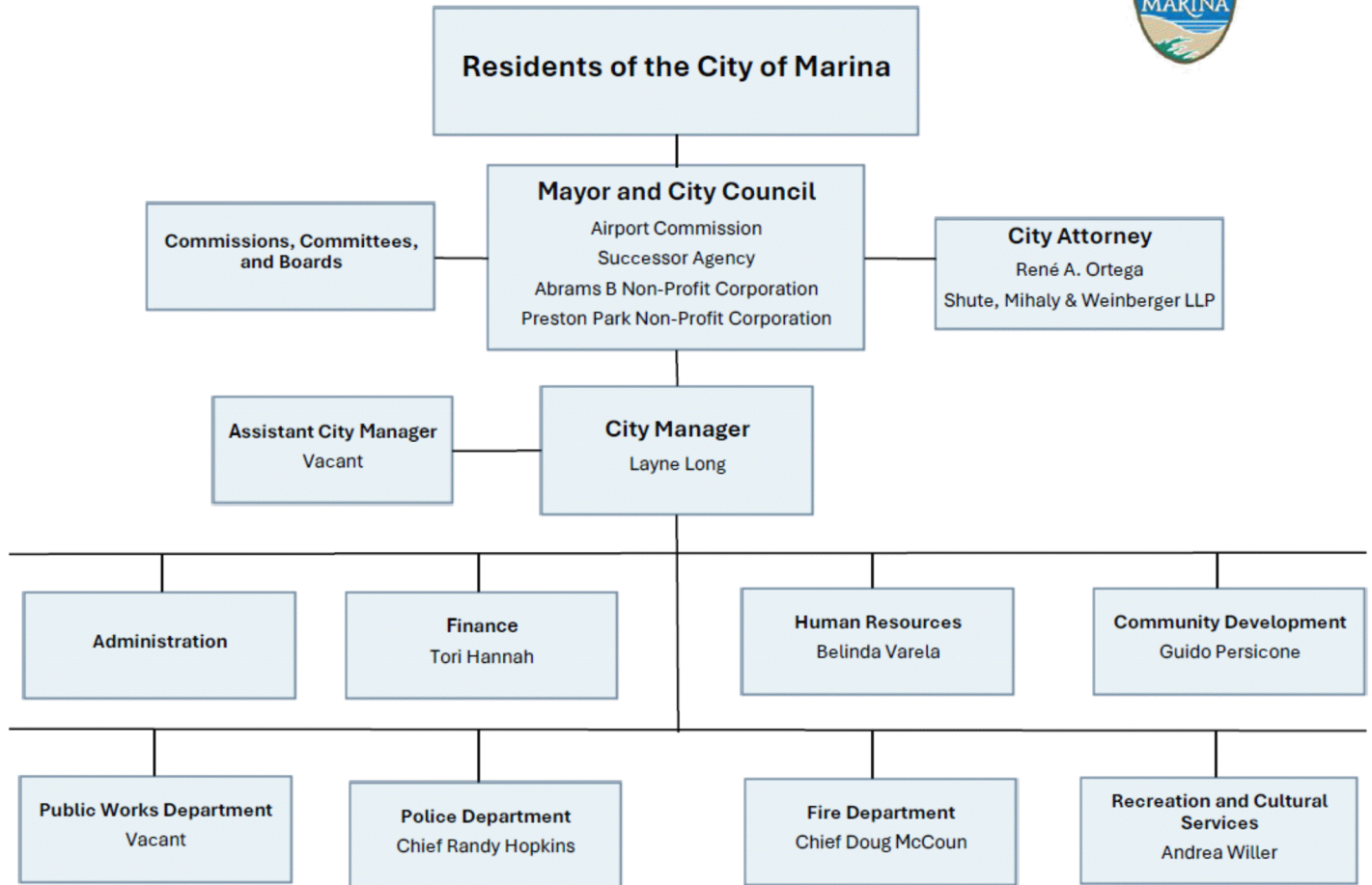
Appointed Officials

City Manager: Layne Long
City Attorney: René A. Ortega

Department Heads / Administrators

Assistant City Manager: Vacant
Finance Director: Tori Hannah
Community Development Director: Guido Persicone
Fire Chief: Doug McCoun
Human Resources Director: Belinda Varela
Police Chief: Randy Hopkins
Public Works Director: Vacant
Recreation and Cultural Services Director: Andrea Willer

City of Marina – Organization Chart





FINANCIAL SECTION

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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, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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.

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Certified Public Accountants

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.



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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

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 financial statements, or the



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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 December 2, 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
December 2, 2024
Morgan Hill, California

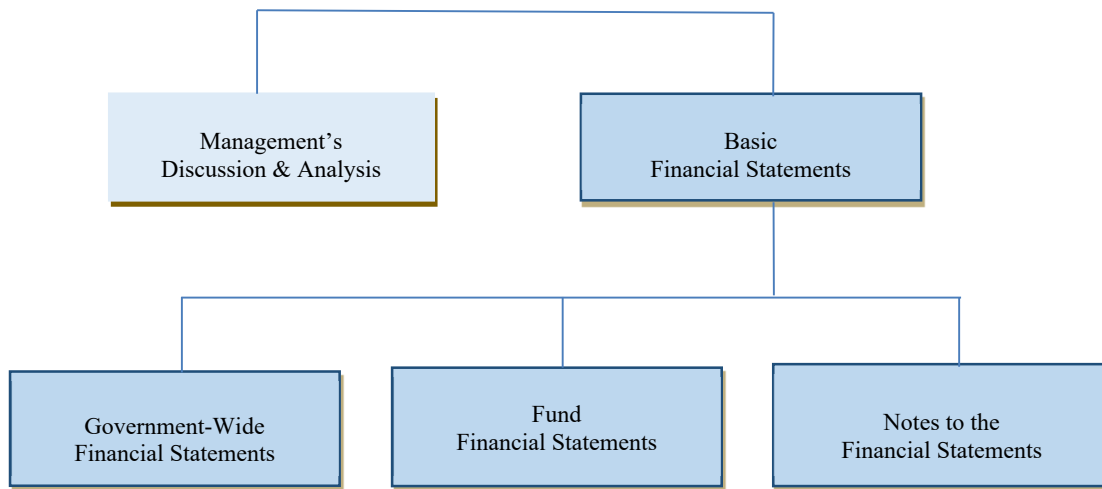


**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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, 2024. 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 2023/2024 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 \$280.8 million (net position). Of the net position, \$133.4 million was classified as net investment in capital assets; \$65.9 million as restricted; and \$81.4 million as unrestricted net position.
- The City's net position increased by \$35.1 million. This included a \$34.6 million increase in the net position of *governmental activities* and a \$504,000 increase in the net position of *business-type activities*. Significant factors contributing to the increase in *governmental activities* included an \$8.4 million gain on the sale of land, investment earnings of \$8.1 million; strong revenue performance and continued investment in capital assets.
- City revenues increased by \$15.2 million or 20.9%, when compared to the prior year. This included a \$15.1 million or 25.5% increase in *governmental activities* and a \$0.4% or \$54,000 increase in *business-type activities*. The growth in *governmental activities* was primarily driven by increased tax revenues, investment earnings, and an \$8.4 million gain on a land sale. When the revenues are adjusted for the land sale, the annual combined growth was \$6.7 million or 9.3%.

- City expenses increased by \$889,000 or 1.7%, when compared to the prior year. This included a \$33,000 or 0.01% reduction in Governmental Activities and a \$922,000 or 7.9% increase in Business-Type Activities.
- The City's pension liability in accordance with Governmental Accounting Standards Board (GASB 68) as of June 30, 2024 was \$29.6 million, as compared to \$27.2 million in the prior year; while the City's Other Post Employment Benefit (OPEB) liability for Fiscal Year ending June 30, 2024 was \$3.6 million, as compared to \$5.1 million in the prior year. The corresponding deferred outflows of resources decreased by \$573,000 while deferred inflows of resources increased by \$70,000. The changes in the pension and OPEB liabilities are due to variances between the expected and actual earnings; expected and actual experiences; and changes in proportional allocations within the City's retirement plan.
- The City's long-term debt decreased by \$2.4 million or 8.6% in Fiscal Year 2023/2024 as a result of debt service payments made during the year.
- The City's net capital assets increased by 6.1% or \$10.6 million, primarily due to the addition of capital projects in progress.

Fund Highlights

- At the close of Fiscal Year 2023/2024, the City's *governmental funds* reported a combined fund balance of \$165.2 million, which represents an increase of \$23.3 million, when compared to the prior year. Approximately \$24.0 million or 14.5% of the fund balance was classified as unassigned 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 \$45.7 million, or 146% of total *general fund* expenditures, prior to transfers. The *general fund's* unassigned fund balance was \$24.0 million or 76% of total general fund expenditures.
- The General Fund's Emergency Reserve balance was committed at \$6.8 million. This is in alignment with the City's adopted reserve policy levels, which are based on 18% of operating revenues.
- The fund balance in the *General Fund* increased by \$2.9 million, as a result of receiving \$8.8 million in operating revenues in excess of on-going expenditures; and \$8.4 million in proceeds from one-time land sales, net of \$14.4 million in net transfers primarily earmarked for capital improvements.
- *General fund* revenues were \$40.2 million, prior to transfers and a one-time land sale. This represented an increase of \$2.6 million or 7% increase when compared to the prior year.
- *General fund* expenditures, prior to transfers were \$31.3 million. This represents a \$2.2 million or 7.6% increase when compared to the prior year.

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 airport operations; and the Preston Park and Abrams Park (Abrams B) housing rental units. Unlike governmental services, these services are fully supported by charges and rents 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 twenty-six 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 and the governmental funds 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 maintained three fiduciary funds during Fiscal Year 2023/24, 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 \$280.8 million at the close of the Fiscal Year 2023/2024. This represents an increase of \$35.1 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	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 191,394	\$ 156,341	\$ 20,155	\$ 18,588	\$ 211,548	\$ 174,929
Capital assets	102,181	89,961	82,739	84,370	184,920	174,331
Total Assets	\$ 293,575	\$ 246,302	\$ 102,894	\$ 102,958	\$ 396,468	\$ 349,260
Deferred Outflows of Resources	\$ 13,933	\$ 14,506	\$ -	\$ -	\$ 13,933	\$ 14,506
Liabilities						
Current and other liabilities	\$ 19,060	\$ 7,161	\$ 1,501	\$ 1,477	\$ 20,561	\$ 8,638
Noncurrent liabilities	59,083	59,566	35,950	35,950	95,033	95,516
Total Liabilities	\$ 78,143	\$ 66,727	\$ 37,451	\$ 37,427	\$ 115,594	\$ 104,154
Deferred Inflows of Resources	\$ 6,383	\$ 5,720	\$ 7,640	\$ 8,233	\$ 14,023	\$ 13,953
Net Position						
Net investment in capital assets	\$ 94,550	\$ 71,603	\$ 38,900	\$ 40,047	\$ 133,449	\$ 111,650
Restricted	65,889	67,646	-	-	65,889	67,646
Unrestricted	62,543	49,112	18,903	17,251	81,445	66,363
Total Net Position	\$ 222,982	\$ 188,361	\$ 57,802	\$ 57,298	\$ 280,784	\$ 245,659

A significant portion, or \$133.4 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.

The \$65.9 million restricted net position represents resources that are subject to external restrictions on how they may be used. The restricted amount for governmental activities includes approximately \$11.1 million for specific types of capital improvements, \$130,828 for debt service, and \$54.7 million collected for specific governmental programs or purposes. Complete details for each designation can be found in the *Statement of Net Position*, with fund details provided in the *Governmental Fund Balance Sheet*.

The remaining unrestricted net position was \$81.4 million. This includes \$62.5 for governmental activities and \$18.9 million for business-type purposes. The net position for each of the business-type activities at the close of the fiscal year, was as follows: The Marina Municipal Airport at \$1.6 million, the Preston Park Housing Fund at \$12.4 million, and the Abrams B Housing Fund at \$4.9 million.

City of Marina

Management's Discussion and Analysis

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.

Governmental and Business-Type Activities

In Fiscal Year 2023/24, the revenues earned from *governmental activities* were \$74.4 million, while expenses were \$39.8 million. The resulting \$34.6 million difference increased the net position of governmental activities from \$188.4 million to \$223.0 million.

The revenues earned from *business-type activities* were \$13.1 million, while expenses were \$12.6 million. The resulting \$504,000 difference increased the net position of business-type activities from \$57.3 million to \$57.8 million at the end of the fiscal year.

An overview of changes in the types of revenues and expenses are listed below, with additional analysis presented in this section.

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

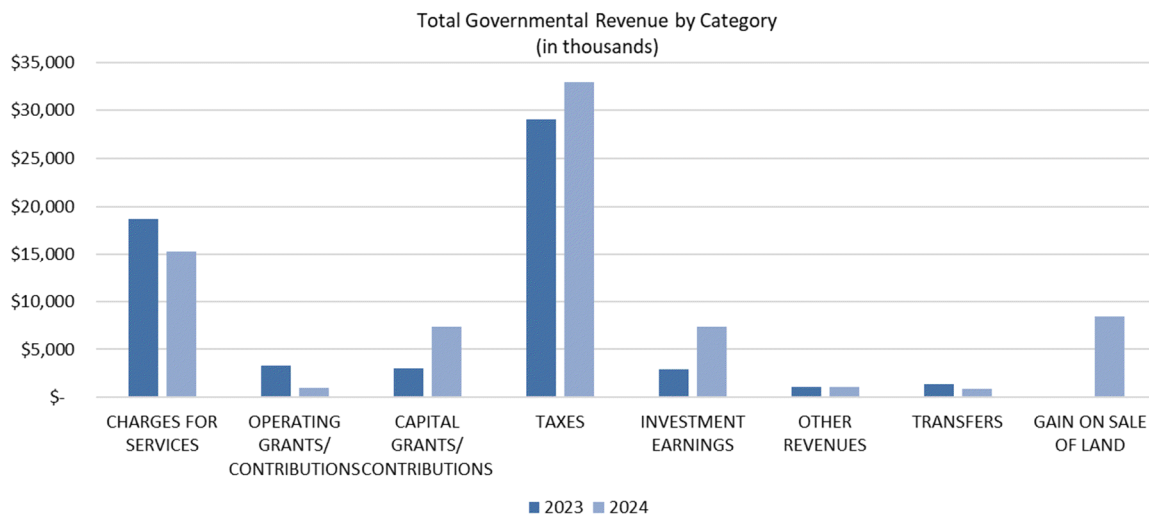
Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type		Increase (Decrease)
	2024	2023		2024	2023	
Program Revenues						
Charges for services	\$ 15,295	\$ 18,657	\$ (3,362)	\$ 13,119	\$ 13,323	\$ (204)
Operating grants and contributions	959	3,289	(2,330)	-	-	-
Capital grants and contributions	7,406	3,020	4,386	42	489	(447)
Total Program Revenues	23,659	24,966	(1,307)	13,161	13,812	(651)
General Revenues						
Taxes	32,922	29,052	3,870	-	-	-
Investment earnings	7,363	2,881	4,482	746	367	379
Other revenues	1,115	1,052	63	124	233	(109)
Transfers	895	1,330	(435)	(895)	(1,330)	435
Gain on sale of land	8,427	-	8,427	-	-	-
Total General Revenues, Transfers and Special	50,721	34,315	16,406	(25)	(730)	705
Expenses						
General government	11,418	10,144	1,274	-	-	-
Public safety	15,515	14,912	603	-	-	-
Public works	2,890	2,244	646	-	-	-
Economic & community development	7,259	10,031	(2,772)	-	-	-
Recreation & cultural services	1,640	974	666	-	-	-
Interest on fiscal charges	1,038	1,488	(450)	1,785	1,790	(5)
Marina Municipal Airport	-	-	-	2,126	2,023	103
Preston Park Non-profit Corporation	-	-	-	5,574	5,175	400
Abrams B Non-profit Corporation	-	-	-	3,147	2,723	424
Total Expenses	39,760	39,793	(33)	12,632	11,710	922
Increase / (Decrease) in Net Position	34,621	19,488	15,133	504	1,372	(868)
Prior Period Adjustments	-	-	-	-	-	-
Net Position, Beginning of Year	188,361	168,873	19,488	57,298	55,926	1,372
Net Position, End of Year	\$ 222,982	\$ 188,361	\$ 34,621	\$ 57,802	\$ 57,298	\$ 504

Governmental Activities

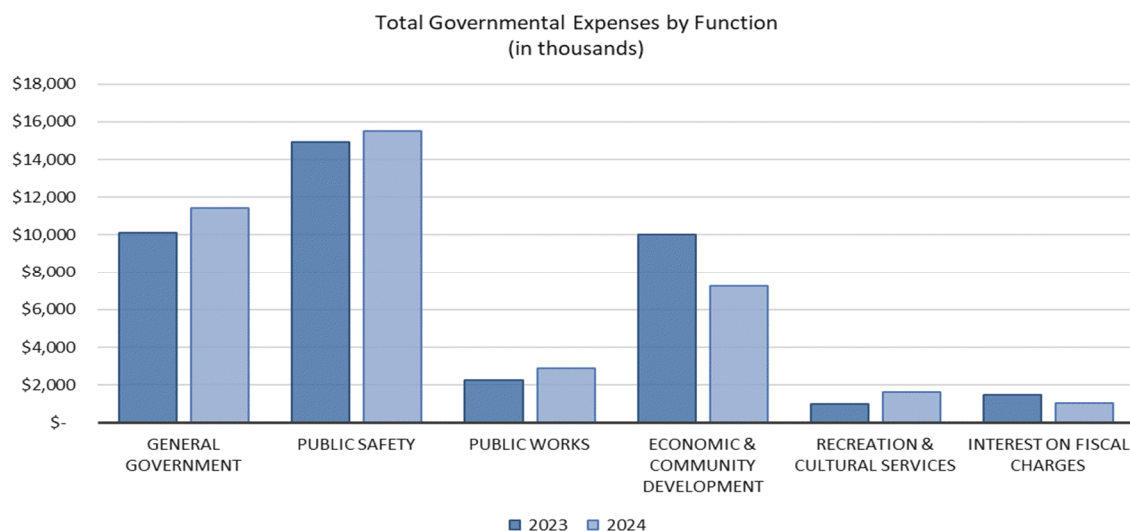
As shown in the following *Statement of Changes in Net Position* schedule, governmental revenues of \$74.4 million exceeded governmental expenses of \$39.8 million. The \$34.6 million net surplus increased the *governmental activities* net position from \$188.4 million to \$223.0 million.

Total program revenues were \$23.7 million, as compared to \$25.0 million in the prior year. The current year program revenues include \$15.3 million in charges for services and \$8.4 million in operating/capital grants and contributions. While there was an annual net decrease of \$1.3 million, \$1.8 million of this amount reflects the reclassification of business license tax revenues to the tax category.

General revenues grew by \$16.4 million, with \$8.4 million attributed to a one-time land sale. Tax revenues increased by \$3.9 million, with \$2.1 million resulting from strong performance in property tax, property tax in-lieu of vehicle tax, transient occupancy tax, and cannabis tax; while the additional \$1.8 million can be attributed to the reclassification of business license taxes. Investment earnings also increased \$4.5 million due to higher interest rates and the purchase of short-term treasury obligations.



Total expenses for governmental activities remained relatively similar to the prior year, with a \$33,000 annual difference.



Business-Type Activities

The City's business type activities represent the Airport, Preston Park Housing and Abrams B Housing enterprise operations. As shown in the following *Statement of Changes in Net Position* schedule, the net position for business-type activities increased from \$57.3 million to \$57.8 million. The annual growth of \$504,000 can be attributed to a \$1 million increase in the net position of the Preston Park Housing Fund, a \$391,000 increase in the Abrams B Housing Fund; and a \$907,000 reduction in the Airport Fund. While there was a decrease in the Airport's net position, approximately \$975,000 represented a transfer to the Airport Capital Improvement Fund.

Total program revenues for business-type activities were \$13.2 million, which represents a reduction of \$651,000 when compared to the prior year. Program revenues were comprised of \$13.1 in charges for services and \$42,000 in capital grants and contributions. The annual reduction was primarily related to a decrease in fuel sales and the amount of square footage leased at the airport, along with reductions in one-time capital grant revenues.

Total expenses for business-type activities were \$12.6 million, which represents an increase of \$922,000 when compared to the prior year. Expenses associated with the Preston Park and Abrams Park operations increased by \$400,000 and \$424,000, respectively; while airport costs increased by \$103,000. These amounts exclude a net reduction of \$5,000 for interest on fiscal charges. The additional expenses in the two Housing Funds primarily reflect planned tenant improvements that were not subject to capitalization, as well as payments to the City.

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						Total
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Gov't Funds	
Total Revenues	\$ 40,177	\$ 7,110	\$ 6,562	\$ 6,213	\$ 776	\$ 4,737	\$ 65,576
Total Expenditures	31,347	14,045	-	2,076	744	3,426	51,637
Revenues Over (Under) Expenditures	8,830	(6,934)	6,562	4,137	32	1,311	13,938
Other Financing Sources	8,487	-	-	-	-	-	8,487
Transfers In	133	25,956	-	-	-	6,137	32,226
Transfers Out	(14,590)	-	(7,850)	(4,626)	-	(4,266)	(31,332)
Net Change in Fund Balances	2,860	19,022	(1,288)	(489)	32	3,183	23,320
Beginning Fund Balances	44,334	27,290	24,644	20,558	418	24,610	141,854
Ending Fund Balances	\$ 47,194	\$ 46,312	\$ 23,356	\$ 20,069	\$ 450	\$ 27,793	\$ 165,174

The *General Fund* balance increased by \$2.9 million. Operating revenues exceeded operating expenses by \$8.8 million, with additional net reductions of \$5.9 million from non-operating activities. This yielded a \$47.2 million ending fund balance. The operating difference resulted from strong revenue performance, net of savings from position vacancies, contracts and purchases that were carried forward into the next year; and spending reductions. The \$8.5 million in Other Financing Sources include a one-time land sale, and \$14.5 of the transfers out are earmarked for specific capital projects. Additional details on the *general fund* can be found in the Budgetary Highlights section of this document.

In Fiscal Year 2023/24, the *City Capital Projects Fund* revenues included approximately \$6.7 million in grant and location contributions; and \$400,000 in additional revenue. The transfers-in of \$26.0 million primarily reflect \$13.5 million from the *General Fund*, \$7.9 million from the *Impact Fee Fund*, and \$4.6 million from the *FORA Dissolution Fund*. All revenues received in this fund are used to support specific capital improvements. The fund balance of \$46.3 million is earmarked for approved or carried forward projects.

The *Impact Fee Fund* receives impact fees to offset the costs of public infrastructure and facilities that are needed to support the increased demand from new development projects. In Fiscal Year 2023/24, the City received \$5.6 million in impact fees and \$984,401 in interest earnings. These amounts were used to support \$7.9 million in capital projects, with \$3.1 million allocated to parks, \$4.7 million to roads and intersections; and \$50,000 for facilities, public safety, and a fee study. The remaining fund balance of \$23.4 million can only be used for improvements that correspond with the impact of new developments.

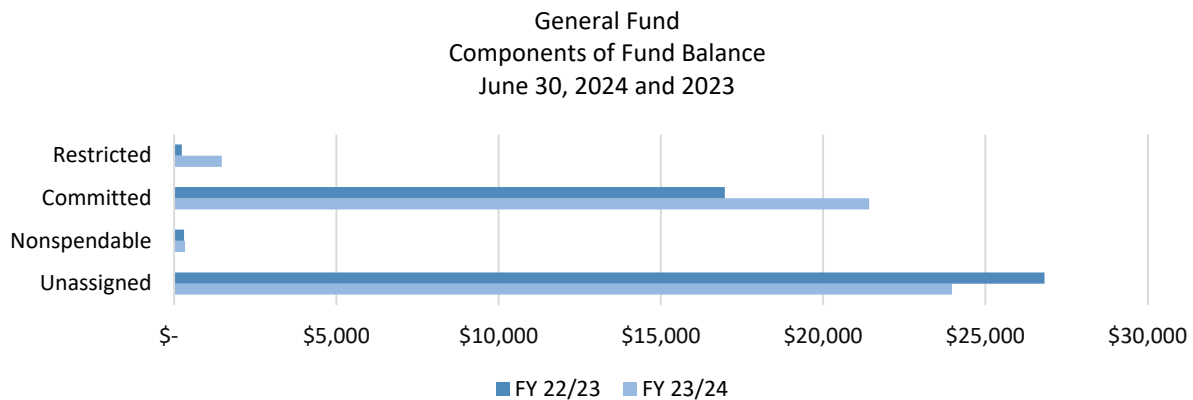
The *FORA Dissolution Fund* includes proceeds from the former Fort Ord Reuse Authority (FORA), on-going Community Facility District (CFD) fees that are collected from new development projects within the FORA boundaries, and interest earnings. The Fiscal Year 2023/24 revenues of \$6.2 million consist of \$4.2 in CFD fees, \$954,000 in interest earnings, and \$1.0 million in one-time and other revenues. Approximately \$2 million was expended on blight removal and habitat management, while \$4.6 million was transferred to support capital projects. The remaining \$20.1 million fund balance may only be used for blight removal, capital improvements, or specified habitat management activities within the FORA boundaries.

The *Abrams B Debt Service Fund* receives revenues and interest earnings to support debt service payments on the Abrams Debt Service bonds. The fund balance of \$450,371 is designated for future debt service payments.

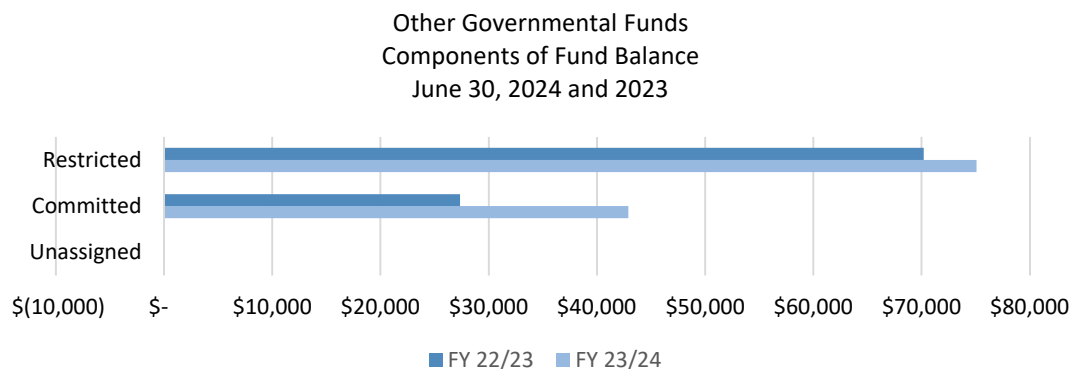
Information on *Other Governmental Funds* can be found in the Supplementary Section of this document. As of June 30, 2024, the City reported combined *governmental* fund balances of \$165.2 million, which represents an increase of \$23.3 million when compared to the prior year. Approximately 14.5% or \$24.0 million is classified as unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is classified as non-spendable, committed, or restricted. The \$339,833 classified as non-spendable represents leases receivable that are not in a spendable form. The \$76.5 million in restricted balances are legally required by external sources to be used for specific purposes, while the \$64.3 million in committed funds represent amounts that the City Council has formally set aside for a particular use.

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 \$24.0 million and the total fund balance in the *general fund* increased to \$47.2 million. This represents an increase of \$2.9 million, or 6%, from the prior year. The *committed* fund balance includes \$6.8 million in emergency reserve funding to be consistent with policy levels. The major components of the fund balance are shown below, with additional details for each component provided on the *Governmental Fund Balance Sheet*:



The following chart displays the components of fund balance for governmental funds other than the General Fund, with details for each component provided on the *Governmental Fund Balance Sheet*:



City of Marina

Management's Discussion and Analysis

CAPITAL ASSETS

The City of Marina's investment in capital assets for its governmental and business-type activities as of June 30, 2024, was \$184.9 million (net of accumulated depreciation). This includes net capital assets from governmental activities of \$102.2 million and net capital assets from business type activities of \$82.7 million. The total increase in the City of Marina's capital assets during the current fiscal year was approximately \$10.6 million or 6.1%. This includes a net increase of \$12.2 million related to Governmental Activities and a net decrease of \$1.6 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		% Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 22,081	\$ 22,081	\$ 36,900	\$ 36,900	\$ 58,981	\$ 58,981	0.00%
Construction-in-progress	12,799	-	49	-	12,848	-	100.00%
Leasehold interest	-	-	37,870	38,846	37,870	38,846	-2.51%
Buildings	29,968	29,990	4,182	4,520	34,149	34,510	-1.04%
Improvements (airport and runway)	-	-	3,688	4,074	3,688	4,074	-9.47%
Equipment	1,109	591	50	30	1,159	621	86.62%
Right of Use Assets	1,036	1,266	-	-	1,036	1,266	-18.13%
Infrastructure	35,188	36,033	-	-	35,188	36,033	-2.34%
Total Capital Assets, Net	\$ 102,181	\$ 89,961	\$ 82,739	\$ 84,370	\$ 184,920	\$ 174,331	6.07%

Significant increases include \$12.8 million in new construction-in-progress assets. The *governmental activities* amount is comprised of \$11.9 million in street-related projects, \$547,000 for parks and recreational improvements; and \$432,000 for facilities and other assets.

Additional detail and information on capital asset activity is provided in Note 6 of the financial statements.

DEBT ADMINISTRATION

During the year, Long-Term Debt from governmental activities decreased by \$2.4 million, primarily due to debt service payments throughout the year, 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		
	2024	2023	% Change
2015 General Obligation Refunding Bonds	\$ 5,820	\$ 6,135	-5.13%
2016 Abrams B Housing Revenue Bonds	8,175	8,650	-5.49%
Certificate of Participation	10,315	11,481	-10.16%
Leases	572	760	-24.79%
Subscriptions	398	636	-37.39%
Total outstanding long-term debt	\$ 25,280	\$ 27,662	-8.61%
	Business-type Activities		
	2024	2023	% Change
Berkeley Capital Loan	\$ 35,950	\$ 35,950	0.00%

Additional details and information on long-term debt is provided in Note 7 of the financial statements.

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, June 30, 2024.

The original General Fund budget included \$33.6 million in revenues, \$35.9 million in expenditures; and \$14.4 million in net transfers. The resulting \$16.8 million "drawdown" from fund balance would be used to fund capital improvements, capital purchases, and items carried-forward from the prior year. This original projection yielded a \$27.6 million estimated ending fund balance. At the end of the fiscal year, operating revenues exceeded operating expenses by \$8.8 million; and the net transfers for capital improvements exceeded other financing sources by \$5.9 million. This resulted in a \$2.9 million net change or increase to fund balance. The actual Fiscal Year 2023/24 ending fund balance was \$47.2 million, which was \$19.6 million greater than the original projection. Additional details on general fund operations are in the subsequent sections.

Revenues

The General Fund adopted and final revenue budgets were \$33.6 and \$34.3 million while actual revenues recorded were \$40.2 million. The \$5.9 million budgetary variance primarily reflects \$2.4 million in greater than anticipated performance in taxes and assessments; and \$3.2 million more in investment earnings. This included \$1.2 million more in property-related taxes, \$306,000 in sales tax, \$680,000 in TOT tax, and \$178,000 in cannabis tax receipts. The actual interest earnings were greater than the budgetary amount due to higher market return rates and the investment in short-term treasury bonds.

The \$133,000 in transferred-in revenues reflect reimbursement for services provided by through general fund resources.

Expenditures

The General Fund adopted expenditure budget was \$35.9 million and the final budget was \$37.3 million, prior to transfers and other financing uses. Actual expenditures were \$31.3 million, which was \$6.0 million less than the adopted budget. This budgetary variance primarily consisted of \$2.8 million in salary and benefit savings across most City departments; \$1.8 million in capital outlay carry-forwards, \$496,000 in additional contracts carried forward into Fiscal Year 2024/25; and reduced spending.

The \$14.6 million in actual general fund transfers include \$14.5 million for capital improvements and \$80,292 for the use of airport buildings.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Fiscal Year 2024/25 represents the second year of a two-year budget cycle. The General Fund budget was originally adopted with \$34.5 million in revenues, \$33.3 million in operating expenditures, and \$3.8 million in capital outlay and capital transfers. The budget was amended at the beginning of the fiscal year to build upon prior year revenue performance, adjust for trends, and the estimated amount of contracts and purchases that were planned to be carried forward into the new fiscal year. The revised second year budget included \$37.9 million in operating revenues and \$34.9 in operating expenses, with approximately \$4.6 million allocated for capital outlay and capital transfers.

The following assumptions were incorporated into the Fiscal Year 2024/25 General Fund budget:

- A structurally balanced budget with a projected \$1 million on-going operating surplus, a \$22.5 million estimated ending unassigned fund balance, and emergency reserves of \$6.8 million to be consistent with the adopted reserve policy level.
- Projected property tax-related revenues of \$10.4 million, which is approximately 3.2% greater than the prior year, when the variable ROPS and FORA residual property tax receipts are excluded from the calculation. These estimates were based on internal analysis, as well as review with the City's property tax consultant.
- Sales tax revenues of \$10.1 million, which was just above the Fiscal Year 2023/24 projected receipts. This estimate was based on economic trends and information provided by the City's sale tax consultant.
- Transient occupancy tax receipt annual growth of approximately 2% or \$104,000.
- A 4% salary increase for all employee groups, consistent with memorandums of understanding.
- A CalPERS Unfunded liability payment of \$2.3 million, which represents a \$412,000 increase when compared to the prior year.
- The addition of 3.5 positions, which includes one additional firefighter. This firefighter position, when combined with two firefighter positions that were added in the prior year, will provide full staffing for two engine companies.
- A capital outlay budget of \$2.2 million.
- The following capital and operating transfers:

City capital projects	\$1,399,000
Measure X street-related projects	1,000,000
Vehicle reserve contribution	750,000
Use of airport facilities for police and fire	81,898
Total	\$3,230,898

Subsequent to this report, the City discussed allocating the FORA Dissolution Fund balance to support the proposed Aquatic and Sports Center. These funds combined with approximately three years of future FORA CFD fees would be needed to fully support the \$41.4 million project. The City may potentially commit approximately \$10.0 million of the unassigned general fund balance to support a cash flow loan for this project. Additional information on the Aquatic and Sports Center can be found in the Strategic Initiatives and Priorities section of the Transmittal.

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.

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BASIC FINANCIAL STATEMENTS

City of Marina
Statement of Net Position
June 30, 2024

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 149,723,639	\$ 18,058,200	\$ 167,781,839
Restricted cash and investments	22,187,139	-	22,187,139
Accounts receivable	10,038,928	147,386	10,186,314
Interest receivable	-	4,880	4,880
Prepaid expenses	-	1,765,261	1,765,261
Inventory	-	59,415	59,415
Leases receivable	160,947	929,637	1,090,584
Internal balances	7,889,167	(7,889,167)	-
Total Current Assets	189,999,820	13,075,612	203,075,432
Noncurrent Assets:			
Notes receivable	23,734	-	23,734
Leases receivable	1,370,076	7,079,186	8,449,262
Capital Assets:			
Nondepreciable	34,879,614	36,949,156	71,828,770
Depreciable, net of accumulated depreciation	67,301,384	45,789,640	113,091,024
Total Capital Assets, Net	102,180,998	82,738,796	184,919,794
Total Noncurrent Assets	103,574,808	89,817,982	193,392,790
Total Assets	\$ 293,574,628	\$ 102,893,594	\$ 396,468,222
DEFERRED OUTFLOWS OF RESOURCES			
Pension Adjustments	\$ 12,766,702	\$ -	\$ 12,766,702
OPEB Adjustments	1,166,054	-	1,166,054
Total Deferred Outflows of Resources	\$ 13,932,756	\$ -	\$ 13,932,756
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 8,607,099	\$ 82,740	\$ 8,689,839
Accrued payroll and benefits	772,751	10,900	783,651
Accrued liabilities	-	1,239,719	1,239,719
Deposits and other liabilities	752,958	168,059	921,017
Unearned revenue	6,732,230	-	6,732,230
Interest payable	298,850	-	298,850
Compensated absences, due within one year	414,285	-	414,285
Long-term debt, due within one year	1,481,475	-	1,481,475
Total Current Liabilities	19,059,648	1,501,418	20,561,066
Noncurrent Liabilities:			
Net pension liability	29,593,077	-	29,593,077
Net OPEB liability	3,556,826	-	3,556,826
Compensated absences, due in more than one year	1,242,856	-	1,242,856
Loans payable, due in more than one year	24,690,163	35,950,000	60,640,163
Total Noncurrent Liabilities	59,082,922	35,950,000	95,032,922
Total Liabilities	\$ 78,142,570	\$ 37,451,418	\$ 115,593,988

Continued

City of Marina
Statement of Net Position
June 30, 2024

	Governmental Activities	Business- Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pension Adjustments	\$ 1,060,285	\$ -	\$ 1,060,285
OPEB Adjustments	4,131,709	-	4,131,709
Leases Receivable	1,191,190	7,640,003	8,831,193
Total Deferred Inflows of Resources	\$ 6,383,184	\$ 7,640,003	\$ 14,023,187
NET POSITION			
Net investment in capital assets	\$ 94,549,610	\$ 38,899,629	\$ 133,449,239
Restricted for:			
Transportation	1,751,002	-	1,751,002
Streets & special districts	1,721,676	-	1,721,676
Senior Center	1,000,000	-	1,000,000
National Fish and Wildlife Foundation	2,450,234	-	2,450,234
Housing	1,994,893	-	1,994,893
Community development	43,805,663	-	43,805,663
Recreation	436,909	-	436,909
Capital projects	11,131,510	-	11,131,510
Debt service	130,828	-	130,828
Habitat Restoration	422,980	-	422,980
Opioid Settlements	53,963	-	53,963
Public Safety	239,493	-	239,493
FAA Military Airport Program	750,000	-	750,000
Total Restricted	65,889,151	-	65,889,151
Unrestricted	62,542,869	18,902,544	81,445,413
Total Net Position	\$ 222,981,630	\$ 57,802,173	\$ 280,783,803
			Concluded

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

City of Marina
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 11,417,692	\$ 2,887,852	\$ -	\$ -	\$ (8,529,840)		\$ (8,529,840)
Public safety	15,514,681	331,306	763,302	-	(14,420,073)		(14,420,073)
Public works	2,890,198	-	5,880	5,589,730	2,705,412		2,705,412
Economic & community development	7,259,041	11,914,948	120,899	1,816,291	6,593,097		6,593,097
Recreation & cultural services	1,640,425	160,462	68,646	-	(1,411,317)		(1,411,317)
Interest and fiscal charges	1,037,825	-	-	-	(1,037,825)		(1,037,825)
Total Governmental Activities	\$ 39,759,862	\$ 15,294,568	\$ 958,727	\$ 7,406,021	(16,100,546)		(16,100,546)
Business-Type Activities:							
Marina Municipal Airport	\$ 2,125,687	\$ 1,814,540	\$ -	\$ 41,671		(269,476)	(269,476)
Preston Park Non-profit Corporation	7,091,193	7,555,990	-	-		464,797	464,797
Abrams B Non-profit Corporation	3,415,387	3,748,785	-	-		333,398	333,398
Total Business-Type Activities	\$ 12,632,267	\$ 13,119,315	\$ -	\$ 41,671		528,719	528,719
General Revenues:							
Taxes:							
Property taxes					5,585,707	-	5,585,707
Sales taxes					11,027,617	-	11,027,617
Franchise taxes					1,348,548	-	1,348,548
Transient occupancy tax					5,527,793	-	5,527,793
Gas taxes					1,141,202	-	1,141,202
Property Tax in-lieu of VLF					5,765,438	-	5,765,438
Other taxes					2,525,437	-	2,525,437
Total taxes					32,921,742	-	32,921,742
Investment earnings					7,363,190	746,044	8,109,234
Other revenues					1,114,982	123,656	1,238,638
Total General Revenues					41,399,914	869,700	42,269,614
Special Item - Gain on Sale of Land					8,426,523	-	8,426,523
Transfers					894,508	(894,508)	-
Total General Revenues, Special Items and Transfers					50,720,945	(24,808)	50,696,137
Change in Net Position					34,620,399	503,911	35,124,310
Net Position - Beginning of Year					188,361,231	57,298,262	245,659,493
Net Position - End of Year					\$ 222,981,630	\$ 57,802,173	\$ 280,783,803

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, parks 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, 2024

	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	\$ 44,618,862	\$ 42,896,136	\$ 23,261,610	\$ 22,358,266	\$ -	\$ 16,588,765	\$ 149,723,639
Restricted cash and investments	476,943	3,450,234	-	6,732,230	450,371	11,077,361	22,187,139
Accounts receivable	4,824,352	4,580,763	95,081	83,726	-	455,006	10,038,928
Due from other funds	-	-	-	-	-	845,812	845,812
Advances to other funds	33	-	-	-	7,889,167	-	7,889,200
Notes receivable	23,734	-	-	-	-	540,785	564,519
Leases receivable	1,531,023	-	-	-	-	-	1,531,023
Total assets	\$ 51,474,947	\$ 50,927,133	\$ 23,356,691	\$ 29,174,222	\$ 8,339,538	\$ 29,507,729	\$ 192,780,260
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,398,090	\$ 4,532,524	\$ -	\$ 2,373,329	\$ -	\$ 303,156	\$ 8,607,099
Accrued payroll and benefits	756,734	-	-	-	-	16,017	772,751
Deposits and other liabilities	660,525	83,600	-	-	-	8,833	752,958
Unearned revenue	-	-	-	6,732,230	-	-	6,732,230
Due to other funds	-	-	-	-	-	845,812	845,812
Advances from other funds	-	-	-	-	-	33	33
Total liabilities	2,815,349	4,616,124	-	9,105,559	-	1,173,851	17,710,883
Deferred Inflows of Resources:							
Leases receivable	1,191,190	-	-	-	-	-	1,191,190
Unavailable revenues	274,434	-	-	-	7,889,167	540,785	8,704,386
Total deferred inflows of resources	1,465,624	-	-	-	7,889,167	540,785	9,895,576
Fund Balances:							
Nonspendable							
Leases receivable	339,833	-	-	-	-	-	339,833
Restricted:							
Transportation and streets	-	-	-	-	-	1,751,002	1,751,002
Special districts	-	-	-	-	-	1,721,676	1,721,676
Senior Center	-	1,000,000	-	-	-	-	1,000,000
National Fish and Wildlife Foundation	-	2,450,234	-	-	-	-	2,450,234
Housing	-	-	-	-	-	1,994,893	1,994,893
Community development	-	-	23,356,691	20,068,663	-	380,309	43,805,663
Recreation	-	-	-	-	-	436,909	436,909
Capital projects	-	-	-	-	-	20,890,732	20,890,732
Debt service	-	-	-	-	450,371	572,318	1,022,689
Habitat Restoration	422,980	-	-	-	-	-	422,980
Opioid Settlements	53,963	-	-	-	-	-	53,963
Public Safety	239,493	-	-	-	-	-	239,493
FAA Military Airport Program	750,000	-	-	-	-	-	750,000
Total restricted	1,466,436	3,450,234	23,356,691	20,068,663	450,371	27,747,839	76,540,234
Committed:							
Capital projects	-	42,860,775	-	-	-	-	42,860,775
Public education	-	-	-	-	-	45,411	45,411
Emergency Reserve	6,819,483	-	-	-	-	-	6,819,483
Compensated Absences	400,000	-	-	-	-	-	400,000
Community Improvements	296,553	-	-	-	-	-	296,553
Fire Truck Purchase	1,889,888	-	-	-	-	-	1,889,888
Vehicle & Equipment Replacement	4,569,280	-	-	-	-	-	4,569,280
OPEB	200,000	-	-	-	-	-	200,000
Groundwater Litigation Stabilization	2,000,000	-	-	-	-	-	2,000,000
Pension Stabilization	5,000,000	-	-	-	-	-	5,000,000
Library Maintenance	241,248	-	-	-	-	-	241,248
Total committed	21,416,452	42,860,775	-	-	-	45,411	64,322,638
Unassigned	23,971,253	-	-	-	-	(157)	23,971,096
Total fund balances	47,193,974	46,311,009	23,356,691	20,068,663	450,371	27,793,093	165,173,801
Total liabilities, deferred inflows of resources and fund balances	\$ 51,474,947	\$ 50,927,133	\$ 23,356,691	\$ 29,174,222	\$ 8,339,538	\$ 29,507,729	\$ 192,780,260

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, 2024

Total Fund Balances - Total Governmental Funds \$ 165,173,801

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	142,876,044
Less: accumulated depreciation	(40,695,046)
Total Capital Assets	<u>102,180,998</u>

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. (298,850)

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. 8,740,762

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. 8,163,601

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	(26,171,638)
Compensated absences	(1,657,141)
Net pension liability	(29,593,077)
Total OPEB liability	(3,556,826)
Total Long-Term Obligations	<u>(60,978,682)</u>

Net Position of Governmental Activities \$ 222,981,630

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, 2024

	Major Funds						Total Governmental Funds
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Governmental Funds	
REVENUES							
Taxes and assessments	\$ 29,695,777	\$ -	\$ -	\$ -	\$ -	\$ 3,225,968	\$ 32,921,745
Licenses, permits and fees	937,002	-	-	4,183,286	-	-	5,120,288
Fines and forfeitures	83,689	-	-	-	-	-	83,689
Intergovernmental	1,018,726	6,661,478	-	-	-	-	7,680,204
Charges for services	4,279,676	92,719	5,578,091	-	-	79,404	10,029,890
Investment earnings	3,971,343	-	984,401	954,185	21,893	1,431,368	7,363,190
Local contributions	86,451	39,061	-	995,133	-	-	1,120,645
Other revenue	104,318	317,050	-	80,260	754,309	-	1,255,937
Total Revenues	40,176,982	7,110,308	6,562,492	6,212,864	776,202	4,736,740	65,575,588
EXPENDITURES							
Current:							
General government	10,279,864	-	-	-	-	-	10,279,864
Public safety	13,351,348	-	-	-	-	-	13,351,348
Public works	2,000,958	-	-	-	-	574,853	2,575,811
Economic & community development	3,911,380	-	-	2,076,193	-	106,495	6,094,068
Recreation & cultural services	1,250,619	-	-	-	-	7,252	1,257,871
Capital outlay	123,087	14,044,661	-	-	-	1,424,062	15,591,810
Debt service							
Principal	375,014	-	-	-	475,000	550,000	1,400,014
Interest and fiscal charges	54,489	-	-	-	268,905	762,916	1,086,310
Total Expenditures	31,346,759	14,044,661	-	2,076,193	743,905	3,425,578	51,637,096
Excess (Deficiency) of							
Revenues over Expenditures	8,830,223	(6,934,353)	6,562,492	4,136,671	32,297	1,311,162	13,938,492
OTHER FINANCING SOURCES (USES)							
Transfers in	133,337	25,955,858	-	-	-	6,137,012	32,226,207
Transfers out	(14,590,293)	-	(7,850,000)	(4,625,859)	-	(4,265,547)	(31,331,699)
Equipment leases	60,596	-	-	-	-	-	60,596
Land sale	8,426,523	-	-	-	-	-	8,426,523
Total Other Financing Sources (Uses)	(5,969,837)	25,955,858	(7,850,000)	(4,625,859)	-	1,871,465	9,381,627
Net Change in Fund Balances	2,860,386	19,021,505	(1,287,508)	(489,188)	32,297	3,182,627	23,320,119
Fund Balances Beginning	44,333,588	27,289,504	24,644,199	20,557,851	418,074	24,610,466	141,853,682
Fund Balances Ending	<u>\$ 47,193,974</u>	<u>\$ 46,311,009</u>	<u>\$ 23,356,691</u>	<u>\$ 20,068,663</u>	<u>\$ 450,371</u>	<u>\$ 27,793,093</u>	<u>\$ 165,173,801</u>

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, 2024**

Net Change in Fund Balances - Total Governmental Funds **\$ 23,320,119**

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	13,672,460
Allocated gain (loss) on disposals	776,618
Depreciation expense	(2,228,754)

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	1,025,000
Proceeds from leases	(60,596)
Repayment of lease liabilities	248,680
Repayment of subscription liabilities	237,997

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. 38,777

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. (182,718)

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. (516,358)

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. (1,858,249)

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	137,715
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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.

9,708

Change in Net Position of Governmental Activities

\$ 34,620,399

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

The *Marina Municipal Airport Operating Fund* is used 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, 2024

	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	\$ 1,237,751	\$ -	\$ 904,174	\$ 2,141,925
Cash with fiscal agent	-	12,733,470	3,182,805	15,916,275
Accounts receivable, net	132,991	12,670	1,725	147,386
Interest receivable	4,880	-	-	4,880
Prepaid expenses:				
Replacement reserves	-	238,101	1,128,026	1,366,127
Insurance escrow	-	132,239	47,642	179,881
Tax escrow	-	123,763	-	123,763
Other	-	-	95,490	95,490
Leases receivable	929,637	-	-	929,637
Inventory	59,415	-	-	59,415
Total current assets	2,364,674	13,240,243	5,359,862	20,964,779
Noncurrent assets:				
Leases receivable	7,079,186	-	-	7,079,186
Capital assets:				
Nondepreciable assets	36,949,156	-	-	36,949,156
Depreciable, net	7,919,853	29,134,292	8,735,495	45,789,640
Total capital assets, net	44,869,009	29,134,292	8,735,495	82,738,796
Total noncurrent assets	51,948,195	29,134,292	8,735,495	89,817,982
Total assets	\$ 54,312,869	\$ 42,374,535	\$ 14,095,357	\$ 110,782,761
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 66,126	\$ -	\$ 16,614	\$ 82,740
Accrued salaries and benefits	10,900	-	-	10,900
Accrued liabilities	-	834,256	405,463	1,239,719
Deposits and other liabilities	168,059	-	-	168,059
Total current liabilities	245,085	834,256	422,077	1,501,418
Noncurrent liabilities:				
Advances from other funds	-	-	7,889,167	7,889,167
Loans payable, due in more than one year	-	35,950,000	-	35,950,000
Total noncurrent liabilities	-	35,950,000	7,889,167	43,839,167
Total liabilities	\$ 245,085	\$ 36,784,256	\$ 8,311,244	\$ 45,340,585
DEFERRED INFLOWS OF RESOURCES				
Leases receivable	\$ 7,640,003	\$ -	\$ -	\$ 7,640,003
Total deferred inflows of resources	\$ 7,640,003	\$ -	\$ -	\$ 7,640,003
NET POSITION				
Net Investment in capital assets	\$ 44,869,009	\$ (6,815,708)	\$ 846,328	\$ 38,899,629
Unrestricted	1,558,772	12,405,987	4,937,785	18,902,544
Total net position	\$ 46,427,781	\$ 5,590,279	\$ 5,784,113	\$ 57,802,173

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, 2024**

	Business-Type Activities Enterprise Funds			
	Marina Municipal Airport Fund	Preston Park Housing Fund	Abrams B Housing Fund	Total
OPERATING REVENUES				
Rental income	\$ 1,433,226	\$ 7,555,990	\$ 3,748,785	\$ 12,738,001
Sale of fuel	381,314	-	-	381,314
Other revenue	46,878	47,397	29,381	123,656
Total operating revenues	<u>1,861,418</u>	<u>7,603,387</u>	<u>3,778,166</u>	<u>13,242,971</u>
OPERATING EXPENSES				
Salaries & benefits	498,935	-	-	498,935
Service and supplies	184,340	1,267,043	930,202	2,381,585
Repairs and maintenance	262,222	1,227,876	1,014,140	2,504,238
Aviation fuel cost of sales	286,633	-	-	286,633
Utilities	141,759	208,161	174,635	524,555
Taxes	30,511	195,160	89,632	315,303
Rent	-	1,969,163	670,000	2,639,163
Depreciation and amortization	721,287	707,000	268,665	1,696,952
Total operating expenses	<u>2,125,687</u>	<u>5,574,403</u>	<u>3,147,274</u>	<u>10,847,364</u>
Operating income (loss)	<u>(264,269)</u>	<u>2,028,984</u>	<u>630,892</u>	<u>2,395,607</u>
NONOPERATING REVENUES(EXPENSES)				
Interest expense	-	(1,516,790)	(268,113)	(1,784,903)
Investment earnings	209,837	508,075	28,132	746,044
Total nonoperating revenues(expenses)	<u>209,837</u>	<u>(1,008,715)</u>	<u>(239,981)</u>	<u>(1,038,859)</u>
Income (loss) before transfers	<u>(54,432)</u>	<u>1,020,269</u>	<u>390,911</u>	<u>1,356,748</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	41,671	-	-	41,671
Transfers in	80,292	-	-	80,292
Transfers out	(974,800)	-	-	(974,800)
Net contributions and transfers	<u>(852,837)</u>	<u>-</u>	<u>-</u>	<u>(852,837)</u>
Change in net position	<u>(907,269)</u>	<u>1,020,269</u>	<u>390,911</u>	<u>503,911</u>
Total net position - beginning	<u>47,335,050</u>	<u>4,570,010</u>	<u>5,393,202</u>	<u>57,298,262</u>
Total net position - ending	<u>\$ 46,427,781</u>	<u>\$ 5,590,279</u>	<u>\$ 5,784,113</u>	<u>\$ 57,802,173</u>

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, 2024

	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	\$ 1,782,977	\$ 7,576,480	\$ 3,914,944	\$ 13,274,401
Payments to suppliers	(870,033)	(4,930,352)	(2,736,096)	(8,536,481)
Payments to employees	(518,838)	-	-	(518,838)
Net cash provided (used) by operating activities	394,106	2,646,128	1,178,848	4,219,082
Cash flows from noncapital financing activities:				
Interfund transactions	(894,508)	-	-	(894,508)
Net cash provided (used) by noncapital financing activities	(894,508)	-	-	(894,508)
Cash flows from capital financing activities:				
Acquisition of capital assets	(65,540)	-	-	(65,540)
Proceeds from capital contributions	41,671	-	-	41,671
Principal payments on long-term debt	-	-	(483,750)	(483,750)
Interest paid on long-term debt	-	(1,516,790)	(268,113)	(1,784,903)
Net cash provided (used) by capital financing activities	(23,869)	(1,516,790)	(751,863)	(2,292,522)
Cash flows from investing activities:				
Investment income received	209,871	508,075	28,132	746,078
Net cash provided (used) by investing activities	209,871	508,075	28,132	746,078
Net increase (decrease) in cash and cash equivalents	(314,400)	1,637,413	455,117	1,778,130
Cash and cash equivalents - beginning	1,552,151	11,096,057	3,631,862	16,280,070
Cash and cash equivalents - ending	\$ 1,237,751	\$ 12,733,470	\$ 4,086,979	\$ 18,058,200
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (264,269)	\$ 2,028,984	\$ 630,892	\$ 2,395,607
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	721,287	707,000	268,665	1,696,952
Changes in operating assets and liabilities:				
Accounts receivables	(54,415)	34,635	85,261	65,481
Prepaid expenses	-	(62,949)	125,899	62,950
Inventory	(3,633)	-	-	(3,633)
Leases receivable	570,525	-	-	570,525
Accounts payable	39,065	-	16,614	55,679
Accrued salaries and benefits	(19,903)	-	-	(19,903)
Accrued liabilities	-	(61,542)	51,517	(10,025)
Deferred inflows of resources	(592,663)	-	-	(592,663)
Deposits and other liabilities	(1,888)	-	-	(1,888)
Net cash provided (used) by operating activities	\$ 394,106	\$ 2,646,128	\$ 1,178,848	\$ 4,219,082

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, 2024

	FORA Dissolution Administration Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ASSETS				
Cash and investments	\$ -	\$ 4,749,404	\$ 191,832	\$ 4,941,236
Restricted cash and investments with fiscal agents	3,865,521	3,530,268	-	7,395,789
Accounts receivable	-	304,186	1,968	306,154
Capital assets, land	-	-	900,000	900,000
Total assets	<u>\$ 3,865,521</u>	<u>\$ 8,583,858</u>	<u>\$ 1,093,800</u>	<u>\$ 13,543,179</u>
LIABILITIES				
Accounts payable	\$ 253,109	\$ 1,565	\$ -	\$ 254,674
Accrued salaries and benefits	-	10,492	-	10,492
Interest payable	-	522,108	-	522,108
Deposits and other liabilities	-	1,314,916	-	1,314,916
Noncurrent liabilities:				
Due within on year	1,460,000	1,030,000	-	2,490,000
Due in more than one year	24,967,828	33,928,165	-	58,895,993
Total liabilities	<u>\$ 26,680,937</u>	<u>\$ 36,807,246</u>	<u>\$ -</u>	<u>\$ 63,488,183</u>
NET POSITION				
Held in trust for private purposes	<u>\$ (22,815,416)</u>	<u>\$ (28,223,388)</u>	<u>\$ 1,093,800</u>	<u>\$ (49,945,004)</u>

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, 2024

	FORA Dissolution Administration Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ADDITIONS				
Property taxes	\$ 4,183,345	\$ 3,267,309	\$ -	\$ 7,450,654
Property tax in-lieu	-	29,139	-	29,139
Investment earnings	86,241	318,067	6,567	410,875
Other revenue	4,290	-	-	4,290
Total additions	4,273,876	3,614,515	6,567	7,894,958
DEDUCTIONS				
Program costs	11,938	1,637,172	-	1,649,110
Legal and professional fees	-	70,790	-	70,790
Employee costs	-	251,885	14,675	266,560
Occupancy and operating costs	-	2,864	-	2,864
Payments to other agencies	1,379,818	-	-	1,379,818
Payments to the City of Marina	995,133	-	-	995,133
Interest and fiscal charges	763,066	1,432,114	-	2,195,180
Total deductions	3,149,955	3,394,825	14,675	6,559,455
Change in net position	1,123,921	219,690	(8,108)	1,335,503
Total net position - beginning	(23,939,337)	(28,443,078)	1,101,908	(51,280,507)
Total net position - ending	<u>\$ (22,815,416)</u>	<u>\$ (28,223,388)</u>	<u>\$ 1,093,800</u>	<u>\$ (49,945,004)</u>

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

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**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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).

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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, parks 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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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 used 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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

Fiduciary Fund Financial Statements

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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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 Liabilities

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.

City of Marina
Notes to the Basic Financial Statements
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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, 2023
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

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.

City of Marina
Notes to the Basic Financial Statements
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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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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 XIII A 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

City of Marina
Notes to the Basic Financial Statements
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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. 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. This statement did not have a material impact on the financial statements.

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. 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

City of Marina
Notes to the Basic Financial Statements
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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. 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. However, the City implemented GASB 101 as of June 30, 2024. This statement did not have a material impact on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability.

This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management’s discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net

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Notes to the Basic Financial Statements
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position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2024, cash and investments were reported in the financial statements as follows:

	Government Wide Statement of Net Position		Fiduciary Funds Statement of Net	
	Governmental Activities	Business-Type Activities	Position	Total
Cash and investments	\$ 149,723,639	\$ 18,058,200	\$ 4,941,236	\$ 172,723,075
Restricted cash and investments	22,187,139	-	7,395,789	29,582,928
Total cash and investments	\$ 171,910,778	\$ 18,058,200	\$ 12,337,025	\$ 202,306,003

Cash and investments consisted of the following as of June 30, 2024:

Deposits:	
Cash on hand	\$ 3,800
Cash with fiscal agents	15,916,275
Cash in banks	686,313
Total deposits	16,606,388
Investments:	
Local Agency Investment Fund	57,612,900
US Treasury obligations	98,503,787
Total investments	156,116,687
Total City Treasury	172,723,075
Restricted cash and investments:	
Investments:	2,450,238
Cash in banks	2,035,673
Cash with fiscal agent	25,097,017
Total restricted cash and investments	29,582,928
Total cash and investments	\$ 202,306,003

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 \$3,117,955 at June 30, 2024 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was

City of Marina
Notes to the Basic Financial Statements
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\$2,867,955, 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 *related 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 Corporation	5 years	N/A	No Limit	No Limit
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

City of Marina
Notes to the Basic Financial Statements
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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.

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

C. External Investment Pool

The City's investments with LAIF at June 30, 2024, 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, 2024, 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 by 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, 2024, 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

City of Marina
Notes to the Basic Financial Statements
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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, 2024, the City's investments had the following maturities:

Investment Type	Maturity			Concen- trations	Fair Value Input Levels
	12 Months or Less	1-5 years	Fair Value		
Local Agency Investment Fund	\$ 57,612,900	\$ -	\$ 57,612,900	36.9%	n/a
US Treasury obligations	54,819,108	43,684,679	98,503,787	63.1%	Level 1
Total Investments	<u>\$112,432,008</u>	<u>\$ 43,684,679</u>	<u>\$156,116,687</u>		

NOTE 3 - NOTES 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, 2024 were \$540,785.

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, 2024 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, 2024

NOTE 4 - LEASES RECEIVABLE

Leases receivable for governmental activities consisted of the following as of June 30, 2024:

	Fort Ord Market Ground Lease	Comcast Cell Tower	T-Mobile Cell Tower	Chapparral Ground Building	Cingular Cell Tower	Total
Inception	8/22/2006	1/1/2002	7/1/1996	12/30/2022	3/25/2024	
End	8/22/2030	1/1/2042	7/1/2026	12/30/2027	3/25/2043	
Interest Rate	5.03%	5.56%	5.00%	2.34%	3.31%	
Annual Payment	\$ 130,260	\$ 24,000	\$ 21,600	\$ 15,360	\$ 34,800	
Leases Receivable:						
Beginning	\$ 767,245	\$ 272,618	\$ 60,059	\$ 58,598	\$ -	\$ 1,158,520
Adjustments	-	-	-	-	-	-
Additions	-	-	-	-	508,554	508,554
Deletions	(93,811)	(9,071)	(19,029)	(14,140)	-	(136,051)
Ending	673,434	263,547	41,029	44,458	508,554	1,531,023
Deferred Inflows of Resources:						
Beginning	528,882	173,124	89,415	57,929	-	849,350
Adjustments	-	-	(55,884)	-	-	(55,884)
Additions	-	-	-	-	508,554	508,554
Deletions	(75,555)	(9,618)	(11,177)	(14,480)	-	(110,830)
Ending	453,328	163,506	22,354	43,449	508,554	1,191,190
Net Book Value	\$ 220,107	\$ 100,041	\$ 18,675	\$ 1,009	\$ -	\$ 339,833

The following summarizes future collections for governmental activities leases receivable:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	160,947	65,073	226,020
2026	168,551	57,469	226,020
2027	154,426	49,994	204,420
2028	146,138	42,922	189,060
2029-2033	425,774	128,746	554,520
2034-2038	219,873	74,127	294,000
2039-2043	221,130	285,344	506,474
2044-2048	34,184	616	34,800
Total Governmental Activities	\$ 1,531,023	\$ 704,291	\$ 2,235,314

Leases receivable for business-type activities consisted of the following as of June 30, 2024:

			Leases Receivable	Deferred Inflows of Resources	Net Book Value
Earliest Inception	7/1/1996				
Latest Inception	5/1/2023				
Earliest Lease End	11/7/2023	Beginning	\$ 8,579,348	\$ 8,232,666	\$ 346,682
Latest Lease End	3/3/2050	Adjustments	408,265	408,263	2
Lowest Interest Rate	0.42%	Additions	-	-	-
Highest Interest Rate	6.91%	Deletions	(978,790)	(1,000,926)	22,136
Annual Payment	\$ 1,141,759	Ending	\$ 8,008,823	\$ 7,640,003	\$ 368,820

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	929,637	150,876	1,080,513
2026	746,725	134,187	880,912
2027	661,217	120,296	781,513
2028	673,304	108,209	781,513
2029-2033	1,766,579	405,571	2,172,150
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	<u>\$ 8,008,823</u>	<u>\$ 1,453,178</u>	<u>\$ 9,462,001</u>

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 in 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 \$7,889,167 at June 30, 2024.

As of June 30, 2024, inter-fund receivables and payables consisted of the following:

Fund	Due from Other Funds	Due to Other Funds
Measure X Road and Transportation Fund	\$ 845,812	\$ -
Measure X COP Debt Service Fund	-	845,812
Total Due from/to	<u>\$ 845,812</u>	<u>\$ 845,812</u>
Fund	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 33	\$ -
Abrams B Debt Service Fund	7,889,167	-
Abrams B Housing Enterprise Fund	-	7,889,167
Nonmajor Governmental Funds	-	33
Total advances	<u>\$ 7,889,200</u>	<u>\$ 7,889,200</u>

City of Marina
Notes to the Basic Financial Statements
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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, 2024:

Fund	Transfer in	Transfer out
General Fund	\$ 133,337	\$ 14,590,293
City Capital Projects	25,955,858	-
Impact Fee Fund	-	7,850,000
FORA Dissolution Fund	-	4,625,859
Nonmajor Governmental Funds	6,137,012	4,265,547
Marina Municipal Airport Fund	80,292	974,800
Total Transfers	<u>\$ 32,306,499</u>	<u>\$ 32,306,499</u>

Intra-Fund Transfers In/Out

The following table represents intra-fund transfers made during the fiscal year ended June 30, 2024:

Fund	Transfer in	Transfer out
General Fund	\$ -	\$ 4,750,000
Vehicle & Equipment Replacement Fund	750,000	-
Groundwater Litigation Stabilization Fund	2,000,000	-
Pension Stabilization Fund	2,000,000	-
Total Eliminations	<u>\$ 4,750,000</u>	<u>\$ 4,750,000</u>

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, 2024:

Governmental Activities	Balance June 30, 2023	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2024
Non-depreciable:					
Land	\$ 22,080,651	\$ -	\$ -	\$ -	\$ 22,080,651
Construction in Progress	-	12,601,652	-	197,311	12,798,963
Total Non-Depreciable	22,080,651	12,601,652	-	197,311	34,879,614
Depreciable and Amortizable:					
Buildings and improvements	52,372,387	768,072	-	(2,388)	53,138,071
Equipment	8,585,152	34,613	(1,057,440)	-	7,562,325
Infrastructure	44,724,167	207,527	-	(194,923)	44,736,771
Right of use assets - subscriptions	768,768	-	-	(22,693)	746,075
Right of use assets - equipment	1,753,968	60,596	-	(1,376)	1,813,188
Total Depreciable	108,204,442	1,070,808	(1,057,440)	(221,380)	107,996,430
Less Accumulated Depreciation & Amortization for:					
Buildings and improvements	(22,382,547)	(787,773)	-	-	(23,170,320)
Equipment	(7,993,949)	(180,153)	1,720,596	-	(6,453,506)
Infrastructure	(8,691,186)	(857,194)	-	-	(9,548,380)
Right of use assets - subscriptions	(153,754)	(154,955)	-	27,499	(281,210)
Right of use assets - equipment	(1,102,983)	(248,679)	110,032	-	(1,241,630)
Total Accum. Depr. & Amort.	(40,324,419)	(2,228,754)	1,830,628	27,499	(40,695,046)
Total Depreciable Capital Assets - Net	67,880,023	(1,157,946)	773,188	(193,881)	67,301,384
Total Governmental Capital Assets	<u>\$ 89,960,674</u>	<u>\$ 11,443,706</u>	<u>\$ 773,188</u>	<u>\$ 3,430</u>	<u>\$ 102,180,998</u>

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

General government	\$	643,030
Public safety		329,889
Public works		138,957
Economic & community development		857,195
Recreation & cultural services		259,683
Total depreciation expense	\$	<u>2,228,754</u>

Capital assets for business-type activities consisted of the following as of June 30, 2024:

Business Type Activities	Balance July 1, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Non Depreciable					
Land	\$ 36,900,000	\$ -	\$ -	\$ -	\$ 36,900,000
Construction in progress	-	49,156	-	-	49,156
Total Non-Depreciable	36,900,000	49,156	-	-	36,949,156
Depreciable:					
Leasehold interest	48,783,242	-	-	-	48,783,242
Buildings	10,799,807	-	-	-	10,799,807
Improvements (airport and runway)	14,097,961	-	(7,486)	-	14,090,475
Equipment	344,948	23,870	-	-	368,818
Total Depreciable	74,025,958	23,870	(7,486)	-	74,042,342
Less Accumulated Depreciation					
Leasehold interest	(9,937,790)	(975,665)	-	-	(10,913,455)
Buildings	(6,279,404)	(338,706)	-	-	(6,618,110)
Improvements (airport and runway)	(10,023,844)	(378,562)	-	-	(10,402,406)
Equipment	(314,712)	(4,019)	-	-	(318,731)
Total Accumulated Depreciation	(26,555,750)	(1,696,952)	-	-	(28,252,702)
Total Depreciable Capital Assets - Net	47,470,208	(1,673,082)	(7,486)	-	45,789,640
Total Business Type - Capital Assets	\$ 84,370,208	\$ (1,623,926)	\$ (7,486)	\$ -	\$ 82,738,796

NOTE 7 - NONCURRENT LIABILITIES

The City's noncurrent liabilities consisted of the following as of June 30, 2024:

Long-term Liabilities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2015 General Obligation Refunding Bonds	\$ 6,135,000	\$ -	\$ (315,000)	\$ 5,820,000	\$ 340,000
2016 Abrams B Housing Revenue Bonds	8,650,000	-	(475,000)	8,175,000	490,000
Certificates of Participation	10,550,000	-	(235,000)	10,315,000	245,000
COP Premiums	930,638	-	(38,777)	891,861	38,777
Leases	759,644	60,596	(248,680)	571,560	238,244
Subscription Liabilities	636,214	-	(237,997)	398,217	129,454
Net Pension Liabilities	27,228,646	5,246,753	(2,882,322)	29,593,077	-
Total OPEB Obligation	5,095,895	3,002,968	(4,542,037)	3,556,826	-
Compensated Absences	1,474,423	1,657,141	(1,474,423)	1,657,141	414,285
Total Governmental Activities	\$ 61,460,460	\$ 9,967,458	\$ (10,449,236)	\$ 60,978,682	\$ 1,895,760

City of Marina
Notes to the Basic Financial Statements
June 30, 2024

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	\$ 28,030,000	\$ -	\$ (1,435,000)	\$ 26,595,000	\$ 1,460,000
RDA SA, Series 2000A	290,000	-	(30,000)	260,000	30,000
RDA SA, Series 2018A	5,860,000	-	(250,000)	5,610,000	260,000
RDA SA, Housing Series 2018B	5,580,000	-	(235,000)	5,345,000	250,000
RDA SA, Series 2020A	4,700,000	-	(95,000)	4,605,000	100,000
RDA SA, Housing Series 2020B	4,685,000	-	(145,000)	4,540,000	145,000
RDA SA, Series 2023A	3,990,000	-	(100,000)	3,890,000	60,000
RDA SA, Housing Series 2023B	9,090,000	-	(295,000)	8,795,000	185,000
Subtotal Tax Allocation Bonds	62,225,000	-	(2,585,000)	59,640,000	2,490,000
Bond discounts	(179,113)	-	11,941	(167,172)	-
Bond premiums	2,036,446	-	(123,281)	1,913,165	-
Total Fiduciary Funds	\$ 64,082,333	\$ -	\$ (2,696,340)	\$ 61,385,993	\$ 2,490,000

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
2025	\$ 340,000	200,332	\$ 540,332
2026	370,000	182,581	552,581
2027	400,000	163,332	563,332
2028	430,000	146,881	576,881
2029	455,000	133,606	588,606
2030-2034	2,635,000	431,255	3,066,255
2035-2036	1,190,000	42,000	1,232,000
Total	\$ 5,820,000	\$ 1,299,987	\$ 7,119,987

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

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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:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 490,000	\$ 258,888	748,888
2026	505,000	247,813	743,905
2027	790,000	235,505	762,005
2028	560,000	215,558	776,318
2029	580,000	196,913	776,913
2030-2034	3,305,000	672,556	3,977,556
2035-2037	1,945,000	104,991	2,049,991
Total	<u>\$ 8,175,000</u>	<u>\$ 1,932,222</u>	<u>\$ 9,835,575</u>

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:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	300,000	477,325	777,325
2020-2034	1,745,000	2,145,875	3,890,875
2035-2039	2,230,000	1,661,713	3,891,713
2040-2044	2,870,000	1,020,075	3,890,075
2045-2048	2,105,000	224,963	2,329,963
Total	<u>\$ 10,315,000</u>	<u>\$ 7,575,751</u>	<u>\$ 17,890,751</u>

Leases

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 \$75,683 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 \$73,156 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.

In fiscal year 2024, the City entered into a lease agreement totaling \$60,596 for the right to use a vehicle. Annual principal and interest payments of \$12,137 are due through fiscal year 2029.

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

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

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 238,244	\$ 45,017	\$ 283,261
2026	169,889	36,910	206,799
2027	121,386	28,816	150,202
2028	29,992	7,193	37,185
2029	12,049	2,377	14,426
Total	<u>\$ 571,560</u>	<u>\$ 120,313</u>	<u>\$ 691,873</u>

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

Leased Right of Use Assets	\$ 1,813,188
Accumulated Depreciation	<u>(1,241,630)</u>
Net Book Value	<u>\$ 571,558</u>

Subscription Based Information Technology Agreements (SBITAs)

The City recorded multiple contracts totaling \$746,075 as liabilities with interest rates from 1.16-3.09%. As of June 30, 2024, the City future principal and interest payments for its SBITAs was as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 129,454	\$ 5,206	\$ 134,660
2026	132,696	3,522	136,218
2027	136,067	1,787	137,854
Total	<u>\$ 398,217</u>	<u>\$ 10,515</u>	<u>\$ 408,732</u>

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:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	1,516,790	1,516,790
2026	35,950,000	1,011,194	36,961,194
	<u>\$ 35,950,000</u>	<u>\$ 2,527,984</u>	<u>\$ 38,477,984</u>

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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

City of Marina
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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:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,250,000	1,948,725	5,198,725
2030-2034	17,160,000	7,936,365	25,096,365
2035-2039	15,840,000	4,701,942	20,541,942
2040-2044	12,080,000	1,536,050	13,616,050
Total	<u>\$ 59,640,000</u>	<u>\$ 24,885,365</u>	<u>\$ 84,525,365</u>

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.

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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 \$33,500,000 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 financial statements for the MBASIA can be found at <https://www.mbasia.org/>.

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, 2024, the City paid a total of \$1,581,483 to MBASIA for insurance coverage; \$669,295 and \$912,188 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

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(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, 2024, 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	12.5%	7.68%	27.11%	13.54%

Employees Covered

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

	Miscellaneous	Safety	Total
Active	54	45	99
Transferred	25	34	59
Separated	25	21	46
Retired	83	90	173
Total	187	190	377

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, 2024, the City's contributions were as follows:

	Employer Contributions
Miscellaneous	\$ 1,056,810
Safety	2,581,247
Total Employer Contributions	<u>\$ 3,638,057</u>

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

As of June 30, 2024, 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	\$ 8,771,074
Safety	20,822,003
Total	\$ 29,593,077

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, 2023, 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, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2023 and 2023 was as follows:

	Miscellaneous	Safety	Combined Plans
Proportion - June 30, 2023	0.17593%	0.27645%	0.23573%
Proportion - June 30, 2024	0.17541%	0.27856%	0.23721%
Change - Increase/(Decrease)	0.00052%	-0.00211%	-0.00148%

For the year ended June 30, 2024, the City recognized pension expense of \$5,496,305.

At June 30, 2024, 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	\$ 529,549	\$ -
Differences between Expected and Actual Experience	448,074	69,507
Differences between Projected and Actual Investment Earnings	1,420,116	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	253,144
Change in Employer's Proportion	25,083	-
Pension Contributions Made Subsequent to Measurement Date	1,056,810	-
Total	\$ 3,479,632	\$ 322,651

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	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,215,200	\$ -
Differences between Expected and Actual Experience	1,528,719	130,875
Differences between Projected and Actual Investment Earnings	2,849,485	-
Differences between Employer's Contributions and Proportionate Share of Contributions	197,567	606,759
Change in Employer's Proportion	914,852	-
Pension Contributions Made Subsequent to Measurement Date	2,581,247	-
Total	\$ 9,287,070	\$ 737,634

The City reported \$3,638,057 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources		Total
	Miscellaneous	Safety	
2025	\$ 728,950	\$ 1,927,312	\$ 2,656,262
2026	486,243	1,346,451	1,832,694
2027	1,072,289	2,386,831	3,459,120
2028	40,749	79,535	120,284
Total	\$ 2,328,231	\$ 5,740,129	\$ 8,068,360

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
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

City of Marina
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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.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Return (1)(2)</u>
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	<u>100.00%</u>	

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Study.

City of Marina
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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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 13,502,219	\$ 30,641,162
Current	6.90%	6.90%
Net Pension Liability	\$ 8,771,074	20,822,003
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 4,874,946	\$ 12,797,959

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, 2024, the benefit terms covered the following employees:

Active employees	68
Inactive employees	21
Dependents of Retirees	5
Total covered	<u>94</u>

City of Marina
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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 \$106,200 while actual contributions for the fiscal year were \$87,574. The City's contributions were .91% of covered employee payroll during the fiscal year ended June 30, 2024. 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, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	3.86%
Inflation	2.50%
Salary Increases	3.25%
Healthcare Trend Rate	4% to 7.84%
Mortality	CalPERS 2021 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 3.69% to 3.86%

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, 2023 (measurement date) and was determined by an actuarial valuation as of June 30, 2023 (valuation date) for the fiscal year ended June 30, 2024 (reporting date).

City of Marina
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Changes in the Total OPEB Liability

The following summarizes the changes in the Total OPEB liability during the year ended June 30, 2024:

Fiscal Year Ended June 30, 2024	Total OPEB Liability
Balance at June 30, 2023	\$ 5,095,895
Service cost	347,235
Interest in Total OPEB Liability	198,892
Balance of diff between actual and exp experience	(1,704,374)
Balance of changes in assumptions	(274,622)
Benefit payments	(106,200)
Net changes	(1,539,069)
Balance at June 30, 2024	\$ 3,556,826
Covered Employee Payroll	\$ 9,666,105
Total OPEB Liability as a % of Covered Employee Payroll	36.80%
Service Cost as a % of Covered Employee Payroll	3.59%
Net OPEB Liability as a % of Covered Employee Payroll	36.80%

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, 2024, 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	\$ 159,089	\$ 2,274,138
Change in assumptions	919,391	1,857,571
OPEB contribution subsequent to measurement date	87,574	-
Totals	\$ 1,166,054	\$ 4,131,709

Of the total amount reported as deferred outflows of resources related to OPEB, \$87,574 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, 2025.

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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,	
2025	\$ (530,406)
2026	(466,804)
2027	(336,988)
2028	(329,872)
2029	(403,781)
Thereafter	(985,378)
Total	\$ (3,053,229)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2024:

Service cost	\$ 347,235
Interest in TOL	198,892
Adjustments	(65,859)
Difference between actual and expected experience	(291,865)
Change in assumptions	(238,541)
OPEB Expense	\$ (50,138)

The following summarizes changes in the Total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2024:

Total OPEB liability ending	\$ 3,556,826
Total OPEB liability beginning	(5,095,895)
Change in total OPEB liability	(1,539,069)
Changes in deferred outflows	185,042
Changes in deferred inflows	1,216,315
Employer contributions and implicit subsidy	87,574
OPEB Expense	\$ (50,138)

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)	3.86%	(1% Increase)
Total OPEB Liability	\$ 4,172,013	\$ 3,556,826	\$ 3,066,391

City of Marina
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June 30, 2024

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 7.84%	(1% Increase)
Total OPEB Liability	\$ 2,979,956	\$ 3,556,826	\$ 4,308,238

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.

Commitments

The City had the following capital commitments as of June 30, 2024:

Capital Commitments	Amount
Street Improvements ⁽¹⁾	\$ 22,588,907
Facility Improvements	1,376,396
Park Improvements	1,480,516
Capital Improvements	2,422,032
General Government	1,474,455
	<u>\$ 29,342,306</u>

(1) Includes a \$19.8 million contract that is funded through grant reimbursements



REQUIRED SUPPLEMENTARY INFORMATION

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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, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes and assessments	\$ 27,267,764	\$ 27,267,764	\$ 29,695,777	\$ 2,428,013
Licenses, permits and fees	835,200	835,200	937,002	101,802
Fines and forfeitures	64,600	64,600	83,689	19,089
Intergovernmental	380,200	1,128,080	1,018,726	(109,354)
Charges for services	4,186,350	4,186,350	4,279,676	93,326
Investment earnings	750,000	750,000	3,971,343	3,221,343
Local contributions	23,000	23,000	86,451	63,451
Other revenue	57,600	58,650	104,318	45,668
Total Revenues	33,564,714	34,313,644	40,176,982	5,863,338
EXPENDITURES				
Current:				
General government	10,594,055	10,860,353	10,279,864	580,489
Public safety	14,362,828	14,853,240	13,351,348	1,501,892
Public works	2,609,495	2,608,892	2,000,958	607,934
Economic & community development	4,502,702	5,056,811	3,911,380	1,145,431
Recreation & cultural services	1,373,830	1,389,080	1,250,619	138,461
Capital outlay	1,874,690	1,918,881	123,087	1,795,794
Debt service				
Principal	612,440	612,440	375,014	237,426
Interest and fiscal charges	-	-	54,489	(54,489)
Total Expenditures	35,930,040	37,299,697	31,346,759	5,952,938
Excess (Deficiency) of Revenues over Expenditures	(2,365,326)	(2,986,053)	8,830,223	11,816,276
OTHER FINANCING SOURCES (USES)				
Transfers in	133,337	133,337	133,337	-
Transfers out	(14,540,292)	(14,540,292)	(14,590,293)	(50,001)
Equipment leases	-	-	60,596	60,596
Sale of capital assets	-	-	8,426,523	8,426,523
Total Other Financing Sources (Uses)	(14,406,955)	(14,406,955)	(5,969,837)	8,437,118
Net Change in Fund Balance	(16,772,281)	(17,393,008)	2,860,386	20,253,394
Fund Balance Beginning	44,333,588	44,333,588	44,333,588	-
Fund Balance Ending	<u>\$ 27,561,307</u>	<u>\$ 26,940,580</u>	<u>\$ 47,193,974</u>	<u>\$ 20,253,394</u>

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, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Licenses, permits and fees	\$ 1,000,000	\$ 1,000,000	\$ 4,183,286	\$ 3,183,286
Investment earnings	150,000	150,000	954,185	804,185
Local contributions	925,000	925,000	995,133	70,133
Other revenue	-	-	80,260	80,260
Total Revenues	2,075,000	2,075,000	6,212,864	4,137,864
EXPENDITURES				
Current:				
Economic & community development	4,810,000	4,810,000	2,076,193	2,733,807
Total Expenditures	4,810,000	4,810,000	2,076,193	2,733,807
Excess (Deficiency) of Revenues over Expenditures	(2,735,000)	(2,735,000)	4,136,671	6,871,671
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,500,000)	(4,500,000)	(4,625,859)	(125,859)
Total Other Financing Sources (Uses)	(4,500,000)	(4,500,000)	(4,625,859)	(125,859)
Net Change in Fund Balance	(7,235,000)	(7,235,000)	(489,188)	6,745,812
Fund Balance Beginning	20,557,851	20,557,851	20,557,851	-
Fund Balance Ending	<u>\$ 13,322,851</u>	<u>\$ 13,322,851</u>	<u>\$ 20,068,663</u>	<u>\$ 6,745,812</u>

City of Marina**Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual (GAAP Basis)****Impact Fee Fund****For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Charges for services	\$ 3,440,000	\$ 3,440,000	\$ 5,578,091	\$ 2,138,091
Investment earnings	200,000	200,000	984,401	784,401
Total Revenues	3,640,000	3,640,000	6,562,492	2,922,492
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,850,000)	(7,850,000)	(7,850,000)	-
Total Other Financing Sources (Uses)	(7,850,000)	(7,850,000)	(7,850,000)	-
Net Change in Fund Balance	(4,210,000)	(4,210,000)	(1,287,508)	2,922,492
Fund Balance Beginning	24,644,199	24,644,199	24,644,199	-
Fund Balance Ending	<u>\$ 20,434,199</u>	<u>\$ 20,434,199</u>	<u>\$ 23,356,691</u>	<u>\$ 2,922,492</u>

City of Marina
Schedule of Pension Contributions
June 30, 2024
(Last Ten Years)

Miscellaneous and Safety Plan

Fiscal Year Ended	2015	2016	2017	2018	2019
Contractually Required Contributions	\$ 1,428,070	\$ 2,069,732	\$ 2,385,218	\$ 2,524,388	\$ 2,050,095
Contributions in Relation to Contractually Required Contributions	1,428,070	2,069,732	2,385,218	2,524,388	2,050,095
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 7,233,320	\$ 6,987,956	\$ 7,070,353	\$ 7,637,741	\$ 7,411,028
Contributions as a % of Covered Payroll	19.74%	29.62%	33.74%	33.05%	27.66%

Miscellaneous and Safety Plan

Fiscal Year Ended	2020	2021	2022	2023	2024
Contractually Required Contributions	\$ 2,739,136	\$ 2,885,118	\$ 3,140,753	\$ 3,374,756	\$ 3,638,057
Contributions in Relation to Contractually Required Contributions	2,739,136	2,885,118	3,140,753	3,374,756	3,638,057
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,281,259	\$ 9,003,748	\$ 9,258,676	\$ 9,271,237	\$ 11,406,004
Contributions as a % of Covered Payroll	33.08%	32.04%	33.92%	36.40%	31.90%

Notes to Schedule:

Valuation Date: June 30, 2022

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 mortality 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.

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, 2024
(Last Ten Years)

Miscellaneous and Safety Plan

Plan Measurement Date	2014	2015	2016	2017	2018
Fiscal Year Ended	2015	2016	2017	2018	2019
Proportion of Net Pension Liability (Safety and Misc)	0.18297%	0.17995%	0.18715%	0.19055%	0.19679%
Proportionate Share of Net Pension Liability	\$ 11,385,528	\$ 12,351,371	\$ 16,193,904	\$ 18,897,109	\$ 18,963,346
Covered Payroll	\$ 7,701,575	\$ 7,233,320	\$ 6,987,956	\$ 7,070,353	\$ 7,637,741
Proportionate Share of NPL as a % of Covered Payroll	147.83%	170.76%	231.74%	267.27%	248.28%
Plan's Fiduciary Net Position as a % of the TPL	79.61%	77.38%	75.77%	74.66%	76.15%

Miscellaneous and Safety Plan

Plan Measurement Date	2019	2020	2021	2022	2023
Fiscal Year Ended	2020	2021	2022	2023	2024
Proportion of Net Pension Liability (Safety and Misc)	0.20287%	0.21094%	0.24609%	0.23573%	0.23721%
Proportionate Share of Net Pension Liability	\$ 20,787,955	\$ 22,951,344	\$ 13,309,290	\$ 27,228,646	\$ 29,593,077
Covered Payroll	\$ 7,411,028	\$ 8,281,259	\$ 9,003,748	\$ 9,258,676	\$ 9,271,237
Proportionate Share of NPL as a % of Covered Payroll	280.50%	277.15%	147.82%	294.09%	319.19%
Plan's Fiduciary Net Position as a % of the TPL	75.40%	74.18%	85.74%	76.68%	76.21%

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, 2024
(Last Ten Years)

Fiscal Year Ended	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 271,072	\$ 200,224	\$ 195,708	\$ 264,281	\$ 394,958	\$ 503,081	\$ 347,235
Interest	157,957	153,199	168,281	177,174	155,100	143,021	198,892
Differences exp. and act. exp.	(4,684)	(27,347)	371,094	(5,518)	(1,155,928)	-	(1,704,374)
Changes of assumptions	(1,590,885)	(200,100)	(14,726)	1,466,447	190,330	(1,619,123)	(274,622)
Benefit payments	(22,911)	(28,444)	(76,872)	(73,360)	(80,621)	(98,138)	(106,200)
Net change in Total OPEB Liability	(1,189,451)	97,532	643,485	1,829,024	(496,161)	(1,071,159)	(1,539,069)
Total OPEB Liability - beginning	5,282,625	4,093,174	4,190,706	4,834,191	6,663,215	6,167,054	5,095,895
Total OPEB Liability - ending	<u>\$ 4,093,174</u>	<u>\$ 4,190,706</u>	<u>\$ 4,834,191</u>	<u>\$ 6,663,215</u>	<u>\$ 6,167,054</u>	<u>\$ 5,095,895</u>	<u>\$ 3,556,826</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	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	\$ 10,166,744
Total OPEB liability as a % of covered employee payroll	55.40%	54.88%	62.57%	80.13%	65.87%	52.72%	34.98%

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 then increased to 3.69% in 2023 and 3.86% in 2024.

There were no changes in trend rates



SUPPLEMENTARY INFORMATION

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City of Marina**Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual (GAAP Basis)****City Capital Projects Fund****For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Intergovernmental	\$ 3,161,000	\$ 3,161,000	\$ 6,661,478	\$ 3,500,478
Charges for services	50,000	50,000	92,719	42,719
Local contributions	-	-	39,061	39,061
Other revenue	-	-	317,050	317,050
Total Revenues	<u>3,211,000</u>	<u>3,211,000</u>	<u>7,110,308</u>	<u>3,899,308</u>
EXPENDITURES				
Capital outlay	<u>35,328,989</u>	<u>35,328,989</u>	<u>14,044,661</u>	<u>21,284,328</u>
Total Expenditures	<u>35,328,989</u>	<u>35,328,989</u>	<u>14,044,661</u>	<u>21,284,328</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(32,117,989)</u>	<u>(32,117,989)</u>	<u>(6,934,353)</u>	<u>25,183,636</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,780,000	25,780,000	25,955,858	175,858
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>25,780,000</u>	<u>25,780,000</u>	<u>25,955,858</u>	<u>175,858</u>
Net Change in Fund Balance	(6,337,989)	(6,337,989)	19,021,505	25,359,494
Fund Balance Beginning	<u>27,289,504</u>	<u>27,289,504</u>	<u>27,289,504</u>	<u>-</u>
Fund Balance Ending	<u>\$ 20,951,515</u>	<u>\$ 20,951,515</u>	<u>\$ 46,311,009</u>	<u>\$ 25,359,494</u>

City of Marina**Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual (GAAP Basis)****Abrams B Debt Service Fund****For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Investment earnings	\$ 9,000	\$ 9,000	\$ 21,893	\$ 12,893
Other revenue	688,000	688,000	754,309	66,309
Total Revenues	<u>697,000</u>	<u>697,000</u>	<u>776,202</u>	<u>79,202</u>
EXPENDITURES				
Debt service				
Principal	480,000	480,000	475,000	5,000
Interest and fiscal charges	270,000	270,000	268,905	1,095
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>743,905</u>	<u>6,095</u>
Net Change in Fund Balance	(53,000)	(53,000)	32,297	85,297
Fund Balance Beginning	<u>418,074</u>	<u>418,074</u>	<u>418,074</u>	<u>-</u>
Fund Balance Ending	<u>\$ 365,074</u>	<u>\$ 365,074</u>	<u>\$ 450,371</u>	<u>\$ 85,297</u>

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.

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, 2024

	Special Revenue Funds			
	CDBG Fund	CDBG Housing Fund	Public Education Government Fund	Gas Tax Fund
ASSETS				
Cash and investments	\$ 377,749	\$ 955	\$ 126,162	\$ 33,870
Restricted cash and investments	-	-	-	-
Accounts receivable	1,601	4	25,743	50,224
Due from other funds	-	-	-	-
Notes receivable	480,785	60,000	-	-
Total assets	\$ 860,135	\$ 60,959	\$ 151,905	\$ 84,094
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 106,494	\$ 22,205
Accrued payroll and benefits	-	-	-	16,017
Deposits and other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	106,494	38,222
Deferred Inflows of Resources:				
Unavailable revenues	480,785	60,000	-	-
Fund Balances:				
Restricted:				
Transportation and streets	-	-	-	-
Special districts	-	-	-	45,872
Housing	-	-	-	-
Community development	379,350	959	-	-
Recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed				
Public education	-	-	45,411	-
Unassigned	-	-	-	-
Total fund balances	379,350	959	45,411	45,872
Total liabilities, deferred inflows of resources and fund balances	\$ 860,135	\$ 60,959	\$ 151,905	\$ 84,094

Cont'd

City of Marina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Road Maintenance & Rehabilitation Fund	Transportation Safety & Investment Fund	National Parks Recreation Services Fund	Seabreeze Assessment District Fund
ASSETS				
Cash and investments	\$ 657,431	\$ 793,038	\$ 443,416	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	48,402	252,131	2,326	94
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Total assets	\$ 705,833	\$ 1,045,169	\$ 445,742	\$ 94
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 218
Accrued payroll and benefits	-	-	-	-
Deposits and other liabilities	-	-	8,833	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	33
Total liabilities	-	-	8,833	251
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Fund Balances:				
Restricted:				
Transportation and streets	705,833	1,045,169	-	-
Special districts	-	-	-	-
Housing	-	-	-	-
Community development	-	-	-	-
Recreation	-	-	436,909	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed				
Public education	-	-	-	-
Unassigned	-	-	-	(157)
Total fund balances	705,833	1,045,169	436,909	(157)
Total liabilities, deferred inflows of resources and fund balances	\$ 705,833	\$ 1,045,169	\$ 445,742	\$ 94

Cont'd

City of Marina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	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	\$ 12,642	\$ 6,156	\$ 35,643	\$ 1,615,301	\$ 1,986,473
Restricted cash and investments	-	-	-	-	-
Accounts receivable	249	210	166	10,289	8,420
Due from other funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	<u>\$ 12,891</u>	<u>\$ 6,366</u>	<u>\$ 35,809</u>	<u>\$ 1,625,590</u>	<u>\$ 1,994,893</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 478	\$ 540	\$ 2,174	\$ 1,660	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>478</u>	<u>540</u>	<u>2,174</u>	<u>1,660</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Fund Balances:					
Restricted:					
Transportation and streets	-	-	-	-	-
Special districts	12,413	5,826	33,635	1,623,930	-
Housing	-	-	-	-	1,994,893
Community development	-	-	-	-	-
Recreation	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Public education	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>12,413</u>	<u>5,826</u>	<u>33,635</u>	<u>1,623,930</u>	<u>1,994,893</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,891</u>	<u>\$ 6,366</u>	<u>\$ 35,809</u>	<u>\$ 1,625,590</u>	<u>\$ 1,994,893</u>

Cont'd

City of Marina**Combining Balance Sheet****Nonmajor Governmental Funds****June 30, 2024**

	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	\$ 3,960	\$ 54	\$ -	\$ 85,288
Restricted cash and investments	549,404	7,514	1,816	10,518,627
Accounts receivable	9,530	32	8	1,119
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Total assets	\$ 562,894	\$ 7,600	\$ 1,824	\$ 10,605,034
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-
Deposits and other liabilities	-	-	-	-
Due to other funds	-	-	-	845,812
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	845,812
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Fund Balances:				
Restricted:				
Transportation and streets	-	-	-	-
Special districts	-	-	-	-
Housing	-	-	-	-
Community development	-	-	-	-
Recreation	-	-	-	-
Capital projects	-	-	-	9,759,222
Debt service	562,894	7,600	1,824	-
Committed				
Public education	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	562,894	7,600	1,824	9,759,222
Total liabilities, deferred inflows of resources and fund balances	\$ 562,894	\$ 7,600	\$ 1,824	\$ 10,605,034

Cont'd

City of Marina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Funds			
	Measure X Road and Transportation Fund	Airport Capital Projects Fund	Park Facilities Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 7,902,662	\$ 2,507,051	\$ 914	\$ 16,588,765
Restricted cash and investments	-	-	-	11,077,361
Accounts receivable	33,826	10,628	4	455,006
Due from other funds	845,812	-	-	845,812
Notes receivable	-	-	-	540,785
Total assets	\$ 8,782,300	\$ 2,517,679	\$ 918	\$ 29,507,729
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 163,251	\$ 6,136	\$ -	\$ 303,156
Accrued payroll and benefits	-	-	-	16,017
Deposits and other liabilities	-	-	-	8,833
Due to other funds	-	-	-	845,812
Advances from other funds	-	-	-	33
Total liabilities	163,251	6,136	-	1,173,851
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	540,785
Fund Balances:				
Restricted:				
Transportation and streets	-	-	-	1,751,002
Special districts	-	-	-	1,721,676
Housing	-	-	-	1,994,893
Community development	-	-	-	380,309
Recreation	-	-	-	436,909
Capital projects	8,619,049	2,511,543	918	20,890,732
Debt service	-	-	-	572,318
Committed				
Public education	-	-	-	45,411
Unassigned	-	-	-	(157)
Total fund balances	8,619,049	2,511,543	918	27,793,093
Total liabilities, deferred inflows of resources and fund balances	\$ 8,782,300	\$ 2,517,679	\$ 918	\$ 29,507,729

Concluded

City of Marina

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds			
	CDBG Fund	CDBG Housing Fund	Public Education Government Fund	Gas Tax Fund
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 105,342	\$ 583,471
Charges for services	-	-	-	-
Investment earnings	17,803	170	-	579
Other revenue	-	-	-	-
Total Revenues	<u>17,803</u>	<u>170</u>	<u>105,342</u>	<u>584,050</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	504,377
Economic & community development	-	-	106,495	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	1,773	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>108,268</u>	<u>504,377</u>
Excess (Deficiency) of Revenues over Expenditures	<u>17,803</u>	<u>170</u>	<u>(2,926)</u>	<u>79,673</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(23,574)	(36,519)	-	(62,400)
Total Other Financing Sources (Uses)	<u>(23,574)</u>	<u>(36,519)</u>	<u>-</u>	<u>(62,400)</u>
Net Change in Fund Balances	(5,771)	(36,349)	(2,926)	17,273
Fund Balances Beginning	<u>385,121</u>	<u>37,308</u>	<u>48,337</u>	<u>28,599</u>
Fund Balances Ending	<u>\$ 379,350</u>	<u>\$ 959</u>	<u>\$ 45,411</u>	<u>\$ 45,872</u>

Cont'd

City of Marina

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds			
	Road Maintenance & Rehabilitation Fund	Transportation Safety & Investment Fund	National Parks Recreation Services Fund	Seabreeze Assessment District Fund
REVENUES				
Taxes and assessments	\$ 557,730	\$ 1,000,551	\$ -	\$ 6,733
Charges for services	-	-	79,404	-
Investment earnings	20,023	14,493	19,311	11
Other revenue	-	-	-	-
Total Revenues	<u>577,753</u>	<u>1,015,044</u>	<u>98,715</u>	<u>6,744</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	6,749	-	4,684
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	7,252	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>6,749</u>	<u>7,252</u>	<u>4,684</u>
Excess (Deficiency) of Revenues over Expenditures	<u>577,753</u>	<u>1,008,295</u>	<u>91,463</u>	<u>2,060</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(450,000)	(947,325)	(18,917)	(1,740)
Total Other Financing Sources (Uses)	<u>(450,000)</u>	<u>(947,325)</u>	<u>(18,917)</u>	<u>(1,740)</u>
Net Change in Fund Balances	127,753	60,970	72,546	320
Fund Balances Beginning	<u>578,080</u>	<u>984,199</u>	<u>364,363</u>	<u>(477)</u>
Fund Balances Ending	<u>\$ 705,833</u>	<u>\$ 1,045,169</u>	<u>\$ 436,909</u>	<u>\$ (157)</u>

Cont'd

City of Marina

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	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	\$ 12,469	\$ 19,852	\$ 16,514	\$ 300,700	\$ -
Charges for services	-	-	-	-	-
Investment earnings	522	307	1,652	68,763	93,317
Other revenue	-	-	-	-	-
Total Revenues	12,991	20,159	18,166	369,463	93,317
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public works	10,787	25,027	15,950	7,279	-
Economic & community development	-	-	-	-	-
Recreation & cultural services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	10,787	25,027	15,950	7,279	-
Excess (Deficiency) of Revenues over Expenditures	2,204	(4,868)	2,216	362,184	93,317
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	60,093
Transfers out	(2,870)	(2,750)	(5,235)	(2,770)	-
Total Other Financing Sources (Uses)	(2,870)	(2,750)	(5,235)	(2,770)	60,093
Net Change in Fund Balances	(666)	(7,618)	(3,019)	359,414	153,410
Fund Balances Beginning	13,079	13,444	36,654	1,264,516	1,841,483
Fund Balances Ending	<u>\$ 12,413</u>	<u>\$ 5,826</u>	<u>\$ 33,635</u>	<u>\$ 1,623,930</u>	<u>\$ 1,994,893</u>

Cont'd

City of Marina

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	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	\$ 622,606	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	14,107	356	72	626,279
Other revenue	-	-	-	-
Total Revenues	<u>636,713</u>	<u>356</u>	<u>72</u>	<u>626,279</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	315,000	-	-	235,000
Interest and fiscal charges	217,591	-	-	545,325
Total Expenditures	<u>532,591</u>	<u>-</u>	<u>-</u>	<u>780,325</u>
Excess (Deficiency) of Revenues over Expenditures	<u>104,122</u>	<u>356</u>	<u>72</u>	<u>(154,046)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	777,327
Transfers out	(14,855)	-	-	(2,696,592)
Total Other Financing Sources (Uses)	<u>(14,855)</u>	<u>-</u>	<u>-</u>	<u>(1,919,265)</u>
Net Change in Fund Balances	89,267	356	72	(2,073,311)
Fund Balances Beginning	<u>473,627</u>	<u>7,244</u>	<u>1,752</u>	<u>11,832,533</u>
Fund Balances Ending	<u>\$ 562,894</u>	<u>\$ 7,600</u>	<u>\$ 1,824</u>	<u>\$ 9,759,222</u>

Cont'd

City of Marina

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Capital Projects Funds			
	Measure X Road and Transportation Fund	Airport Capital Projects Fund	Park Facilities Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 3,225,968
Charges for services	-	-	-	79,404
Investment earnings	432,722	120,844	37	1,431,368
Other revenue	-	-	-	-
Total Revenues	<u>432,722</u>	<u>120,844</u>	<u>37</u>	<u>4,736,740</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	574,853
Economic & community development	-	-	-	106,495
Recreation & cultural services	-	-	-	7,252
Capital outlay	845,812	576,477	-	1,424,062
Debt service				
Principal	-	-	-	550,000
Interest and fiscal charges	-	-	-	762,916
Total Expenditures	<u>845,812</u>	<u>576,477</u>	<u>-</u>	<u>3,425,578</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(413,090)</u>	<u>(455,633)</u>	<u>37</u>	<u>1,311,162</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,316,592	983,000	-	6,137,012
Transfers out	-	-	-	(4,265,547)
Total Other Financing Sources (Uses)	<u>4,316,592</u>	<u>983,000</u>	<u>-</u>	<u>1,871,465</u>
Net Change in Fund Balances	3,903,502	527,367	37	3,182,627
Fund Balances Beginning	<u>4,715,547</u>	<u>1,984,176</u>	<u>881</u>	<u>24,610,466</u>
Fund Balances Ending	<u>\$ 8,619,049</u>	<u>\$ 2,511,543</u>	<u>\$ 918</u>	<u>\$ 27,793,093</u>
				Concluded

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	CDBG Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	1,500	1,500	17,803	16,303
Other revenue	5,000	5,000	-	(5,000)
Total Revenues	6,500	6,500	17,803	11,303
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	6,500	6,500	17,803	11,303
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(23,574)	(23,574)	(23,574)	-
Total Other Financing Sources (Uses)	(23,574)	(23,574)	(23,574)	-
Net Change in Fund Balances	(17,074)	(17,074)	(5,771)	11,303
Fund Balances Beginning	385,121	385,121	385,121	-
Fund Balances Ending	\$ 368,047	\$ 368,047	\$ 379,350	\$ 11,303

Cont'd

City of Marina

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	CDBG Housing Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	170	170
Other revenue	-	-	-	-
Total Revenues	-	-	170	170
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	170	170
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(36,519)	(36,519)	(36,519)	-
Total Other Financing Sources (Uses)	(36,519)	(36,519)	(36,519)	-
Net Change in Fund Balances	(36,519)	(36,519)	(36,349)	170
Fund Balances Beginning	37,308	37,308	37,308	-
Fund Balances Ending	\$ 789	\$ 789	\$ 959	\$ 170

Cont'd

City of Marina

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Public Education Government Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 110,000	\$ 110,000	\$ 105,342	\$ (4,658)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>105,342</u>	<u>(4,658)</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	110,000	110,000	106,495	3,505
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	1,773	(1,773)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>108,268</u>	<u>1,732</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(2,926)</u>	<u>(2,926)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(2,926)	(2,926)
Fund Balances Beginning	<u>48,337</u>	<u>48,337</u>	<u>48,337</u>	<u>-</u>
Fund Balances Ending	<u>\$ 48,337</u>	<u>\$ 48,337</u>	<u>\$ 45,411</u>	<u>\$ (2,926)</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Gas Tax Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 567,000	\$ 567,000	\$ 583,471	\$ 16,471
Charges for services	-	-	-	-
Investment earnings	-	-	579	579
Other revenue	-	-	-	-
Total Revenues	<u>567,000</u>	<u>567,000</u>	<u>584,050</u>	<u>17,050</u>
EXPENDITURES				
Current:				
Public works	449,969	449,969	504,377	(54,408)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>449,969</u>	<u>449,969</u>	<u>504,377</u>	<u>(54,408)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>117,031</u>	<u>117,031</u>	<u>79,673</u>	<u>(37,358)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(62,400)	(62,400)	(62,400)	-
Total Other Financing Sources (Uses)	<u>(62,400)</u>	<u>(62,400)</u>	<u>(62,400)</u>	<u>-</u>
Net Change in Fund Balances	54,631	54,631	17,273	(37,358)
Fund Balances Beginning	<u>28,599</u>	<u>28,599</u>	<u>28,599</u>	<u>-</u>
Fund Balances Ending	<u>\$ 83,230</u>	<u>\$ 83,230</u>	<u>\$ 45,872</u>	<u>\$ (37,358)</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Road Maintenance & Rehabilitation Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 500,000	\$ 500,000	\$ 557,730	\$ 57,730
Charges for services	-	-	-	-
Investment earnings	1,500	1,500	20,023	18,523
Other revenue	-	-	-	-
Total Revenues	501,500	501,500	577,753	76,253
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	501,500	501,500	577,753	76,253
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(450,000)	(450,000)	(450,000)	-
Total Other Financing Sources (Uses)	(450,000)	(450,000)	(450,000)	-
Net Change in Fund Balances	51,500	51,500	127,753	76,253
Fund Balances Beginning	578,080	578,080	578,080	-
Fund Balances Ending	\$ 629,580	\$ 629,580	\$ 705,833	\$ 76,253

Cont'd

City of Marina

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Transportation Safety & Investment Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 950,000	\$ 950,000	\$ 1,000,551	\$ 50,551
Charges for services	-	-	-	-
Investment earnings	1,000	1,000	14,493	13,493
Other revenue	-	-	-	-
Total Revenues	<u>951,000</u>	<u>951,000</u>	<u>1,015,044</u>	<u>64,044</u>
EXPENDITURES				
Current:				
Public works	-	-	6,749	(6,749)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>6,749</u>	<u>(6,749)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>951,000</u>	<u>951,000</u>	<u>1,008,295</u>	<u>57,295</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(947,325)	(947,325)	(947,325)	-
Total Other Financing Sources (Uses)	<u>(947,325)</u>	<u>(947,325)</u>	<u>(947,325)</u>	<u>-</u>
Net Change in Fund Balances	3,675	3,675	60,970	57,295
Fund Balances Beginning	<u>984,199</u>	<u>984,199</u>	<u>984,199</u>	<u>-</u>
Fund Balances Ending	<u>\$ 987,874</u>	<u>\$ 987,874</u>	<u>\$ 1,045,169</u>	<u>\$ 57,295</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	National Parks Recreation Services Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	75,000	75,000	79,404	4,404
Investment earnings	3,000	3,000	19,311	16,311
Other revenue	-	-	-	-
Total Revenues	78,000	78,000	98,715	20,715
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	11,950	11,950	7,252	4,698
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	11,950	11,950	7,252	4,698
Excess (Deficiency) of Revenues over Expenditures	66,050	66,050	91,463	25,413
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(18,917)	(18,917)	(18,917)	-
Total Other Financing Sources (Uses)	(18,917)	(18,917)	(18,917)	-
Net Change in Fund Balances	47,133	47,133	72,546	25,413
Fund Balances Beginning	364,363	364,363	364,363	-
Fund Balances Ending	\$ 411,496	\$ 411,496	\$ 436,909	\$ 25,413

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Seabreeze Assessment District Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 6,750	\$ 6,750	\$ 6,733	\$ (17)
Charges for services	-	-	-	-
Investment earnings	-	-	11	11
Other revenue	-	-	-	-
Total Revenues	<u>6,750</u>	<u>6,750</u>	<u>6,744</u>	<u>(6)</u>
EXPENDITURES				
Current:				
Public works	4,355	4,355	4,684	(329)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>4,355</u>	<u>4,355</u>	<u>4,684</u>	<u>(329)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,395</u>	<u>2,395</u>	<u>2,060</u>	<u>(335)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,740)	(1,740)	(1,740)	-
Total Other Financing Sources (Uses)	<u>(1,740)</u>	<u>(1,740)</u>	<u>(1,740)</u>	<u>-</u>
Net Change in Fund Balances	655	655	320	(335)
Fund Balances Beginning	(477)	(477)	(477)	-
Fund Balances Ending	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ (157)</u>	<u>\$ (335)</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Monterey Bay Estates Assessment District Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 12,500	\$ 12,500	\$ 12,469	\$ (31)
Charges for services	-	-	-	-
Investment earnings	100	100	522	422
Other revenue	-	-	-	-
Total Revenues	<u>12,600</u>	<u>12,600</u>	<u>12,991</u>	<u>391</u>
EXPENDITURES				
Current:				
Public works	8,549	8,549	10,787	(2,238)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>8,549</u>	<u>8,549</u>	<u>10,787</u>	<u>(2,238)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,051</u>	<u>4,051</u>	<u>2,204</u>	<u>(1,847)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,870)	(2,870)	(2,870)	-
Total Other Financing Sources (Uses)	<u>(2,870)</u>	<u>(2,870)</u>	<u>(2,870)</u>	<u>-</u>
Net Change in Fund Balances	1,181	1,181	(666)	(1,847)
Fund Balances Beginning	<u>13,079</u>	<u>13,079</u>	<u>13,079</u>	<u>-</u>
Fund Balances Ending	<u>\$ 14,260</u>	<u>\$ 14,260</u>	<u>\$ 12,413</u>	<u>\$ (1,847)</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Cypress Cove II Assessment District Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 19,886	\$ 19,886	\$ 19,852	\$ (34)
Charges for services	-	-	-	-
Investment earnings	100	100	307	207
Other revenue	-	-	-	-
Total Revenues	<u>19,986</u>	<u>19,986</u>	<u>20,159</u>	<u>173</u>
EXPENDITURES				
Current:				
Public works	21,072	21,072	25,027	(3,955)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>21,072</u>	<u>21,072</u>	<u>25,027</u>	<u>(3,955)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,086)</u>	<u>(1,086)</u>	<u>(4,868)</u>	<u>(3,782)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,750)	(2,750)	(2,750)	-
Total Other Financing Sources (Uses)	<u>(2,750)</u>	<u>(2,750)</u>	<u>(2,750)</u>	<u>-</u>
Net Change in Fund Balances	(3,836)	(3,836)	(7,618)	(3,782)
Fund Balances Beginning	<u>13,444</u>	<u>13,444</u>	<u>13,444</u>	<u>-</u>
Fund Balances Ending	<u>\$ 9,608</u>	<u>\$ 9,608</u>	<u>\$ 5,826</u>	<u>\$ (3,782)</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	CFD 2007-2 Locke- Paddon Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 16,500	\$ 16,500	\$ 16,514	\$ 14
Charges for services	-	-	-	-
Investment earnings	200	200	1,652	1,452
Other revenue	-	-	-	-
Total Revenues	16,700	16,700	18,166	1,466
EXPENDITURES				
Current:				
Public works	10,801	10,801	15,950	(5,149)
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	10,801	10,801	15,950	(5,149)
Excess (Deficiency) of Revenues over Expenditures	5,899	5,899	2,216	(3,683)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(5,235)	(5,235)	(5,235)	-
Total Other Financing Sources (Uses)	(5,235)	(5,235)	(5,235)	-
Net Change in Fund Balances	664	664	(3,019)	(3,683)
Fund Balances Beginning	36,654	36,654	36,654	-
Fund Balances Ending	\$ 37,318	\$ 37,318	\$ 33,635	\$ (3,683)

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	CFD 2015-1 Dunes Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 297,944	\$ 297,944	\$ 300,700	\$ 2,756
Charges for services	-	-	-	-
Investment earnings	8,000	8,000	68,763	60,763
Other revenue	-	-	-	-
Total Revenues	305,944	305,944	369,463	63,519
EXPENDITURES				
Current:				
Public works	342,970	342,970	7,279	335,691
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	342,970	342,970	7,279	335,691
Excess (Deficiency) of Revenues over Expenditures	(37,026)	(37,026)	362,184	399,210
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,770)	(2,770)	(2,770)	-
Total Other Financing Sources (Uses)	(2,770)	(2,770)	(2,770)	-
Net Change in Fund Balances	(39,796)	(39,796)	359,414	399,210
Fund Balances Beginning	1,264,516	1,264,516	1,264,516	-
Fund Balances Ending	<u>\$ 1,224,720</u>	<u>\$ 1,224,720</u>	<u>\$ 1,623,930</u>	<u>\$ 399,210</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Housing Assistance Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	15,000	15,000	93,317	78,317
Other revenue	-	-	-	-
Total Revenues	15,000	15,000	93,317	78,317
EXPENDITURES				
Current:				
Public works	150,000	150,000	-	150,000
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	150,000	150,000	-	150,000
Excess (Deficiency) of Revenues over Expenditures	(135,000)	(135,000)	93,317	228,317
OTHER FINANCING SOURCES (USES)				
Transfers in	60,093	60,093	60,093	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	60,093	60,093	60,093	-
Net Change in Fund Balances	(74,907)	(74,907)	153,410	228,317
Fund Balances Beginning	1,841,483	1,841,483	1,841,483	-
Fund Balances Ending	<u>\$ 1,766,576</u>	<u>\$ 1,766,576</u>	<u>\$ 1,994,893</u>	<u>\$ 228,317</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	2015 GO Refunding Bonds Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 582,200	\$ 582,200	\$ 622,606	\$ 40,406
Charges for services	-	-	-	-
Investment earnings	1,500	1,500	14,107	12,607
Other revenue	-	-	-	-
Total Revenues	<u>583,700</u>	<u>583,700</u>	<u>636,713</u>	<u>53,013</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	305,000	305,000	315,000	(10,000)
Interest and fiscal charges	225,000	225,000	217,591	7,409
Total Expenditures	<u>530,000</u>	<u>530,000</u>	<u>532,591</u>	<u>(2,591)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>53,700</u>	<u>53,700</u>	<u>104,122</u>	<u>50,422</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(14,855)	(14,855)	(14,855)	-
Total Other Financing Sources (Uses)	<u>(14,855)</u>	<u>(14,855)</u>	<u>(14,855)</u>	<u>-</u>
Net Change in Fund Balances	38,845	38,845	89,267	50,422
Fund Balances Beginning	<u>473,627</u>	<u>473,627</u>	<u>473,627</u>	<u>-</u>
Fund Balances Ending	<u>\$ 512,472</u>	<u>\$ 512,472</u>	<u>\$ 562,894</u>	<u>\$ 50,422</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Marina Landing Improvement Bonds Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	356	356
Other revenue	-	-	-	-
Total Revenues	-	-	356	356
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	356	356
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	356	356
Fund Balances Beginning	7,244	7,244	7,244	-
Fund Balances Ending	\$ 7,244	\$ 7,244	\$ 7,600	\$ 356

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Marina Greens Improvement Bonds Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	72	72
Other revenue	-	-	-	-
Total Revenues	-	-	72	72
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	72	72
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	72	72
Fund Balances Beginning	1,752	1,752	1,752	-
Fund Balances Ending	\$ 1,752	\$ 1,752	\$ 1,824	\$ 72

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Measure X Certificate of Participation Debt Service Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	100,000	100,000	626,279	526,279
Other revenue	-	-	-	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>626,279</u>	<u>526,279</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	320,000	320,000	235,000	85,000
Interest and fiscal charges	457,325	457,325	545,325	(88,000)
Total Expenditures	<u>777,325</u>	<u>777,325</u>	<u>780,325</u>	<u>(3,000)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(677,325)</u>	<u>(677,325)</u>	<u>(154,046)</u>	<u>523,279</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	777,325	777,325	777,327	2
Transfers out	(8,680,000)	(8,680,000)	(2,696,592)	5,983,408
Total Other Financing Sources (Uses)	<u>(7,902,675)</u>	<u>(7,902,675)</u>	<u>(1,919,265)</u>	<u>5,983,410</u>
Net Change in Fund Balances	(8,580,000)	(8,580,000)	(2,073,311)	6,506,689
Fund Balances Beginning	11,832,533	11,832,533	11,832,533	-
Fund Balances Ending	<u>\$ 3,252,533</u>	<u>\$ 3,252,533</u>	<u>\$ 9,759,222</u>	<u>\$ 6,506,689</u>

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Measure X Road and Transportation Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	40,000	40,000	432,722	392,722
Other revenue	-	-	-	-
Total Revenues	40,000	40,000	432,722	392,722
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	10,300,000	10,300,000	845,812	9,454,188
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	10,300,000	10,300,000	845,812	9,454,188
Excess (Deficiency) of Revenues over Expenditures	(10,260,000)	(10,260,000)	(413,090)	9,846,910
OTHER FINANCING SOURCES (USES)				
Transfers in	10,300,000	10,300,000	4,316,592	(5,983,408)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	10,300,000	10,300,000	4,316,592	(5,983,408)
Net Change in Fund Balances	40,000	40,000	3,903,502	3,863,502
Fund Balances Beginning	4,715,547	4,715,547	4,715,547	-
Fund Balances Ending	\$ 4,755,547	\$ 4,755,547	\$ 8,619,049	\$ 3,863,502

Cont'd

City of Marina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Airport Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	10,000	10,000	120,844	110,844
Other revenue	-	-	-	-
Total Revenues	10,000	10,000	120,844	110,844
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	2,015,000	2,015,000	576,477	1,438,523
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,015,000	2,015,000	576,477	1,438,523
Excess (Deficiency) of Revenues over Expenditures	(2,005,000)	(2,005,000)	(455,633)	1,549,367
OTHER FINANCING SOURCES (USES)				
Transfers in	983,000	983,000	983,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	983,000	983,000	983,000	-
Net Change in Fund Balances	(1,022,000)	(1,022,000)	527,367	1,549,367
Fund Balances Beginning	1,984,176	1,984,176	1,984,176	-
Fund Balances Ending	\$ 962,176	\$ 962,176	\$ 2,511,543	\$ 1,549,367

Cont'd

City of Marina

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Park Facilities Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	37	37
Other revenue	-	-	-	-
Total Revenues	-	-	37	37
EXPENDITURES				
Current:				
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	37	37
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	37	37
Fund Balances Beginning	881	881	881	-
Fund Balances Ending	\$ 881	\$ 881	\$ 918	\$ 37

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, 2024

	General Fund	Vehicle & Equipment Replacement Fund	Groundwater Litigation Stabilization Fund	OPEB Obligation Fund	Pension Stabilization Fund	Library Maintenance Fund	Total General Fund
ASSETS							
Cash and investments	\$32,607,659	\$ 4,569,280	\$ 2,000,000	\$ 200,000	\$ 5,000,000	\$ 241,923	\$44,618,862
Restricted cash and investments	476,943	-	-	-	-	-	476,943
Accounts receivable	4,824,352	-	-	-	-	-	4,824,352
Advances to other funds	33	-	-	-	-	-	33
Notes receivable	23,734	-	-	-	-	-	23,734
Leases receivable	1,531,023	-	-	-	-	-	1,531,023
Total assets	\$39,463,744	\$ 4,569,280	\$ 2,000,000	\$ 200,000	\$ 5,000,000	\$ 241,923	\$51,474,947
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,397,415	\$ -	\$ -	\$ -	\$ -	\$ 675	\$ 1,398,090
Accrued payroll and benefits	756,734	-	-	-	-	-	756,734
Deposits and other liabilities	660,525	-	-	-	-	-	660,525
Total liabilities	2,814,674	-	-	-	-	675	2,815,349
Deferred Inflows of Resources:							
Leases receivable	1,191,190	-	-	-	-	-	1,191,190
Unavailable revenues	274,434	-	-	-	-	-	274,434
Total deferred inflows of resources	1,465,624	-	-	-	-	-	1,465,624
Fund Balances:							
Nonspendable	339,833	-	-	-	-	-	339,833
Restricted							
Habitat Restoration	422,980	-	-	-	-	-	422,980
Opioid Settlements	53,963	-	-	-	-	-	53,963
FAA Military Airport Program	750,000	-	-	-	-	-	750,000
Committed							
Emergency Reserve	6,819,483	-	-	-	-	-	6,819,483
Compensated Absences	400,000	-	-	-	-	-	400,000
Community Improvements	296,553	-	-	-	-	-	296,553
Fire Truck Purchase	1,889,888	-	-	-	-	-	1,889,888
Vehicle & Equipment Replacement	-	4,569,280	-	-	-	-	4,569,280
OPEB	-	-	-	200,000	-	-	200,000
Groundwater Litigation Stabilization	-	-	2,000,000	-	-	-	2,000,000
Pension Stabilization	-	-	-	-	5,000,000	-	5,000,000
Library Maintenance	-	-	-	-	-	241,248	241,248
Unassigned	24,210,746	-	-	-	-	-	24,210,746
Total fund balances	35,183,446	4,569,280	2,000,000	200,000	5,000,000	241,248	47,193,974
Total liabilities, deferred inflows of resources and fund balances	\$39,463,744	\$ 4,569,280	\$ 2,000,000	\$ 200,000	\$ 5,000,000	\$ 241,923	\$51,474,947

City of Marina

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2024

	General Fund	Vehicle & Equipment Replacement Fund	Groundwater Litigation Stabilization Fund	OPEB Obligation Fund	Pension Stabilization Fund	Library Maintenance Fund	Eliminations	Total General Fund
REVENUES								
Taxes and assessments	\$ 29,695,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,695,777
Licenses, permits and fees	937,002	-	-	-	-	-	-	937,002
Fines and forfeitures	83,689	-	-	-	-	-	-	83,689
Intergovernmental	1,018,726	-	-	-	-	-	-	1,018,726
Charges for services	4,279,676	-	-	-	-	-	-	4,279,676
Investment earnings	3,971,343	-	-	-	-	-	-	3,971,343
Local contributions	86,451	-	-	-	-	-	-	86,451
Other revenue	104,318	-	-	-	-	-	-	104,318
Total Revenues	40,176,982	-	-	-	-	-	-	40,176,982
EXPENDITURES								
Current:								
General government	10,279,834	30	-	-	-	-	-	10,279,864
Public safety	13,351,348	-	-	-	-	-	-	13,351,348
Public works	2,000,958	-	-	-	-	-	-	2,000,958
Economic & community development	3,899,022	-	-	-	-	12,358	-	3,911,380
Recreation & cultural services	1,250,619	-	-	-	-	-	-	1,250,619
Capital outlay	59,984	63,103	-	-	-	-	-	123,087
Debt service								
Principal	126,334	248,680	-	-	-	-	-	375,014
Interest and fiscal charges	6,843	47,646	-	-	-	-	-	54,489
Total Expenditures	30,974,942	359,459	-	-	-	12,358	-	31,346,759
Excess (Deficiency) of								
Revenues over Expenditures	9,202,040	(359,459)	-	-	-	(12,358)	-	8,830,223
OTHER FINANCING SOURCES (USES)								
Transfers in	133,337	750,000	2,000,000	-	2,000,000	-	(4,750,000)	133,337
Transfers out	(19,340,293)	-	-	-	-	-	4,750,000	(14,590,293)
Equipment leases	-	60,596	-	-	-	-	-	60,596
Land sale	8,426,523	-	-	-	-	-	-	8,426,523
Total Other Financing Sources (Uses)	(10,780,433)	810,596	2,000,000	-	2,000,000	-	-	(5,969,837)
Net Change in Fund Balances	(1,578,393)	451,137	2,000,000	-	2,000,000	(12,358)	-	2,860,386
Fund Balances Beginning	36,761,839	4,118,143	-	200,000	3,000,000	253,606	-	44,333,588
Fund Balances Ending	<u>\$ 35,183,446</u>	<u>\$ 4,569,280</u>	<u>\$ 2,000,000</u>	<u>\$ 200,000</u>	<u>\$ 5,000,000</u>	<u>\$ 241,248</u>	<u>\$ -</u>	<u>\$ 47,193,974</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

(UNAUDITED)

<u>Contents</u>	<u>Pages</u>
Financial Trends	
<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	143-150
Revenue Capacity	
<i>These tables contain information to help the reader assess the city's most significant local revenue source, which is property tax.</i>	151-158
Debt Capacity	
<i>These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	159-163
Demographic and Economic Information	
<i>These tables offer demographic and economic indicators to help the reader understand the environment in which the city's financial activities take place.</i>	164-165
Operating Information	
<i>These tables contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it</i>	166-168

Sources:

Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Marina
Net Position
Last Ten Fiscal Years

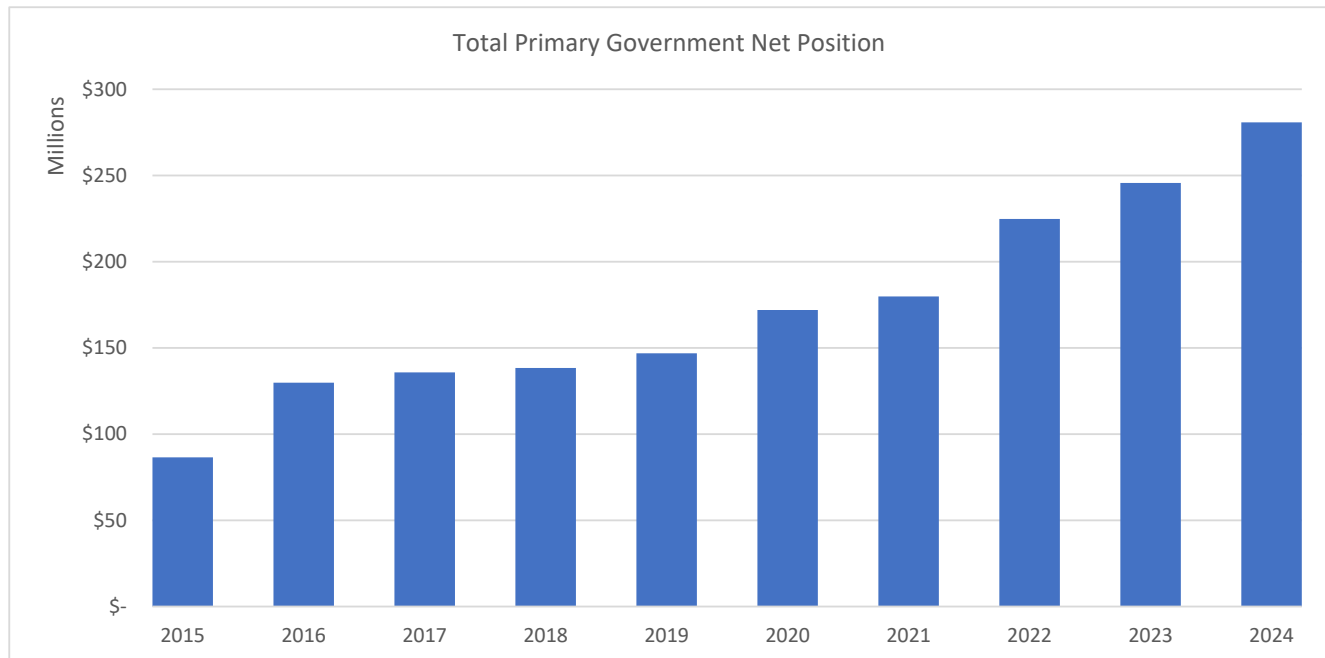
TABLE 1

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 22,196,868	\$ 61,460,494	\$ 64,902,023	\$ 74,531,326	\$ 74,955,690
Restricted	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	7,227,722	12,018,477	11,101,690	1,153,328	5,397,539
Total governmental activities net position	<u>\$ 37,619,354</u>	<u>\$ 80,038,165</u>	<u>\$ 85,359,030</u>	<u>\$ 88,053,937</u>	<u>\$ 94,730,972</u>
Business-type activities:					
Net investment in capital assets	\$ 43,324,510	\$ 42,332,248	\$ 42,448,410	\$ 41,999,782	\$ 41,393,300
Unrestricted	5,561,505	7,457,704	7,987,512	8,317,449	10,759,921
Total business-type activities net position	<u>\$ 48,886,015</u>	<u>\$ 49,789,952</u>	<u>\$ 50,435,922</u>	<u>\$ 50,317,231</u>	<u>\$ 52,153,221</u>
Primary government:					
Net investment in capital assets	\$ 65,521,378	\$ 103,792,742	\$ 107,350,433	\$ 116,531,108	\$ 116,348,990
Restricted	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	12,789,227	19,476,181	19,089,202	9,470,777	16,157,460
Total primary government net position	<u>\$ 86,505,369</u>	<u>\$ 129,828,117</u>	<u>\$ 135,794,952</u>	<u>\$ 138,371,168</u>	<u>\$ 146,884,193</u>
					Continued

City of Marina
Net Position
Last Ten Fiscal Years

TABLE 1

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 76,644,586	\$ 77,649,251	\$ 78,193,840	\$ 71,602,733	\$ 94,549,610
Restricted	32,932,269	36,675,399	49,490,708	67,645,647	65,889,151
Unrestricted	8,141,549	10,374,278	41,188,811	49,112,851	62,542,869
Total governmental activities net position	<u>\$ 117,718,404</u>	<u>\$ 124,698,928</u>	<u>\$ 168,873,359</u>	<u>\$ 188,361,231</u>	<u>\$ 222,981,630</u>
Business-type activities:					
Net investment in capital assets	\$ 42,711,663	\$ 41,902,328	\$ 41,330,576	\$ 40,047,291	\$ 38,899,629
Unrestricted	11,561,226	13,231,995	14,596,097	17,250,971	18,902,544
Total business-type activities net position	<u>\$ 54,272,889</u>	<u>\$ 55,134,323</u>	<u>\$ 55,926,673</u>	<u>\$ 57,298,262</u>	<u>\$ 57,802,173</u>
Primary government:					
Net investment in capital assets	\$ 119,356,249	\$ 119,551,579	\$ 119,524,416	\$ 111,650,024	\$ 133,449,239
Restricted	32,932,269	36,675,399	49,490,708	67,645,647	65,889,151
Unrestricted	19,702,775	23,606,273	55,784,908	66,363,822	81,445,413
Total primary government net position	<u>\$ 171,991,293</u>	<u>\$ 179,833,251</u>	<u>\$ 224,800,032</u>	<u>\$ 245,659,493</u>	<u>\$ 280,783,803</u>
Concluded					

**Notes:**

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
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 2,984,155	\$ 3,480,230	\$ 4,692,664	\$ 5,513,745	\$ 5,858,902
Public safety	10,128,248	9,854,516	11,351,326	10,668,593	10,604,157
Public works	2,887,311	1,873,600	1,908,465	1,915,307	2,216,656
Economic & Community Development	1,424,974	2,441,492	1,927,976	2,259,928	2,803,220
Recreation & cultural services	1,069,775	1,179,699	1,173,364	1,197,500	1,169,832
Public Improvements	896,127	1,505,639	1,689,946	1,883,898	2,177,696
Interest and fiscal charges	1,407,245	796,761	667,627	553,256	558,500
Total governmental activities expenses	20,797,835	21,131,937	23,411,368	23,992,227	25,388,963
Business-type activities:					
Airport	1,901,134	1,578,540	1,608,413	1,702,082	1,485,600
Preston Park Housing	-	3,940,705	6,435,459	6,622,148	2,594,187
Abrams-B Housing	2,606,945	3,224,211	3,106,604	3,394,698	5,974,685
Total business-type activities expenses	4,508,079	8,743,456	11,150,476	11,718,928	10,054,472
Total primary government expenses	\$ 25,305,914	\$ 29,875,393	\$ 34,561,844	\$ 35,711,155	\$ 35,443,435
Program Revenues					
Governmental activities:					
Charges for services & program revenues:					
General government	\$ 573,764	\$ 2,494,834	\$ 2,499,202	\$ 3,932,540	\$ 4,020,638
Public safety	603,046	786,543	733,781	909,599	218,953
Public works	1,751,989	-	599	440	-
Economic & Community Development	2,898,550	1,252,538	1,685,111	1,473,747	1,430,281
Recreation & cultural services	178,301	81,713	77,361	94,627	92,731
Public Improvements	1,056,078	1,929,360	2,306,877	2,295,007	1,776,845
Debt Service	1,215,804	-	-	-	-
Operating grants and contributions	438,044	380,876	-	397,385	846,776
Capital grants and contributions	2,286,975	4,585,380	-	1,197,861	1,517,506
Total governmental activities program revenues	11,002,551	11,511,244	7,302,931	10,301,206	9,903,730
Business-type activities:					
Charges for services:					
Airport	1,235,090	1,135,525	1,157,167	1,078,147	1,331,552
Preston Park Housing	-	4,934,125	6,328,162	6,469,476	3,455,449
Abrams-B Housing	3,058,722	3,197,353	3,264,067	3,324,176	6,687,941
Operating grants and contributions	-	10,000	390,351	10,000	-
Capital grants and contributions	-	-	3,986,805	696,860	-
Total business-type activities program revenues	4,293,812	9,277,003	15,126,552	11,578,659	11,474,942
Total primary government program revenues	15,296,363	20,788,247	22,429,483	21,879,865	21,378,672
Net (expense)/revenue:					
Governmental activities	(9,795,284)	(9,620,693)	(16,108,437)	(13,691,021)	(15,485,233)
Business-type activities	(214,267)	533,547	3,976,076	(140,269)	1,420,470
Total primary government net (expense)/revenue	\$ (10,009,551)	\$ (9,087,146)	\$ (12,132,361)	\$ (13,831,290)	\$ (14,064,763)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 5,109,408	\$ 2,719,013	\$ 3,018,698	\$ 3,261,967	\$ 3,796,881
Sales and use taxes	4,849,207	5,210,921	5,366,144	5,929,585	6,862,925
Franchise taxes	823,764	1,007,012	1,084,574	1,173,881	1,976,778
Transient occupancy taxes	2,395,263	2,549,531	2,680,928	3,297,828	4,008,179
Gas taxes	-	-	-	-	-
Motor vehicle taxes	-	2,685,134	2,934,743	3,252,508	3,649,318
Other taxes	-	-	-	-	-
Grants not restricted to a program	-	-	-	-	-
Investment earnings	28,416	75,584	149,622	402,805	613,259
Transfers, Miscellaneous & One-time revenues	1,423,896	730,262	1,817,437	2,466,111	1,254,928
Special items	-	37,062,047	-	(3,398,757)	-
Total governmental activities	14,629,954	52,039,504	17,052,146	16,385,928	22,162,268
Business-type activities:					
Other revenue	-	-	-	-	-
Investment earnings	5,653	6,954	10,824	21,578	76,494
Contributed capital assets	-	-	1,036,227	-	324,720
Transfers In/(Out) Net	-	-	-	-	14,306
Total business-type activities	5,653	6,954	1,047,051	21,578	415,520
Total primary government	\$ 14,635,607	\$ 52,046,458	\$ 18,099,197	\$ 16,407,506	\$ 22,577,788
Change in Net Position					
Governmental activities	\$ 4,834,670	\$ 42,418,811	\$ 943,709	\$ 2,694,907	\$ 6,677,035
Business-type activities	(208,614)	540,501	5,023,127	(118,691)	1,835,990
Total primary government	\$ 4,626,056	\$ 42,959,312	\$ 5,966,836	\$ 2,576,216	\$ 8,513,025

Continued

Source: City of Marina Audited Financial Statements

City of Marina
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 7,628,497	\$ 8,897,835	\$ 8,136,329	\$ 10,144,291	\$ 11,417,692
Public safety	14,422,863	13,666,296	14,228,442	14,912,300	15,514,681
Public works	2,689,673	2,405,492	2,132,980	2,244,348	2,890,198
Economic & Community Development	3,956,676	5,247,962	4,980,771	10,030,796	7,259,041
Recreation & cultural services	1,244,526	940,929	1,050,440	974,459	1,640,425
Public Improvements	-	-	-	-	-
Interest and fiscal charges	591,768	639,390	561,904	1,487,548	1,037,825
Total governmental activities expenses	30,534,003	31,797,904	31,090,866	39,793,742	39,759,862
Business-type activities:					
Airport	1,653,799	1,892,873	1,968,765	2,023,224	2,125,687
Preston Park Housing	6,083,395	6,317,011	7,304,452	6,687,201	7,091,193
Abrams-B Housing	4,128,113	3,167,489	2,989,874	2,999,833	3,415,387
Total business-type activities expenses	11,865,307	11,377,373	12,263,091	11,710,258	12,632,267
Total primary government expenses	\$ 42,399,310	\$ 43,175,277	\$ 43,353,957	\$ 51,504,000	\$ 52,392,129
Program Revenues					
Governmental activities:					
Charges for services & program revenues:					
General government	\$ 4,232,396	\$ 3,763,108	\$ 3,932,646	\$ 4,967,751	\$ 2,887,852
Public safety	196,284	289,185	359,321	356,363	331,306
Public works	-	-	-	-	-
Economic & Community Development	3,801,226	6,584,030	20,970,137	13,214,227	11,914,948
Recreation & cultural services	172,209	81,644	128,622	118,473	160,462
Public Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Operating grants and contributions	1,018,974	1,788,253	5,145,614	3,288,535	958,727
Capital grants and contributions	11,212,794	383,039	8,178,443	3,020,487	7,406,021
Total governmental activities program revenues	20,633,883	12,889,259	38,714,783	24,965,836	23,659,316
Business-type activities:					
Charges for services:					
Airport	1,340,046	1,790,543	1,805,219	2,154,934	1,814,540
Preston Park Housing	6,843,782	7,058,160	7,190,772	7,388,417	7,555,990
Abrams-B Housing	3,495,394	3,477,132	3,662,562	3,779,079	3,748,785
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	2,530,886	462,750	669,523	489,473	41,671
Total business-type activities program revenues	14,210,108	12,788,585	13,328,076	13,811,903	13,160,986
Total primary government program revenues	34,843,991	25,677,844	52,042,859	38,777,739	36,820,302
Net (expense)/revenue:					
Governmental activities	(9,900,120)	(18,908,645)	7,623,917	(14,827,906)	(16,100,546)
Business-type activities	2,344,801	1,411,212	1,064,985	2,101,645	528,719
Total primary government net (expense)/revenue	\$ (7,555,319)	\$ (17,497,433)	\$ 8,688,902	\$ (12,726,261)	\$ (15,571,827)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 3,724,035	\$ 3,919,415	\$ 4,502,513	\$ 5,182,526	\$ 5,585,707
Sales and use taxes	8,420,971	9,640,663	11,207,575	11,111,996	11,027,617
Franchise taxes	1,225,160	1,238,550	1,379,811	1,349,123	1,348,548
Transient occupancy taxes	3,472,430	3,501,246	4,631,337	4,584,644	5,527,793
Gas taxes	946,422	986,884	946,041	1,015,025	1,141,202
Motor vehicle taxes	4,012,763	4,360,659	4,756,478	5,241,930	5,765,438
Other taxes	142,225	101,780	211,466	567,023	2,525,437
Grants not restricted to a program	2,149,827	139,197	69,807	254,442	-
Investment earnings	973,856	679,275	319,032	2,881,166	7,363,190
Transfers, Miscellaneous & One-time revenues	1,536,863	1,597,893	1,423,504	2,127,903	2,009,490
Special items	6,283,000	-	6,323,477	-	8,426,523
Total governmental activities	32,887,552	26,165,562	35,771,041	34,315,778	50,720,945
Business-type activities:					
Other revenue	274,299	226,507	252,874	232,584	123,656
Investment earnings	87,568	55,758	171,877	367,665	746,044
Contributed capital assets	-	-	-	-	-
Transfers In(Out) Net	(587,000)	(832,043)	(864,575)	(1,330,305)	(894,508)
Total business-type activities	(225,133)	(549,778)	(439,824)	(730,056)	(24,808)
Total primary government	\$ 32,662,419	\$ 25,615,784	\$ 35,331,217	\$ 33,585,722	\$ 50,696,137
Change in Net Position					
Governmental activities	\$ 22,987,432	\$ 7,256,917	\$ 43,394,958	\$ 19,487,872	\$ 34,620,399
Business-type activities	2,119,668	861,434	625,161	1,371,589	503,911
Total primary government	\$ 25,107,100	\$ 8,118,351	\$ 44,020,119	\$ 20,859,461	\$ 35,124,310

Continued

Source: City of Marina Audited Financial Statements

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

TABLE 3

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 715,669	\$ 543,713	\$ 530,713	\$ 530,713	\$ -
Restricted	396,081	446,329	211,371	511,371	239,497
Committed	603,705	570,730	7,027,012	7,367,012	9,644,438
Unassigned	6,142,694	6,340,666	1,318,952	4,157,087	7,549,288
Total General Fund	<u>\$ 7,858,149</u>	<u>\$ 7,901,438</u>	<u>\$ 9,088,048</u>	<u>\$ 12,566,183</u>	<u>\$ 17,433,223</u>
All other governmental funds					
Restricted			-		
Recreation & Social Service Programs	\$ 437,778	\$ 396,963	\$ 456,117	\$ 529,410	\$ 603,788
Transportation and Streets	-	-	-	-	-
Economic & Community Development	6,742,282	5,094,894	8,270,438	10,318,250	13,121,425
Capital Improvements & Maintenance	15,068	59,329	256,727	950,955	1,500,191
Debt service	603,555	561,680	859,522	884,213	889,834
Committed	4,935,756	8,159,831	5,411,834	6,617,787	5,960,566
Unassigned	-	-	-	-	(376)
Total all other governmental funds	<u>\$ 12,734,439</u>	<u>\$ 14,272,697</u>	<u>\$ 15,254,638</u>	<u>\$ 19,300,615</u>	<u>\$ 22,075,428</u>
Fund Balance - All Governmental Funds	<u>\$ 20,592,588</u>	<u>\$ 22,174,135</u>	<u>\$ 24,342,686</u>	<u>\$ 31,866,798</u>	<u>\$ 39,508,651</u>

Continued

Source: City of Marina audited financial statements

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

TABLE 3

	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ -	\$ -	\$ 403,700	\$ 309,169	\$ 339,833
Restricted	595,729	235,609	241,408	235,038	1,466,436
Committed	10,597,489	11,457,490	13,498,251	15,080,252	21,416,452
Unassigned	13,313,018	15,435,737	18,522,687	28,709,129	23,971,253
Total General Fund	<u>\$ 24,506,236</u>	<u>\$ 27,128,836</u>	<u>\$ 32,666,046</u>	<u>\$ 44,333,588</u>	<u>\$ 47,193,974</u>
All other governmental funds					
Restricted					
Recreation & Social Service Programs	\$ 641,522	\$ 263,153	\$ 309,681	\$ 364,363	\$ 436,909
Transportation and Streets	1,655,668	2,130,397	2,449,778	2,918,571	3,472,678
Economic & Community Development	25,464,987	28,452,169	41,488,214	47,465,962	45,800,556
Capital Improvements & Maintenance	3,613,719	4,639,733	8,340,525	6,700,604	14,581,744
Debt service	960,644	954,338	925,612	12,733,230	10,781,911
Committed	6,966,622	8,522,887	29,502,879	27,337,841	42,906,186
Unassigned	(1,561)	(2,296)	(276)	(477)	(157)
Total all other governmental funds	<u>\$ 39,301,601</u>	<u>\$ 44,960,381</u>	<u>\$ 83,016,413</u>	<u>\$ 97,520,094</u>	<u>\$ 117,979,827</u>
Fund Balance - All Governmental Funds	<u>\$ 63,807,837</u>	<u>\$ 72,089,217</u>	<u>\$ 115,682,459</u>	<u>\$ 141,853,682</u>	<u>\$ 165,173,801</u>

Concluded

Source: City of Marina audited financial statements

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

TABLE 4

	(i)		(ii)		
	2015	2016	2017	2018	2019
Revenues					
Taxes & assessments	\$ 13,859,210	\$ 14,776,278	\$ 15,622,866	\$ 17,513,555	\$ 21,359,063
Licenses, Permits & Fees	515,123	545,288	672,613	2,127,179	2,346,192
Fines and penalties	194,540	144,598	146,415	106,116	102,543
Intergovernmental revenues	-	2,649,113	3,224,446	2,252,459	2,069,412
Charges for services	9,732,507	5,315,358	5,203,312	6,074,165	5,136,602
Investment Earnings	41,926	75,584	149,622	402,532	613,259
Local contributions	-	-	-	-	-
Other revenues	1,242,920	39,664,858	2,893,492	1,169,157	839,396
Total revenues	25,586,226	63,171,077	27,912,766	29,645,163	32,466,467
Expenditures					
General government	2,512,974	2,765,874	3,350,106	4,334,089	4,664,354
Public safety	10,551,880	10,425,058	10,581,491	10,127,912	10,300,132
Public works	2,906,689	1,784,937	1,798,782	1,821,925	1,868,424
Economic & community development	1,448,506	2,441,977	1,923,875	2,254,588	2,641,074
Recreation & cultural services	895,100	964,613	950,754	1,002,449	994,789
Public improvements/capital outlay	2,722,948	41,314,503	6,281,854	2,042,472	3,678,333
Debt Service					
Principal	661,757	1,284,007	889,686	625,200	765,000
Interest and fiscal charges	1,063,563	734,155	719,354	641,193	561,358
Total expenditures	22,763,417	61,715,124	26,495,902	22,849,828	25,473,464
Excess of revenues over(under) expenditures	2,822,809	1,455,953	1,416,864	6,795,335	6,993,003
Other financing sources (uses)					
Transfers in	3,149,165	4,669,312	2,156,862	1,312,011	4,298,165
Transfers out	(3,017,733)	(4,543,717)	(1,405,176)	(583,234)	(4,312,471)
Sale of capital assets	-	-	-	-	-
Issuance of long-term debt	(401,716)	-	-	-	663,156
Total other financing sources (uses)	(270,284)	125,595	751,686	728,777	648,850
Net change in fund balances	2,552,525	1,581,548	2,168,550	7,524,112	7,641,853
Beginning Fund Balances	18,290,915	20,592,588	22,174,136	24,342,686	31,866,798
Prior-period adjustment	(250,852)	-	-	-	-
Ending Fund Balances	\$ 20,592,588	\$ 22,174,136	\$ 24,342,686	\$ 31,866,798	\$ 39,508,651

Continued

(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 extraordinary 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
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

TABLE 4

	2020	2021	2022	2023	2024
Revenues					
Taxes & assessments	\$ 21,944,005	\$ 23,749,197	\$ 27,906,373	\$ 29,052,266	\$ 32,921,745
Licenses, Permits & Fees	1,962,170	2,446,456	10,878,675	7,382,359	5,120,288
Fines and penalties	60,958	95,186	109,348	100,419	83,689
Intergovernmental revenues	15,455,706	2,530,786	5,759,109	4,282,955	7,680,204
Charges for services	6,378,832	8,064,882	14,357,935	11,010,300	10,029,890
Investment Earnings	973,856	679,275	319,032	2,881,166	7,363,190
Local contributions	-	-	7,500,523	2,764,985	1,120,645
Other revenues	979,403	1,224,019	1,079,380	961,336	1,255,937
Total revenues	47,754,930	38,789,801	67,910,375	58,435,786	65,575,588
Expenditures					
General government	5,310,952	6,690,092	7,003,641	9,273,919	10,279,864
Public safety	11,281,745	12,046,544	12,800,633	13,228,179	13,351,348
Public works	2,109,907	2,206,588	1,935,452	2,085,003	2,575,811
Economic & community development	2,439,900	4,052,730	3,694,361	8,441,084	6,094,068
Recreation & cultural services	950,128	812,409	926,437	865,526	1,257,871
Public improvements/capital outlay	6,850,668	3,994,336	4,200,899	8,582,716	15,591,810
Debt Service					
Principal	809,692	888,516	991,695	1,600,664	1,400,014
Interest and fiscal charges	572,752	649,249	572,916	1,357,192	1,086,310
Total expenditures	30,325,744	31,340,464	32,126,034	45,434,283	51,637,096
Excess of revenues over(under) expenditures	17,429,186	7,449,337	35,784,341	13,001,503	13,938,492
Other financing sources (uses)					
Transfers in	6,421,672	5,821,845	22,344,337	13,794,033	32,226,207
Transfers out	(5,834,672)	(4,989,802)	(21,479,762)	(12,463,728)	(31,331,699)
Sale of capital assets	6,283,000	-	6,323,477	-	8,426,523
Issuance of long-term debt	-	-	275,212	11,839,415	60,596
Total other financing sources (uses)	6,870,000	832,043	7,463,264	13,169,720	9,381,627
Net change in fund balances	24,299,186	8,281,380	43,247,605	26,171,223	23,320,119
Beginning Fund Balances	39,508,651	63,807,837	72,089,217	115,682,459	141,853,682
Prior-period adjustment	-	-	345,637	-	-
Ending Fund Balances	\$ 63,807,837	\$ 72,089,217	\$ 115,682,459	\$ 141,853,682	\$ 165,173,801

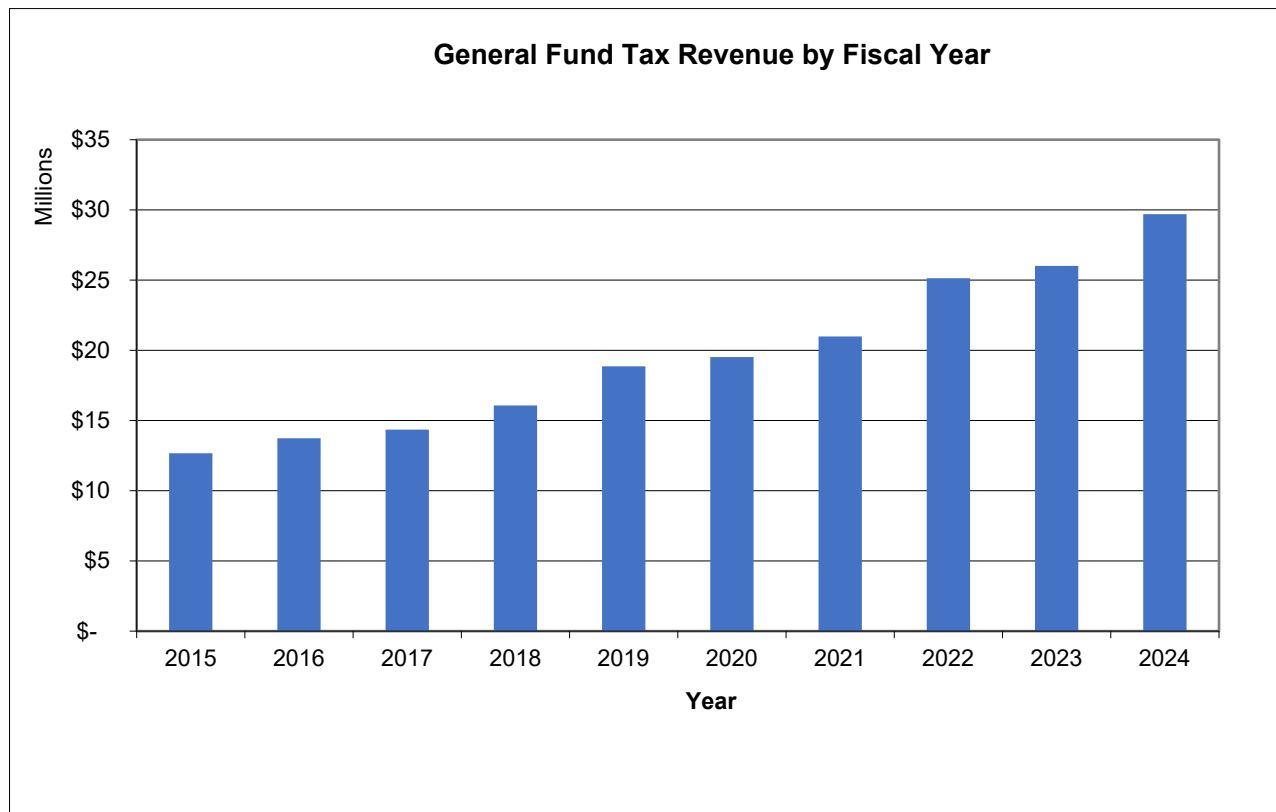
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Source: City of Marina Audited Financial Statements

City of Marina
General Fund Tax Revenues
Last Ten Fiscal Years

TABLE 5

Fiscal Year Ended June 30,	Property	Sales	Franchise & Cardroom	Transient Occupancy	Motor Vehicle. In-Lieu	Total
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
2024	4,606,834	10,027,067	3,768,645	5,527,793	5,765,438	29,695,777

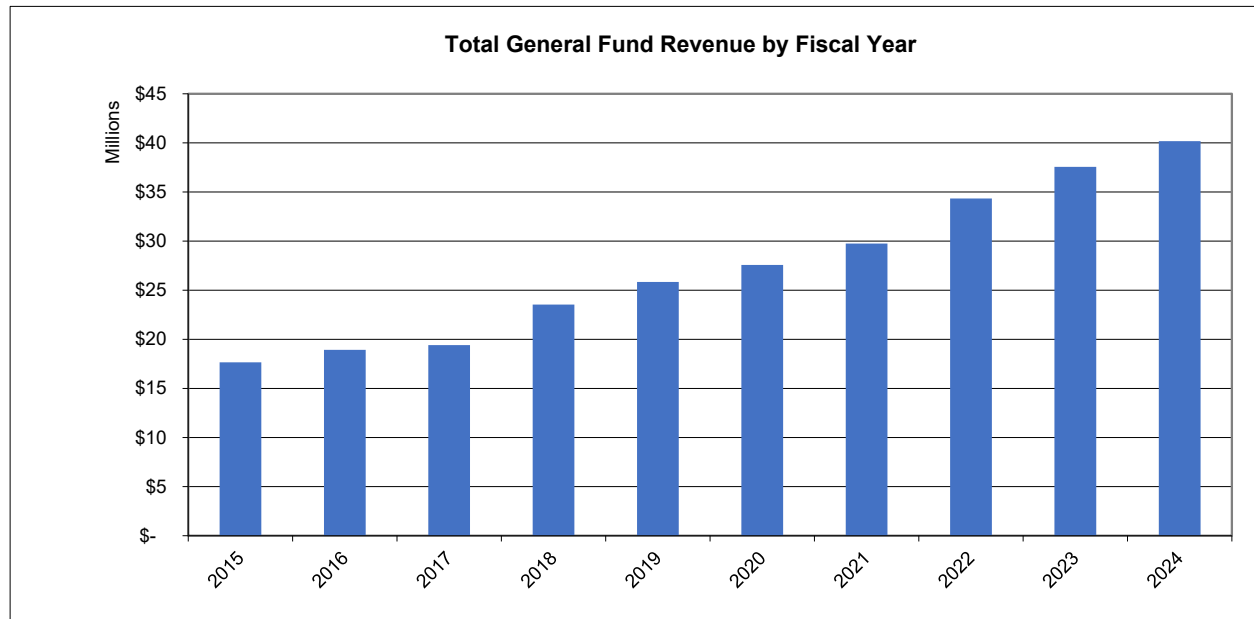


Source: City of Marina Financial Statements

City of Marina
General Fund Revenues
Last Ten Fiscal Years

TABLE 6

Fiscal Year Ended June 30,		Taxes	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
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
2024		29,695,777	937,002	83,689	5,298,402	3,971,343	190,775	40,176,988



Source: City of Marina Financial Statements

* Excludes transfers in from other funds

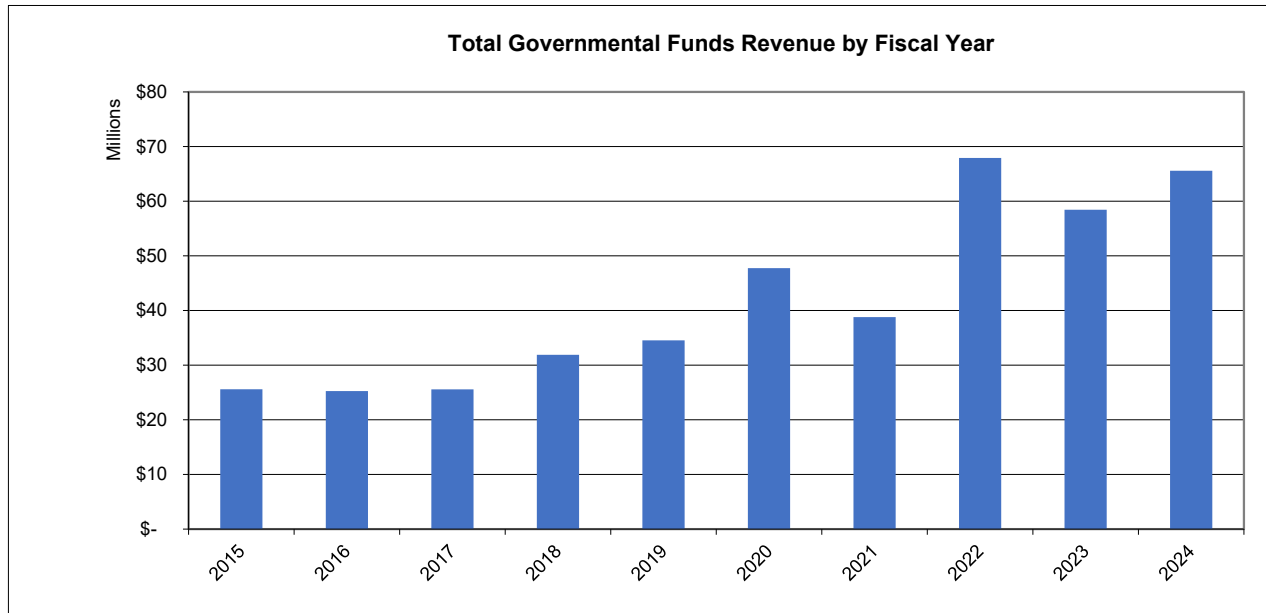
** Other excludes \$37.9 million non-cash capital assets transactions for consistency

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

City of Marina
All Governmental Funds Revenues
Last Ten Fiscal Years

TABLE 7

Fiscal Year Ended June 30,	Taxes & Assessments	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Intergov't Revenues	Chrg for Services	Investment Earnings	Other	Total *
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
2024	32,921,745	5,120,288	83,689	7,680,204	10,029,890	7,363,190	2,376,582	65,575,588



Source: City of Marina Financial Statements

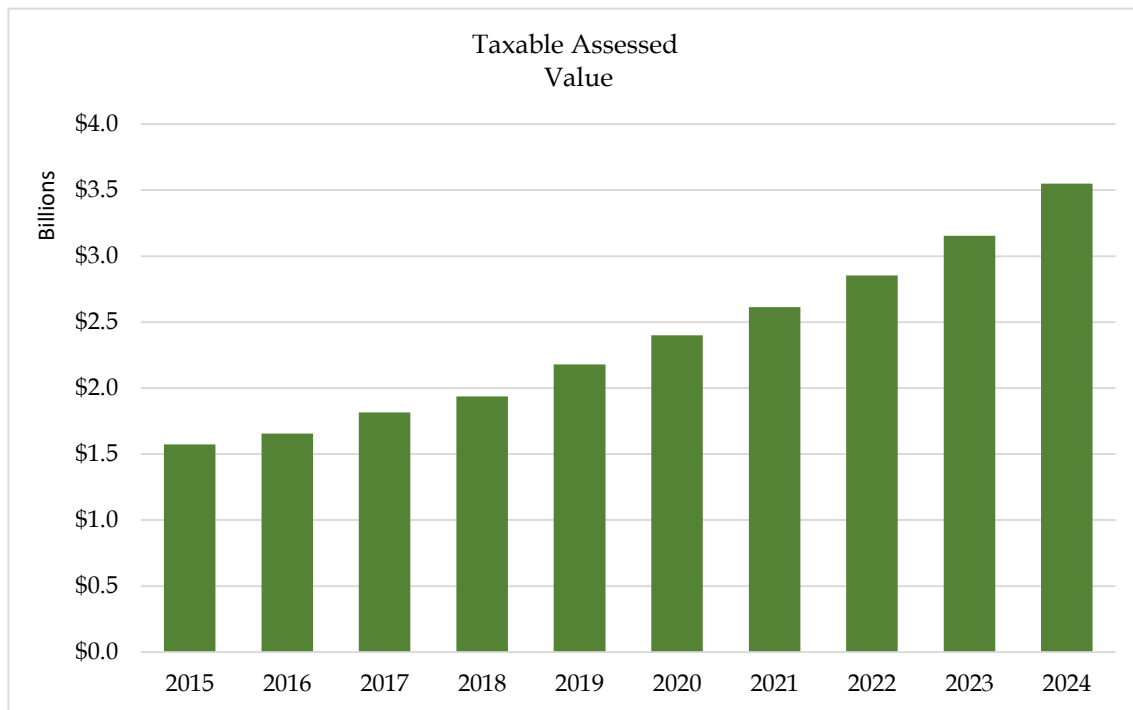
- * Excludes interfund transfers in
- ** Other excludes \$37.9 million non-cash capital lease transactions for consistency
- *** Other excludes \$1.6 million non-cash capital assets transactions for consistency
- **** Other excludes \$.66 million non-cash lease transaction for consistency

City of Marina

City-Wide Net Assessed Taxable Value of Property by Category ⁽¹⁾ Last Ten Fiscal Years

Table 8

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Total Secured Property	Unsecured Property	Net Assessed Taxable Value	Total Direct Tax Rate ⁽²⁾
2015	\$ 1,087,360,592	\$ 255,302,350	\$ 173,150,668	1,515,813,610	\$ 58,325,346	\$ 1,574,138,956	0.1827
2016	1,136,409,850	262,253,554	197,061,639	1,595,725,043	60,055,774	1,655,780,817	0.1724
2017	1,288,383,516	283,283,667	176,181,865	1,747,849,048	68,005,667	1,815,854,715	0.1732
2018	1,357,236,335	328,996,908	182,966,663	1,869,199,906	68,051,914	1,937,251,820	0.1717
2019	1,534,763,376	365,013,646	214,926,299	2,114,703,321	64,282,886	2,178,986,207	0.1733
2020	1,726,084,925	365,338,313	235,741,202	2,327,164,440	73,146,560	2,400,311,000	0.1697
2021	1,925,604,506	388,937,035	225,250,080	2,539,791,621	74,243,355	2,614,034,976	0.1723
2022	2,060,649,760	395,340,083	304,310,101	2,760,299,944	92,871,390	2,853,171,334	0.1668
2023	2,357,478,482	402,041,644	281,182,353	3,040,702,479	113,209,406	3,153,911,885	0.1675
2024	2,710,431,354	426,084,080	279,857,768	3,416,373,202	134,090,219	3,550,463,421	0.1676



Source: Monterey County Assessor Combined Tax Rolls; and HdL, Coren & Cone

(1) References all tax rates within the City, including the General Fund and RDA. The General Fund allocation is provided in Table 10.

(2) Total direct tax rate is represented by TRA 12-004. This rate includes voter-approved bonded debt of .0175% and the City's share of the 1% County levy in the amount of 0.1501%. See table 9 for additional information.

TABLE 9

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Basic City and County Levy										
Monterey County-Wide	0.13910	0.13910	0.13910	0.13910	0.13910	0.13910	0.13910	0.13910	0.13910	0.13910
County Library	0.02272	0.02272	0.02272	0.02272	0.02272	0.02272	0.02272	0.02272	0.02272	0.02272
City of Marina	0.15010	0.15010	0.15010	0.15010	0.15010	0.15010	0.15010	0.15010	0.15010	0.15010
Monterey County Office of Education	0.02666	0.02666	0.02666	0.02666	0.02666	0.02666	0.02666	0.02666	0.02666	0.02666
Monterey Pen Unified School District	0.43798	0.43798	0.43798	0.43798	0.43798	0.43798	0.43798	0.43798	0.43798	0.43798
Monterey Pen College	0.04730	0.04730	0.04730	0.04730	0.04730	0.04730	0.04730	0.04730	0.04730	0.04730
MCWRA Dist	0.00139	0.00139	0.00139	0.00139	0.00139	0.00139	0.00139	0.00139	0.00139	0.00139
Monterey Regional Park Dist	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159
North Salinas Valley Mosquito Abatement	0.00835	0.00835	0.00835	0.00835	0.00835	0.00835	0.00835	0.00835	0.00835	0.00835
Moss Landing Harbor Dist	0.00209	0.00209	0.00209	0.00209	0.00209	0.00209	0.00209	0.00209	0.00209	0.00209
Educational Revenue Aug. Fund (ERAF) ⁽³⁾	0.15272	0.15272	0.15272	0.15272	0.15272	0.15272	0.15272	0.15272	0.15272	0.15272
Total 1%	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Assessment										
City of Marina debt service	0.00460	-	-	-	-	-	-	-	-	-
Marina Library 2002 Election Series 2005	0.02796	-	-	-	-	-	-	-	-	-
MPCCD 2013 Refund ⁽¹⁾	0.03247	0.02304	-	-	-	-	-	-	-	-
MPUSD 2010 Ser A, 2012 Election ⁽²⁾	0.02277	-	-	-	-	-	-	-	-	-
Marina 2015 GO Refunding Bonds	-	0.02235	0.02307	0.02161	0.02320	0.01964	0.02218	0.01674	0.01742	0.01748
MPCCD 2002 B,C; 2013 Ref A,B; 2016 Ref ⁽¹⁾	-	-	0.02234	0.02166	0.02119	0.02048	0.02017	0.03201	0.03034	0.02887
MPUSD 2010 Series A,B ⁽²⁾	-	0.03000	0.03000	0.02890	0.09196	0.11707	0.04145	0.06042	0.05654	0.05162
Total Overlapping Rate	0.08781	0.07539	0.07540	0.07217	0.13634	0.15720	0.08380	0.10917	0.10430	0.09797
Total Tax Rate	1.08781	1.07539	1.07541	1.07217	1.13635	1.15720	1.08380	1.10917	1.10430	1.09797
City share of 1% tax levy ⁽³⁾	0.1501	0.1501	0.1501	0.1501	0.1501	0.1501	0.1501	0.1501	0.1501	0.1501
Voter approved City Debt Rate	0.0326	0.0223	0.0231	0.0216	0.0232	0.0196	0.0222	0.0167	0.0174	0.0175
Total Direct Rate	0.1827	0.1724	0.1732	0.1717	0.1733	0.1697	0.1723	0.1668	0.1675	0.1676

Source: County Auditor/Controller data; and MuniServices, LLC / Avenu Insights & Analytics; and HdL, Coren & Cone
 TRA 12-004 is represented for this report

Notes:

(1) Monterey Peninsula Community College District (MPCCD)

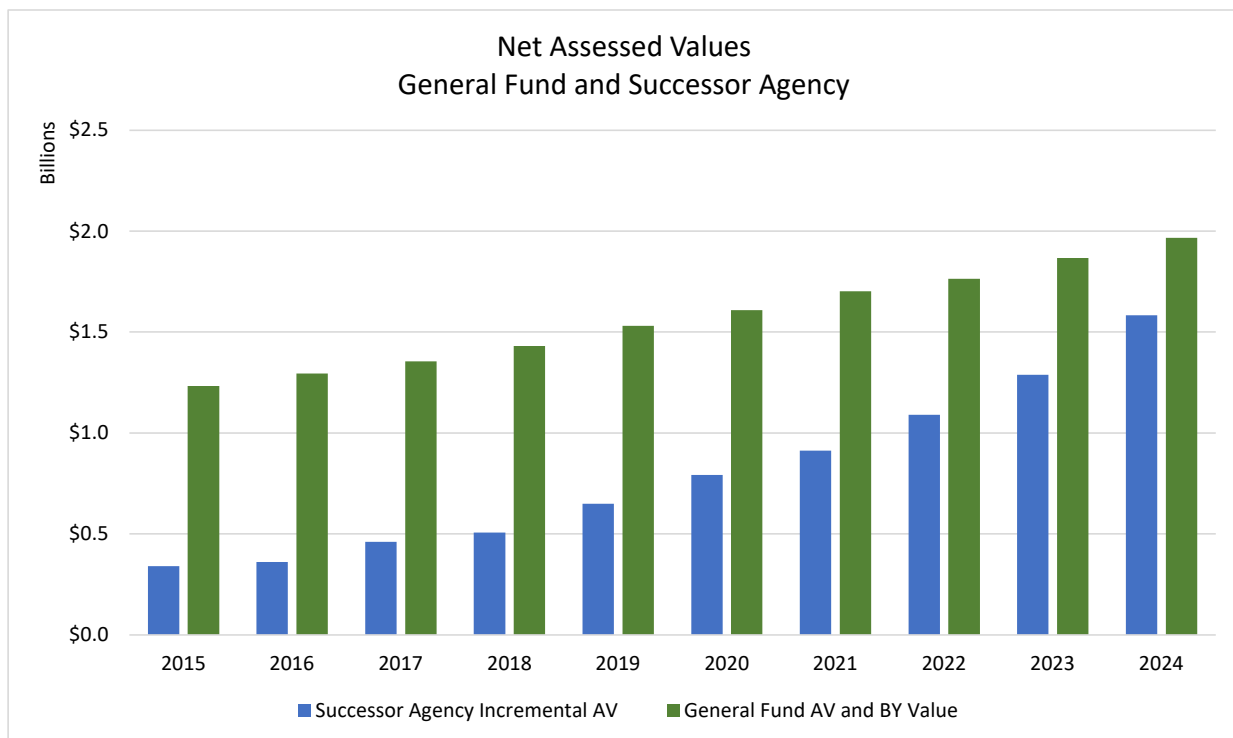
(2) Monterey Peninsula Unified School District (MPUSD)

(3) This amount includes the City of Marina's share of the Educational Revenue Augmentation Funds (ERAF) in the amount of 0.04558; and the County of Monterey at 0.10714. The City does not receive the ERAF funds.

TABLE 10

City of Marina
Allocation of City-Wide Net Assessed Property Tax Values
 Last Ten Fiscal Years

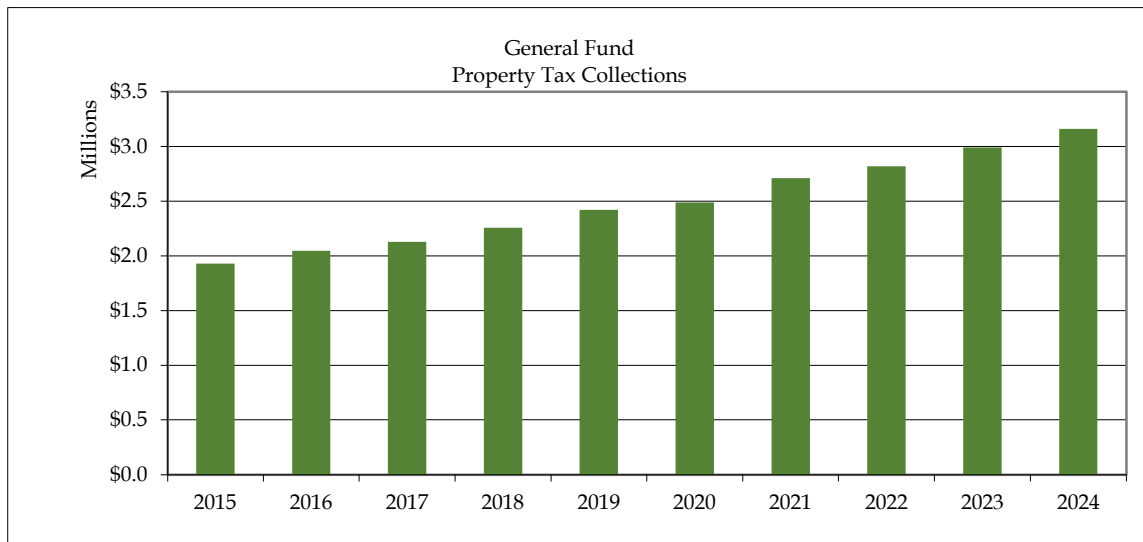
Fiscal Year Ended June 30,	Successor Agency Net Assessed Value (AV)			General Fund Net Assessed Value			Combined
	Assessed Value	Reduced by Base Year (BY) Value	Successor Agency Incremental AV	General Fund Assessed Value	Add Successor Agency Base Year AV	General Fund AV and BY Value	Total City Net Assessed Value
2015	\$ 380,508,296	\$ 39,738,135	\$ 340,770,161	\$ 1,193,630,660	\$ 39,738,135	\$ 1,233,368,795	\$ 1,574,138,956
2016	400,548,045	39,738,135	360,809,910	1,255,232,772	39,738,135	1,294,970,907	1,655,780,817
2017	501,133,467	39,738,135	461,395,332	1,314,721,248	39,738,135	1,354,459,383	1,815,854,715
2018	546,452,570	39,738,135	506,714,435	1,390,799,250	39,738,135	1,430,537,385	1,937,251,820
2019	688,531,479	39,738,135	648,793,344	1,490,454,728	39,738,135	1,530,192,863	2,178,986,207
2020	831,012,283	39,738,135	791,274,148	1,569,298,717	39,738,135	1,609,036,852	2,400,311,000
2021	952,072,669	39,738,135	912,334,534	1,661,962,307	39,738,135	1,701,700,442	2,614,034,976
2022	1,129,358,534	39,738,135	1,089,620,399	1,723,812,800	39,738,135	1,763,550,935	2,853,171,334
2023	1,327,206,567	39,738,135	1,287,468,432	1,826,705,318	39,738,135	1,866,443,453	3,153,911,885
2024	1,623,336,691	39,738,135	1,583,598,556	1,927,126,730	39,738,135	1,966,864,865	3,550,463,421



Sources: Monterey County Assessor Combined Tax Rolls; and HdL, Coren & Cone

City of Marina
General Fund Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Collected within the Fiscal Year of Levy					
	Total Tax Levy ¹	Current Tax Collections ²	Percent of Levy Collected	Supplemental Tax Collections ³	Delinquent Tax Collections ⁴	Total Collections
2015	1,846,555	1,862,869	100.9%	38,577	26,224	1,927,670
2016	1,938,783	1,916,414	98.8%	97,657	31,520	2,045,591
2017	2,027,847	2,000,354	98.6%	98,343	29,248	2,127,945
2018	2,141,749	2,118,463	98.9%	110,699	26,704	2,255,866
2019	2,290,949	2,256,347	98.5%	129,421	33,321	2,419,089
2020	2,408,991	2,353,299	97.7%	110,395	24,840	2,488,534
2021	2,547,724	2,537,148	99.6%	137,913	33,337	2,708,398
2022	2,640,324	2,616,373	99.1%	168,171	32,616	2,817,160
2023	2,794,371	2,776,555	99.4%	193,072	21,930	2,991,557
2024	2,944,718	2,910,305	98.8%	202,314	48,023	3,160,642



Notes:

- (1) The Monterey County Auditor-Controller's Office does not provide the total levy. This amount is calculated referencing the assessed values of properties and the weighted values of the tax rate established for the General Fund and the Successor Agency base values. The weighted percentage is 0.1497%.
- (2) This represents the secured and unsecured current year property tax receipts that correspond to the property tax valuations. This excludes FORA and Successory Agency surplus property tax receipts and CSUMB property tax receipts.
- (3) Includes supplemental tax assessments.
- (4) The amounts listed in this column represent prior year secured, prior year secured, unsecured, and unitary taxes.

Sources: County of Monterey Assessor Combined Tax Rolls; and HdL, Coren & Cone; and City of Marina Finance Department

City of Marina

City-Wide Principal Property Tax Payers

Last Fiscal Year and Seven Years Ago ⁽¹⁾

Taxpayer	2023-24		2016-17 ⁽¹⁾	
	Taxable Value	% of Total City Taxable Value	Taxable Value	% of Total City Taxable Value
Marina Developers Inc.	\$ 56,366,541	1.6%	\$ -	-
Hamstra-Appleton, LLC	55,519,879	1.6%	20,512,649	1.1%
LV44 LP	47,083,143	1.3%	-	-
Joby Aero Inc.	41,404,471	1.2%	-	-
The Gates at Marina LLC	41,040,740	1.2%	-	-
Pacific Coast Highway Property LLC	38,781,521	1.1%	-	-
HHLP Sanctuary Associates LLC	32,740,573	0.9%	-	-
Target Corporation	31,668,920	0.9%	24,565,518	1.4%
MHC Marina Dunes LP	29,720,266	0.8%	-	-
Wal-Mart Real Estate Business Trust	29,665,258	0.8%	20,815,143	1.1%
Marina Hotels BW LLC	24,776,385	0.7%	-	-
Shea Homes Limited Partnership	22,891,640	0.6%	22,298,336	1.2%
Cemex Inc	20,616,513	0.6%	17,188,463	0.9%
Monterey Peninsula Hotels Group LP	20,211,527	0.6%	-	-
Community Hospital Properties Inc	19,568,400	0.6%	22,046,714	1.2%
Horvath Liza Tr Etal	19,362,660	0.5%	-	-
Tate Michael J Tr	19,205,653	0.5%	16,347,361	0.9%
Wathen Castanos Peterson Homes Inc Et Al	16,803,049	0.5%	-	-
Sea Breeze Marina LLC	15,406,111	0.4%	-	-
SPPI Commercial LLC	14,606,948	0.4%	-	-
Valle Del Sol Properties LLC Et Al	14,278,099	0.4%	-	-
Jamna Investments LLC	13,039,562	0.4%	-	-
189 Seaside LLC	12,988,358	0.4%	-	-
Marina Community Partners LLC	12,807,050	0.4%	21,111,663	1.2%
Preston Park Sustainable Comm. Nonprofit Corp.	11,731,052	0.3%	-	-
Shea Marina Village LLC	-	-	41,527,337	2.3%
Cypress Marina Heights LP	-	-	21,183,271	1.2%
Alliance Residential Co Inc.	-	-	14,105,308	0.8%
MDR TMI LLC	-	-	13,607,305	0.7%
Ocean Lodging LLC	-	-	12,696,926	0.7%
Sierra Pacific Properties Inc.	-	-	12,320,813	0.7%
Kohls Department Stores Inc.	-	-	10,452,956	0.6%
University Village Assoc	-	-	10,284,903	0.6%
Cypress Gates Inc.	-	-	9,450,367	0.5%
LV44 II LTd. Partnership	-	-	8,557,928	0.5%
ELS Properties Corp	-	-	8,513,122	0.5%
Brooks William H	-	-	8,298,218	0.5%
Marina Cypress Apts LLC	-	-	7,916,199	0.4%
Vega Nelson A Susan J	-	-	7,790,032	0.4%
Vieira Linda M Manuel A	-	-	7,234,648	0.4%
Marina Beach Inn Inc.	-	-	7,191,856	0.4%
Shamrock Redwood Marina Park	-	-	6,773,456	0.4%
Total Top 25 Taxpayers	\$ 662,284,319	18.7%	\$ 372,790,492	20.5%
Total Taxable Value	\$ 3,550,463,421	100.00%	1,815,854,715	100.00%

(1) Fiscal Year 2016-17 was the first year the City prepared a Statistical Section. Data for nine years prior is not available. Data provided by the County Assessor and MuniServices, LLC/Avenu Insights & Analytics

(2) Fiscal Year 2023-24 information provided by Monterey County Assessor; and HdL, Coren & Cone.

City of Marina
Total Outstanding Debt
Last Ten Fiscal Years

TABLE 13

	2015	2016	2017	2018	2019
Governmental Activities:					
General obligation library refunding bonds	\$ 7,925,000	\$ 7,640,000	\$ 7,555,000	\$ 7,390,000	\$ 7,195,000
Pension obligation bonds	1,470,000	900,000	275,000	145,000	-
Total General Obligation Bonds	9,395,000	8,540,000	7,830,000	7,535,000	7,195,000
Revenue bonds - Abrams-B Housing	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000
Total Bonded Indebtedness	21,215,000	20,005,000	19,105,000	18,395,000	17,630,000
Certificates of participation - Measure X	-	-	-	-	-
Compensated absences	1,137,080	1,223,211	1,289,557	1,234,374	1,374,294
Leases	92,774	18,767	-	-	663,156
Subscription liabilities	-	-	-	-	-
Total Governmental Activities	22,444,854	21,246,978	20,394,557	19,629,374	19,667,450
Business-type Activities:					
Promissory note - Preston Park Housing	-	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
Total Debt	\$ 22,444,854	\$ 57,196,978	\$ 56,344,557	\$ 55,579,374	\$ 55,617,450
Per Capita income ¹	\$ 24,773	\$ 25,327	\$ 26,525	\$ 28,168	\$ 29,705
Personal income ¹ (in thousands)	\$ 521,199	\$ 546,937	\$ 587,343	\$ 631,639	\$ 681,936
Debt as percentage of personal income	4.31%	10.46%	9.59%	8.80%	8.16%
Population ²	21,039	21,595	22,143	22,424	22,957
Total debt per capita	1,067	2,649	2,545	2,479	2,423
Taxable Assessed value ³	1,574,138,956	1,655,780,817	1,815,854,715	1,937,251,820	2,178,986,207
Total Debt as % of assessed value	1.44%	3.48%	3.12%	2.89%	2.57%

Continued

TABLE 13

City of Marina
Total Outstanding Debt
Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Governmental Activities:					
General obligation library refunding bonds	\$ 6,970,000	\$ 6,710,000	\$ 6,430,000	\$ 6,135,000	\$ 6,820,000
Pension obligation bonds	-	-	-	-	-
Total General Obligation Bonds	6,970,000	6,710,000	6,430,000	6,135,000	6,820,000
Revenue bonds - Abrams-B Housing	10,005,000	9,565,000	9,115,000	8,650,000	8,175,000
Total Bonded Indebtedness	16,975,000	16,275,000	15,545,000	14,785,000	14,995,000
Certificates of participation - Measure X	-	-	-	11,480,638	11,206,861
Compensated absences	1,544,477	1,581,280	1,604,523	1,474,423	1,657,141
Leases	508,464	596,341	609,858	759,644	571,560
Subscription liabilities	-	-	-	636,214	398,217
Total Governmental Activities	19,027,941	18,452,621	17,759,381	29,135,919	28,828,779
Business-type Activities:					
Promissory note - Preston Park Housing	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
Total Debt	\$ 54,977,941	\$ 54,402,621	\$ 53,709,381	\$ 65,085,919	\$ 64,778,779
Per Capita income ¹	\$ 30,895	\$ 33,348	\$ 38,304	\$ 44,678	\$ 50,025
Personal income ¹ (in thousands)	\$ 689,608	\$ 730,984	\$ 821,890	\$ 985,949	\$ 1,135,320
Debt as percentage of personal income	7.97%	7.44%	7.92%	0.00%	5.71%
Population ²	22,321	21,920	21,457	22,068	22,695
Total debt per capita	2,463	2,482	3,033	2,949	2,854
Taxable Assessed value ³	2,400,311,000	2,614,034,976	2,853,171,334	3,153,911,885	3,550,463,421
Total Debt as % of assessed value	2.30%	2.09%	2.29%	0.00%	1.82%

Concluded

Source: City of Marina Audited Financial Statements

Notes:

(-) 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)

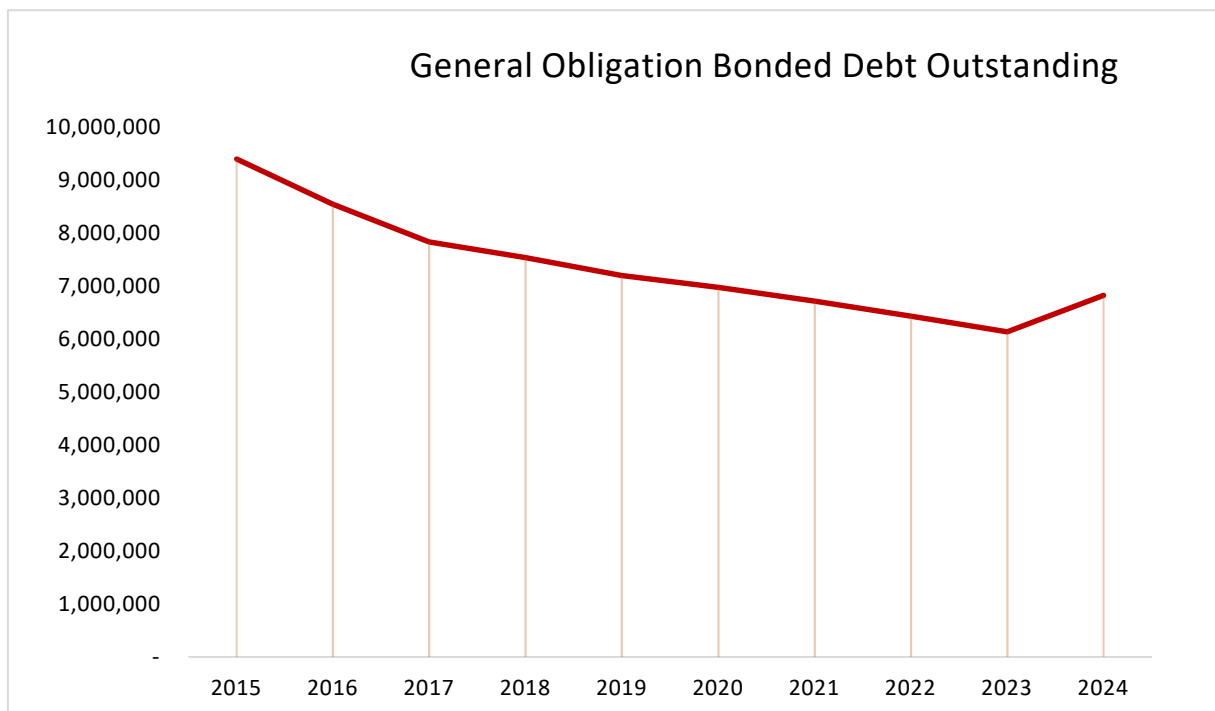
² California Department of Finance

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

City of Marina
Bonded Debt
Last Ten Fiscal Years

TABLE 14

Fiscal Year Ended June 30	³ Total Bonded Debt	³ Less: Revenue Bonds	³ General Obligation Bonded Debt	G.O. Debt as a % of Assessed Value	G.O. Debt Per Capita	Taxable Assessed Value ¹	Population ²
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	3,153,911,885	22,068
2024	14,995,000	8,175,000	6,820,000	0.19%	301	3,550,463,421	22,695



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

TABLE 15

City of Marina
Direct and Overlapping Debt
 Fiscal Year 2023-24

<u>2023-24 Assessed Valuation:</u>	\$ 3,550,463,421		
	Total Debt		City's Share of
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2023</u>	<u>% Applicable ⁽¹⁾</u>	<u>Debt 6/30/24</u>
Monterey County Water Resources Agency, Zone No. 2 C	\$ 17,895,000	4.310%	\$ 721,347
Hartnell Joint Community College District	243,151,667	0.095%	225,452
Monterey Peninsula Community College District	118,055,022	7.169%	13,266,595
Monterey Peninsula Unified School District	311,217,906	19.726%	61,390,844
North Monterey County Unified School District	26,685,000	0.395%	105,406
City of Marina	5,820,000	100.000%	5,820,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 81,529,644
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Monterey County General Fund Obligations	\$ 109,815,000	4.03%	\$ 4,426,643
Monterey County Office of Education General Fund Obligations	4,292,000	4.03%	173,011
North Monterey County Unified School District Certificates of Participation	1,925,000	3.95%	7,604
City of Marina Certificates of Participation	10,315,000	100.00%	10,315,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 14,922,258
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 59,640,000	71.22-100%	\$ 51,986,491
TOTAL DIRECT DEBT			\$ 16,135,000
TOTAL OVERLAPPING DEBT			\$ 132,303,393
COMBINED TOTAL DEBT			\$ 148,438,393 ⁽²⁾
<u>Ratios to 2023-24 Assessed Valuation:</u>			
Direct Debt (\$5,820,000)	0.16%		
Total Direct and Overlapping Tax and Assessment Debt	2.30%		
Total Direct Debt (\$16,135,000)	0.45%		
Net Combined Total Debt	4.18%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,583,598,556):</u>			
Total Overlapping Tax Increment Debt	3.28%		

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

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

TABLE 16

City of Marina
Legal Debt Margin Information
 Last Ten Fiscal Years

Fiscal Year	Taxable Property Assessed Value ⁽¹⁾	Legal Debt Limit ⁽²⁾	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Limit
2015	1,574,138,956	236,120,843	9,395,000	226,725,843	3.98%
2016	1,655,780,817	248,367,123	8,540,000	239,827,123	3.44%
2017	1,815,854,715	272,378,207	7,830,000	264,548,207	2.87%
2018	1,937,251,820	290,587,773	7,535,000	283,052,773	2.59%
2019	2,178,986,207	326,847,931	7,195,000	319,652,931	2.20%
2020	2,400,311,000	360,046,650	6,970,000	353,076,650	1.94%
2021	2,614,034,976	392,105,246	6,710,000	385,395,246	1.71%
2022	2,853,171,334	427,975,700	6,430,000	421,545,700	1.50%
2023	3,153,911,885	473,086,783	6,135,000	466,951,783	1.30%
2024	3,550,463,421	532,569,513	5,820,000	526,749,513	1.09%

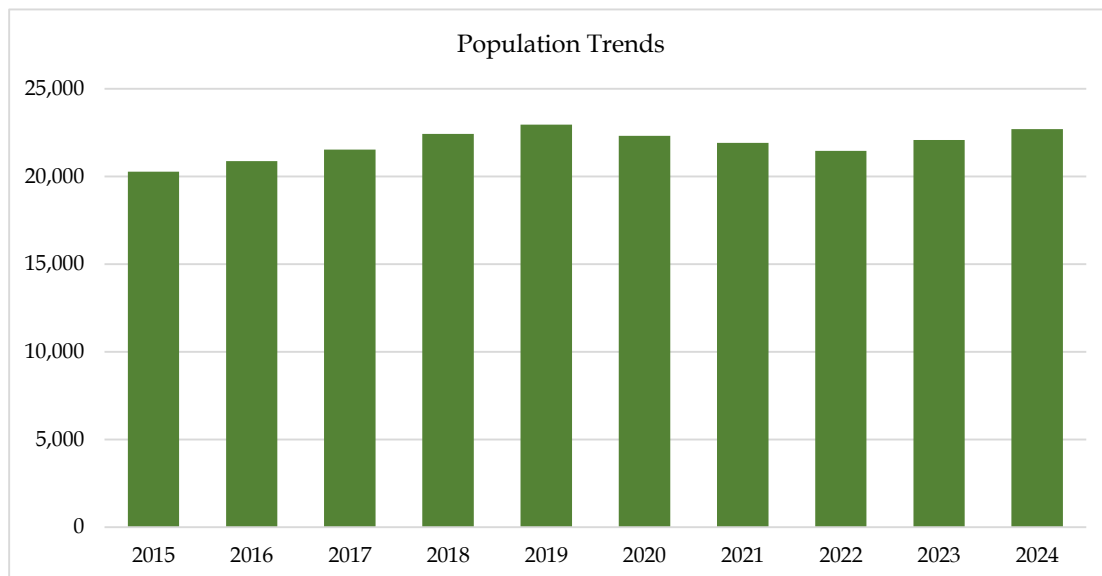
(1) Sources: Monterey County Assessor data; and HdL, Coren & Cone

(2) 15% of the Property Assessed Value per California Governmental Code Section 43605

TABLE 17

City of Marina
Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (⁽¹⁾)	Personal Income (⁽²⁾) (in thousands)	Per Capita Personal Income (⁽²⁾)	Median Age (⁽⁴⁾)	Public School Enrollment (⁽⁵⁾)	County Unemployment Rate (⁽³⁾)	City Unemployment Rate (⁽³⁾)	County Population (⁽¹⁾)
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
2024	22,695	1,135,320	50,025	36.0	9,836	5.7%	3.3%	437,614



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.

(5) 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.

TABLE 18

City of Marina**Principal Employers**Last Fiscal Year and Seven Years Ago ⁽¹⁾

Business Name	2023-24		2016-17 ⁽¹⁾	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Monterey Peninsula Unified Schools - Marina Locations	298	2.35%	183	1.51%
Walmart Supercenter	222	1.75%	189	1.56%
Target	147	1.16%	-	-
Monterey Regional Waste Management District	135	1.06%	130	1.07%
City of Marina ⁽²⁾	122	0.76%	80	0.66%
Monterey One Water Treatment Plant ⁽³⁾	91	0.72%	76	0.63%
Scudder Roofing Company	85	0.67%	74	0.61%
REI - Recreational Equipment Inc.	45	0.35%	12	0.10%
Kohl's	43	0.34%	72	0.60%
Montage Medical Group - Marina	29	0.23%	-	-
Del Monte Meat Company			53	0.44%
Michaels Catering/Wildtime Deli (Chef's Fancy, LLC)			50	0.41%
Total Top 10 Employers	1,217	9.39%	919	7.59%
Total City Labor Force ⁽⁴⁾	12,700		12,100	

Source: MuniServices, LLC / Avenu Insights & Analytics

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

Notes:

(1) Fiscal Year 2016-17 was the first year the City prepared a Statistical Section. Data for nine years prior is not available.

(2) The amount reflects the authorized full-time equivalent positions; and includes City Council members.

(3) Includes Marina and Monterey location.

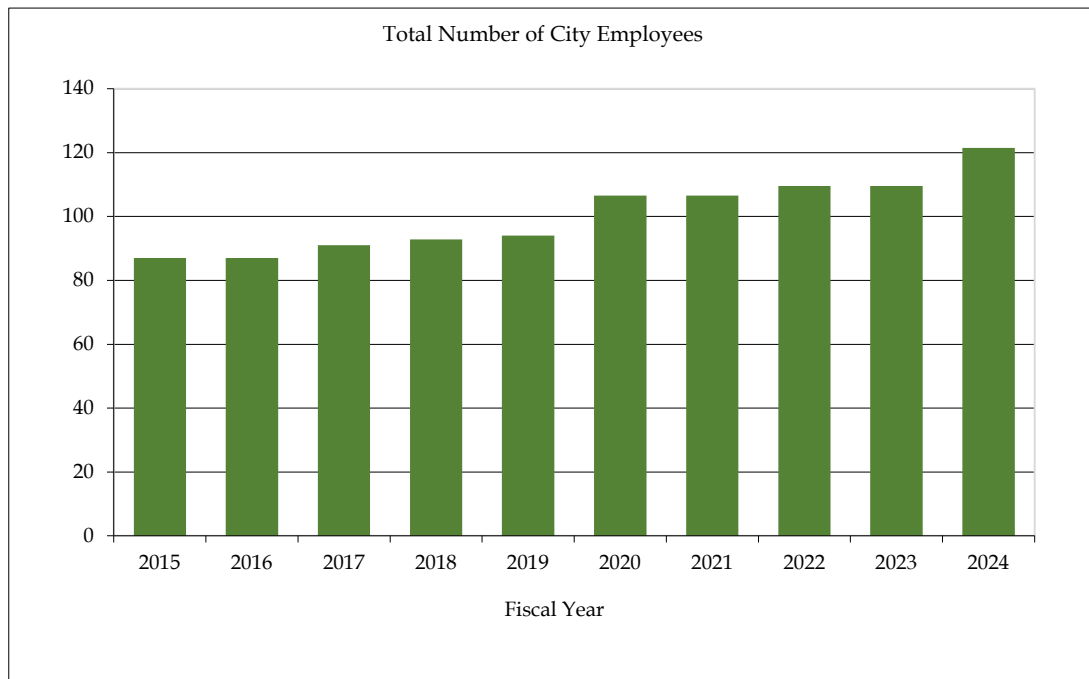
(4) Total City Labor Force provided by EDD Labor Force Data.

TABLE 19

City of Marina**Number of City Employees by Department ⁽¹⁾**

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Departments:										
General Government ⁽²⁾	15.3	15.3	16.8	17.0	17.0	17.0	17.0	17.0	19.0	20.0
Public Safety	51.0	51.0	51.0	51.0	51.0	56.0	56.0	57.0	57.0	60.0
Public Works	14.0	14.0	14.0	16.0	16.0	18.0	18.0	18.0	19.0	23.0
Recreation	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5
Community Development	6.8	6.8	7.8	8.3	8.5	10.0	10.0	10.0	10.0	10.0
Business-type Activities:										
Airport	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Total	95.1	95.1	96.6	99.3	99.5	108.0	108.0	109.5	113.5	121.5



(1) References authorized and funded full-time equivalent (FTE) regular positions.

(2) Includes four Council Members and Mayor.

TABLE 20

City of Marina
Capital Asset Statistics By Function
 Last Ten Fiscal Years

Function:	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government facilities										
City Hall	1	1	1	1	1	1	1	1	1	1
City Hall Annex	1	1	1	1	1	1	1	1	1	1
Council Chambers	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of paved streets	140	140	140	140	140	140	140	140	140	140
Parking lots	5	5	5	5	5	5	5	5	5	5
Street lights ⁽¹⁾	1,076	1,076	1,079	1,079	1,079	1,079	1,079	1,201	1,252	1,252
Fleet vehicles (city-wide)	56	55	56	60	66	61	65	66	68	68
Fueling Station	1	1	1	1	1	1	1	1	1	1
Recreation										
Parks	4	4	4	4	4	4	4	4	4	4
Community centers/facilities	3	3	3	3	3	3	3	3	3	3
Playgrounds	4	4	4	4	4	4	4	4	4	4
Skate Park	1	1	1	1	1	1	1	1	1	1
Pump Track	-	-	-	-	-	-	-	-	1	1
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Airport										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Runways	2	2	2	2	2	2	2	2	2	2
Hangers	40	40	40	40	40	40	40	40	40	40
Fueling Station	1	1	1	1	1	1	1	1	1	1

Source: City of Marina Departments

(1) Reflects the number of street lights listed on the City's electricity statements.

City of Marina
Operating Indicators By Function
 Last Ten Fiscal Years ⁽¹⁾

Function:	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Number of approved resolutions	-	-	-	-	150	162	148	153	139	149
Number of approved ordinances	-	-	-	-	7	5	9	3	10	13
Police ⁽²⁾										
Calls for service	-	-	-	-	26,508	23,505	27,483	-	25,455	25,816
Fire										
Calls for Service - Fires	-	-	-	-	65	58	65	60	80	43
Calls for Service - Medical Aid	-	-	-	-	1,642	1,646	1,754	1,843	2,037	1,566
Calls for Service - Other	-	-	-	-	727	972	673	729	916	1,180
Recreation ⁽³⁾										
Park & facility rentals	-	-	-	-	-	-	-	-	-	52
Recreation memberships	-	-	-	-	-	-	-	-	-	272
Special events	-	-	-	-	-	-	-	-	-	8
Public Works ⁽⁴⁾										
Work orders - routine maintenance	-	-	-	-	-	-	-	-	-	711
Work orders - special assignments	-	-	-	-	-	-	-	-	-	53
Community Development										
Building Permits - New Construction	-	-	-	-	-	63	135	270	171	127
Building Permits - Other	-	-	-	-	-	195	645	755	621	410
Airport										
Active building leases	-	-	-	-	-	14	15	14	12	10
Active hangar leases	-	-	-	-	-	21	18	42	42	42
Active ground and tie-down leases	-	-	-	-	-	5	7	5	6	17

Notes:

- (1) This is the first year that the City is preparing this table. Five years of data provided, unless noted. Additional years and metrics to be added in the next fiscal year.
- (2) The Police Department recently implemented new software. Additional implementation processes are pending. The data represents historical reports; and information from the County 9-1-1 Center, which has a limited retention policy.
- (3) In Fiscal Year 23/24, the City implemented CivicRec recreation software. Statistics reflect manually tracked data, as well as as general ledger recreation activity. Additional metrics will be available in the next fiscal year.
- (4) The Public Works Department is in the process of implementing an asset management/work order software. The data represents manually tracked work orders. Stronger metrics will be available in the next fiscal year.

Source: City of Marina Departments

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**INDEPENDENT AUDITORS REPORT
IN ACCORDANCE WITH
GENERALLY ACCEPTED GOVERNMENTAL
AUDITING STANDARDS**



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 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2024.

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) to determine the 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 and significant deficiencies may exist that were not identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not



Chavan and Associates, LLP
Certified Public Accountants

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

Morgan Hill, California
December 2, 2024

CITY OF MARINA
TRANSPORTATION SAFETY AND
INVESTMENT PLAN ACCOUNT FUNDS
WITH INDEPENDENT
AUDITORS' REPORT

JUNE 30, 2024

* * *



Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Rd, Suite 5
Morgan Hill, CA 95037

CITY OF MARINA
Transportation Safety and Investment Plan Account Funds
June 30, 2024

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council
City of Marina
Marina, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the City of Marina Transportation Safety and Investment Plan Account Funds (Measure X Funds), as of and for the year ended June 30, 2024, and the related notes to the 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 financial position of the City's Transportation Safety and Investment Plan Account Funds, as of June 30, 2024, and the changes in financial position 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.

Other Matters

As discussed in Note 1, the financial statements present only the Transportation Safety and Investment Plan Account Funds and do not purport to, and do not, present fairly the financial position of the City of Marina, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 GAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Transportation Safety and Investment Plan Account Funds financial statements that collectively comprise the City of Marina Transportation Safety and Investment Plan Account Funds financial statements. The accompanying supplemental information – Schedule of Revenues, Expenditures and Changes in Fund Balance -



Budget and Actual on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the City's Transportation Safety and Investment Plan Account Funds financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the City of Marina Traffic Safety and Investment Plan Account Funds' internal control over financial reporting and on our tests of its compliance with the requirements described in the TAMC's Ordinance No. 2016-01 and in the Agreement between TAMC and the City and other matters for the fiscal year ended June 30, 2024. The purpose of that report is solely to report our opinion on compliance and to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the City of Marina Traffic Safety and Investment Plan Account Funds' internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Marina Traffic Safety and Investment Plan Account Funds' compliance.

C & A UP

December 10, 2024
Morgan Hill, California

City of Marina
Transportation Safety and Investment Plan Accounting Fund
Balance Sheet
June 30, 2024

	Transportation Safety and Investment Fund	Measure X - Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 793,038	\$ 7,902,662	\$ 8,695,700
Receivables:			
Accounts	250,298	-	250,298
Interest	1,833	33,826	35,659
Due from other funds	-	845,812	845,812
Total Assets	<u>\$ 1,045,169</u>	<u>\$ 8,782,300</u>	<u>\$ 9,827,469</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ 163,251	\$ 163,251
Total liabilities	<u>-</u>	<u>163,251</u>	<u>163,251</u>
Fund Balance:			
Restricted	1,045,169	8,619,049	9,664,218
Total fund balances	<u>1,045,169</u>	<u>8,619,049</u>	<u>9,664,218</u>
Total Liabilities and Fund Balance	<u>\$ 1,045,169</u>	<u>\$ 8,782,300</u>	<u>\$ 9,827,469</u>

The accompanying notes are an integral part of these financial statements

City of Marina
Transportation Safety and Investment Plan Accounting Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
June 30, 2024

	Transportation Safety and Investment	Measure X - Capital Projects Fund	Total
REVENUES			
Transportation Safety and Investment Plan Account revenue	\$ 1,000,551	\$ -	\$ 1,000,551
Use of money and property	14,493	432,722	447,215
Total Revenues	<u>1,015,044</u>	<u>432,722</u>	<u>1,447,766</u>
EXPENDITURES			
Current:			
Public Works	6,749	-	6,749
Capital Outlay	-	845,812	845,812
Total Expenditures	<u>6,749</u>	<u>845,812</u>	<u>852,561</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,008,295</u>	<u>(413,090)</u>	<u>595,205</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,316,592	4,316,592
Transfers out	(947,325)	-	(947,325)
Total Other Financing Sources (Uses)	<u>(947,325)</u>	<u>4,316,592</u>	<u>3,369,267</u>
Net Change in Fund Balances	60,970	3,903,502	3,964,472
Fund Balance Beginning	<u>984,199</u>	<u>4,715,547</u>	<u>5,699,746</u>
Fund Balance Ending	<u>\$ 1,045,169</u>	<u>\$ 8,619,049</u>	<u>\$ 9,664,218</u>

The accompanying notes are an integral part of these financial statements

City of Marina
Transportation Safety and Investment Plan Account Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Transportation Safety and Investment Plan Account Funds of the City of Marina (the City) is a governmental fund type. Governmental funds are accounted for using a current financial resources measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for the Transportation Safety and Investment Plan Account Funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

Reporting Entity

The Transportation Safety and Investment Plan Account Funds from the Transportation Agency for Monterey County was approved on November 8, 2016. The revenue from the sales tax measure will be used to fund transportation safety and mobility projects in Monterey County. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

The Transportation Safety and Investment Plan Fund financial statements and related accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Transportation Safety and Investment Fund accounts for the City's Measure X sales tax funds received and expended to invest in roads throughout Monterey County. The Measure X Capital Projects Fund is used to account for major capital projects related to transportation and safety. The financial statements present only the Transportation Safety and Investment Plan Account Fund and Measure X Capital Projects Fund and do not purport to, and do not present, the City's financial position and changes in financial position. The City's basic financial statements are available from the Finance Department at City's address and website.

NOTE 2 – CASH DEPOSITS

The City follows the practice of pooling cash and investments for all funds (including the Transportation Safety and Investment Plan Account Fund) under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the various funds based on average cash balances. Detailed disclosure regarding the City's investments of cash is included in the notes to City's basic financial statements.

City of Marina
Transportation Safety and Investment Plan Account Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 3 – MAINTENANCE OF EFFORT

The Measure X Master Programs Funding Agreement between the City and the Transportation Agency for Monterey County, as amended, requires that the City must expend each fiscal year from its general fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the Controller pursuant to Streets and Highways Code section 2151 (“Maintenance of Effort”). This baseline amount will be indexed annually to the Engineering News Record construction index.

The following eligible expenditures were made:

Fiscal year ended June 30:	
2010	\$ 262,149
2011	201,648
2012	265,396
Total	<u>\$ 729,193</u>
Three-year average	\$ 243,064
Fiscal year ended June 30, 2017	\$ 457,181
Maintenance of effort baseline	\$ 457,181
Engineering News Record construction index FY 2019/20	1.37%
Engineering News Record construction index FY 2020/21	1.27%
Engineering News Record construction index FY 2021/22	2.05%
Engineering News Record construction index FY 2022/23	7.34%
Engineering News Record construction index FY 2023/24	4.93%
Index-adjusted maintenance of effort requirement	<u>\$ 539,464</u>
Current year eligible expenditures	\$ 8,270,090
Compliant (Yes or No)	Yes

** Current expenditures must be >= 3 year avg or FY17 (year of inception)

Total expenditures from the general fund for street and highway purposes for the fiscal year ended June 30, 2024 was \$8,270,090. The City was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement between the City of Marina and the Transportation Agency for Monterey County.

City of Marina
Transportation Safety and Investment Plan Account Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 4 – TRANSFERS TO/FROM OTHER FUNDS AND THE CITY

Transfers into the Measure X Capital Projects Fund during the fiscal year ended June 30, 2024:

Transfers From/To	Description of Transfer	Amount
Transportation Safety and Investment Fund	XCCIP - XAPR1801 Project	\$ 170,000
From the City:		
General Fund	XCCIP - XAPR1801 Project	1,000,000
RMRA -SB1	XCCIP - XAPR1801 Project	450,000
C.O.P Debt Services	XCCIP - XAPR1801 Project	2,696,592
To the City:		
C.O.P Debt Services	COP Trust Transactions	(777,325)
Capital Projects	XCCIP - XAPR1801 Project	(170,000)
	Total Transfers	<u><u>\$ 3,369,267</u></u>

SUPPLEMENTARY INFORMATION

City of Marina
Transportation Safety and Investment Plan Account Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Transportation Safety and Investment Plan Account revenue	\$ 950,000	\$ 950,000	\$ 1,000,551	\$ 50,551
Use of money and property	1,000	1,000	14,493	13,493
Total Revenues	951,000	951,000	1,015,044	64,044
EXPENDITURES				
Current:				
Public Works	-	-	6,749	(6,749)
Total Expenditures	-	-	6,749	(6,749)
Excess (Deficiency) of Revenues over Expenditures	951,000	951,000	1,008,295	57,295
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(947,325)	(947,325)	(947,325)	-
Total Other Financing Sources (Uses)	(947,325)	(947,325)	(947,325)	-
Net Change in Fund Balance	3,675	3,675	60,970	57,295
Fund Balance Beginning	984,199	984,199	984,199	-
Fund Balance Ending	<u>\$ 987,874</u>	<u>\$ 987,874</u>	<u>\$ 1,045,169</u>	<u>\$ 57,295</u>

The City employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the City Council to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the Measure X Special Revenue Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP. The expenditures noted above in excess of appropriations were covered by fund balance, appropriations available in other categories, or revenues in excess of budget.

**OTHER INDEPENDENT
AUDITORS REPORT**



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

City Council
City of Marina
Marina, California

We have audited, 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, the financial statements of the Transportation Safety and Investment Plan Account Funds (Measure X Funds) of City of Marina (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Marina's Measure X Funds financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Marina's internal control over financial reporting (internal control) as a basis for designing 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 of Marina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Marina'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 misstatement 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 City's financial statement 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 of Marina's Measure X Funds financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which



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could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

December 10, 2024
Morgan Hill, California



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
TAMC ORDINANCE NO. 2016-01 AND THE MEASURE X
MASTER PROGRAMS FUNDING AGREEMENT**

City Council
City of Marina
Marina, California

Report on Compliance with the TAMC Ordinance No. 2016-01

Opinion

We have audited the City of Marina's (the "City") Transportation Safety and Investment Plan Account Funds' (the City's Measure X Funds) compliance with the types of compliance requirements described in the Transportation Agency's for Monterey County's (TAMC) Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City, applicable for the fiscal year ended June 30, 2024.

In our opinion, the funds allocated to and received by the City's Measure X Funds, complied, in all material respects, with the compliance requirements referred to above that are applicable in accordance to the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement between TAMC and the City for the fiscal year ended June 30, 2024.

Basis for Opinion on Compliance with the TAMC Ordinance No. 2016-01 Requirements

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, and in accordance with the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City. Our responsibilities under those standards 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 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 opinion on compliance with the compliance requirements referred to above. However, our audit does not provide a legal determination of the City's compliance.

Management's Responsibility 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, regulations, contracts, and grants applicable to the Transportation Safety and Investment Plan Account Funds.



Auditor's Responsibilities for the Audit of Compliance

Our responsibility is to express an opinion on the City's compliance based on our audit in accordance with the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City. The Measure X Master Programs Funding Agreement requires that the independent auditor shall perform at least the following tasks: (1) determine whether the recipient expended all Measure X funds received in compliance with Measure X, the Measure X Investment Plan, and the Policies & Project Descriptions, as they may be adopted or amended by TAMC from time to time, and the Agreement, (2) determine whether the Measure X revenues received and expended were accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and were not be comingled with any other funds and that the accounting system provides adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds, and (3) determine whether the City met the Maintenance of Effort requirements imposed by Measure X and State law. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Purpose of this Report

The purpose of this report is solely to report our opinion on compliance with the TAMC Ordinance No. 2016-01 and to describe the scope of our testing over compliance and the results of that testing. This report is intended solely for the information and use of City Council, management of the Transportation Agency for Monterey County and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

C & A LLP

December 10, 2024
Morgan Hill, California

FINDINGS AND RECOMMENDATIONS

City of Marina
Transportation Safety and Investment Plan Account Fund
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2024

None reported.



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, 2024, and have issued our report thereon dated December 4, 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.



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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, 2024. 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 investments, 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.



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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, 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.



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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 December 4, 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

December 4, 2024
Morgan Hill, California



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, 2024, 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. 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



Chavan and Associates, LLP
Certified Public Accountants

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

December 4, 2024
Morgan Hill, California

January 16, 2025

Item No: **10j(3)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of January 22, 2025

**CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2025-
RECEIVING AND FILING THE ANNUAL FINANCIAL REPORT,
RECEIVING AND FILING THE TRANSPORTATION SAFETY AND
INVESTMENT PLAN ACCOUNT FUND REPORT WITH INDEPENDENT
AUDITORS' 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, 2024; and,
2. Receive and file the City's Annual Transportation Safety and Investment Plan Account Funds with Independent Auditors' Report for the period ending June 30, 2024.
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, 2024.

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, 2024, 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 of Marina for the fiscal year ended June 30, 2024. The information included in the financial section of this report fulfills the aforementioned state law.

The City's financial statements include a Transmittal Letter that provides a profile of the local government, information that may be useful in assessing the City's economic condition, and an overview of major initiatives, and acknowledgements.

The financial section begins with an overview or discussion on the City's financial statements. This section is titled 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
- (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 agenda report provides 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 principal method of distinguishing the results of those lines is the fund. The City uses three types of funds: Governmental, Enterprise and Fiduciary.

Governmental Funds focus on spendable resources and an entity's short-term position. The corresponding fund statements include cash and short-term receivables; and current liabilities, such as accounts payable. They exclude capital assets, depreciation, and long-term debt. Their ending fund balance provides an indication of resources that are available for use. The primary governmental fund and main City operating fund is the *General Fund*. The General Fund supports services, which include police, fire, community development, recreation, public works, and general administration. Additional governmental funds focus on capital improvements, community facilities districts, debt service, and special revenue or defined purposes.

Proprietary or Enterprise Funds are presented similar to private sector businesses. They differ from governmental funds in that they include capital assets and debt. The change in net position or net income does not approximate cash because non-cash assets, such as real estate, can be rather significant. 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 used to report assets held through a trust agreement, an equivalent arrangement, or in a custodial capacity. This includes the City's responsibility to discharge the debt obligations of the former Marina Redevelopment Agency. The City's fiduciary funds include the FORA Dissolution Administration Fund, the Successor Agency Obligation Fund, and the Successor Agency Housing Asset Fund.

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

- Did the fund experience a positive net change in fund balance, prior to capital expenditures or non-operating transfers?
- Does the fund maintain cash reserves or an available fund balance?

The net change in fund balance is important in understanding if there are sufficient operating revenues to cover on-going operating costs. If there is a positive net difference, this would typically represent a structurally balanced budget. In contrast, a negative net income can be sustained for a limited amount of time; however further analysis is required to understand if the negative net change is a short-term situation or a structural condition.

To assist with fiscal sustainability, the City references a structural balanced budget formula during the budget cycle, and when new personnel or on-going contracts are added. This, along with financial projections assist with monitoring the General Fund's ability to provide services over a long-term horizon.

Fund balance, or available cash, is important to consider because such resources allow a fund to temporarily operate even when the fund experiences negative net losses. This may occur when funds have accumulated to support capital projects; or when there is a reduction in revenues due to a recession.

ANALYSIS:**Governmental Funds – Fund Balance****Table 1 – Fund Balance of Governmental Funds as of June 30, 2024 (in thousands)**

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

June 30, 2024

	Major Funds						Total
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Gov't Funds	
Total Revenues	\$ 40,177	\$ 7,110	\$ 6,562	\$ 6,213	\$ 776	\$ 4,737	\$ 65,576
Total Expenditures	31,347	14,045	-	2,076	744	3,426	51,637
Revenues Over (Under) Expenditures	8,830	(6,934)	6,562	4,137	32	1,311	13,938
Other Financing Sources	8,487	-	-	-	-	-	8,487
Transfers In	133	25,956	-	-	-	6,137	32,226
Transfers Out	(14,590)	-	(7,850)	(4,626)	-	(4,266)	(31,332)
Net Change in Fund Balances	2,860	19,022	(1,288)	(489)	32	3,183	23,320
Beginning Fund Balances	44,334	27,290	24,644	20,558	418	24,610	141,854
Ending Fund Balances	\$ 47,194	\$ 46,312	\$ 23,356	\$ 20,069	\$ 450	\$ 27,793	\$ 165,174

At the close of Fiscal Year 2023/24, the City's governmental funds reported combined fund balances of \$165.2 million, which is an increase of \$23.3 million in comparison with the prior year. This includes a \$13.9 million operating surplus; an \$8.4 million land sale, and \$1 million in net transfers.

General Fund – Fund Balance

As of June 30, 2024, the unassigned fund balance of the general fund was \$24.0 million. This balance includes the proceeds from a \$6.3 million prior year land sale, as well as the current \$8.4 million land sale. The components or classifications of fund balance are presented below.

Table 2 – Components of the General Fund Balance (in thousands)

General Fund June 30, 2024	
Components of Fund Balance	
Nonspendable	
Leases receivable	\$ 339,833
Restricted:	
Habitat Restoration	422,980
Opioid Settlements	53,963
Public Safety	239,493
FAA Military Airport Program	750,000
Total restricted	<u>\$ 1,466,436</u>
Committed:	
Emergency Reserve	\$ 6,819,483
Compensated Absences	400,000
Community Improvements	296,553
Fire Truck Purchase	1,889,888
Vehicle & Equipment Replacement	4,569,280
OPEB	200,000
Groundwater Litigation Stabilization	2,000,000
Pension Stabilization	5,000,000
Library Maintenance	241,248
Total committed	<u>\$ 21,416,452</u>
Unassigned	<u>\$ 23,971,253</u>
Total general fund balance	<u>\$ 47,193,974</u>

The total General Fund balance increased from \$44.3 million to \$47.2 million, which represents an increase of \$2.9 million when compared to the prior year. This includes \$8.8 million in operating revenues in excess of on-going expenditures, an \$8.4 million land sale, and \$14.4 million in net transfers, which primarily reflect the investment in capital improvements. The positive net operating difference was driven by increased revenue performance; net of savings from position vacancies, contracts and purchases that were carried forward into the next year, and spending reductions. Additional details can be found in the MD & A section of the ACFR.

Capital Projects Fund

The Capital Project Fund revenues include approximately \$6.7 million in grants and local contributions; and \$400,000 in additional revenues. The transfers-in of \$26.0 million primarily reflect \$13.5 million from the General Fund, \$7.9 million from the Impact Fee Fund, and \$4.6 million from the FORA Dissolution Fund. All revenues received in this fund are used to support specific capital improvements. The fund balance of \$46.3 million is earmarked for approved or carried-forward capital projects.

Impact Fee Fund

The Impact Fee Fund receives fees to offset the costs of public infrastructure and facilities that are needed to support the increased demand from new development projects. In Fiscal Year 2023/24, the City received \$5.6 million in impact fees and \$984,401 in interest earnings. The annual expenditures were used to support \$7.9 million in capital projects, with \$3.1 million allocated to parks, \$4.7 million to roads and intersections; and \$50,000 for facilities, public safety, and a fee study. The remaining fund balance of \$23.4 million can only be used for improvements that correspond with the impact of new developments.

Fort Ord Reuse Authority (FORA) Dissolution Fund

This fund is used to account for the resources received from the FORA dissolution process and Community Facilities District Fees. The Fiscal Year 2023/24 revenues of \$6.2 million consist of \$4.2 in FORA CFD fees, \$954,000 in interest earnings, and \$1.0 million in other revenues. Approximately \$2 million was expended on blight removal and habitat management, while \$4.6 million was transferred to support capital projects. The remaining \$20.1 million fund balance may only be used for blight removal, capital improvements, or specified habitat management activities within the FORA boundaries.

Abrams Debt Service

The *Abrams B Debt Service Fund* receives revenues and interest earnings to support debt service payments on the Abrams Debt Service bonds. The Abrams B Housing Fund transfers the annual debt service amount to this fund for future payments. The remaining fund balance of \$450,371 is designated for future debt service payments.

All Other Nonmajor Governmental Funds

The City has twenty-one additional non-major governmental funds. Most of these funds have limited activity, such as the Public Educational and Government Fund (PEG) which collects assessments from cable programming companies to support Council Meeting broadcasts and related equipment purchases. Three of the larger special revenue funds are dedicated to funding road maintenance and construction. This includes the Gas Tax, Measure X; and SB 1 or Road Maintenance and Rehabilitation Funds.

Additional information on the governmental funds can be found in the MD & A, basic financial statements, and in the required supplementary sections of the ACFR.

Enterprise Funds – Net Position

The City's enterprise operations include the Marina Municipal Airport, and the Preston Park and Abrams B Park Housing Funds. The net position of the combined enterprise funds increased from \$57.3 million to \$57.8 million. The annual growth can be attributed to a \$1 million net increase in the net position of the Preston Park Fund, a \$391,000 increase in the Abrams B Housing Fund; and a \$907,000 reduction in the Airport Fund. While there was a decrease in the Airport's net position, approximately \$975,000 represented a transfer to the Airport Capital Projects Fund and \$722,000 for non-cash depreciation charges. This would place the Airport Fund in a positive net cash position for continuing operations.

The Fiscal Year 2023/24 Preston Park unrestricted ending fund balance was \$12.4 million. It is anticipated that approximately \$10.8 million of this balance may be used to make a principal payment on the \$36.0 million Berkely Capital Loan. The full principal payment is due on February 1, 2026. The City plans to refinance the remaining portion of the loan.

Additional information on the enterprise funds can be found in the M D & A and the basic financial statements - propriety fund section of the ACFR.

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. Their resulting opinion on the basic financial statements are contained in financial 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, 2024. 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)."

In Fiscal Year 2023/24, the City did not expend more than \$750,000 in federal awards; and was not required to have a Single Audit. The City was required to complete an annual audit on the Transportation Safety and Investment Plan Fund to ascertain compliance with TAMC Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement. The independent auditor's report indicated that the City complied, in all material respects, with the compliance requirements ("**EXHIBIT B**").

The Governance Letter (SAS 114) includes a 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.

Annual Comprehensive Financial Report Updates

It is the Finance Department's two-year goal to work towards receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's Annual Comprehensive Financial Report (ACFR). This award is given to governments that publish an easily readable and efficiently organized ACFR. The report must go above standard audit requirements, and meet generally accepted accounting principles and applicable legal requirements.

The City has taken the award requirements into development of the Fiscal Year 23/24 ACFR and plans to submit the document to GFOA for feedback and consideration of the award. Additional components added to this year's ACFR include an enhanced transmittal letter, budget to actual schedules for all non-major governmental funds, and additional statistical section tables.

FISCAL IMPACT:

No fiscal impact of receiving reports and related letters.

CONCLUSION:

The City's fiscal position continues to be strong, with sufficient on-going General Fund revenues to support current City services; and a \$24.0 million unassigned fund balance. The City also has developed policies to assist in maintaining a structurally balanced budget, while also setting aside funds for potential fiscal emergencies.

Respectfully submitted,

Tori Hannah
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne Long
City Manager
City of Marina