CITY OF MARINA

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY OF MARINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION

City of Marina

City of Marina
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February 24, 2020

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

California state law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Mann, Urrutia, Nelson CPAs & Associates, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Marina's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of Marina government was incorporated in 1975 and is located 10 miles north of Monterey, California on the Monterey Bay, which is the primary growth area in the Monterey Bay Area. It currently occupies 9.76 square miles and serves a population of 22,424.

The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. The City of Marina has operated under the mayor-council form of government since 1975. Policy-making and legislative authority are vested in the governing council (Council) consisting of the mayor and four other members, with the mayor elected separately from the other Council members. Council members serve four-year terms, with two members elected every two years. The Mayor is elected for a four-year term. The City Council appoints the City of Marina's manager, who in turn appoints its department heads. The City of Marina provides police and fire protection; traffic control; on- and off-street parking; building inspections; licenses and permits; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; low-income housing; and general aviation services. Water and sewer services are provided through legally separate entities and are not shown on the City's financial statements.

The Council adopts a budget for the fiscal year by June 30 preceding the beginning of the fiscal year on July 1. The City has adopted a two-year budget process which includes two discrete single year budgets and is the foundation for the City of Marina's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

Local economy of the City of Marina is influenced by tourism in the Monterey Bay and Cal State University Monterey Bay. The City of Marina has a major regional shopping center for Monterey Bay area. Due to closure of Fort Ord, the City has significant land assets from the military base's closure that has caused Marina to be the fastest growing community on the Monterey Bay. The school district and City of Marina also have a significant economic presence, employing in total more than 100 teachers, professionals, and support staff. Because of its location in a region with a varied economic base, unemployment had been relatively stable.

Because of the high cost of living, however, the Monterey Peninsula is generally seeing low growth to out-migration except for the City of Marina, as shown in Table I, Changes in Population. However,

Table I
Changes in Population

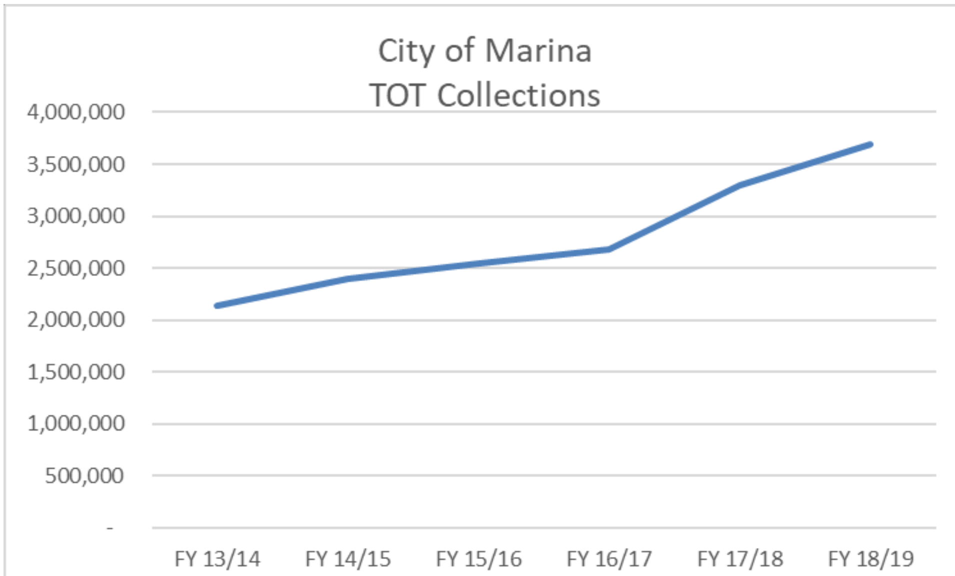
	Total Population		Number	Percent
Peninsula Cities	1/1/2018	1/1/2019	Change	Change
Carmel-by-the-Sea	3,967	3,987	20	0.50%
Del Rey Oaks	1,727	1,734	7	0.41%
Monterey	28,473	28,448	-25	-0.09%
Pacific Grove	15,807	15,883	76	0.48%
Sand City	393	397	4	1.02%
Seaside	34,382	33,776	-606	-1.76%
Subtotal	84,749	84,225	-524	-0.62%
Marina	22,548	22,957	409	1.81%
Total	107,297	107,182	-115	-0.11%

Source: Department of Finance

Marina has available land and water allocation which will support additional housing development in Marina. In contrast, the other coastal cities in Monterey County do not have significant available land.

Further, the economy is generally driven by tourism with Marina getting the spill over effect which fills the City's hotels. Chart II, TOT Collections, Adjusted, shows the grow of Transient Occupancy Taxes (TOT) in Marina over the last 5 years increased from \$2.1 million to \$3.6 million, a 71% increase in revenues. Although the growth rate slowed somewhat this year, the City still saw a 12% increase over last year. Note that increased revenues from a revenue measure passed by Marina Voters in Nov. of 2018 are not included.

Chart II



Source: City Records.   Note: Does not include Nov. 2018 Rate Increase.

This year's financial report is more expansive than in the past because the City has added a number of statistical tables to the report. Many of these tables take summary information from past audits. Collectively, these tables help the reader view longer trends.

Additionally, the City periodically has issued bonded debt. This debt frequently requires that the City make additional disclosures to bond holders about information important to the City's ability to meet bond debt service. Those disclosures are also included in this report.

The report contains a Management Discussion and Analysis Discussion (MD&A) section which looks at the financials from a global perspective. Some key points to consider when reviewing the report is:

- Governmental Funds have increased their fund balance this last year from $31.9 million to $39.2 million, an increase of $7.3 million.

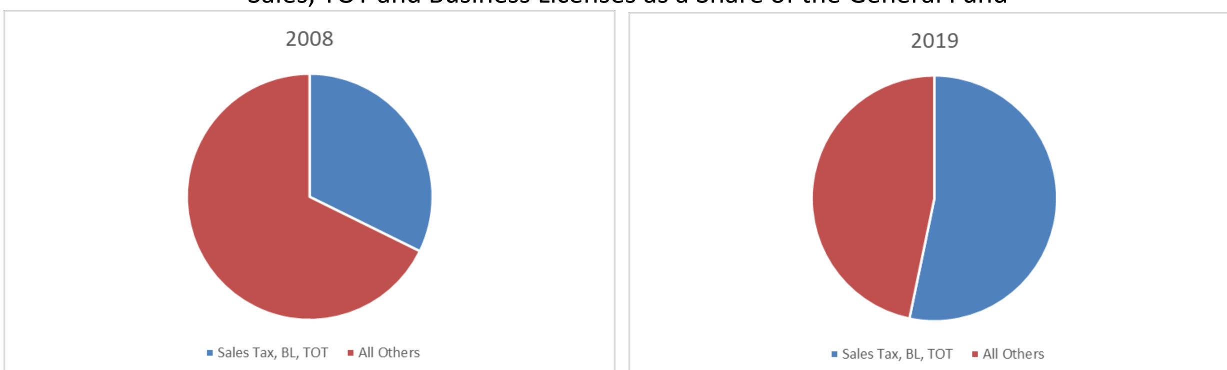
- The General Fund fund balance increased from $12.5 million to $17.4 million, a change of $4.9 million. The unallocated General Fund fund balance stood at $7.5 million as of June 30, 2019.

- The City has significant housing assets in the Abrams Park and Preston Park Enterprises. These two enterprises have 194 units and 354 unit, respectively. The Abrams Park is financed by a fully amortized loan, maturing in November of 2036. The Preston Park enterprise is financed by an interest only loan maturing in February of 2026. The City has done some preliminary evaluations which suggest that in 2026, the City will be able to obtain a fully amortized financing for Preston Park.

- Pensions are and will be an ongoing challenge for the City. The total pension cost to the City increased by approximately $200,000 this last year and is projected to continue to do so until 2025. Council has set aside annual budget allocations which will pay for ½ of the projected increases. However, the other half of the cost increase will need to come from ongoing revenues. The City has benefitted from an extended business cycle without a recession since 2008, but to expect such a beneficial cycle to continue is not reasonable. Therefore, the City Council has set-aside $950,000 as a pension reserve as of 6/30/2019.

- The 2008 recession saw General Fund revenues decline by more than $1 million a year. Today, a greater portion of the City's General Fund budget comes from revenues which will be negatively affected by a recession as shown in Pie Chart III, Sales and TOT Taxes as a Share of General Fund Budget. The pie charts show that three highly dependent tax sources of the General Fund now make up over 50% of the General Fund revenues compared to approximately 1/3 ten years ago before the last recession.

Pie Charts III
Sales, TOT and Business Licenses as a Share of the General Fund



- To prepare for uncertain times, the City has funded a General Fund emergency reserve at 20% of General Fund expenditures ($4.7 million) and adopted a balanced budget resolution 2012-46.

Summary
The City's finances are sound. Through a combination of controlling spending and the community approving new revenue measures to improve City services and create community assets, the City finds itself in an enviable position. The Council has made this happen over a sustained, multi-year effort.

Acknowledgements
The preparation of this report would not have been possible without the concerted effort of the entire Finance Staff. Richard Standridge, a financial consultant, bore much of the responsibility of completing this report. This year, Marisol Gomez, Supervising Accountant, was hired in September and also was very helpful in completing the report.

Respectfully submitted,

Eric Frost
Finance Director

CITY OF MARINA

ELECTED OFFICIALS
AND
EXECUTIVE STAFF

JUNE 30, 2019

ELECTED OFFICIALS

Mayor	Bruce C. Delgado
Council Member	Lisa Berkley
Council Member	Frank O'Connell
Council Member	Gail Morton
Council Member	Adam Urritia

EXECUTIVE STAFF

City Manager	Layne Long
Assistant City Manager	Matthew Mogansen
Finance Director	Eric Frost
Police Chief	Tina M. Nieto
Fire Chief	Doug McCoun
Community Development Director	Fred Aegerter
Recreation & Cultural Services Director	Terry Siegrist

FINANCIAL SECTION

MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

INDEPENDENT AUDITOR'S REPORT

To the City Council of
the City of Marina
Marina, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marina's basic financial statements. The introductory section, combining and individual nonmajor governmental fund financial statements, and the combining fiduciary fund and general fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor governmental fund financial statements, the combining fiduciary fund and general fund statements, and the schedule of expenditures of federal awards are the responsibility of management and were 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental fund financial statements, the combining fiduciary fund and general fund statements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2020, on our consideration of the City of Marina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Marina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Marina's internal control over financial reporting and compliance.

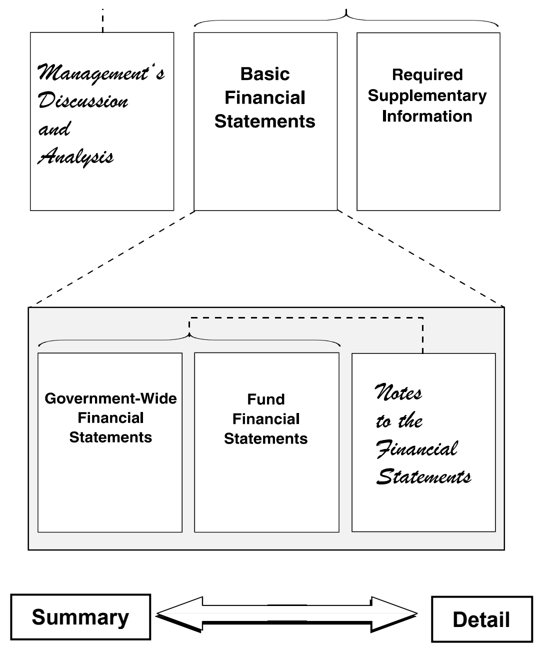
Mann, Urrutia, Nelson CPAs

Sacramento, California
February 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The City of Marina annual financial report presents management's discussion and analysis (MD&A) of the City's financial performance during the fiscal year ended June 30, 2019. Figure A, Required Components of the City's Annual Financial Report, shows that the MD&A is important interpretive analysis of the City's financial position and should be read in conjunction with the financial statements.

Figure A: Required Components of the City's Annual Financial Report



FINANCIAL HIGHLIGHTS

- ***City's net position increases by 6.1%.*** The City's net position at June 30, 2019 is $146.9 million, a $8.5 million or 6.1% increase the June 30, 2018 net position of $138.4 million. The remaining change resulted from increases in on-going governmental revenues, including substantial increases in all tax categories, interest earnings and other revenues. Much of the increased tax revenues can be traced to sustained economic improvement and the passage of several tax revenue measures in November of 2016 and November of 2018.

- ***Revenues exceed expenditures by $8.5 million.*** During Fiscal 2018/19, total City-wide revenues of $43.9 million exceeded total City-wide total expenditures and expenses of $35.4 million by $8.5 million. City-wide FY 2018/19 revenues of $43.9 million also exceeded City-wide revenues of the previous year of $41.7 million by $2.2 million, a 5.3% increase. At the same time, FY 2018/19 City-wide expenditures and expenses decreased from $35.7 million in the prior year to $35.4 million, a decrease of 0.8% in both governmental and enterprise costs.

- ***General tax revenues increase 12.1%.*** Included in on-going Governmental general revenues are property (including property in lieu of motor vehicle), sales, transient occupancy and franchise taxes; investment earnings, other general revenues and transfers. General governmental revenues for fiscal year 2018/19 of $22.2 million increased overall by $2.4 million or 12.1% from $19.8 million the previous year. While charges for services and program revenues (rents, licenses, permits, grants, contributions, etc.) decreased slightly compared to the previous year, the major tax revenues increased markedly as shown in Table 1, Governmental Revenues. These tax revenues benefited from strong economic activity, but Transient Occupancy Tax also benefited from a rate increased from 12% to 14% authorized from a ballot measure approved in November of 2018 and effective January 1, 2019.

Table 1			
Major Governmental Fund Revenues			
Amounts in Millions			
	FY 18/19	FY 17/18	Change
Property Tax	$ 3.80	$ 3.26	16.6%
Property Tax in-lieu of			
Motor Vehicle Tax	3.65	3.25	12.3%
Sales Tax	6.86	5.93	15.7%
Transient Occupancy Tax	$ 4.00	$ 3.00	33.3%
Total Taxes	$ 18.31	$ 15.44	18.6%

- ***General Fund operating costs increase 3.6%.*** Government costs naturally fluctuate from year-to-year due to program changes, policy implementation and the normal ebb and flow of business activities. The City remains focused on cost management. For fiscal 2018/19, on-going General Fund expenditures of $20.1 million increased by $0.7 million or 3.6% from FY 2017/18 expenditures of $19.4 million. The largest increase, $0.5 million, occurred in General Government, as the City had unusual legal costs due to water preservation and Fort Ord Reuse Authority closing costs.

- ***General Fund fund balance reaches $17.4 million.*** The City's General Fund reported a fund balance at June 30, 2019 of $17.4 million, which is a $4.9 million or 38% increase from the June 30, 2018 balance of $12.5 million. This resulted from general fund revenues of $26.0 million (including interfund transfers-in) that exceeded expenditures of $21.1 million (including interfund transfers-out) by $4.9 million. Fiscal management and sustainability continue as a Council priority as the City increases economic development, manages its expenditures and improves its financial position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

- The fund financial statements focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

- The governmental funds statements present general government services financed in the short term and balances available for future spending. Proprietary fund statements present financial information about Airport operations as well as Preston Park and

- Abrams B Housing activities, which the City operates and accounts for similar to a commercial business.

The financial statements also include notes that further explain and provide more detail about some of the information in the financial statements. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statement information. Figure B summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets and liabilities (with respect to individual funds, this is commonly called 'Fund Balance'), helps to measure the City's financial health or position. Increases or decreases in the City's net position might, but does not necessarily, indicate whether its financial health is improving or deteriorating. To properly evaluate the City's overall health, one must also consider many nonfinancial factors such as the City Council's policies, goals and objectives; management's implementation plans; staffing levels; naturally-occurring changes in the City's revenue base and non-discretionary cost structure; and the local, state and national economies. This means that, on their own, neither net position nor the general fund and other fund balances necessarily indicate the health of the City. Rather, these amounts reflect the City's commitment to maintain essential government services and programs at acceptable levels and to meet new needs as they arise. The general fund balance of $17.4 million equals approximately forty-five percent (67%) of subsequent year's recurring revenues. It should be noted that within that fund balance, the City Council is setting aside money for vehicle replacement, an emergency reserve and monies for pension stabilization.

The government-wide financial statements of the City include both Governmental and enterprise activities. Most City services are included here, such as legislative, general government, public safety, public works, economic & community development, recreation and cultural services, capital and infrastructure improvements and long-term debt service. Taxes, licenses and permits, charges for services, fines and penalties, operating and capital grants, rents and investment earnings, and revenues from other governments finance these activities. For additional information on the City's component units, see Note 1 in the City of Marina's Notes to Financial Statements.

Figure B. Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental Funds**	**Proprietary Fund**	**Fiduciary Funds**
Scope	Entire City (except fiduciary funds) including component unit	Activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: Municipal Airport	Instances in which the City acts as fiduciary for someone else's resources
Required financial statements	◆ Statement of net position ◆ Statement of activities	◆ Balance sheet ◆ Statement of revenues, expenditures & changes in fund balances	◆ Statement of net position ◆ Statement of revenues, expenses and changes in fund net position ◆ Statement of cash flows	◆ Statement of fiduciary net position ◆ Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Fund Financial Statements provide detailed information about the City's most significant (Major) funds, not the City as a whole. Funds are fiscal accounting entities that track specific revenues and expenditures. Management creates funds to segregate and manage resources to carry on specific activities or demonstrate that restricted resources are properly utilized. Some funds are mandated by law (Streets Fund & Impact Fee Fund); some by bond covenants (Debt Service); some by special agreement (Assessment District Maintenance Funds); and some to better manage discrete activities (Public Education Government PEG Fund). The City employs the following types of funds:

- Governmental - Most services are accounted for in governmental funds, focusing on (1) how cash and other assets that are readily convertible to cash flow in and out and (2) year-end balances available for spending. Governmental fund statements provide a detailed short-term view that shows the resources that can be spent in the near future on City programs. Because this information does not include the long-term focus of government-wide statements, management provides information to explain relationships among them.

- Proprietary - Airport operations as well as Preston Park and Abrams B Housing activities, for which the City measures results of operations similar to a commercial activity, are reported in the Marina Municipal Airport, Preston Park Housing and Abrams B Housing enterprise funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

SUMMARY FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Total net position of $146.9 at June 30, 2019 is detailed in Table 2, Net Position, and results of operations in Table 3, Changes in Net Position. General Fund budget comparison is presented in Table 4, General Fund Budget Changes and Actual to Budget Comparisons. *More detailed information is contained in the financial statements and notes thereto.*

Government Accounting Standards Board (GASB) Statement No. 54 establishes categories of ending fund balance in Governmental Funds. 'Restricted' fund balances are balances of funds whose resources can only be used for purposes '…stipulated by constitution, external resource providers, or through enabling legislation', for example, bond indentures and Gas Tax Laws. GASB claims the new categories enhance the usefulness of net position measurements by disclosing the extent to which a government must observe constraints imposed on the use of resources reported in governmental funds and the extent to which resources are available for discretionary purposes. Since most governmental funds contain resources that are limited in some fashion to a specific use, a significant portion of year-end fund balance is classified as 'Restricted' even though those resources are available for exactly the purpose for which they were obtained, rendering the GASB's classification scheme more confusing than informative.

Net position. (Table 2)

Table 2
Net Position
(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current Assets						
Cash and Cash Equivalents (rounded)	38,962	31,841	10,235	8,455	49,197	40,296
Prepaid Expenses	12	12	1,828	1,625	1,840	1,637
Interfund Receivables	10,184	10,612	-	-	10,184	10,612
Accts Receivable	3,667	3,212	69	281	3,736	3,493
Notes Receivable	692	-	-	-	692	-
Fuel Inventory	-	-	52	25	52	25
Advances to Successor Agency	-	137	-	-	-	137
Land, Leaseholds, Bldgs & Equipment	112,364	108,949	107,310	106,769	219,674	215,718
(Accumulated Depreciation)	(29,299)	(26,779)	(19,783)	(18,207)	(49,082)	(44,986)
Total Assets	136,582	127,984	99,711	98,948	236,293	226,932
Deferred Outflow – Net Pension/OPEB Liability	5,599	7,144	-	-	5,599	7,144
Liabilities						
Current Liabilities						
Accounts Payable	1,670	1,345	1,300	116	2,970	1,461
Accrued Liabilities	305	268	21	1,885	326	2,153
Interest Payable	141	144	-	-	141	144
Unearned Revenue	-	142	-	-	-	142
Deposits & Other Liabilities	585	359	103	68	688	427
Notes Payable	-	-	35,950	35,950	35,950	35,950
Other Postemployment Benefits	4,191	4,093	-	-	4,191	4,093
Net Pension Liability	18,963	18,897	-	-	18,963	18,897
Interfund Payables	-	-	10,184	10,612	10,184	10,612
Bonds Payable	18,293	18,395	-	-	18,293	18,395
Compensated Absences	1,374	1,235	-	-	1,374	1,235
Total Liabilities	45,522	44,878	47,558	48,631	93,080	93,509
Deferred Inflow s – Net Pension Liability	1,926	2,196	-	2,196	1,926	4,392
Net Position	94,733	88,054	-	50,317	94,733	138,371
Net Investment in Capital Assets	74,956	74,531	41,393	42,000	116,349	116,531
Restricted	14,377	12,369	-	-	14,377	12,369
Unrestricted	5,398	1,154	10,760	8,317	16,158	9,471
Total Net Position	94,731	88,054	52,153	50,317	146,884	138,371

$8.9 million increase in cash. The City has a number of reasons for accumulating cash, namely: 1) An initiative to create a replacement fund for vehicles; 2) Accumulation of cash in the Preston Park Enterprise to buy down debt when the current, 10-year, interest only loan matures in February of 2026; 3) accumulation of cash for major capital projects, several of which are being considered by Council in this year's budget ;and, 4) maintenance of a 20% of General Fund revenues as an emergency reserve.

Changes in net position. (Table 3)

- **REVENUES** Fiscal 2018/19 City-wide revenues including interfund transfers of $43.9 million was $2.2 million higher than the same revenue totals for the previous year. As illustrated in Table 2, below, taxes increased significantly while grants for capital improvements declined a similar amount. Variations in grant revenues are not unusual, as improvement projects and related revenues and costs vary from year to year depending on timing as well as the capital improvement program. As is evident in Table 2, Business-Type Activities remained virtually unchanged from the previous year.

- **COSTS** Fiscal 2018/19 City-wide costs including transfers out totaling $35.4 million decreased from the previous year's on-going costs (excluding similar transactions) of $35.7 million, by about $0.3 million. All increases were within normal operating expectations. As demonstrated in Table 2 below, the increase in costs was split approximately between governmental and business-type activities and, as previously stated, management considers these changes to be normal.

Table 3
Change in Net Position
(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	7,539	8,706	11,475	10,872	19,014	19,578
Operating Grants	847	397	-	10	847	407
Capital Grants/Contributions	1,518	1,198	325	697	1,843	1,895
General Revenues						
Taxes	21,205	17,793	-	-	21,205	17,793
Investment Earnings	613	403	76	21	689	424
Other General Revenues	358	1,360	-	-	358	1,360
Transfers In	(14)	229	14	-	-	229
Total Revenues	32,066	30,086	11,890	11,600	43,956	41,686
Expenditures						
General Government	5,859	5,514	-	-	5,859	5,514
Public Safety	10,604	10,669	-	-	10,604	10,669
Economic Development	2,803	2,260	-	-	2,803	2,260
Recreation	1,170	1,197	-	-	1,170	1,197
Public Works	2,217	1,915	-	-	2,217	1,915
Public Improvements	2,178	1,884	-	-	2,178	1,884
Interest & Fiscal Charges	559	553	-	-	559	553
Enterprise Operations	-	-	10,054	11,490	10,054	11,490
Transfers Out	-	-	-	229	-	229
Total Expenditures	25,390	23,992	10,054	11,719	35,444	35,711
Revenues Over (-) Under Expenditures	6,676	6,094	1,836	(119)	8,512	5,975
Net Position Beginning	88,054	85,359	50,317	50,436	138,371	135,795
Prior Period Adjustment	-	(3,399)	-	-	-	(3,399)
Net Position Ending	94,730	88,054	52,153	50,317	146,883	138,371

GENERAL FUND BUDGET HIGHLIGHTS (Table 4)

The General Fund budget was revised periodically during the year in response to program changes and other situations, in accordance with procedures established by the City Council when it adopted the original budget, as set forth in Table 4. Total actual General Fund revenues of $25.8 million exceeded the final budget by slightly more than $3 million (13.2% favorable). Management attributes the positive revenue performance to a continuing improved general economy and the passage of serval revenue measures from the 2018 election. General Fund actual expenditures were $20.1 million, $1.0 million less (or 4.7% favorable) than the final budget, reflecting normal variances on ongoing operations and continued expenditure controls.

- ***Revenues exceed Budgeted Revenues by $3.0 million.*** This positive variance occurred for two reasons: 1) local economic conditions remained positive this last year; and, 2) with the passage of measures N and P in November of 2018, the City began receiving additional sales tax (Measure N) and transient occupancy (Measure P) revenues.

- ***Expenditures were $1.0 million less than budget.*** This positive variance occurred mainly due to challenges in fully staffing public safety Police and Fire operations. The City spent more than expected on General Government costs as the City was involved in litigation over the closure of the Fort Ord Reuse Authority and the siting of a desalination plant by Cal Am Water in Marina.

- ***Actual Net Income was $4.9 million compared to budgeted net income of $1.2 million.*** Because both revenues and expenditures had favorable variances compared to budget, the City a substantial increase in net income.

Table 4

General Fund Budget Changes & Actual-Budget Comparison

(in thousands, rounded)

	Budget as Adopted	Council Approved Amendments	Budget as Amended	Actual	Favorable (-)Unfav Variance
Revenues					
Taxes & Assessments	16,613	-	16,613	18,859	2,247
Licenses, Permits & Fees	2,145	-	2,145	2,346	201
Fines & Forfeitures	97	-	97	103	5
Investment Earnings	284	-	284	334	50
Intergovernmental	402	-	402	719	317
Chrgs for Svcs/Program Rev	3,194	-	3,194	3,314	120
Other Revenues	55	-	55	162	108
Total Revenues	22,790	-	22,790	25,837	3,048
Expenditures					
General Government	4,072	-	4,072	4,662	591
Public Safety	11,178	277	11,455	10,300	(1,155)
Economic/Community Development	2,804	-	2,804	2,495	(308)
Recreation	1,035	-	1,035	965	(71)
Public Works	1,599	-	1,599	1,356	(243)
Capital Outlay	190	-	190	183	(7)
Debt Service Principal	-	-	-	145	145
Debt Service Interest/Charges	-	-	-	8	8
Total Expenditures	20,878	277	21,155	20,114	(1,040)
Revenues Over (-) Under Expenditures	1,912	(277)	1,635	5,723	4,088
Net Interfund Transfers In(Out)	(672)	(181)	(859)	(856)	3
Revenues Over(Under)					
Expenditres, Transfers & Other Financing Sources	1,240	(458)	776	4,867	4,091

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Table 5)

As of June 30, 2019, the City has almost $220 million capital assets (before depreciation) including land, equipment, vehicles, buildings, improvements, infrastructure, rental housing, leasehold interests and airport facilities. No major changes occurred in the City's capital assets. Detailed discussion of acquisition, disposition and depreciation of capital assets can be found in the Financial Statements and Notes. The City's 2019/20 budget provides for various public improvements, most of which are funded by Federal, State and local grants, special taxes and dedicated resources.

Table 5
Capital Assets
(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land, Leaseholds, Bldgs & Equipment	22,081	22,081	36,900	36,900	58,981	58,981
Bldgs, Imprvmnts, Leaseholds	49,937	49,839	70,088	69,546	120,025	119,385
Vehicles & Equipment	7,947	6,905	323	323	8,270	7,228
Infrastructure	32,399	30,123	-	-	32,399	30,123
Totals at Historical Cost	112,364	108,948	107,311	106,769	219,675	215,717
Accumulated Depreciation	(29,299)	(26,779)	(19,783)	(18,207)	(49,082)	(44,986)
Net Capital Assets	83,065	82,169	87,528	88,562	170,593	170,731

Long Term Debt (Table 6)

At year-end the City had about $19.7 million general (non-enterprise) long-term debt consisting of bonds, compensated absences (vested benefits payable to employees) and capital leases outstanding. During the 2015/16 fiscal year, the Preston Park Sustainable Community Nonprofit Corporation incurred a $35,950,000 interest-only 10-year promissory note to finance the purchase and related costs of the Preston Park Housing Project. The entire loan balance remains outstanding at June 30, 2019. All City long-term debt payable to third parties is summarized below in Table 6. During fiscal 2018/19, the City paid $765,000 against pre-existing long-term debt principal. Compensated absences increased slightly by $100,000 as a result of employees earning slightly more compensable time off than they used. Finally, the City entered into a 5 year capital lease for new public safety radios. Additional information about general and enterprise long-term debt, as well as accrued bond interest, post-employment benefits and pension obligations can be found in the Notes to Financial Statements.

Table 6
Long-Term Debt
(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable	17,630	18,395	-	-	17,630	18,395
Capital Lease	663	-	-	-	663	-
Compensated Absences	1,374	1,234	-	-	1,374	1,234
General Long-Term Debt	19,667	19,629	-	-	19,667	19,629
Enterprise Debt	-	-	35,950	35,950	35,950	35,950
Total Long-Term Debt	19,667	19,629	35,950	35,950	55,617	55,579

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As recently as Fiscal Year 2015/16, the City had breakeven budget after a number of years of deficit spending. The City Council has worked to improve Marina's fiscal position by both trimming expenses and increasing revenues. In November of 2016, the City's voters approve Measure U which dramatically increased the City's business tax from about $100,000 to $1.5 million a year. In November of 2018, the voters approved two additional revenue measures, Measure N which extends and increases the local sales tax override from 1% to 1.5% until the revenue measure sunsets in March 2034, and Measure P which permanently increases the Transient Occupancy Tax in Marina to 14% from 12%. Measure N is project to increase revenues by $1.5 million and Measure P will yield $600,000 a year.

Couple these revenue increases with the locally robust economy and Marina has seen strong gains in its general revenues over the last several years. The Council is now carefully considering how to best improve the City's services to Marina residents.

In the 2019/21 two-year budget, the Council took these specific actions to improve City services:

1) Programming $43.3 million in road projects over the next two years designed to improve circulation and maintain the City's streets at a Pavement Management Index of 70. The largest project is the Imjin Parkway Widening budgeted at $35 million.

2) Some $4.8 million in Airport projects are anticipated in this budget with another $8.9 million in capital projects to improve public facilities and plans.

3) $600,000 a year more in order to increase Fire protection and suppression.

4) $300,000 a year to improve a variety of city services ranging from code enforcement, to special recreational events to police records.

The Council is also very dedicated to maintaining strong financial practices. It has adopted Resolution 2012-46 which lays out that the City will maintain a balanced budget and the manner that will be achieved. The Council also is aware that the current economic cycle has already become the longest on record. As a result, the Council has set aside reserves to address financial challenges if they occur.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, taxpayers, customers, creditors, stakeholders and other interested parties with an overview of the City's finances, and to demonstrate the City's accountability for the money it receives and the resources it manages. Questions about this report and requests for additional financial information should be addressed to the City of Marina, Finance Department, 211 Hillcrest Avenue, Marina, California, 93933 or by calling 831-884-1221.

CITY OF MARINA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments (Note 2)	$ 38,068,749	$ 10,235,468	$ 48,304,217
Restricted cash and investments (Note 2)	892,916	-	892,916
Accounts receivable, net	3,666,531	68,911	3,735,442
Notes receivable (Note 3)	691,856	-	691,856
Internal balances	10,184,167	(10,184,167)	-
Prepaid items and deposits	12,000	1,827,540	1,839,540
Inventory	-	51,673	51,673
Capital assets (Note 5)			
Land and construction in progress	22,080,651	36,900,000	58,980,651
Capital assets being depreciated, net	60,984,028	50,627,467	111,611,495
Total capital assets	83,064,679	87,527,467	170,592,146
Total Assets	136,580,898	89,526,892	226,107,790
DEFERRED OUTFLOWS OF RESOURCES			
Changes in total OPEB Liability (Note 8)	76,872	-	76,872
Changes in the net pension liability (Note 7)	5,522,290	-	5,522,290
Total Deferred Outflows of Resources	5,599,162	-	5,599,162
LIABILITIES			
Accounts payable and accrued liabilities	1,669,566	1,300,212	2,969,778
Accrued payroll and benefits	305,119	20,514	325,633
Interest payable	141,280	-	141,280
Deposits payable	585,326	102,945	688,271
Unearned revenue	-	-	-
Compensated absences (Note 6):			
Due in more than one year	1,374,294	-	1,374,294
Long-term liabilities (Note 6):			
Due within one year	809,693	-	809,693
Due in more than one year	17,483,463	35,950,000	53,433,463
Other postemployment benefits (Note 8)			
Due in more than one year	4,190,706	-	4,190,706
Net pension liability (Note 7)			
Due in more than one year	18,963,346	-	18,963,346
Total Liabilities	45,522,793	37,373,671	82,896,464
DEFERRED INFLOWS OF RESOURCES			
Changes in the total OPEB liability (Note 8)	1,428,031	-	1,428,031
Changes in the net pension liability (Note 7)	498,264	-	498,264
Total Deferred Inflows of Resources	1,926,295	-	1,926,295
NET POSITION			
Net investment in capital assets	74,955,690	41,393,300	116,348,990
Restricted for:			
Debt service	893,900	-	893,900
Public improvements	12,708,169	-	12,708,169
Public Safety	235,432	-	235,432
Unrestricted	5,937,781	10,759,921	16,697,702
Total Net Position	$ 94,730,972	$ 52,153,221	$ 146,884,193

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
PRIMARY GOVERNMENT							
Governmental activities:							
General government	$ 5,858,902	$ 4,020,638	$ 14,008	$ -	$ (1,824,256)	$ -	$ (1,824,256)
Public safety	10,604,157	218,953	599,467	258,599	(9,527,138)	-	(9,527,138)
Public works	2,216,656	-	192,077	59,716	(1,964,863)	-	(1,964,863)
Economic & community development	2,803,220	1,430,281	-	-	(1,372,939)	-	(1,372,939)
Recreation & cultural activities	1,169,832	92,731	41,224	-	(1,035,877)	-	(1,035,877)
Public Improvements	2,177,696	1,776,845	-	1,199,191	798,340	-	798,340
Interest and fiscal charges	558,500	-	-	-	(558,500)	-	(558,500)
Total governmental activities	25,388,963	7,539,448	846,776	1,517,506	(15,485,233)	-	(15,485,233)
Business-type activities:							
Marina Municipal Airport	1,485,598	1,331,552	-	324,719	-	170,673	170,673
Abrams B Non-profit Corporation	2,594,188	3,455,449	-	-	-	861,261	861,261
Preston Park Non-profit Corporation	5,974,685	6,687,941	-	-	-	713,256	713,256
Total business-type activities	10,054,471	11,474,942	-	324,719	-	1,745,190	1,745,190
Total primary government	$ 35,443,434	$ 19,014,390	$ 846,776	$ 1,842,225	$ (15,485,233)	$ 1,745,190	$ (13,740,043)
	General revenues:						
	Property taxes				$ 3,796,881	$ -	$ 3,796,881
	Sales taxes				6,862,925	-	6,862,925
	Franchise taxes				1,197,442	-	1,197,442
	Transient occupancy taxes				4,008,179	-	4,008,179
	Gas taxes				779,336	-	779,336
	Property tax in-lieu of VLF				3,649,318	-	3,649,318
	Other taxes				911,416	-	911,416
	Investment earnings				613,259	76,494	689,753
	Other general revenue				357,818	-	357,818
	Transfers				(14,306)	14,306	-
	Total general revenues				22,162,268	90,800	22,253,068
	Change in net position				6,677,035	1,835,990	8,513,025
	Net position - July 1, 2018				88,053,937	50,317,231	138,371,168
	Net position - June 30, 2019				$ 94,730,972	$ 52,153,221	$ 146,884,193

See accompanying notes to the basic financial statements.

CITY OF MARINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Capital Projects Fund	Abrams B Debt Service	Impact Fee
ASSETS				
Cash and investments	$ 17,090,572	$ 6,533,160	$ -	$ 10,897,429
Restricted cash and investments	4,065	-	367,942	-
Accounts receivable	3,075,664	-	-	23,283
Prepaid expenses	12,000	-	-	-
Notes receivable	115,651	-	-	576,206
Advances to other funds	-	-	10,184,167	-
Total Assets	$ 20,297,952	$ 6,533,160	$ 10,552,109	$ 11,496,918
LIABILITIES				
Accounts payable	$ 1,306,196	$ 124,308	$ -	$ -
Accrued payroll and benefits	295,008	672	-	-
Deposits payable and other liabilities	585,326	-	-	-
Total Liabilities	2,186,530	124,980	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - State of CA SB 90 claims	327,898	-	-	-
Unavailable revenues - other	309,287	-	-	576,206
Unavailable revenues - FORA	50,000	-	-	-
Unavailable revenues - CDBG loans	-	-	-	-
Unavailable revenues - Interfund loans	-	-	10,184,167	-
Total Deferred Inflows of Resources	687,185	-	10,184,167	576,206
FUND BALANCES				
Nonspendable	12,000	-	-	-
Restricted	239,497	-	367,942	10,920,712
Committed	9,644,438	6,408,180	-	-
Unassigned	7,528,302	-	-	-
Total Fund Balances	17,424,237	6,408,180	367,942	10,920,712
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 20,297,952	$ 6,533,160	$ 10,552,109	$ 11,496,918

See accompanying notes to the basic financial statements.

CITY OF MARINA
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	$ 3,547,588	$ 38,068,749
Restricted cash and investments	520,909	892,916
Accounts receivable	567,584	3,666,531
Prepaid expenses	-	12,000
Notes receivable	590,931	1,282,788
Advances to other funds	-	10,184,167
Total Assets	$ 5,227,012	$ 54,107,151
LIABILITIES		
Accounts payable	$ 239,062	$ 1,669,566
Accrued payroll and benefits	9,439	305,119
Deposits payable and other liabilities	-	585,326
Total Liabilities	248,501	2,560,011
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - State of CA SB 90 claims	-	327,898
Unavailable revenues - other	-	885,493
Unavailable revenues - FORA	-	50,000
Unavailable revenues - CDBG loans	590,931	590,931
Unavailable revenues - Interfund loans	-	10,184,167
Total Deferred Inflows of Resources	590,931	12,038,489
FUND BALANCES		
Nonspendable	-	12,000
Restricted	4,286,343	15,814,494
Committed	101,613	16,154,231
Unassigned	(376)	7,527,926
Total Fund Balances	4,387,580	39,508,651
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,227,012	$ 54,107,151

See accompanying notes to the basic financial statements.

CITY OF MARINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances of governmental funds	$ 39,508,651
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of $29,298,798.	83,064,679
Certain notes, loans, accounts and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.	11,447,557
Deferred inflows and outflows of resources related to changes in certain liabilities are not reported in the governmental funds:	
Deferred outflows related to changes in the net pension liability	5,522,290
Deferred inflows related to changes in the net pension liability	(498,264)
Deferred outflows related to changes in the total OPEB liability	76,872
Deferred inflows related to changes in the t OPEB liability	(1,428,031)
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(18,293,156)
Interest payable	(141,280)
Compensated absences	(1,374,294)
Total OPEB obligation	(4,190,706)
Net pension liability	(18,963,346)
Net position of governmental activities	$ 94,730,972

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital Projects Fund	Abrams B Debt Service	Impact Fee
REVENUES				
Taxes and assessments	$ 18,859,358	$ -	$ -	$ -
Licenses, permits, and fees	2,346,192	-	-	-
Fines and forfeitures	102,543	-	-	-
Investment earnings	334,220	-	6,793	196,765
Intergovernmental	718,985	1,115,658	-	-
Charges for services	3,313,868	-	-	1,708,384
Other revenues	162,455	-	672,195	-
Total Revenues	25,837,621	1,115,658	678,988	1,905,149
EXPENDITURES				
Current:				
General government	4,662,294	-	-	-
Public safety	10,300,132	-	-	-
Public works	1,356,463	-	-	-
Economic & community development	2,495,050	-	-	-
Recreation & cultural services	964,602	-	-	-
Capital outlay	183,192	2,218,595	-	-
Debt service:				
Principal	145,000	-	425,000	-
Interest and fiscal charges	7,787	-	302,640	-
Total Expenditures	20,114,520	2,218,595	727,640	-
Excess (Deficiency) of Revenues over Expenditures	5,723,101	(1,102,937)	(48,652)	1,905,149
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	663,156	-	-
Transfers in	148,202	1,715,936	-	-
Transfers out	(1,013,249)	(1,067,634)	-	(1,302,687)
Total Other Financing Sources (Uses)	(865,047)	1,311,458	-	(1,302,687)
Net Change in Fund Balances	4,858,054	208,521	(48,652)	602,462
Fund Balances - July 1, 2018	12,566,183	6,199,659	416,594	10,318,250
Fund Balances - June 30, 2019	$ 17,424,237	$ 6,408,180	$ 367,942	$ 10,920,712

CITY OF MARINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Other Governmental Funds	Total Governmental Funds
REVENUES		
Taxes and assessments	$ 2,499,705	$ 21,359,063
Licenses, permits, and fees	-	2,346,192
Fines and forfeitures	-	102,543
Investment earnings	75,481	613,259
Intergovernmental	234,769	2,069,412
Charges for services	114,350	5,136,602
Other revenues	4,746	839,396
Total Revenues	2,929,051	32,466,467
EXPENDITURES		
Current:		
General government	2,060	4,664,354
Public safety	-	10,300,132
Public works	511,961	1,868,424
Economic & community development	146,024	2,641,074
Recreation & cultural services	30,187	994,789
Capital outlay	1,276,546	3,678,333
Debt service:		
Principal	195,000	765,000
Interest and fiscal charges	250,931	561,358
Total Expenditures	2,412,709	25,473,464
Excess (Deficiency) of Revenues over Expenditures	516,342	6,993,003
OTHER FINANCING SOURCES (USES)		
Proceeds from long-term debt	-	663,156
Transfers in	2,434,028	4,298,166
Transfers out	(928,902)	(4,312,472)
Total Other Financing Sources (Uses)	1,505,126	648,850
Net Change in Fund Balances	2,021,468	7,641,853
Fund Balances - July 1, 2018	2,366,112	31,866,798
Fund Balances - June 30, 2019	$ 4,387,580	$ 39,508,651

CITY OF MARINA
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	$ 7,641,853
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	3,430,726
Depreciation expense	(2,535,290)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds from long-term liabilities are reported as other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position.	
Debt principal payments	765,000
Proceeds of long-term liabilities	(663,156)
Compensated absence expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	(139,920)
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	2,858
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension expense related to deferred outflows and inflows of resources	(1,401,398)
Changes in the total OPEB liability	(37,475)
Some revenues reported in the Statement of Activities will not be collected for several months after year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	(386,163)
Change in net position of governmental activities	$ 6,677,035

CITY OF MARINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	Abrams B Housing	Preston Park Housing	Totals
ASSETS				
Current Assets				
Cash and investments	$ 1,635,037	$ 3,054,859	$ 5,545,572	$ 10,235,468
Accounts receivable, net	60,862	6,830	1,219	68,911
Prepaid expenses	-	1,247,784	579,756	1,827,540
Inventory	51,673	-	-	51,673
Total Current Assets	1,747,572	4,309,473	6,126,547	12,183,592
Non-Current Assets				
Capital assets:				
Land and construction in progress	36,900,000	-	-	36,900,000
Depreciable assets, net	7,879,355	10,078,820	32,669,292	50,627,467
Total Non-Current Assets	44,779,355	10,078,820	32,669,292	87,527,467
Total Assets	46,526,927	14,388,293	38,795,839	99,711,059
LIABILITIES				
Current Liabilities				
Accounts payable	$ 89,317	$ -	$ -	$ 89,317
Accrued salaries and benefits	20,514	-	-	20,514
Accrued liabilities	-	400,661	810,234	1,210,895
Deposits payable	102,945	-	-	102,945
Total Current Liabilities	212,776	400,661	810,234	1,423,671
Non-Current Liabilities				
Advances from other funds	-	10,184,167	-	10,184,167
Loan payable - noncurrent	-	-	35,950,000	35,950,000
Total Non-Current Liabilities	-	10,184,167	35,950,000	46,134,167
Total Liabilities	212,776	10,584,828	36,760,234	47,557,838
NET POSITION:				
Net investment in capital assets	44,779,355	(105,347)	(3,280,708)	41,393,300
Unrestricted	1,534,796	3,908,812	5,316,313	10,759,921
Total Net Position	$ 46,314,151	$ 3,803,465	$ 2,035,605	$ 52,153,221

CITY OF MARINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	**Abrams B Housing**	**Preston Park Housing**	**Totals**
OPERATING REVENUES				
Rental income	$ 810,977	$ 3,417,626	$ 6,635,537	$ 10,864,140
Sale of fuel	350,923	-	-	350,923
Other revenue	169,652	37,823	52,404	259,879
Total Operating Revenue	1,331,552	3,455,449	6,687,941	11,474,942
OPERATING EXPENSES				
Salaries and benefits	238,080	-	-	238,080
Services and supplies	71,764	506,715	980,137	1,558,616
Repairs and maintenance	156,726	871,117	594,683	1,622,526
Cost of sales - aviation fuel	295,945	-	-	295,945
Utilities	101,493	112,449	108,427	322,369
Taxes	21,138	47,927	260,516	329,581
Rent	-	485,065	1,811,276	2,296,341
Depreciation and amortization	600,452	268,665	707,000	1,576,117
Total Operating Expenses	1,485,598	2,291,938	4,462,039	8,239,575
Operating Income (Loss)	(154,046)	1,163,511	2,225,902	3,235,367
NON-OPERATING REVENUES (EXPENSES)				
Interest income	22,446	14,158	39,890	76,494
Interest expense	-	(302,250)	(1,512,646)	(1,814,896)
Total Non-Operating Revenues (Expenses)	22,446	(288,092)	(1,472,756)	(1,738,402)
Income (Loss) Before Transfers	(131,600)	875,419	753,146	1,496,965
TRANSFERS AND CONTRIBUTIONS				
Transfers in	200,000	-	-	200,000
Transfers out	(185,694)	-	-	(185,694)
Capital contributions	324,719	-	-	324,719
Total Transfers and Contributions	339,025	-	-	339,025
Change in Net Position	207,425	875,419	753,146	1,835,990
Net Position - July 1, 2018	46,106,726	2,928,046	1,282,459	50,317,231
Net Position - June 30, 2019	$ 46,314,151	$ 3,803,465	$ 2,035,605	$ 52,153,221

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	**Abrams B Housing**	**Preston Park Housing**	**Totals**
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,283,809	$ 3,503,972	$ 6,871,949	$ 11,659,730
Cash paid to suppliers	(638,313)	(2,696,683)	(3,938,476)	(7,273,472)
Cash paid to employees	(237,410)	-	-	(237,410)
Net Cash Provided by Operating Activities	408,086	807,289	2,933,473	4,148,848
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from (out to) other funds	14,306	-	-	14,306
Net Cash Provided by Non-Capital Financing Activities	14,306	-	-	14,306
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	324,719	-	-	324,719
Acquisition of capital assets	(541,719)	-	-	(541,719)
Principal paid on advances	-	(427,916)	-	(427,916)
Interest paid on advances	-	(302,250)	(1,512,646)	(1,814,896)
Net Cash Used for Capital and Related Financing Activities	(217,000)	(730,166)	(1,512,646)	(2,459,812)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	22,446	14,158	39,890	76,494
Net Cash Provided by Investing Activities	22,446	14,158	39,890	76,494
Net Increase in Cash and Cash Equivalents	227,838	91,281	1,460,717	1,779,836
Cash and Cash Equivalents - July 1, 2018	1,407,199	2,963,578	4,084,855	8,455,632
Cash and Cash Equivalents - June 30, 2019	$ 1,635,037	$ 3,054,859	$ 5,545,572	$ 10,235,468

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Marina Municipal Airport	Abrams B Housing	Preston Park Housing	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (loss)	$ (154,046)	$ 1,163,511	$ 2,225,902	$ 3,235,367
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	600,452	268,665	707,000	1,576,117
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(20,590)	48,523	184,008	211,941
Increase in prepaid expenses	-	(173,488)	(28,813)	(202,301)
Increase in inventory	(27,073)	-	-	(27,073)
Decrease in accounts payable	(26,480)	-	-	(26,480)
Increase in deposits payable	35,153	-	-	35,153
Increase in accrued liabilities	670	-	-	670
Decrease in other liabilities	-	(499,922)	(154,624)	(654,546)
Net Cash Provided by Operating Activities	$ 408,086	$ 807,289	$ 2,933,473	$ 4,148,848

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

		Successor Agency to Redevelopment Agency
ASSETS		
Cash and investments (Note 2)	$	3,479,309
Cash and investments with fiscal agents (Note 2)		1,376,818
Accounts receivable		19,561
Prepaid expenses		9,500
Long-term receivable - State of CA		400,000
Capital assets, non-depreciable		900,000
Total Assets	$	6,185,188
LIABILITIES		
Accounts payable	$	1,618
Accrued salaries and benefits		7,108
Long-term liabilities		13,560,000
Premium on bond		1,200,592
Total Liabilities		14,769,318
DEFERRED INFLOWS OF RESOURCES		
ROPS payments		1,020,911
NET POSITION		
Held in trust for private purposes	$	(9,605,041)

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency to Redevelopment Agency
ADDITIONS	
Property taxes	$ 1,875,679
Investment earnings	70,282
Property tax in lieu	29,139
Total Additions	1,975,100
DEDUCTIONS	
Program costs	14,476,073
Legal and professional fees	18,459
Salaries and benefits	251,874
Occupancy and operating costs	23,872
Total Deductions	14,770,278
Change in Fiduciary Net Position	(12,795,178)
Fiduciary Net Position - July 1, 2018	3,190,137
Fiduciary Net Position - June 30, 2019	$ (9,605,041)

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marina (the City) was incorporated in 1975 under the laws of the State of California and operates under a Council - Manager form of government. The City provides a full range of municipal services including police, fire, public works, recreation & culture, community development, general aviation airport and general administration.

A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities are the primary government for reporting purposes. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are blended.

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 354 unit 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.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the City. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements)

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General 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.

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

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

Impact Fee - This 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 City reports the following major proprietary funds in the accompanying financial statements:

Marina Municipal Airport Operating Fund - This fund accounts for all financial transactions relating to City's airport.

Abrams B Housing Fund - This fund accounts for the operations of the Abrams B apartments.

Preston Park Housing Fund - This fund accounts for the operations of the Preston Park apartments.

The City also reports the following fund type:

Private-Purpose Trust Fund - This presentation includes two funds: Successor Agency to the Marina Redevelopment Agency and the Housing Successor Agency to the Marina Redevelopment Agency. The Successor Agency was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to defease the Agency's debts. 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. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate:

a. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. All proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The economic resources measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end with the exception of expenditure-driven grants. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the enterprise funds are charges to customers for rent and fuel. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent.

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

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 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.

E. Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures, or cash held by Alliance Residential Company ("Alliance") for Abrams B and Preston Park. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the ending balance for each month of the quarter. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. Local Agency Investment Fund ("LAIF") determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months of less.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report rental income and interest earnings as their major receivables.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are offset by deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Rental income, fuel sales, and interest earnings compose the majority of proprietary fund receivables.

G. 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.

H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City capitalizes assets whose acquisition or construction cost equals or exceeds:

Equipment	$ 10,000
Buildings and Improvements	100,000
Infrastructure	200,000

Depreciation is provided using the straight line method which means 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. 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. 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.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are depreciated and accounted for the same as in the government-wide statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

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.

J. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will sometimes report a 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 be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net 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. Pensions

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) plan (the "Plan") and additions to/deductions from the Plan's 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Other Postemplyment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liabilities and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Equity Classifications

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that create a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 10.

P. Use of Estimates

The preparation of financial statements in accordance 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 these estimates.

Q. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

R. Implementation of Governmental Accounting Standards Board Statements

Government Accounting Standards Board Statement No. 83

In December 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement seeks to provide financial statement users with information concerning asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement establishes criteria for determining the timing and the pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Adoption of this standard did not have a significant impact on the City's financial statements.

S. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2019 or later. The City has not determined the effects on the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 84

In February 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Additionally, this Statement describes four fiduciary funds that should be reported, as well as provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this Statement is effective for the City's fiscal year ending June 30, 2020.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interests reported as an investment and majority equity interest reported as a component unit of the governmental entity. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 were classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	$ 38,068,749	$ 892,916	$ 38,961,665
Business-type activities	10,235,468	-	10,235,468
Total government-wide cash and investments	48,304,217	892,916	49,197,133
Fiduciary activities	3,479,309	1,376,818	4,856,127
Total cash and investments	$ 51,783,526	$ 2,269,734	$ 54,053,260

Cash and investments were carried at fair value as of June 30, 2019 and consisted of the following:

Cash and Investments	
Deposits:	
Cash on hand	$ 5,735
Cash in banks	11,385,197
Cash with fiscal agents	9,424,891
Total cash	20,815,823
Money market funds	367,945
Local Agency Investment Fund (LAIF)	13,003,598
U.S. Treasury obligations	19,865,894
Total investments	33,237,437
Total cash and investments	$ 54,053,260

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum 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 (1) 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

Investments Authorized by Debt Agreements

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:

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2019:

	Fair Value Measurements Using			
Investments	Level 1 Inputs	Level 2 inputs	Level 3 inputs	Fair Value
U.S. Treasury obligations	$ 19,865,894	$ -	$ -	$ 19,865,894
Held by bond trustee:				
Money market funds	-	367,945	-	367,945
Total Investments	$ 19,865,894	$ 367,945	$ -	$ 20,233,839

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City'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.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2019:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
US Treasury obligation bonds	$ 5,000,000	$ 14,865,894	$ 19,865,894
Local Agency Investment Fund	13,003,598	-	13,003,598
Held by bond trustee:			
Money market funds	367,945	-	367,945
	$ 18,371,543	$ 14,865,894	$ 33,237,437

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2019.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

		Rating as of Fiscal Year End		
	Total	S&P	Moody's	N/A
US Treasury obligation bonds	$ 19,865,894	N/A	Aaa	
Local Agency Investment Fund	13,003,598			Not rated
Held by bond trustee:				
Money market funds	367,945	AAA	Aaa	
	$ 33,237,437			

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by the LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Allocation of Interest Income among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated quarterly based on the average month-end cash balances in each fund receiving interest.

NOTE 3: NOTES AND LOANS RECEIVABLE

The City has engaged in programs designed to encourage construction or improvement of low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners who agree to spend these funds in accordance with the City's terms. The balances of these loans arising from these business and housing programs at June 30, 2019 were $590,931. 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, 2019 the City had $691,857 in loans receivable outstanding. These loans are offset in the fund financial statements by deferred inflows of resources.

NOTE 4: INTERFUND TRANSACTIONS

Advances to/from Other Funds

The composition of interfund balances as of June 30, 2019 was as follows:

Receivable Fund	Payable Fund	Amount
Abrams B Debt Service Fund	Abrams B Housing Fund	$ 10,184,167
	Total Governmental Funds Advances	$ 10,184,167

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

On November 1, 2006, the Marina Joint Powers Financing Authority issued $14,360,000 revenue bonds for the purpose of financing a loan in the same amount to the Abrams-B Non-Profit Corporation. Simultaneously, the corporation paid the entire $14,360,000 back to the City of Marina, to pay loan costs and to acquire a 50-year leasehold interest in the Abrams-B Apartments housing project. Also simultaneously, the City paid that cash to The Fort Ord Reuse Authority to purchase the Abrams-B property. Monthly note payments are made by the corporation to the City according to an original amortization schedule which was subsequently revised on November 15, 2016, at a lower interest rate, resulting is smaller monthly payments. Payments on the note are structured to be sufficient for the bond trustee to pay semi-annual principal and interest on the revenue bonds. Bond payments are made semi-annually and will be fully re-paid in 2036. The balance of the loan was $10,184,167 at June 30, 2019.

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

Transfer from	Transfer To	Description of Transfers	Amount
Governmental Funds			
General Fund	Capital Projects Fund	To finance various capital projects	$ 413,249
General Fund	Measure-X Road and Transportation	To finance various capital projects	600,000
Impact Fees Fund	Capital Projects Fund	To finance various capital projects	1,302,687
Capital Projects fund	Measure-X Road and Transportation	To transfer financing for Measure-X projects	1,061,371
Capital Projects fund	Gas Tax Fund	To transfer financing for Measure-X projects	6,263
		Total Major Governmental Interfund Transfers	3,383,570
Governmental Funds			
Gas Tax Fund	General Fund	To fund cost allocation plan charges	62,400
Road Maintenance & Rehabilitation	Gas Tax Fund	To fund on-going street maintenance costs	62,500
Road Maintenance and Rehabilitation	Measure-X Road and Transportation	To Finance Measure-X projects	60,000
Transportation Safety and Investments	Measure-X Road and Transportation	To Finance Measure-X projects	500,000
National Park Service Fund	General Fund	To fund cost allocation plan charges	18,917
Seabreeze Landscape	General Fund	To fund cost allocation plan charges	1,740
Monterey Bay Estates	General Fund	To fund cost allocation plan charges	2,871
Cypress Cove II Landscape	General Fund	To fund cost allocation plan charges	2,751
CFD No. 2015-1 Dunes	General Fund	To fund cost allocation plan charges	2,771
1998 GO Refunding Bonds	General Fund	To fund cost allocation plan charges	14,855
Marina Landing Improvement	General Fund	To fund cost allocation plan charges	54
Marina Greens Improvement	General Fund	To fund cost allocation plan charges	43
Airport Capital Projects	Airport Fund	To return unexpended project funds	200,000
		Total Non-Major Governmental Interfund Transfers	928,902

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

Proprietary Funds			
Airport Fund	General Fund	To fund airport costs	41,800
Airport Fund	Airport Capital Projects	To fund capital projects	143,894
		Total Proprietary Interfund Transfers	185,694
		Total Interfund Transfers	$ 4,498,166

Intra-Fund Transfers between Funds

The following table represents intra-fund transfers made during the fiscal year ended June 30, 2019:

Transfer from	Transfer To	Description of Transfer	Amount
General Fund			
General Fund	Vehicle and Equipment Fund	Budgeted transfer	$ 640,000
General Fund	Pension Stabilization Fund	Budgeted transfer	650,000
General Fund	Development Activity Fund	To close out fund	1,640,197
		Total General Fund Intra-Fund Transfers	2,930,197
		Total Intra-fund Transfers	$ 2,930,197

Intra-fund transfers are not presented on the Statement of Revenues, Expenses, and Changes in Net Position for the governmental and proprietary funds as they are presented on a net basis. However, the combining Schedule of Revenues, Expenditures, and Changes in Fund Balances for the general fund on page 80 presents both general fund interfund transfers and intra-fund transfers.

NOTE 5: CAPITAL ASSETS

Governmental activities:

	Balance at July 1, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
Capital assets not being depreciated					
Land	$22,080,651	$ -	$ -	$ -	$22,080,651
Total capital assets not being depreciated	22,080,651	-	-	-	22,080,651
Capital assets being depreciated					
Buildings and improvements	49,839,190	22,084	-	75,827	49,937,101
Equipment	6,905,016	1,057,543	(15,669)	-	7,946,890
Infrastructure	30,123,563	2,351,099	-	(75,827)	32,398,835
Total capital assets being depreciated	86,867,769	3,430,726	(15,669)	-	90,282,826
Less accumulated depreciation					
Buildings and improvements	(16,434,737)	(1,167,500)	-	(95,615)	(17,697,852)
Equipment	(5,986,488)	(612,943)	15,669	-	(6,583,762)
Infrastructure	(4,357,952)	(754,847)	-	95,615	(5,017,184)
Total accumulated depreciation	(26,779,177)	(2,535,290)	15,669	-	(29,298,798)
Total capital assets, net	$82,169,243	$ 895,436	$ -	$ -	$83,064,679

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

General government	$ 1,045,951
Public safety	491,098
Public works	75,144
Recreation & cultural services	72,635
Public improvements	850,462
Total governmental activities depreciation expense	$ 2,535,290

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019
Nondepreciable assets:				
Land	$ 36,900,000	$ -	$ -	$ 36,900,000
Total nondepreciable assets	36,900,000	-	-	36,900,000
Capital assets being depreciated				
Leasehold interest	48,783,242	-	-	48,783,242
Buildings	8,824,598	295,285	-	9,119,883
Improvements	11,938,235	246,434	-	12,184,669
Equipment	323,135	-	-	323,135
Total capital assets being depreciated	69,869,210	541,719	-	70,410,929
Less accumulated depreciation				
Leasehold interest	(5,059,465)	(975,665)	-	(6,035,130)
Buildings	(4,865,385)	(267,414)	-	(5,132,799)
Improvements	(8,066,743)	(300,964)	-	(8,367,707)
Equipment	(215,752)	(32,074)	-	(247,826)
Total accumulated depreciation	(18,207,345)	(1,576,117)	-	(19,783,462)
Total capital assets, net	$ 88,561,865	$ (1,034,398)	$ -	$ 87,527,467

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Airport	$ 600,452
Abrams B Housing	268,665
Preston Park Housing	707,000
Total business-type activities depreciation expense	$ 1,576,117

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019	Current Portion
Governmental activities:					
2007 Pension Obligation Bonds	$ 145,000	$ -	$ (145,000)	$ -	$ -
2015 General Obligation Refunding Bonds	7,390,000	-	(195,000)	7,195,000	225,000
Remarketed 2016 Abrams B Housing Revenue Bonds	10,860,000	-	(425,000)	10,435,000	430,000
Capital Lease Obligation	-	663,156	-	663,156	154,693
Compensated absences*	1,234,374	139,920	-	1,374,294	-
Total Governmental activities	$ 19,629,374	$ 803,076	$ (765,000)	$ 19,667,450	$ 809,693

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019	Current Portion
Business-type activities:					
Berkeley Capital Loan	$ 35,950,000	$ -	$ -	$ 35,950,000	$ -
Total Business-type activities	$ 35,950,000	$ -	$ -	$ 35,950,000	$ -

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019	Current Portion
Fiduciary activities:					
Revenue Bonds:					
2000 Series A	$ 425,000	$ -	$ (25,000)	$ 400,000	$ 25,000
2000 Series A	-	6,905,000	(165,000)	6,740,000	205,000
2018 Series B	-	6,585,000	(165,000)	6,420,000	195,000
Total	425,000	13,490,000	(355,000)	13,560,000	425,000
Less:					
Unamortized bond discounts	-	1,252,792	(52,200)	1,200,592	-
Total Fiduciary activities	425,000	14,742,792	(407,200)	14,760,592	425,000

*Management believes current portion cannot reasonably be estimated, therefore no current portion is disclosed.

A description of the long-term liabilities at June 30, 2019 are as follows:

A. Governmental Activities

2007 Pension Obligation Bonds

In April 2007, the City issued $4,315,000 Pension Obligation Bonds for the purpose of refinancing an unfunded CalPERS pension liability. The bonds were part of a larger offering facilitated by the California Statewide Communities Development Authority and bear interest at 5.21% to 5.3%. The bonds matured in June 2019.

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

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.

For the Year Ending June 30	Principal	Interest	Total
2020	$ 225,000	$ 244,481	$ 469,481
2021	260,000	238,031	498,031
2022	280,000	233,281	513,281
2023	295,000	227,531	522,531
2024	315,000	216,706	531,706
2025 - 2029	1,995,000	826,731	2,821,731
2030 - 2034	2,635,000	431,253	3,066,253
2035	1,190,000	42,000	1,232,000
Total	$ 7,195,000	$ 2,460,014	$ 9,655,014

Remarketed 2016 Abrams B Housing Revenue Bonds

In November 2006, the City issued $14,360,000 Multi-family Housing Revenue Bonds for the purpose of financing the acquisition of the Abrams B Apartments. These bonds were remarketed in November 2016. The bonds bear interest at 0.95% to 3.55%. The bonds mature in November 2036. Principal payments of $110,000 to $160,000 are due annually on November 1. Interest payments are due semi-annually on May 1 and November 1. Beginning on November 15, 2023, the bonds have an optional redemption price of 102%, declining to 101% on November 15, 2024, and at par on November 15, 2025 and thereafter.

For the Year Ending June 30	Principal	Interest	Total
2020	$ 430,000	$ 297,615	$ 727,615
2021	440,000	291,848	731,848
2022	450,000	285,280	735,280
2023	465,000	277,723	742,723
2024	475,000	268,905	743,905
2025 - 2029	2,925,000	1,154,675	4,079,675
2030 - 2034	3,305,000	672,556	3,977,556
2035 - 2037	1,945,000	104,991	2,049,991
Total	$ 10,435,000	$ 3,353,593	$ 13,788,593

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

In July 2018, the City entered into a lease agreement in the amount of $663,156 at 4.52% to finance the purchase of radio equipment. Annual principal and interest payments of $185,348 are due through July 2022. Capital lease amortization is as follows:

For the Year Ending June 30	Principal	Interest	Total
2020	$ 154,693	$ 30,655	$ 185,348
2021	161,910	23,438	185,348
2022	169,373	15,974	185,347
2023	177,180	8,167	185,347
Total	$ 663,156	$ 78,234	$ 741,390

Equipment and related accumulated amortization under the capital lease are as follows:

Leased Equipment	$ 663,156
Less: accumulated amortization	(165,789)
Net Value	$ 497,367

B. 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:

For the Year Ending June 30	Principal	Interest	Total
2020	$ -	$ 1,516,790	$ 1,516,790
2021	-	1,512,646	1,512,646
2022	-	1,512,646	1,512,646
2023	-	1,512,646	1,512,646
2024	-	1,516,790	1,516,790
2025 - 2026	35,950,000	2,527,984	38,477,984
Total	$ 35,950,000	$ 10,099,502	$ 46,049,502

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

C. Fiduciary Activities

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 promissary 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 5.00%. 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 5.00%. 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.

Bonds Payable Debt Service Requirements

Future debt service requirements are shown below:

For the Year Ending, June 30	Principal	Interest
2020	$ 425,000	$ 673,000
2021	445,000	655,813
2022	470,000	633,625
2023	490,000	610,200
2024	515,000	585,775
2025 - 2029	2,980,000	2,517,325
2030 - 2034	3,665,000	1,703,675
2035 - 2039	4,570,000	707,250
Total	$ 13,560,000	$ 8,086,663

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

NOTE 7: DEFINED BENEFIT PENSION PLAN

A. 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 the safety risk pool (police and fire) and the miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety and miscellaneous pools. The City sponsors five rate plans (three safety and two miscellaneous). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous	
	Tier I (Classic)	Tier II (PEPRA)
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 and up	52 and up
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	7.000%	6.250%
Required Employer Contribution Rates	9.409%	6.842%

	Safety	
	Tier I (Classic)	Tier II (PEPRA)
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	3.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 and up	50 and up
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	9.000%	11.500%
Required Employer Contribution Rates	20.556%	12.141%

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ending June 30, 2019 were $2,050,095.

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

As of June 30, 2019, the City reported a net pension liability of $18,963,346. The City's net pension liability is measured as a proportionate share of the Plan's net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the Plan's 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 Plan as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.19055 %
Proportion - June 30, 2018	0.19679 %
Change - Increase (Decrease)	0.00624 %

For the year ended June 30, 2019, the City recognized pension expense of $1,401,398. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 2,050,095	$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	239,404	64,520
Differences between actual and expected experience	502,450	74,555
Changes in assumptions	1,950,023	333,760
Adjustment due to differences in proportions	662,206	25,429
Net differences between projected and actual earnings on plan investments	118,112	-
Total	$ 5,522,290	$ 498,264

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred outflows of resources totaling $2,050,095 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 Ended June 30,		
2020	$	2,080,078
2021	$	1,373,221
2022	$	(336,385)
2023	$	(142,983)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Cost-Sharing Miscellaneous & Safety Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

In December 2017, the CalPERS Board adopted new mortality assumptions for plan participants participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2018 was 7.15%. This is a decrease from the 7.65% used as of June 30, 2016. The decrease is due to a decrease in the long-term expected rate of return. 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. These tests revealed that Plan assets would not run out. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

(a) An expected inflation of 2.00% used for this period
(b) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	$ 29,855,724	$ 18,963,346	$ 10,017,534

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 8: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Description of the Plan

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

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan.

Active employees	81
Inactive employees currently receiving benefits	19
Total	100

Contributions

The City's policy is to fully fund the annual required contribution, which is determined by an actuary. The City makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2019, the City contributed $76,872. The City does not have a trust.

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2017 based on the following actuarial methods and assumptions.

Discount Rate	3.87 %
Inflation	2.26 %
Salary increases per annum	3.25 %
Investment Rate of Return	3.87 %
Healthcare Trend Rate	4.25 %

Mortality rates	
Pre-Retirement	Mortality Tables - 2014 CalPERS Mortality and Safety Mortality pre-retirement.
Post-Retirement	2014 CalPERS Mortality post-retirement.
Retirement Rates:	
All Participants	Hired before January 1, 2013: 2.0% @55 Rates for Miscellaneous Employees. 3.0% @50 for Police and Fire. Hired on or after January 1, 2013: 2.0% @62 for Miscellaneous Employees. 2.7% @57 for Police and Fire.
Service Requirements	
All participants	100% at 5 Years of Service

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The discount rate was based on a yield for a 20-year, tax exempt general obligation municipal bond with an average rating of AA/Aa or better.

Changes in Assumptions

The discount rate changed from 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date.

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the OPEB liability

	Total OPEB Liability
Balance at June 30, 2017	$ 4,093,174
Service cost	200,224
Interest	153,199
Actual Investment Income	(27,347)
Change in Assumptions	(200,100)
Benefit Payments	(28,444)
Net change during 2017-18	97,532
Balance at June 30, 2018	$ 4,190,706

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Sensitivity of the Total OPEB Liability in the City if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	$ 4,960,056	$ 4,190,706	$ 3,580,184

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the Total OPEB liability of the City if it were calculated using heal care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 3.25%	Current Healthcare Cost Trend Rate 4.25%	1% Increase 5.25%
Total OPEB Liability	$ 3,507,158	$ 4,190,706	$ 5,073,114

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes of total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	$ 76,872	$ -
Differences between actual and expected experience	-	27,789
Changes in assumptions	-	1,400,242
Total	$ 76,872	$ 1,428,031

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

Fiscal Year Ended June 30,		
2020	$	(210,632)
2021	$	(210,632)
2022	$	(210,632)
2023	$	(210,632)
2024	$	(210,632)
Thereafter	$	(374,871)

OPEB Expense

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $37,475.

NOTE 9: 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.

NOTE 10: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Committed Fund Balance: Only the City Council may have the authority to create or change a fund balance commitment. Commitments may be changed or lifted only by the City Council taking the same formal resolution that imposed the constraint originally.

Assigned Fund Balance: Intent is expressed by the City Council or the City Manager to which the City Council has delegated authority to assign amounts to be used for specific purposes.

NOTE 10: FUND BALANCE (CONTINUED)

As of June 30, 2019, fund balances consisted of the following:

	General Fund	Capital Projects	Abrams B Debt Service	Impact Fee	Non-Major Funds	Total
Nonspendable:						
Prepaid Expenses	$ 12,000	$ -	$ -	$ -	$ -	$ 12,000
Total Nonspendable	12,000	-	-	-	-	12,000
Restricted:						
Economic Development	-	-	-	-	287,266	287,266
Debt Service	4,065	-	367,942	-	521,893	893,900
Capital Projects	-	-	-	-	1,500,191	1,500,191
Street & Special District	-	-	-	-	1,373,205	1,373,205
Community Development	-	-	-	10,920,712	-	10,920,712
Recreation	-	-	-	-	603,788	603,788
Public Safety	235,432	-	-	-	-	235,432
Total Restricted	239,497	-	367,942	10,920,712	4,286,343	15,814,494
Committed:						
OPEB	200,000	-	-	-	-	200,000
Library Maintenance	310,627	-	-	-	-	310,627
Future Vehicle & Equipment Replacement	2,055,000	-	-	-	-	2,055,000
Future Facility Repairs	500,000	-	-	-	-	500,000
Community Improvement	641,268	-	-	-	-	641,268
Employee Compensated absences	400,000	-	-	-	-	400,000
Pension Stabilization	950,000	-	-	-	-	950,000
Capital Projects	-	6,408,180	-	-	-	6,408,180
Emergency Reserves	4,587,543	-	-	-	-	4,587,543
Public Education Government	-	-	-	-	101,613	101,613
Total Committed	9,644,438	6,408,180	-	-	101,613	16,154,231
Unassigned	7,528,302	-	-	-	(376)	7,527,926
Total	$ 17,424,237	$ 6,408,180	$ 367,942	$ 10,920,712	$ 4,387,580	$ 39,508,651

NOTE 11: RISK MANAGEMENT

Coverage

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

The City currently reports liability risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Workers compensation insurance costs are allocated to various departments proportionate to their total payroll. For the year ended June 30, 2019, the City paid a total of $1,250,834 to MBASIA for insurance coverage; $343,567 and $907,267 for liability and workers compensation insurance, respectively and did not receive a rebate from the program.

NOTE 12: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and/or transfers in excess of appropriations in the following amounts for the year ended June 30, 2019:

Fund	Final Budget	Actual	Variance
Impact Fee Fund	$ 1,135,000	$ 1,302,687	$ (167,687)
Measure X Transportation Fund	500,000	503,500	(3,500)
Cypress Cove II Assessment District	7,495	11,205	(3,710)
Seabreeze Assessment District	19,021	29,116	(10,095)
CFD 2015-1 Dunes	7,771	9,263	(1,492)

The excess expenditures were covered by available fund balance in the funds.

NOTE 13: CONTINGENCIES AND COMMITMENTS

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

Grant Awards

The City participates in certain Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget Positive (Negative)**
REVENUES				
Taxes and assessments	$ 16,612,600	$ 16,612,600	$ 18,859,358	$ 2,246,758
License, permits, and fees	2,144,700	2,144,700	2,346,192	201,492
Fines and forfeitures	97,550	97,550	102,543	4,993
Investment earnings	283,882	283,882	334,220	50,338
Intergovernmental	402,166	402,166	718,985	316,819
Charges for services	3,193,914	3,193,914	3,313,868	119,954
Other revenues	54,700	54,700	162,455	107,755
Total Revenues	22,789,512	22,789,512	25,837,621	3,048,109
EXPENDITURES				
Current:				
General government	4,071,496	4,071,496	4,662,294	(590,798)
Public safety	11,178,206	11,455,206	10,300,132	1,155,074
Public works	1,599,147	1,599,147	1,356,463	242,684
Economic & community development	2,803,538	2,803,538	2,495,050	308,488
Recreation & cultural services	1,035,327	1,035,327	964,602	70,725
Capital outlay	190,000	190,000	183,192	6,808
Principal	-	-	145,000	(145,000)
Interest and fiscal charges	-	-	7,787	(7,787)
Total Expenditures	20,877,714	21,154,714	20,114,520	1,040,194
Excess (deficiency) of revenues over expenditures	1,911,798	1,634,798	5,723,101	4,088,303
OTHER FINANCING SOURCES (USES)				
Transfers in	148,202	154,465	148,202	(6,263)
Transfers out	(820,000)	(1,013,249)	(1,013,249)	-
Total Other Financing Sources (Uses)	(671,798)	(858,784)	(865,047)	(6,263)
Net change in fund balance	$ 1,240,000	$ 776,014	4,858,054	$ 4,082,040
Fund balance - July 1, 2018			12,566,183	
Fund balance - June 30, 2019			$ 17,424,237	

CITY OF MARINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget Positive (Negative)**
REVENUES				
Intergovernmental	$ -	$ -	$ 1,115,658	$ 1,115,658
Total Revenues	-	-	1,115,658	1,115,658
EXPENDITURES				
Capital outlay	3,575,000	3,828,249	2,218,595	1,609,654
Total Expenditures	3,575,000	3,828,249	2,218,595	1,609,654
Excess (deficiency) of revenues over expenditures	(3,575,000)	(3,828,249)	(1,102,937)	2,725,312
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	780,000	780,000	663,156	(116,844)
Transfers in	2,541,809	2,248,371	1,715,936	(532,435)
Transfers out	(86,809)	(99,335)	(1,067,634)	(968,299)
Total Other Financing Sources (Uses)	3,235,000	2,929,036	1,311,458	(1,617,578)
Net change in fund balance	$ (340,000)	$ (899,213)	208,521	$ 1,107,734
Fund balance - July 1, 2018			6,199,659	
Fund balance - June 30, 2019			$ 6,408,180	

CITY OF MARINA
ABRAMS B DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 6,793	$ 6,793
Other revenues	732,640	732,640	672,195	(60,445)
Total Revenues	732,640	732,640	678,988	(53,652)
EXPENDITURES				
Current:				
General government	5,000	5,000	-	5,000
Debt service:				
Principal	425,000	425,000	425,000	-
Interest and fiscal charges	302,640	302,640	302,640	-
Total Expenditures	732,640	732,640	727,640	5,000
Excess (deficiency) of revenues over expenditures	-	-	(48,652)	(48,652)
Net change in fund balance	$ -	$ -	(48,652)	$ (48,652)
Fund balance - July 1, 2018			416,594	
Fund balance - June 30, 2019			$ 367,942	

CITY OF MARINA
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 196,765	$ 196,765
Charges for services	4,098,900	4,098,900	1,708,384	(2,390,516)
Total Revenues	4,098,900	4,098,900	1,905,149	(2,193,751)
Excess (deficiency) of revenues over expenditures	4,098,900	4,098,900	1,905,149	(2,193,751)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	534,161	-	(534,161)
Transfers out	(1,075,000)	(1,135,000)	(1,302,687)	(167,687)
Total Other Financing Sources (Uses)	(1,075,000)	(600,839)	(1,302,687)	(701,848)
Net change in fund balance	$ 3,023,900	$ 3,498,061	602,462	$ (2,895,599)
Fund balance - July 1, 2018			10,318,250	
Fund balance - June 30, 2019			$ 10,920,712	

CITY OF MARINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Budgetary Control and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Each May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen's comments.

3. The budget is legally enacted by City Council resolution.

4. All budget adjustments increasing fund revenue or expenditures, including transfers between funds, must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to make adjustments within a fund.

5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for governmental funds. Budgets are adopted for the General Fund, all Special Revenue Funds, all Capital Projects Funds, and the Debt Service Fund.

6. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years *

	Measurement Period				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.19679 %	0.19055 %	0.18715 %	0.17995 %	0.18297 %
Proportionate share of the net pension liability	$ 18,963,346	$ 18,897,109	$ 16,193,904	$ 12,351,371	$ 11,385,528
Covered - payroll	$ 7,820,918	$ 7,904,043	$ 9,775,574	$ 7,932,622	$ 7,855,437
Proportionate share of the net pension liability as a percentage of covered - payroll	242.47 %	239.08 %	165.66 %	155.70 %	144.94 %
Plan fiduciary net position as a percentage of the total pension liability	75.26 %	73.31 %	74.06 %	78.40 %	79.82 %

Changes in assumptions

For the measurement period June 30, 2018, the CalPERS Board adopted new mortality assumptions for plan participants participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

For the measurement period ended June 30, 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, the discount rate remained at 7.65 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses). In 2014, amounts reported were based on the 7.50 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
Prepared for the City's Miscellaneous and Safety Plan,
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years *

	Fiscal Year End				
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 2,050,095	$ 2,524,388	$ 2,385,218	$ 2,069,732	$ 1,428,070
Contributions in relation to the actuarially determined contributions	2,050,095	2,524,388	2,385,218	2,069,732	1,428,070
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered - payroll	$ 8,884,897	$ 7,820,918	$ 7,904,043	$ 9,775,574	$ 7,932,622
Contributions as a percentage of covered - payroll	23.07 %	32.28 %	30.18 %	21.17 %	18.00 %

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30

Last 10 Years*

	2018	2017
Total OPEB liability		
Service cost	$ 200,224	$ 271,072
Interest	153,199	157,957
Actual Investment Income	(27,347)	(4,684)
Changes in assumptions	(200,100)	(1,590,885)
Benefit payments	(28,444)	(22,911)
Net change in total OPEB liability	97,532	(1,189,451)
Total OPEB liability, beginning	4,093,174	5,282,625
Total OPEB liability, ending (a)	$ 4,190,706	$ 4,093,174
Covered-employee payroll	$ 7,820,918	$ 7,904,043
City's total OPEB liability as a percentage of covered-employee payroll	0.54 %	0.52 %

Changes in Assumptions

The discount rate changed from 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only two years are shown. Additional years' information will be displayed as it becomes available.

CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30

Last 10 Years*

	2019	2018
Actuarially Determined Contribution (ADC)	$ 76,872	$ 22,911
Contributions in relation to the ADC	(76,872)	(22,911)
Contribution deficiency (excess)	-	-
Covered-employee payroll	$ 8,884,897	$ 7,820,918
Contributions as a percentage of covered-employee payroll	0.87 %	0.29 %

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only two years are shown. Additional years' information will be displayed as it becomes available.

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other 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.

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.

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.

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.

CAPITAL PROJECT 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.

Measure X - Road and Transportation: This fund accounts for street projects related to Measure X.

DEBT SERVICE FUNDS

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.

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.

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Special Revenue Funds					
	CDBG	CDBG Housing	Public Education Government	CFD 2015-1 Dunes	National Parks Recreation Services	Seabreeze Assessment District
ASSETS						
Cash and investments	$ 282,911	$ 4,120	$ 101,613	$ 458,902	$ 603,323	$ 353
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	227	8	29,558	911	1,221	6
Notes receivable	514,431	76,500	-	-	-	-
Total Assets	$ 797,569	$ 80,628	$ 131,171	$ 459,813	$ 604,544	$ 359
LIABILITIES:						
Accounts payable and accrued expenses	$ -	$ -	$ 29,558	$ 980	$ -	$ 735
Accrued payroll and benefits	-	-	-	-	756	-
Total Liabilities	-	-	29,558	980	756	735
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	514,431	76,500	-	-	-	-
FUND BALANCES (DEFICITS):						
Restricted	283,138	4,128	-	458,833	603,788	-
Committed	-	-	101,613	-	-	-
Unassigned	-	-	-	-	-	(376)
Total Fund Balances (Deficits)	283,138	4,128	101,613	458,833	603,788	(376)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 797,569	$ 80,628	$ 131,171	$ 459,813	$ 604,544	$ 359

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Special Revenue Funds					
	Monterey Bay Estates Assessment District	Cypress Cove II Assessment District	CFD 2007-2 Locke-Paddon	Gas Tax Streets	Road Maintenance and Rehabilitation	Transportation Safety and Investment
ASSETS						
Cash and investments	$ 15,520	$ 4,424	$ 6,044	$ 29,730	$ 343,517	$ 201,839
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	35	25	13	-	578	349,055
Notes receivable	-	-	-	-	-	-
Total Assets	$ 15,555	$ 4,449	$ 6,057	$ 29,730	$ 344,095	$ 550,894
LIABILITIES:						
Accounts payable and accrued expenses	$ 1,225	$ 1,476	$ 756	$ 20,769	$ -	$ 3,500
Accrued payroll and benefits	-	-	-	8,682	-	-
Total Liabilities	1,225	1,476	756	29,451	-	3,500
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Restricted	14,330	2,973	5,301	279	344,095	547,394
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	14,330	2,973	5,301	279	344,095	547,394
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 15,555	$ 4,449	$ 6,057	$ 29,730	$ 344,095	$ 550,894

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds			
	Airport	Park Facilities	Measure X - Road and Transportation	Marina Landing Bonds	Marina Greens Bonds	2015 GO Refunding Bonds	**Total Non-Major Governmental Funds**
ASSETS							
Cash and investments	$ 220,235	$ 831	$ 1,274,226	$ -	$ -	$ -	$ 3,547,588
Restricted cash and investments	-	-	-	55,984	45,156	419,769	520,909
Accounts receivable	184,961	2	-	115	93	776	567,584
Notes receivable	-	-	-	-	-	-	590,931
Total Assets	$ 405,196	$ 833	$ 1,274,226	$ 56,099	$ 45,249	$ 420,545	$ 5,227,012
LIABILITIES:							
Accounts payable and accrued expenses	$ 180,063	$ -	$ -	$ -	$ -	$ -	$ 239,062
Accrued payroll and benefits	1	-	-	-	-	-	9,439
Total Liabilities	180,064	-	-	-	-	-	248,501
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	-	-	-	-	590,931
FUND BALANCES (DEFICITS):							
Restricted	225,132	833	1,274,226	56,099	45,249	420,545	4,286,343
Committed	-	-	-	-	-	-	101,613
Unassigned	-	-	-	-	-	-	(376)
Total Fund Balances (Deficits)	225,132	833	1,274,226	56,099	45,249	420,545	4,387,580
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 405,196	$ 833	$ 1,274,226	$ 56,099	$ 45,249	$ 420,545	$ 5,227,012

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	CDBG	CDBG Housing	Public Education Government	CFD 2015-1 Dunes	National Parks Recreation Services	Seabreeze Assessment District
REVENUES						
Taxes and assessments	$ -	$ -	$ 116,609	$ 159,599	$ -	$ 6,824
Investment earnings	2,127	67	-	5,865	9,131	49
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	114,350	-
Other revenue	-	-	-	-	-	-
Total Revenues	2,127	67	116,609	165,464	123,481	6,873
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	6,492	-	9,465
Economic & community development	-	-	146,024	-	-	-
Recreation & cultural services	-	-	-	-	30,187	-
Capital outlay	-	-	2,027	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	-	148,051	6,492	30,187	9,465
Excess (Deficiency) of Revenues over Expenditures	2,127	67	(31,442)	158,972	93,294	(2,592)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(2,771)	(18,917)	(1,740)
Total Other Financing Sources (Uses)	-	-	-	(2,771)	(18,917)	(1,740)
Net change in fund balances	2,127	67	(31,442)	156,201	74,377	(4,332)
Fund balances (deficits) - July 1, 2018	281,011	4,061	133,055	302,632	529,411	3,956
Fund balances (deficits) - June 30, 2019	$ 283,138	$ 4,128	$ 101,613	$ 458,833	$ 603,788	$ (376)

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	Monterey Bay Estates Assessment District	Cypress Cove II Assessment District	CFD 2007-2 Locke-Paddon	Gas Tax Streets	Road Maintenance and Rehabilitation	Transportation Safety and Investment
REVENUES						
Taxes and assessments	$ 12,312	$ 19,926	$ 6,284	$ 441,510	$ 337,826	$ 886,241
Investment earnings	216	189	80	72	2,351	46,393
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	4,746	-	-
Total Revenues	12,528	20,115	6,364	446,328	340,177	932,634
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public works	7,729	26,365	5,795	452,615	-	3,500
Economic & community development	-	-	-	-	-	-
Recreation & cultural services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	7,729	26,365	5,795	452,615	-	3,500
Excess (Deficiency) of Revenues over Expenditures	4,799	(6,250)	569	(6,287)	340,177	929,134
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	68,763	-	-
Transfers out	(2,871)	(2,751)	-	(62,400)	(122,500)	(500,000)
Total Other Financing Sources (Uses)	(2,871)	(2,751)	-	6,363	(122,500)	(500,000)
Net change in fund balances	1,928	(9,001)	569	76	217,677	429,134
Fund balances (deficits) - July 1, 2018	12,402	11,974	4,732	203	126,418	118,260
Fund balances (deficits) - June 30, 2019	$ 14,330	$ 2,973	$ 5,301	$ 279	$ 344,095	$ 547,394

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds			
	Airport	Park Facilities	Measure X - Road and Transportation	Marina Landing Bonds	Marina Greens Bonds	2015 GO Refunding Bonds	**Total Non-Major Governmental Funds**
REVENUES							
Taxes and assessments	$ -	$ -	$ -	$ -	$ -	$ 512,574	$ 2,499,705
Investment earnings	4,285	14	-	909	733	3,000	75,481
Intergovernmental	234,769	-	-	-	-	-	234,769
Charges for services	-	-	-	-	-	-	114,350
Other revenue	-	-	-	-	-	-	4,746
Total Revenues	239,054	14	-	909	733	515,574	2,929,051
EXPENDITURES							
Current:							
General government	-	-	-	-	-	2,060	2,060
Public works	-	-	-	-	-	-	511,961
Economic & community development	-	-	-	-	-	-	146,024
Recreation & cultural services	-	-	-	-	-	-	30,187
Capital outlay	327,374	-	947,145	-	-	-	1,276,546
Debt service:							
Principal	-	-	-	-	-	195,000	195,000
Interest and fiscal charges	-	-	-	-	-	250,931	250,931
Total Expenditures	327,374	-	947,145	-	-	447,991	2,412,709
Excess (Deficiency) of Revenues over Expenditures	(88,320)	14	(947,145)	909	733	67,583	516,342
OTHER FINANCING SOURCES (USES)							
Transfers in	143,894	-	2,221,371	-	-	-	2,434,028
Transfers out	(200,000)	-	-	(54)	(43)	(14,855)	(928,902)
Total Other Financing Sources (Uses)	(56,106)	-	2,221,371	(54)	(43)	(14,855)	1,505,126
Net change in fund balances	(144,426)	14	1,274,226	855	690	52,728	2,021,468
Fund balances (deficits) - July 1, 2018	369,558	819	-	55,244	44,559	367,817	2,366,112
Fund balances (deficits) - June 30, 2019	$ 225,132	$ 833	$ 1,274,226	$ 56,099	$ 45,249	$ 420,545	$ 4,387,580

CITY OF MARINA
SUCCESSOR AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019

	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,409,302	$ 70,007	$ 3,479,309
Cash and investments with fiscal agents (Note 2)	1,376,818	-	1,376,818
Accounts receivables	19,398	163	19,561
Prepaid expenses	9,500	-	9,500
Long-term receivable, State of California	400,000	-	400,000
Capital assets, land	-	900,000	900,000
Total Assets	5,215,018	970,170	6,185,188
LIABILITIES			
Accounts payable	1,613	5	1,618
Accrued salaries and benefits	6,578	530	7,108
Due to City of Marina Funds	-	-	-
Premium on bond	1,200,592	-	1,200,592
Bonds payable:			
Due within one year	400,000	-	400,000
Due in more than one year	13,160,000	-	13,160,000
Total Liabilities	14,768,783	535	14,769,318
DEFERRED INFLOW OF RESOURCES			
Property taxes received in advance	1,020,911	-	1,020,911
Total Deferred Inflows of Resources	1,020,911	-	1,020,911
NET POSITION			
Held in trust for private purposes	$ (10,574,676)	$ 969,635	$ (9,605,041)

CITY OF MARINA
SUCCESSOR AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ADDITIONS			
Property taxes	$ 1,875,679	$ -	$ 1,875,679
Investment earnings	69,793	489	70,282
Property tax in-lieu	29,139	-	29,139
Total Additions	1,974,611	489	1,975,100
DEDUCTIONS			
Program costs	14,476,073	-	14,476,073
Legal and professional fees	18,355	104	18,459
Employee costs	230,345	21,529	251,874
Occupancy and operating costs	22,262	1,610	23,872
Total Deductions	14,747,035	23,243	14,770,278
Transfers of funds	196,500	(196,500)	-
Change in Net Position	(12,575,924)	(219,254)	(12,795,178)
Net Position - July 1, 2018	2,001,248	1,188,889	3,190,137
Net Position - June 30, 2019	$ (10,574,676)	$ 969,635	$ (9,605,041)

The General Fund is the primary operating fund of the City. 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 funds used by the City are shown below:

General Fund
This fund is the primary source for discretionary spending that is not restricted by the source of the funds received. It serves the administration, development services, community facilities, public safety, and non-departmental divisions.

Vehicle & Equipment Replacement Fund
The fund accumulates resources for vehicle and equipment purchases.

GASB 45 OPEB Obligation Fund
Accumulates resources committed to partial satisfaction of the City's Other Post-Employment Benefits (OPEB); (retiree healthcare) obligation.

Library Maintenance Fund
Accounts for resources dedicated to maintain the City's public library.

Pension Stabilization Fund
The City of Marina recognizes that pension costs will be increasing over the next several years. The fund accounts for resources the City Council has put aside to meet these costs, reducing the impact of future expected cost increases.

Development Activity Fund
Accounted for negotiation costs and developer contributions related to large scale development activities on and within properties acquired by the City from the federal government as a result of closure of the Fort Ord Army Base. This fund was deactivated for the fiscal year ending June 30, 2019.

CITY OF MARINA
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2019

	General Fund	Vehicle & Equipment Replacement	GASB 45 OPEB Obligation	Library Maintenance Fund	Pension Stabilization Fund	Development Activity Fund	Total General Fund
ASSETS							
Cash and cash equivalents	$ 13,573,637	$ 2,055,000	$ 200,000	$ 311,935	$ 950,000	$ -	$ 17,090,572
Restricted cash	4,065	-	-	-	-	-	4,065
Accounts receivable	3,075,664	-	-	-	-	-	3,075,664
Prepaid expenses	12,000	-	-	-	-	-	12,000
Notes receivable	115,651	-	-	-	-	-	115,651
Total Assets	$ 16,781,017	$ 2,055,000	$ 200,000	$ 311,935	$ 950,000	$ -	$ 20,297,952
LIABILITIES							
Accounts payable	$ 1,304,896	$ -	$ -	$ 1,300	$ -	$ -	$ 1,306,196
Accrued payroll and benefits	295,000	-	-	8	-	-	295,008
Deposits payable and other liabilities	585,326	-	-	-	-	-	585,326
Total Liabilities	2,185,222	-	-	1,308	-	-	2,186,530
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - State of CA SB 90 claims	327,898	-	-	-	-	-	327,898
Unavailable revenues - Other	309,287	-	-	-	-	-	309,287
Unavailable revenues - FORA	50,000	-	-	-	-	-	50,000
Total Deferred Inflows of Resources	687,185	-	-	-	-	-	687,185
FUND BALANCES (DEFICITS):							
Reserved for:							
Nonspendable	12,000	-	-	-	-	-	12,000
Restricted	239,497	-	-	-	-	-	239,497
Committed	6,128,811	2,055,000	200,000	310,627	950,000	-	9,644,438
Unassigned	7,528,302	-	-	-	-	-	7,528,302
Total Fund Balances (Deficits)	13,908,610	2,055,000	200,000	310,627	950,000	-	17,424,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,781,017	$ 2,055,000	$ 200,000	$ 311,935	$ 950,000	$ -	$ 20,297,952

CITY OF MARINA
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Vehicle & Equipment Replacement	GASB 45 OPEB Obligation	Library Maintenance Fund	Pension Stabilization Fund	Development Activity Fund	Total General Fund
REVENUES							
Taxes and assessments	$ 18,859,358	$ -	$ -	$ -	$ -	$ -	$ 18,859,358
License, permits, and fees	2,346,192	-	-	-	-	-	2,346,192
Fines and forfeitures	102,543	-	-	-	-	-	102,543
Investment earnings	334,220	-	-	-	-	-	334,220
Intergovernmental	718,985	-	-	-	-	-	718,985
Charges for services	3,313,868	-	-	-	-	-	3,313,868
Other revenues	162,455	-	-	-	-	-	162,455
Total Revenues	25,837,621	-	-	-	-	-	25,837,621
EXPENDITURES							
General government	4,628,552	-	-	33,742	-	-	4,662,294
Public safety	10,300,132	-	-	-	-	-	10,300,132
Public works	1,356,463	-	-	-	-	-	1,356,463
Economic & community development	2,495,050	-	-	-	-	-	2,495,050
Recreation & cultural services	964,602	-	-	-	-	-	964,602
Capital outlay	183,192	-	-	-	-	-	183,192
Principal	145,000	-	-	-	-	-	145,000
Interest and fiscal charges	7,787	-	-	-	-	-	7,787
Total Expenditures	20,080,778	-	-	33,742	-	-	20,114,520
Excess (deficiency) of revenues over expenditures	5,756,843	-	-	(33,742)	-	-	5,723,101
OTHER FINANCING SOURCES (USES)							
Transfers in	148,202	640,000	-	-	650,000	1,640,197	3,078,399
Transfers out	(3,943,446)	-	-	-	-	-	(3,943,446)
Total Other Financing Sources (Uses)	(3,795,244)	640,000	-	-	650,000	1,640,197	(865,047)
Net Change in Fund Balance	1,961,599	640,000	-	(33,742)	650,000	1,640,197	4,858,054
Fund Balances (Deficits) - July 1, 2018	11,947,011	1,415,000	200,000	344,369	300,000	(1,640,197)	12,566,183
Fund Balances (Deficits) - June 30, 2019	$ 13,908,610	$ 2,055,000	$ 200,000	$ 310,627	$ 950,000	$ -	$ 17,424,237

OTHER REPORTS

M·U·N CPAs
MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

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 City Council
Marina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise City of Marina's basic financial statements and have issued our report thereon dated February 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Marina'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 City of Marina's internal control. Accordingly, we do not express an opinion on the effectiveness of 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, 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Marina's 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 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 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*.

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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.

Mann, Urrutia, Nelson CPAs

Sacramento, California
February 24, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
Marina, California

Report on Compliance for Each Major Federal Program

We have audited the City of Marina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Marina's major federal programs for the year ended June 30, 2019. City of Marina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Marina's major federal programs based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Marina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Marina's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Marina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City of Marina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Marina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Marina's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mann, Urrutia, Nelson CPAs

Sacramento, California
February 24, 2020

CITY OF MARINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title	Federal CFDA Number	Grantor's/ Pass-Through Entity Number	Expenditures
Department of Homeland Security			
Direct Grants:			
SAFER grant	97.083	-	$ 50,387
Total Department of Homeland Security			50,387
United States Department of Justice			
Direct Grants:			
Public Safety Partnership and Community Policing Grants	16.710	-	23,830
Total United States Department of Justice			23,830
Department of Transportation			
Direct Grants:			
Airport Improvement Program - Perimeter Fencing	20.106	-	92,527
Airport Improvement Program - Taxi-way B Extension	20.106	-	132,734
Airport Improvement Program - Beacon Replacement	20.106	-	9,508
Total Airport Improvement Program			234,769
Highway Planning and Construction - Traffic Signal	20.205	HSIPL-5416(010)	931,360
Highway Planning and Construction - Imjin Bike Lane	20.205	RPSTPLE-5416(008)	124,582
Total Highway Planning and Construction			1,055,942
Total Department of Transportation			1,290,711
Total Federal Expenditures			$ 1,364,928

CITY OF MARINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Marina. The City of Marina reporting entity is defined in Note 1 of the City's Annual Financial Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's basic financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the governmental funds.

NOTE 4: CLAIMS

The City of Marina has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

NOTE 5: INDIRECT COSTS

The City of Marina did not use the 10% de minimis indirect cost rate. Indirect costs were determined as part of the respective grant's approved budget.

CITY OF MARINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiencies?	None reported
Material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiencies?	None reported
Material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Major programs are as follows: Highway Planning and Construction (20.205)	
Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF MARINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted *Government Auditing Standards*.

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs for Federal Awards, which includes audit findings and defined in Section 200.516 of the Uniform Guidance.

None.

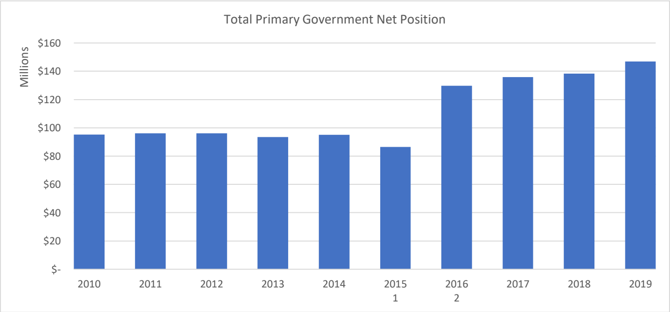
CITY OF MARINA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

There were no findings to report for the year ended June 30, 2018.

City of Marina
Net Position
Last Ten Fiscal Years

TABLE 1

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015 [1]	2016 [2]	2017	2018	2019
Governmental activities:										
Net investment in capital assets	$ 19,260,726	$ 19,107,299	$ 18,946,730	$ 18,664,807	$ 20,295,121	$ 22,196,868	$ 61,460,494	$ 64,902,023	$ 74,531,326	$ 74,955,690
Restricted	10,661,582	11,001,001	8,088,891	6,790,485	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	17,256,636	16,025,740	17,808,826	17,440,618	18,619,528	7,227,722	12,018,477	11,101,690	1,153,328	5,397,539
Total governmental activities net position	$ 47,178,944	$ 46,134,040	$ 44,844,447	$ 42,895,910	$ 45,997,196	$ 37,619,354	$ 80,038,165	$ 85,359,030	$ 88,053,937	$ 94,730,972
Business-type activities:										
Net investment in capital assets	$ 44,038,539	$ 45,583,336	$ 46,298,927	$ 45,577,707	$ 43,551,275	$ 43,324,510	$ 42,332,248	$ 42,448,410	$ 41,999,782	$ 41,393,300
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,962,333	4,395,902	5,009,395	5,007,519	5,543,355	5,561,505	7,457,704	7,987,512	8,317,449	10,759,921
Total business-type activities net position	$ 48,000,872	$ 49,979,238	$ 51,308,322	$ 50,585,226	$ 49,094,630	$ 48,886,015	$ 49,789,952	$ 50,435,922	$ 50,317,231	$ 52,153,221
Primary government:										
Net investment in capital assets	$ 63,299,265	$ 64,690,635	$ 65,245,657	$ 64,242,514	$ 63,846,396	$ 65,521,378	$ 103,792,742	$ 107,350,433	$ 116,531,108	$ 116,348,990
Restricted	10,661,582	11,001,001	8,088,891	6,790,485	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	21,218,969	20,421,642	22,818,221	22,448,137	24,162,883	12,789,227	19,476,181	19,089,202	9,470,777	16,157,460
Total primary government net position	$ 95,179,816	$ 96,113,278	$ 96,152,769	$ 93,481,136	$ 95,091,826	$ 86,505,369	$ 129,828,117	$ 135,794,952	$ 138,371,168	$ 146,884,193



Notes:

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

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

Source: City of Marina Audited Financial Statements

City of Marina
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

			Fiscal Year Ended June 30					Fiscal Year Ended June 30		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	$ 3,992,342	$ 3,472,230	$ 3,705,459	$ 3,158,122	$ 2,916,551	$ 2,984,155	$ 3,480,230	$ 4,692,664	$ 5,513,745	$ 5,858,902
Public safety	9,309,076	9,477,108	9,724,249	10,062,178	10,600,203	10,128,248	9,854,516	11,351,326	10,668,593	10,604,157
Public works	2,353,095	1,626,009	2,163,703	2,673,237	2,757,413	2,887,311	1,873,600	1,908,465	1,915,307	2,216,656
Recreation	911,425	1,054,660	1,068,016	1,088,854	1,232,087	1,069,775	1,179,699	1,173,364	1,197,500	1,169,832
Public Inprovements	1,429,602	3,251,769	2,061,205	1,167,854	765,115	896,127	1,505,639	1,689,946	1,883,898	2,177,696
Debt Service	1,267,916	1,215,399	1,145,120	1,088,328	1,030,828	1,407,245	796,761	667,627	553,256	558,500
Economic & Community Development	5,454,579	5,072,007	3,189,156	1,501,626	1,791,747	1,424,974	2,441,492	1,927,976	2,259,928	2,803,220
Total governmental activities expenses	24,718,035	25,169,182	23,056,908	20,740,199	21,093,944	20,797,835	21,131,937	23,411,368	23,992,227	25,388,963
Business-type activities:										
Airport	1,517,251	1,555,520	1,805,625	2,067,193	2,139,705	1,901,134	1,578,540	1,608,413	1,702,082	1,485,600
Abrams-B Housing	3,032,720	2,315,180	2,331,910	2,673,687	2,897,135	2,606,945	3,224,211	3,106,604	3,394,698	5,974,685
Preston Park Housing	-	-	-	-	-	-	3,940,705	6,435,459	6,622,148	2,594,187
Total business-type activities expenses	4,549,971	3,870,700	4,137,535	4,740,880	5,036,840	4,508,079	8,743,456	11,150,476	11,718,928	10,054,472
Total primary government expenses	$ 29,268,006	$ 29,039,882	$ 27,194,443	$ 25,481,079	$ 26,130,784	$ 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	$ 3,927,651	$ 1,835,880	$ 2,523,926	$ 1,253,981	$ 2,857,217	$ 573,764	$ 2,494,834	$ 2,499,202	$ 3,932,540	$ 4,020,638
Public safety	702,497	479,229	483,373	744,846	848,336	603,046	786,543	733,781	909,599	218,953
Public works	832,232	271,388	216,950	515,416	905,055	1,751,989	-	599	440	-
Recreation	332,926	186,910	162,077	244,427	179,949	178,301	81,713	77,361	94,627	92,731
Public Inprovements	1,040,824	1,021,255	468,981	5,533	60,905	1,056,078	1,929,360	2,306,877	2,295,007	1,776,845
Debt Service	1,435,657	1,282,130	805,495	1,120,322	1,063,287	1,215,804	-	-	-	-
Economic & Community Development	4,098,980	6,283,847	280,763	1,402,912	3,390,067	2,898,550	1,252,538	1,685,111	1,473,747	1,430,281
Operating grants and contributions	892,854	719,132	766,875	419,088	501,893	438,044	380,876	-	397,385	846,776
Capital grants and contributions	440,855	2,420,953	1,450,216	589,729	658,007	2,286,975	4,585,380	-	1,197,861	1,517,506
Total governmental activities program revenues	13,704,476	14,500,724	7,158,656	6,296,254	10,464,716	11,002,551	11,511,244	7,302,931	10,301,206	9,903,730
Business-type activities:										
Charges for services:										
Airport	892,269	866,820	1,084,201	1,118,689	1,188,608	1,235,090	1,135,525	1,157,167	1,078,147	1,331,552
Abrams-B Housing	1,842,741	2,788,321	2,917,523	2,892,241	2,965,994	3,058,722	3,197,353	3,264,067	3,324,176	6,687,941
Preston Park Housing	-	-	-	-	-	-	4,934,125	6,328,162	6,469,476	3,455,449
Operating grants and contributions	10,000	20,000	-	-	-	-	10,000	390,351	10,000	-
Capital grants and contributions	-	-	-	-	-	-	-	3,986,805	696,860	-
Total business-type activities program revenues	2,745,010	3,675,141	4,001,724	4,010,930	4,154,602	4,293,812	9,277,003	15,126,552	11,578,659	11,474,942
Total primary government program revenues	16,449,486	18,175,865	11,160,380	10,307,184	14,619,318	15,296,363	20,788,247	22,429,483	21,879,865	21,378,672
Net (expense)/revenue:										
Governmental activities	(11,013,559)	(10,668,458)	(15,898,252)	(14,443,945)	(10,629,228)	(9,795,284)	(9,620,693)	(16,108,437)	(13,691,021)	(15,485,233)
Business-type activities	(1,804,961)	(195,559)	(135,811)	(729,950)	(882,238)	(214,267)	533,547	3,976,076	(140,269)	1,420,470
Total primary government net (expense)/revenue	$ (12,818,520)	$ (10,864,017)	$ (16,034,063)	$ (15,173,895)	$ (11,511,466)	$ (10,009,551)	$ (9,087,146)	$ (12,132,361)	$ (13,831,290)	$ (14,064,763)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 1,880,844	$ 1,800,140	$ 3,980,436	$ 2,341,638	$ 4,595,756	$ 5,109,408	$ 2,719,013	$ 3,018,698	$ 3,261,967	$ 3,796,881
Sales and use taxes	1,939,172	2,511,539	4,274,491	4,434,956	4,588,760	4,849,207	5,210,921	5,366,144	5,929,585	6,862,925
Transient occupancy taxes	1,368,311	1,458,187	1,876,488	1,932,294	2,154,023	2,395,263	2,549,531	2,680,928	3,297,828	4,008,179
Motor vehicle taxes	2,489,371	2,429,466	3,091,930	3,014,633	-	-	2,685,134	2,934,743	3,252,508	3,649,318
Franchise taxes	587,243	671,996	649,791	646,522	726,548	823,764	1,007,012	1,084,574	1,173,881	1,976,778
Investment earnings	187,027	72,192	54,237	49,158	23,541	28,416	75,584	149,622	402,805	613,259
Capital asset additions	-	-	-	-	-	-	37,062,047	-	-	-
Transfers, Miscellaneous & One-time revenues	-	680,034	576,486	76,207	1,641,886	1,423,896	730,262	1,817,437	2,466,111	1,254,928
Prior Period Adjustment	-	-	-	-	-	-	-	-	(3,398,757)	-
Total governmental activities	8,451,968	9,623,554	14,503,859	12,495,408	13,730,514	14,629,954	52,039,504	17,052,146	16,385,928	22,162,268
Business-type activities:										
Unrestricted grants and contributions										
Investment earnings	9,030	8,005	6,386	6,854	5,941	5,653	6,954	10,824	21,578	76,494
Contributed capital assets	104,724	2,165,920	1,458,509	-	13,960			1,036,227	-	324,720
Transfers In(Out) Net	-	-	-	-	-	-	-	-	-	14,306
Total business-type activities	113,754	2,173,925	1,464,895	6,854	19,901	5,653	6,954	1,047,051	21,578	415,520
Total primary government	$ 8,565,722	$ 11,797,479	$ 15,968,754	$ 12,502,262	$ 13,750,415	$ 14,635,607	$ 52,046,458	$ 18,099,197	$ 16,407,506	$ 22,577,788
Change in Net Position										
Governmental activities	$ (2,561,591)	$ (1,044,904)	$ (1,394,393)	$ (1,948,537)	$ 3,101,286	$ 4,834,670	$ 42,418,811	$ 943,709	$ 2,694,907	$ 6,677,035
Business-type activities	(1,691,207)	1,978,366	1,329,084	(723,096)	(862,337)	(208,614)	540,501	5,023,127	(118,691)	1,835,990
Total primary government	$ (4,252,798)	$ 933,462	$ (65,309)	$ (2,671,633)	$ 2,238,949	$ 4,626,056	$ 42,959,312	$ 5,966,836	$ 2,576,216	$ 8,513,025

Source: City of Marina Audited Financial Statements

City of Marina

TABLE 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Non-spendable	$ 73,071	$ 211,507	$ 269,169	$ 269,169	$ 545,361	$ 715,669	$ 543,713	$ 530,713	$ 530,713	$ -
Restricted	41	85,158	175,172	178,246	180,782	396,081	446,329	211,371	511,371	239,497
Committed			200,000	200,000	200,000	603,705	570,730	7,027,012	7,367,012	9,644,438
Unassigned	3,640,491	9,128,226	7,272,918	5,443,810	6,478,231	6,142,694	6,340,666	1,318,952	4,157,087	7,549,288
Total General Fund	$ 3,713,603	$ 9,424,891	$ 7,917,259	$ 6,091,225	$ 7,404,374	$ 7,858,149	$ 7,901,438	$ 9,088,048	$ 12,566,183	$ 17,433,223
All other governmental funds										
Restricted								-		
Recreation & Social Service Programs	$ 856,675	$ 769,592	$ 774,760	$ 529,511	$ 388,107	$ 437,778	$ 396,963	$ 456,117	$ 529,410	$ 603,788
Economic & Community Development	8,391,896	8,800,710	5,038,229	4,134,798	4,691,109	6,742,282	5,094,894	8,270,438	10,318,250	13,121,425
Capital Improvements & Maintenance	697,247	-	902,846	872,555	918,950	15,068	59,329	256,727	950,955	1,500,191
Debt service	1,473,299	1,358,960	1,197,884	1,075,375	903,599	603,555	561,680	859,522	884,213	889,834
Committed										
Economic & Community Development	5,280,220	490,932	134,711	134,711	132,458	156,180	130,961	111,245	418,127	101,614
Capital improvements	1,265,813	-	2,880,217	4,440,774	3,852,318	4,779,576	8,028,870	5,300,589	6,199,660	5,858,952
Unassigned	-	(72,960)	-	-	-	-	-	-	-	(376)
Total all other governmental funds	$ 17,965,150	$ 11,347,234	$ 10,928,647	$ 11,187,724	$ 10,886,541	$ 12,734,439	$ 14,272,697	$ 15,254,638	$ 19,300,615	$ 22,075,428
Fund Balance - All Governmental Funds	**$ 21,678,753**	**$ 20,772,125**	**$ 18,845,906**	**$ 17,278,949**	**$ 18,290,915**	**$ 20,592,588**	**$ 22,174,135**	**$ 24,342,686**	**$ 31,866,798**	**$ 39,508,651**

The City implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions," beginning fiscal year 2011. Certain data required by GASB 54 is not available for years prior to 2011, and certain fund balance classifications have changed under GASB-54. Reclassifications for prior years have not been made.

Source: City of Marina audited financial statements

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

TABLE 4

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes & assessments	$ 12,517,983	$ 13,929,237	$ 13,873,137	$ 12,370,042	$ 13,403,846	$ 13,859,210	$ 14,776,278	$ 15,622,866	$ 17,513,555	$ 21,359,063
Intergovernmental revenues	-	-	-	-	-	-	2,649,113	3,224,446	2,252,459	2,069,412
Licenses, Permits & Fees	301,608	144,424	189,415	277,547	444,470	515,123	545,288	672,613	2,127,179	2,346,192
Fines and penalties	168,832	188,465	187,808	189,423	195,743	194,540	144,598	146,415	106,116	102,543
Charges for services & program revenues	6,460,974	7,821,418	7,018,767	6,154,287	8,730,551	9,732,507	5,315,358	5,203,312	6,074,165	5,136,602
Investment Earnings	204,777	93,423	66,685	49,158	38,287	41,926	75,584	149,622	402,532	613,259
Other revenues	489,392	494,421	180,324	536,172	108,332	1,242,920	39,664,855 (i)	2,893,494 (ii)	1,169,157	839,396
Total revenues	20,143,566	22,671,388	21,516,136	19,576,629	22,921,229	25,586,226	63,171,074	27,912,768	29,645,163	32,466,467
Expenditures										
General government	2,936,205	2,895,819	3,225,776	2,187,323	2,333,193	2,512,974	2,765,874	3,350,106	4,334,089	4,664,354
Public safety	9,311,788	9,632,113	10,175,888	10,194,910	10,209,287	10,551,880	10,425,058	10,581,491	10,127,912	10,300,132
Public works	2,233,570	2,097,067	2,183,090	2,640,931	2,686,096	2,906,689	1,784,937	1,798,782	1,821,925	1,868,424
Planning	-	-	-	-	-	-	-	-	-	-
Redevelopment	3,845,131	3,651,786	1,700,931	-	-	-	-	-	-	-
Economic & community development	1,611,413	1,445,248	1,492,441	1,953,554	1,800,790	1,448,506	2,441,977	1,923,875	2,254,588	2,641,074
Recreation & cultural services	941,625	857,338	907,685	913,253	1,080,272	895,100	964,613	950,754	1,002,449	994,789
Public improvements/capital outlay	2,195,651	3,141,555	2,032,620	2,076,397	3,153,496	2,722,948	41,314,503	6,281,854	2,042,472	3,678,333
Debt Service										
Principal	1,010,977	710,000	735,000	676,185	1,214,878	661,757	1,284,007	889,686	625,200	765,000
Interest and fiscal charges	1,277,717	1,027,124	992,799	941,068	1,041,082	1,063,563	734,155	719,354	641,193	561,358
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	25,364,077	25,458,050	23,446,230	21,583,621	23,519,094	22,763,417	61,715,124	26,495,902	22,849,828	25,473,464
Excess of revenues over(under) expenditures	(5,220,511)	(2,786,662)	(1,930,094)	(2,006,992)	(597,865)	2,822,809	1,455,950	1,416,866	6,795,335	6,993,003
Other financing sources (uses)										
Transfers in	7,009,668	12,464,102	5,028,972	3,368,405	2,928,560	3,149,165	4,669,312	2,156,862	1,312,011	4,298,165
Transfers out	(4,837,265)	(11,784,069)	(4,500,744)	(2,928,370)	(2,387,529)	(3,017,733)	(4,543,717)	(1,405,176)	(583,234)	(4,312,471)
Asset disposition proceeds	-	1,200,000	-	-	1,068,800	-	-	-	-	-
Long-term debt proceeds/defeasement costs	-	-	-	-	-	(401,716)	-	-	-	663,156
	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,172,403	1,880,033	528,228	440,035	1,609,831	(270,284)	125,595	751,686	728,777	648,850
Extraordinary items										
Extraordinary gain/(loss)	-	-	(629,152)	-	-	-	-	-	-	-
Total extraordinary items	-	-	(629,152)	-	-	-	-	-	-	-
Net change in fund balances	$ (3,048,108)	$ (906,629)	$ (2,031,018)	$ (1,566,957)	$ 1,011,966	$ 2,552,525	$ 1,581,545	$ 2,168,552	$ 7,524,112	$ 7,641,853
Beginning Fund Balances	24,726,862	21,678,754	20,772,125	18,845,907	17,278,949	18,290,915	20,592,588	22,174,136	24,342,686	31,866,798
Rounding				(1)			3	(2)	-	-
Prior-period adjustment	-	-	104,800	-	-	(250,852)	-	-	-	-
Ending Fund Balances	$ 21,678,754	$ 20,772,125	$ 18,845,907	$ 17,278,949	$ 18,290,915	$ 20,592,588	$ 22,174,136 (i)	$ 24,342,686 (i)	$ 31,866,798	$ 39,508,651

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

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

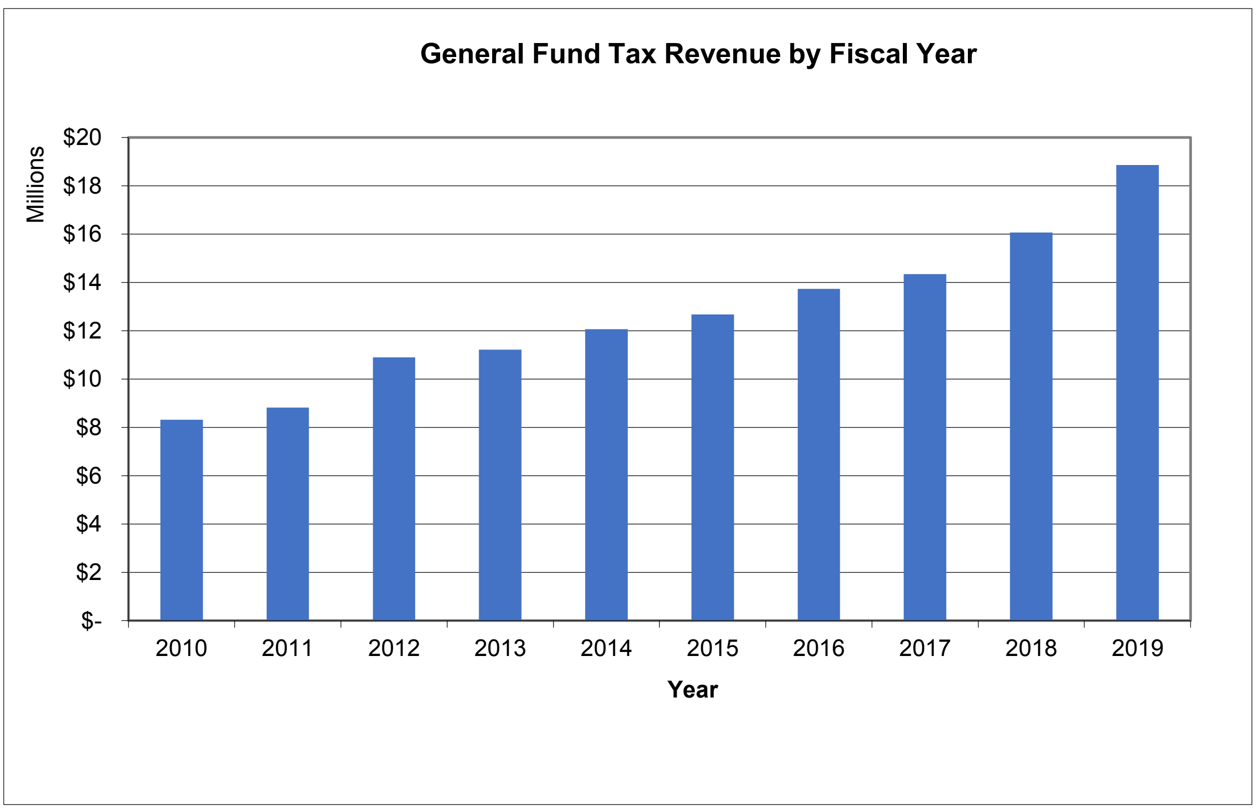
Source: City of Marina Audited Financial Statements

City of Marina

TABLE 5

General Fund Tax Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property	Sales	Franchise & Cardroom	Transient Occupancy	Motor Vehicle. In-Lieu	Total
2010	1,880,844	1,994,115	587,243	1,368,311	2,489,371	$ 8,319,884
2011	1,800,140	2,458,871	671,996	1,458,187	2,429,466	$ 8,818,660
2012	1,764,017	4,274,491	649,792	1,876,488	2,328,483	$ 10,893,271
2013	1,879,967	4,434,956	646,522	1,932,294	2,324,211	$ 11,217,950
2014	2,199,001	4,588,760	726,548	2,154,023	2,396,756	$ 12,065,088
2015	2,045,073	4,849,207	823,764	2,395,263	2,555,616	$ 12,668,923
2016	2,252,005	5,210,921	1,037,816	2,549,531	2,685,134	$ 13,735,407
2017	2,462,394	5,288,097	983,741	2,680,927	2,934,017	$ 14,349,176
2018	2,616,657	5,847,182	1,057,654	3,297,828	3,252,508	$ 16,071,829
2019	3,079,361	6,862,925	1,259,574	4,008,180	3,649,318	$ 18,859,358



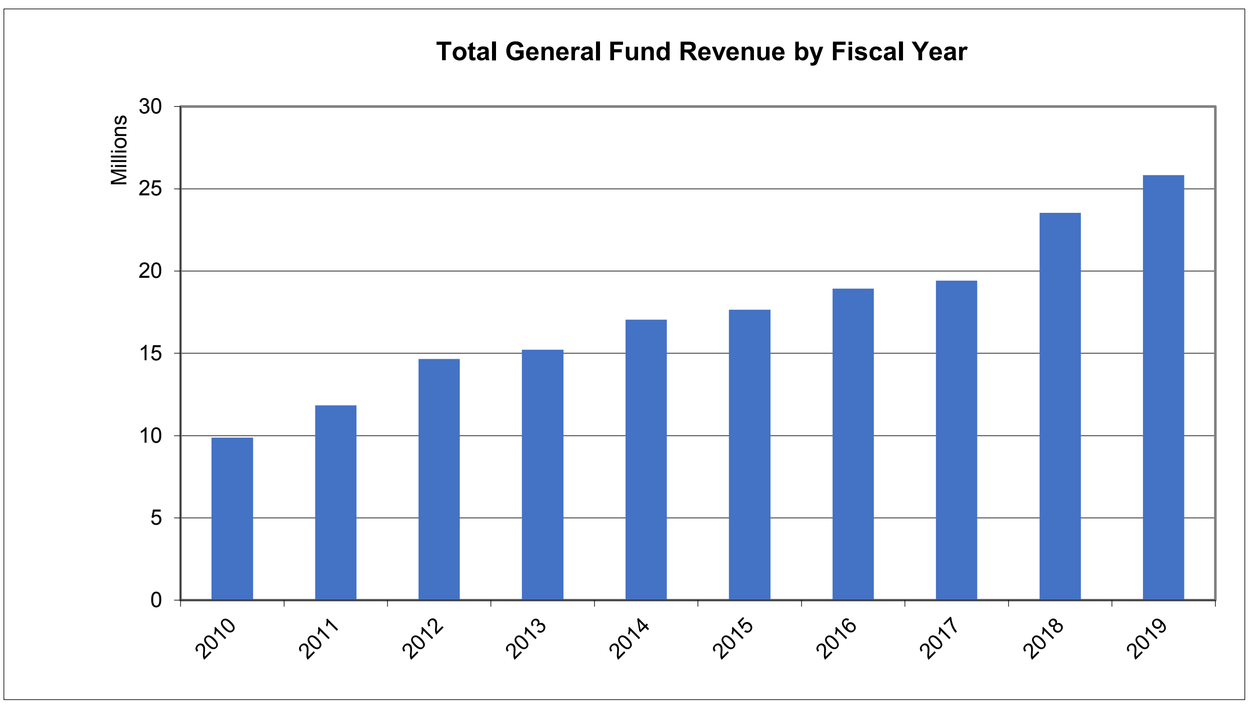
Source: City of Marina Financial Statements

City of Marina

TABLE 6

General Fund Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30		Taxes	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
2010		8,319,884	301,608	168,832	734,270	186,820	160,189	9,871,603
2011		8,818,660	144,424	188,465	2,514,634	72,122	98,391	11,836,696
2012		10,893,271	189,415	187,808	3,215,947	54,237	122,609	14,663,287
2013		11,217,950	277,547	189,423	3,410,660	30,124	96,392	15,222,096
2014		12,065,088	444,470	195,743	4,295,003	23,597	32,054	17,055,955
2015		12,668,923	515,123	194,540	4,016,197	26,961	236,379	17,658,123
2016	**	13,735,407	545,288	144,598	4,311,415	41,376	145,502	18,923,586
2017	***	14,349,176	672,613	146,415	3,719,176	96,574	429,215	19,413,169
2018		16,071,829	2,127,179	106,116	3,455,823	242,670	1,531,133	23,534,750
2019		18,859,358	2,346,192	102,543	3,313,868	334,220	881,440	25,837,621



Source: City of Marina Financial Statements

* Excludes transfers in from other funds

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

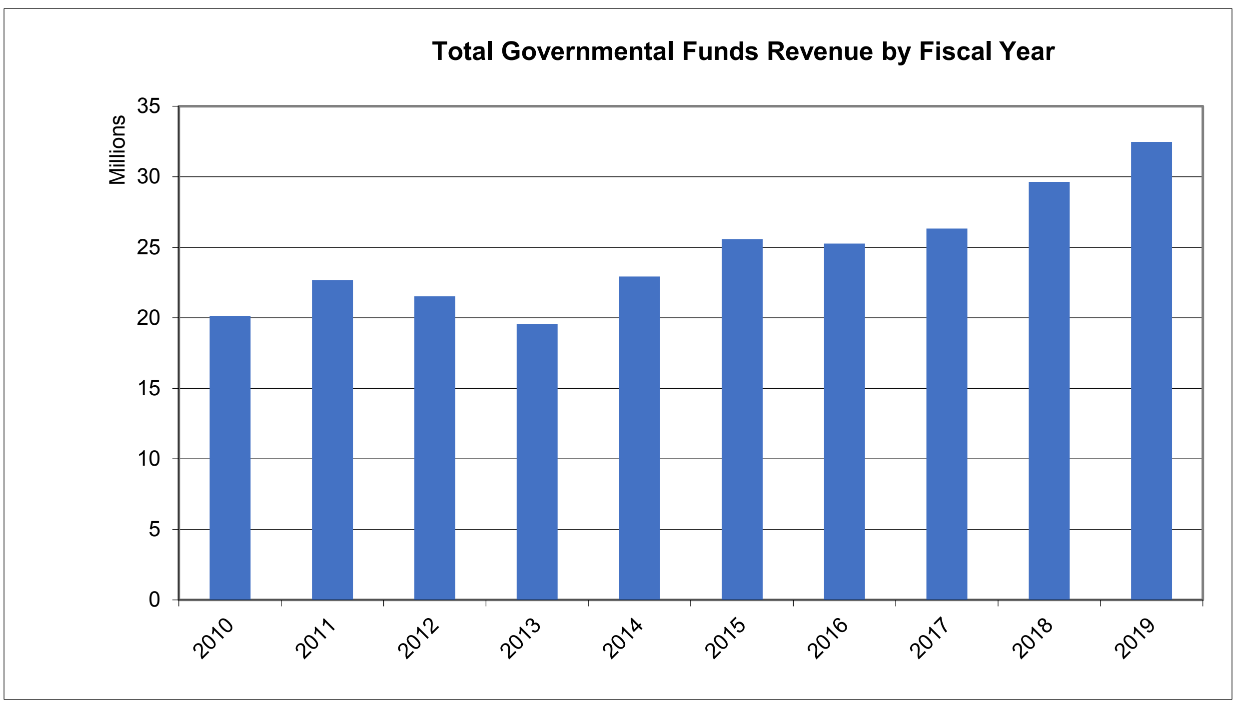
*** Other excludes $1.6 million non-cash capital assets transactions for consistency

City of Marina

TABLE 7

All Governmental Funds Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30		Taxes & Assessments	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
2010		12,517,983	301,608	168,832	6,460,974	204,777	489,392	20,143,566
2011		13,929,237	144,424	188,465	7,821,418	93,423	494,421	22,671,388
2012		13,873,137	189,415	187,808	7,018,767	66,685	180,324	21,516,136
2013		12,370,042	277,547	189,423	6,154,287	49,158	536,172	19,576,629
2014		13,403,846	444,470	195,743	8,730,551	38,287	108,332	22,921,229
2015		13,859,210	515,123	194,540	9,732,507	41,926	1,242,920	25,586,226
2016	**	14,776,278	545,288	144,598	7,964,471	75,584	1,751,986	25,258,205
2017	***	15,622,866	672,613	146,415	9,189,649	149,622	546,503	26,327,668
2018		17,513,555	2,127,179	106,116	6,074,165	402,532	3,421,616	29,645,163
2019		21,359,063	2,346,192	102,543	5,136,602	613,259	2,908,808	32,466,467



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

City of Marina
Total Outstanding Debt
Last Ten Fiscal Years

TABLE 8

	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General obligation library refunding bonds	$ 8,470,000	$ 8,425,000	$ 8,380,000	$ 8,325,000	$ 8,260,000	$ 7,925,000	$ 7,640,000	$ 7,555,000	$ 7,390,000	$ 7,195,000
Pension obligation bonds	3,685,000	3,320,000	2,920,000	2,480,000	1,995,000	1,470,000	900,000	275,000	145,000	-
Total General Obligation Bonds	12,155,000	11,745,000	11,300,000	10,805,000	10,255,000	9,395,000	8,540,000	7,830,000	7,535,000	7,195,000
Revenue bonds - Abrams-B Housing	13,430,000	13,130,000	12,825,000	12,500,000	12,165,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000
Redevelopment tax increment bonds	845,000	700,000	550,000	-	-	-	-	-	-	-
Limited obligation bonds - Marina Landing	700,000	540,000	370,000	190,000	-	-	-	-	-	-
Limited obligation bonds - Marina Greens	415,000	355,000	290,000	225,000	155,000	-	-	-	-	-
Total Limited Obligation & Revenue Bonds	15,390,000	14,725,000	14,035,000	12,915,000	12,320,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000
Total Bonded Indebtedness	27,545,000	26,470,000	25,335,000	23,720,000	22,575,000	21,215,000	20,005,000	19,105,000	18,395,000	17,630,000
Compensated absences	1,425,532	1,379,559	1,269,238	1,297,518	1,273,047	1,137,080	1,223,211	1,289,557	1,234,374	1,374,294
Capital leases	70,448	48,265	24,807	234,410	164,532	92,774	18,767	-	-	663,156
Total Governmental Activities	29,040,980	27,897,824	26,629,045	25,251,928	24,012,579	22,444,854	21,246,978	20,394,557	19,629,374	19,667,450
Business-type Activities:										
Promissory note - Marina Municipal Airport	10,641	-	-	-	-	-	-	-	-	-
Promissory note - Preston Park Housing	-	-	-	-	-	-	35,950,000	35,950,000	35,950,000	35,950,000
Total Business-type Activities	10,641	-	-	-	-	-	35,950,000	35,950,000	35,950,000	35,950,000
Total Debt	$ 29,051,621	$ 27,897,824	$ 26,629,045	$ 25,251,928	$ 24,012,579	$ 22,444,854	$ 57,196,978	$ 56,344,557	$ 55,579,374	$ 55,617,450
Per Capita income[1]	$ 24,771	$ 24,352	$ 23,976	$ 25,106	$ 25,101	$ 24,773	$ 25,327	$ 26,525	$ 28,168	$ 29,705
Personal income[1] (in thousands)	$ 488,088	$ 480,855	$ 479,904	$ 507,869	$ 509,601	$ 521,199	$ 546,937	$ 587,343	$ 631,639	$ 681,936
Debt as percentage of personal income	5.95%	5.80%	5.55%	4.97%	4.71%	4.31%	10.46%	9.59%	8.80%	8.16%
Population[2]	19,704	19,746	20,016	20,229	20,302	21,039	21,595	22,143	22,424	22,957
Total debt per capita	1,474	1,413	1,330	1,248	1,183	1,067	2,649	2,545	2,479	2,423
Taxable Assessed value[3]	1,481,046,684	1,423,367,545	1,418,009,510	1,414,994,415	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130
Total Debt as % of assessed value	1.96%	1.96%	1.88%	1.78%	1.64%	1.44%	3.48%	3.12%	2.89%	2.57%

Notes:

Source: City of Marina Audited Financial Statements

(-) No data available

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

[2] California Department of Finance

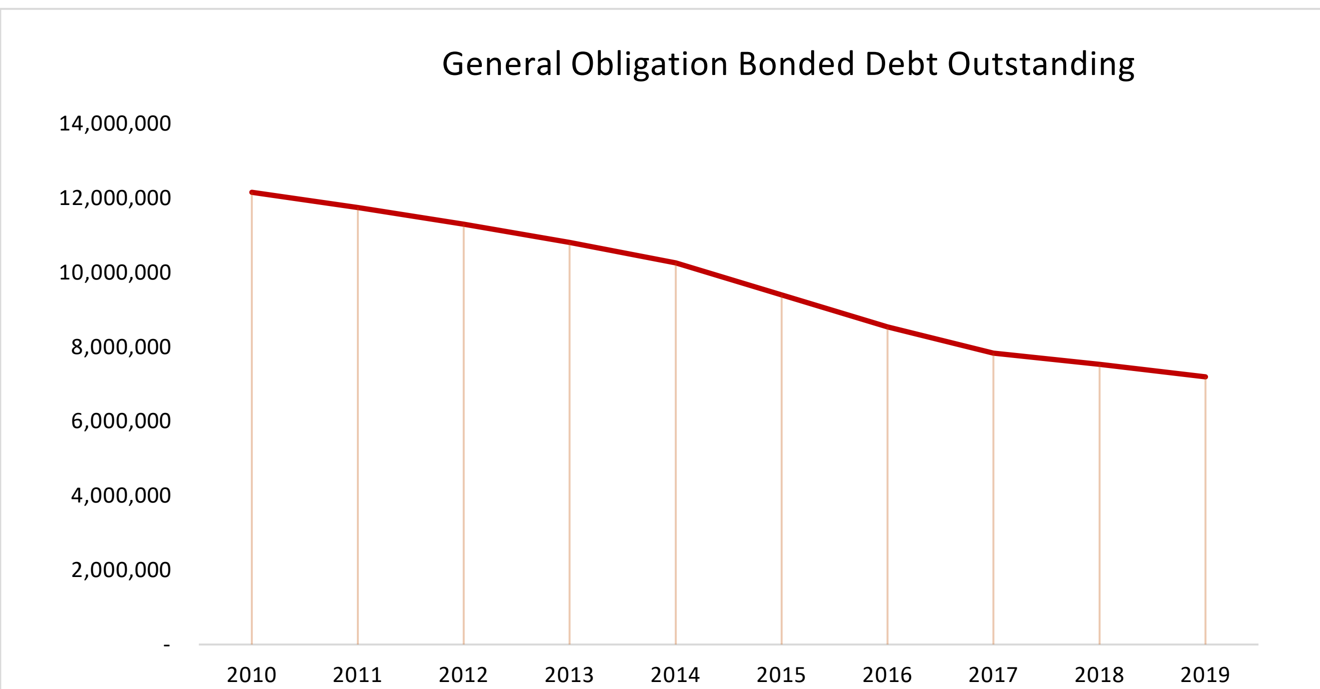
[3] Monterey County Tax Rate Books, as detailed by MuniServices LLC (see Table 11)

City of Marina TABLE 9

Bonded Debt

Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Bonded Debt [3]	Less: Revenue Bonds [3]	General Obligation Bonded Debt [3]	G.O. Debt as a % of Assessed Value	G.O. Debt Per Capita	Taxable Assessed Value[1]	Population[2]
2010	27,545,000	15,390,000	12,155,000	0.82%	617	1,481,046,684	19,704
2011	26,470,000	14,725,000	11,745,000	0.83%	595	1,423,367,545	19,746
2012	25,335,000	14,035,000	11,300,000	0.80%	565	1,418,009,510	20,016
2013	23,720,000	12,915,000	10,805,000	0.76%	534	1,414,994,415	20,229
2014	22,575,000	12,320,000	10,255,000	0.70%	505	1,461,630,562	20,302
2015	21,215,000	11,820,000	9,395,000	0.60%	447	1,561,125,061	21,039
2016	20,005,000	11,465,000	8,540,000	0.52%	395	1,642,092,991	21,595
2017	19,105,000	11,275,000	7,830,000	0.43%	354	1,803,719,945	22,143
2018	18,395,000	10,860,000	7,535,000	0.39%	336	1,924,857,463	22,424
2019	17,630,000	10,435,000	7,195,000	0.33%	313	2,168,132,130	22,957



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

City of Marina

TABLE 10

Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate(%) (3)	County Population (1)
2007-08	-	-	-	-	-	-	-	-
2008-09	-	-	-	-	-	-	-	-
2009-10	-	-	24,771	34.9	-	-	-	-
2010-11	19,445	473,525	24,352	35.3	-	-	-	435,878
2011-12	19,808	474,917	23,976	34.6	10,956	-	-	419,038
2012-13	19,996	502,020	25,106	35.5	10,730	-	-	420,668
2013-14	20,073	503,852	25,101	37.3	10,768	10.1%	6.0%	421,494
2014-15	20,268	502,099	24,773	36.5	10,653	7.6%	5.7%	425,756
2015-16	20,872	528,625	25,327	36.5	10,633	8.1%	6.1%	425,413
2016-17	21,528	571,030	26,525	36.9	10,732	7.6%	5.7%	442,365
2017-18	22,424	631,639	28,168	36.9	10,685	9.4%	3.1%	443,281
2018-19	22,957	681,936	29,705	36.8	10,658	4.7%	2.6%	445,414

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

City of Marina

TABLE 11

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Total Secured Property	Unsecured Property	Less Tax-exempt property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2010	1,034,362,331	228,199,698	223,946,417	1,486,508,446	64,427,609	69,889,371	1,481,046,684	0.195687	-	-
2011	1,011,659,739	216,019,932	206,206,101	1,433,885,772	62,143,683	72,661,910	1,423,367,545	0.195687	-	-
2012	999,890,473	210,602,668	221,165,490	1,431,658,631	60,668,484	74,317,605	1,418,009,510	0.195687	-	-
2013	1,021,168,922	210,455,067	205,553,290	1,437,177,279	58,276,233	80,459,097	1,414,994,415	0.195687	-	-
2014	1,042,168,418	214,316,449	236,797,577	1,493,282,444	57,910,086	89,561,968	1,461,630,562	0.195687	-	-
2015	1,119,179,396	230,300,136	241,538,459	1,591,017,991	60,026,223	89,919,153	1,561,125,061	0.195687	-	-
2016	1,191,143,317	235,961,520	271,722,544	1,698,827,381	60,963,585	117,697,975	1,642,092,991	0.195687	-	-
2017	1,304,549,843	239,333,525	323,669,510	1,867,552,878	70,591,640	134,424,573	1,803,719,945	0.195687	2,566,421,120	1.422849
2018	1,434,005,745	280,826,470	279,447,839	1,994,280,054	70,557,468	139,980,059	1,924,857,463	0.195687	4,227,144,827	2.196082
2019	1,624,632,460	299,834,075	324,295,905	2,248,762,440	68,650,466	149,280,776	2,168,132,130	0.195687	3,598,481,418	1.659715

Source: Monterey County Assessor data, MuniServices, LLC
(-) No data available

(1.) Total direct tax rate is represented by TRA 12-0041

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.
*2017-18 is the city's first CAFR; thus prior year data is limited. Historical values have been updated to reflect consistent report methodology.

City of Marina

TABLE 12

Total Assessed Value of Property by Use Code, Citywide
Last Ten Fiscal Years ended June 30,

Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential	1,034,362,331	1,011,659,739	999,890,473	1,021,168,922	1,042,168,418	1,119,179,396	1,191,143,317	1,304,549,843	1,434,005,745	1,624,632,460
Commercial	228,199,698	216,019,932	210,602,668	210,455,067	214,316,449	230,300,136	235,961,520	239,333,525	280,826,470	299,834,075
Vacant	111,885,105	94,866,048	105,625,465	88,707,295	91,495,277	92,842,928	113,779,359	159,784,721	86,517,557	107,563,261
Industrial	41,755,475	41,641,761	40,617,436	42,004,430	43,126,163	45,472,293	47,528,389	50,935,771	50,311,955	74,410,577
Professional	2,270,614	2,265,229	2,282,284	2,327,927	27,065,788	27,188,660	27,731,885	28,154,791	55,396,279	51,429,463
Miscellaneous	25,037,444	24,919,068	25,260,025	23,492,333	23,885,720	24,134,083	24,581,435	24,859,615	28,798,906	30,396,302
Unknown	10,145,485	10,002,616	10,631,936	10,941,213	11,523,829	11,910,872	18,220,975	18,563,065	14,390,755	14,745,873
Social	11,363,375	11,835,709	11,923,305	12,313,314	13,342,598	13,405,529	13,659,612	13,862,915	14,456,257	14,577,357
Rural	10,348,195	10,324,489	10,401,468	10,607,474	10,817,599	10,896,679	11,112,371	11,280,290	13,054,808	14,390,658
Institution	4,854,737	3,997,344	8,028,441	8,643,639	8,890,706	9,014,743	9,217,872	10,257,867	10,439,846	10,584,094
Recreation	6,285,987	6,353,837	6,395,130	6,515,665	6,649,897	6,672,672	5,890,646	5,970,475	6,081,476	6,198,320
Total Secured Value	1,486,508,446	1,433,885,772	1,431,658,631	1,437,177,279	1,493,282,444	1,591,017,991	1,698,827,381	1,867,552,878	1,994,280,054	2,248,762,440
Unsecured	64,427,609	62,143,683	60,668,484	58,276,233	57,910,086	60,026,223	60,963,585	70,591,640	70,557,468	68,650,466
Exemptions	69,889,371	72,661,910	74,317,605	80,459,097	89,561,968	89,919,153	117,697,975	134,424,573	139,980,059	149,280,776
Total Assessed Value	1,481,046,684	1,423,367,545	1,418,009,510	1,414,994,415	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130

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

City of Marina

TABLE 13

Direct and Overlapping Property Tax Rates
Last Nine Fiscal Years ending June 30,

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Basic City and County Levy										
Monterey County-Wide	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232
County Library	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722
City of Marina	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687
Monterey County Office of Education	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664
Monterey Pen Unified School District	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978
Monterey Pen College	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299
MCWRA Dist	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391
Monterey Regional Park Dist	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593
North Salinas Valley Mosquito Abater	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347
Moss Landing Harbor Dist	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087
TOTAL 1% BREAKOUT	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
City of Marina debt service	0.004390	0.004450	0.004260	0.004484	0.004684	0.004602	0.000000	0.000000	0.000000	0.000000
Marina Library 2002 Election Series 2005	0.026230	0.027680	0.027300	0.027716	0.028118	0.027962	0.000000	0.000000	0.000000	0.000000
Monterey Pen Coll 2002 Ser A & 2005 Refund	0.022410	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen Coll 2002 Ser B C & 2005 Refund	0.000000	0.021460	0.023570	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen Unif SD 2010 Election Series A	0.000000	0.000000	0.028790	0.027965	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen CCD 2002 Ser B C & 2005 Refund	0.000000	0.000000	0.000000	0.022367	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen CCD 2013 Refund	0.000000	0.000000	0.000000	0.000000	0.015772	0.032471	0.023039	0.000000	0.000000	0.000000
Monterey Pen USD 2010 Ser A & 2012 Election	0.000000	0.000000	0.000000	0.000000	0.021309	0.022774	0.000000	0.000000	0.000000	0.000000
Marina 2015 GO Refunding Bonds	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.022348	0.023068	0.021612	0.023200
Monterey Penn CCD 2002 BC & 2013 Ref AB & 2016 Ref	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.022336	0.021655	0.021187
Monterey Pen USD 2010 Ser A & B	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.030000	0.030000	0.028902	0.091957
TOTAL OVERRIDE RATE	0.053030	0.053590	0.083920	0.082532	0.069883	0.087809	0.075387	0.075404	0.072169	0.136344
Total Tax Rate	1.053030	1.053590	1.083920	1.082532	1.069883	1.087809	1.075387	1.075404	1.072169	1.136344

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

City of Marina

TABLE 14

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2018-19 Taxable Value ($)	2018-19 Percent of Total City Taxable Value (%)	2009-10 Taxable Value ($)	2009-10 Percent of Total City Taxable Value (%)
Shea Homes Ltd.. Partnership	53,795,809	2.48%	39,526,896	2.67%
Hamstra Appleton Llc	49,863,490	2.30%		
Wathen Castanos Peterson Homes	36,096,443	1.66%		
Lv44 Ltd.. Partnership	36,069,086	1.66%	29,978,048	2.02%
Hhlp Sanctuary Assoc Llc	30,806,225	1.42%		
Target Corp	24,000,000	1.11%	23,384,653	1.58%
Community Hospital Properties	23,752,464	1.10%		
Wal Mart Real Estate Business	22,425,613	1.03%	19,767,600	1.33%
Cemex Inc.	20,260,899	0.93%	16,810,395	1.14%
Tate Michael J	17,562,459	0.81%	18,360,679	1.24%
Wc Marina Llc	17,494,908	0.81%		
Monterey Peninsula Hotels Grou	17,209,888	0.79%		
Marina Community Partners Llc	15,984,206	0.74%	49,531,568	3.34%
Alliance Residential Co Inc.	15,196,633	0.70%	9,477,646	0.64%
New Heritage Family Ltd.. Part	14,089,473	0.65%		
Sierra Pacific Properties Inc.	13,274,064	0.61%	8,795,970	0.59%
Valle Del Sol Properties Llc	13,055,517	0.60%		
189 Seaside Llc	11,477,520	0.53%		
Kohls Department Stores Inc.	11,261,701	0.52%	9,950,487	0.67%
Cypress Gates Inc.	10,173,713	0.47%	9,000,374	0.61%
Foux Anthony L Zimmerman Grego	9,486,000	0.44%		
Cypress Dunes Llc	9,171,780	0.42%		
Reservation Estates Apts L P	8,955,051	0.41%		
Marina Cypress Apts Llc	8,526,004	0.39%	7,685,000	0.52%
Net Lease Realty I Inc.	8,154,172	0.38%		
Cypress Marina Heights Lp			36,804,943	2.49%
Mdr-Tmi Llc			11,450,000	0.77%
Marina Hospitality Llc			11,281,169	0.76%
Worldmark The Club			8,540,508	0.58%
Els Properties Corporation			8,103,900	0.55%
Brooks William H			7,915,275	0.53%
State Street Bank Trust Compan			7,350,809	0.50%
Vega Nelson A & Susan J			7,060,790	0.48%
Marina Beach Inn Inc			6,872,779	0.46%
Marina Rv Llc			6,285,987	0.42%
Nehawandian Abolghassen & Pari			6,067,358	0.41%
Burch Roger A & Michele			5,845,123	0.39%
Chee Kyo Nam & Debbie K			5,689,240	0.38%
Total Top 25 Taxpayers	498,143,118	22.98%	371,537,197	25.09%
Total Taxable Value	2,168,132,130	100.00%	1,481,046,684	100.00%

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

City of Marina

TABLE 15

Principal Employers
Current Fiscal Year

Business Name	2018-19 Number of Employees	2018-19 Percent of Total Employment (%)
Walmart Supercenter	208	1.60%
Monterey Peninsula USD*	189	1.45%
Target	171	1.32%
Monterey Regional Waste Mgmt Dist.	160	1.23%
Monterey One Water Treatment Plant**	94	0.72%
Scudder Roofing Company	85	0.65%
City of Marina	80	0.62%
Khol's	68	0.52%
Del Monte Meat CO	54	0.42%
Michaels Catering and Wildtime Deli (aka Chef's Fancy LLC)	51	0.39%
Total Top 10 Employers	1,160	8.92%
Total City Labor Force (1)	13,000	

Source: MuniServices, LLC / *an Avenu Insights & Analytics Company*
Results based on direct correspondence with city's local businesses.
2016-17 is the cities first CAFR publication, therefore prior year historical data is not available.
*Only schools located within the City of Marina.
** Includes Marina and Monterey location.
1.) Total City Labor Force provided by EDD Labor Force Data.

CITY OF MARINA

Table 16

2018-19 Assessed Valuation: $2,181,411,755

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 6/30/19
Hartnell Joint Community College District	$203,621,667	0.12%	$238,237
Monterey Peninsula Community College District	124,803,522	5.891	7,352,175
Monterey Peninsula Unified School District	231,313,610	16.561	38,307,847
North Monterey County Unified School District	32,525,000	0.579	188,320
City of Marina	7,195,000	100	7,195,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$53,281,579
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Monterey County General Fund Obligations	$161,193,744	3.27%	$5,269,423
Monterey County Board of Education Certificates of Participation	1,415,000	3.269	46,256
North Monterey County Unified School District Certificates of Participation	4,975,000	0.579	28,805
Monterey County Water Resources Agency District, Zone 2C	21,860,000	3.269	714,603
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$6,059,087
Less: Monterey County supported obligations			1,310,863
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$4,748,224
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$13,560,000	100.00%	$13,560,000
TOTAL DIRECT DEBT			$7,195,000
TOTAL GROSS OVERLAPPING DEBT			$65,705,666
TOTAL NET OVERLAPPING DEBT			$64,394,803
GROSS COMBINED TOTAL DEBT			$72,900,666 (2)
NET COMBINED TOTAL DEBT			$71,589,803

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

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

Ratios to 2018-19 Assessed Valuation:	
Direct Debt ($7,195,000)	0.33%
Total Direct and Overlapping Tax and Assessment Debt	2.44%
Total Direct Debt ($7,195,000)	0.33%
Gross Combined Total Debt	3.34%
Net Combined Total Debt	3.28%

Ratios to Redevelopment Successor Agency Incremental Valuation ($651,102,305):	
Total Overlapping Tax Increment Debt	2.08%

AB:($500)

Source: County Auditor/Controller data, MuniServices, LLC