



Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Renée Neermann, Financial Controller

Reviewed by: Christopher Smith, Assistant City Manager

Approved by: Rob DuBoux, Interim City Manager

Date prepared: February 12, 2026 Meeting date: February 23, 2026

Subject: Annual Comprehensive Financial Report and Audit Management Letter for Fiscal Year 2024-25

RECOMMENDED ACTION: Receive and file the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024-25.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action.

WORK PLAN: This item was part of the day-to-day operations identified in the Adopted FY 2024-25 Strategic Priority Project list.

DISCUSSION: The City's independent auditors from the firm of Lance, Soll and Lunghard, LLP, have concluded their annual financial audit of the City for the fiscal year ending June 30, 2025, and have approved the issuance of the ACFR.

The ACFR reflects total governmental, combined fund balances of \$85.6 million on June 30, 2025, which is a decrease of \$12.5 million from the prior year's ending balance of \$98.1 million. In comparison, FY 2023-24 had a net increase to fund balance of \$9.7 million. Following are the key elements of the decrease in activity:

Revenues decreased by a net of \$3.7 million from the prior year (see Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance, page 21):

- A net decrease of \$3.6 million in taxes primarily resulting from the impact of the Palisades Fire which affected a \$3.4 million decrease in transient occupancy tax

and a \$1.3 million decrease in sales tax. These decreases were offset by a \$1.4 million increase in property taxes due to increased property value assessments.

- Charges for services decreased by \$1.4 million. The shortfall is due to permits/fees received at less than projected at mid-year for Dark Sky, Exterior Elevated Elements, Building Plan Check, Environmental Health Review, Geo Soils Engineering, and recreational, community, and sports programming, which were significantly impacted by the fires.
- Use of money and property increased by \$0.6 million due to higher interest income. Interest income increased due to changing interest rates throughout the fiscal year causing an increase to the fair value of investments as of June 30, 2025, which then resulted in unrealized gains being recognized as investment income for the year.
- Fines and forfeitures increased by \$0.8 million due to additional parking enforcement resources.

Expenditures increased by \$18.4 million over the prior year (see Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance, page 21):

- Public Works and Capital outlay costs each increased by \$7.9 million. Much of this is resulting from the scale and prolonged duration of the Palisades Fire which resulted in significant fiscal impacts. In addition to emergency response expenditures, the extent of the disaster required the establishment of a dedicated Rebuild Center to centralize permitting, inspections, and recovery coordination. The City also initiated urgent Capital Improvement Projects to restore and harden critical infrastructure. These activities represent substantial, multi-year financial commitments necessary to stabilize operations, support property owners, and advance long-term community recovery.
- Legislative and advisory costs increased by \$0.9 million due to increased litigation costs in addition to higher costs related to the proposed separation from Santa Monica Unified School District for the establishment of an independent Malibu Unified School District.
- General government costs increased by \$0.9 million, with much of this increase due to higher unfunded accrued liability payments made for retirement and other post-employment benefits.
- Public safety costs increased by \$1.3 million due to the City's commitment to increase safety on Pacific Coast Highway (PCH) by contracting with an outside

firm to perform parking enforcement; starting regular patrols by the California Highway Patrol on Pacific Coast Highway; and increasing patrols by the Los Angeles County Sheriff Services for weekends and special events.

The General Fund is the chief operating fund of the City of Malibu and comprises approximately 83% of the governmental expenditures of the City in FY 2024-25. The unassigned balance of the General Fund totaled \$66.4 million while the total fund balance was \$83.8 million. Of that amount (see Governmental Funds Balance Sheet, page 19), \$95,000 was prepaid items/advances to other funds; \$82,000 was restricted for debt service; \$123,000 was restricted for the Housing Element; \$550,000 was restricted for City facilities; \$5.1 million was committed for Capital Improvement Projects; \$1.0 million was committed for deferred maintenance; \$51,000 was committed for water quality settlement; \$616,000 was assigned for Internal Services; \$3.2 million was assigned for fire rebuild requirements; \$6.5 million was assigned for contingencies; and \$66.4 million was available as undesignated.

The City's assets exceeded its liabilities at the end of the fiscal year by \$237.5 million (net position). Of this amount, \$80.7 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The 2024-25 Fiscal Year audit was conducted in accordance with generally accepted auditing standards. The auditors issued a management letter that had no major findings, indicating that the standards applicable to financial audits contained in the *Government Auditing Standards* have been adhered to by the City of Malibu.

ATTACHMENTS:

1. Fiscal Year 2024-25 Annual Comprehensive Financial Report (ACFR)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



CITY OF MALIBU, CALIFORNIA

ATTACHMENT 1

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF MALIBU, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR
JULY 1, 2024 - JUNE 30, 2025**

Prepared by:
City of Malibu
Management and Administrative Services Department
Christopher Smith, Assistant City Manager
Renée Neermann, Financial Controller

CITY OF MALIBU, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year July 1, 2024 - June 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
City Officials.....	v
Certificate of Achievement for Excellence in Financial Reporting.....	vi
Organization Chart.....	vii

FINANCIAL SECTION

Independent Auditors' Report.....	1
Management's Discussion and Analysis	5

BASIC FINANCIAL STATEMENTS:

Statement of Net Position	17
Statement of Activities.....	18
Balance Sheet – Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds.....	22
Statement of Fund Net Position – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Position.....	26
Notes to the Financial Statements.....	27

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability	60
Schedule of Contributions - Defined Benefit Pension Plan.....	61
Schedule of Changes in the Net OPEB (Asset)/Liability and Related Ratios	62
Schedule of Contributions – OPEB Plan	63
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual & Next Year's Budget - General Fund	64
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Grants Special Revenue Fund.....	65
Note to Required Supplementary Information.....	66

CITY OF MALIBU, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year July 1, 2024 - June 30, 2025

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

Individual Fund Financial Statements and Schedules:

Governmental Funds:

Combining Balance Sheet – Non-major Governmental Funds	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds.....	70
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Individual Non-major Governmental Funds	73
Enterprise Fund:	
Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget Actual (Budgetary Basis) – Commercial Real Estate Rental.....	91
Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget Actual (Budgetary Basis) – Wastewater Treatment.....	92

Fiduciary Funds:

Combining Statement of Fiduciary Net Position	93
Combining Statement of Changes in Fiduciary Net Position	94

STATISTICAL SECTION (UNAUDITED)

Statistical Section Index

Net Position by Component	96
Changes in Net Position.....	98
Fund Balances of Governmental Funds	100
Changes in Fund Balances of Governmental Funds	102
Assessed Value of Taxable Property	104
Direct and Overlapping Property Tax Rates	105
Principal Property Tax Payers	106
Property Tax Levies and Collections.....	107
Ratio of Outstanding Debt by Type	108
Direct and Overlapping Governmental Bonded Debt.....	109
Legal Debt Margin Information.....	110
Demographic and Economic Statistics	111
Full-Time Equivalent Government Employees by Function/Program	112
Indicators of Demand or Level of Services	113
Capital Asset Statistics by Function/Program.....	114



INTRODUCTORY SECTION

The Introductory Section of the Annual Comprehensive Financial Report provides general information on the City of Malibu, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the following:

- Letter of Transmittal
- List of City Officials
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
- City's Organizational Chart

THIS PAGE INTENTIONALLY LEFT BLANK



City of Malibu

23825 Stuart Ranch Road, Malibu, California 90265-4861
(310) 456-2489 fax (310) 456-3356 www.malibucity.org

February 12, 2026

Honorable Mayor and City Council and Residents of the City of Malibu, California:

The Annual Comprehensive Financial Report (ACFR) of the City of Malibu for the fiscal year July 1, 2024, through June 30, 2025, is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the data, including all disclosures, rests with the City of Malibu. To the best of our knowledge and belief, the information presented is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of the various funds of the City of Malibu.

All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City of Malibu, California. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. In recognition that the cost of internal controls should not outweigh their benefits, the City has established a comprehensive internal control framework intended to provide reasonable, rather than absolute, assurance regarding the reliability of the financial statements. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll & Lunghard LLP, a public accounting firm fully licensed and qualified to perform audits of state and local governments within the State of California. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Malibu, California's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Malibu's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Profile of the City of Malibu

The City of Malibu was incorporated as a general law city on March 28, 1991, and operates under the council/manager form of government. Located in northwest Los Angeles County, the City encompasses over 20 square miles along the Pacific Ocean. Malibu has a population of approximately 10,500 residents, but many are displaced as a result of the 2024 Franklin and 2025 Palisades Fires that destroyed or damaged 770 parcels.

Malibu is uniquely positioned along the Pacific Ocean with miles of coastline, which receives more than 15 million visitors a year. The City provides a full range of services, some of which are contracted through outside agencies and/or firms. These services include law enforcement, highways and roads, recreation, planning and zoning, building and environmental safety, emergency preparedness, and general administrative services.

The City of Malibu has a rich and diverse history, originally settled by the Chumash Native Americans. They named the stretch of beach at the mouth of the Malibu Creek “Humaliwo” or “the surf sounds loudly.” In 1802, José Tapia established a ranch in the area, which was passed on through generations. It was eventually sold in 1891 to Fredrick Rindge who was seeking an ideal country home for his family. The private domain was guarded fiercely. Rindge’s widow, May, fought off an effort to route the Southern Pacific Railroad through Malibu by establishing her own private railroad. Later, the State of California succeeded in obtaining a right-of-way to build Pacific Coast Highway through the ranch land. A final court battle in the late 1920s forced Rindge to begin leasing and then selling the land at the mouth of Malibu Creek. As many of the purchasers were movie stars, the area became known as the Malibu Movie Colony.

Today, Malibu is a predominantly rural residential community that has become a haven for those seeking to escape the urban life of Los Angeles. Its small commercial sector consists of quaint shops and restaurants that welcome locals and visitors alike. Programs and exhibits offered by the Los Angeles County Public Library, Pepperdine University, and the Weisman Museum of Art provide culturally enriching experiences. However, as stated before, Malibu is a community in recovery, working to support residents in rebuilding their homes and supporting our local business community. This will be a multi-year recovery but Malibu’s unique oceanside location, which supports its property values, businesses and tourism will ensure Malibu’s long-term resilience.

Factors Affecting Financial Condition

Malibu's economy is heavily influenced by its climate. Visitors flock to the city's beaches in the summer, while the winter months bring rain and pounding surf that can cause landslides and make travel difficult. Since incorporating in 1991, Malibu has faced numerous disasters, including floods, fires, and an earthquake, which have put a significant strain on the city's finances. As a result, Malibu maintains a significant reserve in its General Fund with a Fund Balance policy of at least 50% of General Fund operating expenditures.

In winter of 2024-25, Malibu was impacted by the Franklin and Palisades Fires, which destroyed or damaged 770 parcels. These fires came as the City continued to recover from previous natural disasters, including the 2018 Woolsey Fire, which destroyed 480 homes. The destruction caused by these fires and the subsequent rebuild efforts, including extensive construction along the Pacific Coast Highway, further impacted access to the area, and thus, the local economy. To spur recovery, the City used \$15 million of General Fund monies in FY 2024-25 for disaster-

related costs. In FY 2025-26, an additional \$10.1 million to support operational costs and \$8.4 million for disaster related capital projects was budgeted to address urgent rebuild efforts and community recovery needs. Amounts eligible for grant or insurance reimbursement have not been obligated to the City; however, the reimbursement process is ongoing and is expected to result in substantial recovery of these disaster-related costs.

As noted above, Malibu's economy and finances were impacted by the Franklin and Palisades Fires, and the subsequent five-month closure of the Pacific Coast Highway during the second half of FY 2024-25. These fires disrupted the lives of residents, local businesses, and visitors causing a reduction in the City's sales tax and transit occupancy tax revenues. The City's primary source of revenue, property taxes, however, remained steady.

As the City recovers, the City's fundamentals remain strong. The national economy continues to hold steady and inflation rates have dropped to more normalized levels. The City's rebuild efforts will be a multi-year process, but through the opening of the Malibu Rebuild Center, streamlining processes, and waiving fees, the City now has 213 active single-family applications in various stages of permitting and construction. Upcoming major events in the Los Angeles region, including the Super Bowl, the FIFA World Cup, and the LA28 Summer Olympics will support tourism in the coming years. The City's resilient property tax revenues combined with the City's comprehensive efforts to support rebuilding and economic recovery mean Malibu should remain financially resilient.

Other Information

Budgetary Controls. The City of Malibu maintains a budget control system to ensure compliance with the spending limits incorporated in the annual operating budget adopted by the City Council. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Project-length financial plans are adopted for the capital project funds. Budgetary control is maintained at the fund level for administrative and operating expenditures and the project level for capital improvements. Only the City Council has the authority to increase total appropriations within any fund, subject to the appropriations limitations established by State law. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Long-Term Financial Planning. The City prepares and adopts its budget on an annual basis. Each budget, however, considers future years' spending needs and revenue availability. Capital projects are budgeted using a multi-year planning approach and other major expenditures are evaluated and budgeted based on expectations of revenues and expenditures in future fiscal years. The City maintains a strong General Fund reserve. As of June 30, 2025, the City had approximately \$83.8 million in total General Fund reserves, which allows for flexibility in budget projections, and provides the City with funding in the event of an unexpected fiscal emergency in future years. The unassigned General Fund reserve is \$66.4 million or 101.8% of Fiscal Year 2024-25 General Fund operating expenditures (\$65.2 million) and exceeds the City's goal of maintaining a minimum of 50% of the fund's operating expenses.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Malibu for its ACFR for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement,

the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement from the GFOA is valid for a period of one year. City staff believes that this current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Management and Administrative Services Department staff. Special acknowledgment is given to the City's Financial Controller, Renée Neermann; the staff of Governmental Financial Services; and the staff of Lance, Soll, & Lunghard LLP, the City's independent auditors. I would also like to thank the Interim City Manager, Mayor, and members of the City Council for their support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Chris Smith', with a stylized flourish at the end.

Christopher Smith
Assistant City Manager

**CITY OF MALIBU, CALIFORNIA
LIST OF CITY OFFICIALS
AT JUNE 30, 2025**

CITY COUNCIL

MAYOR	MARIANNE RIGGINS
MAYOR PRO TEM	BRUCE LEE SILVERSTEIN
COUNCILMEMBER	PAUL GRISANTI
COUNCILMEMBER	DOUG STEWART
COUNCILMEMBER	STEVE UHRING

DEPARTMENT OFFICIALS

INTERIM CITY MANAGER	CANDACE BOND
INTERIM DEPUTY CITY MANAGER	RICHARD ROJAS
CITY CLERK	KELSEY PETTIJOHN
COMMUNITY DEVELOPMENT DIRECTOR	YOLANDA BUNDY
COMMUNITY SERVICES DIRECTOR	KRISTIN RIESGO
PUBLIC SAFETY DIRECTOR	SUSAN DUEÑAS
PUBLIC WORKS DIRECTOR	ROB DuBOUX
INTERIM CITY ATTORNEY	TREVOR RUSIN



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Malibu
California**

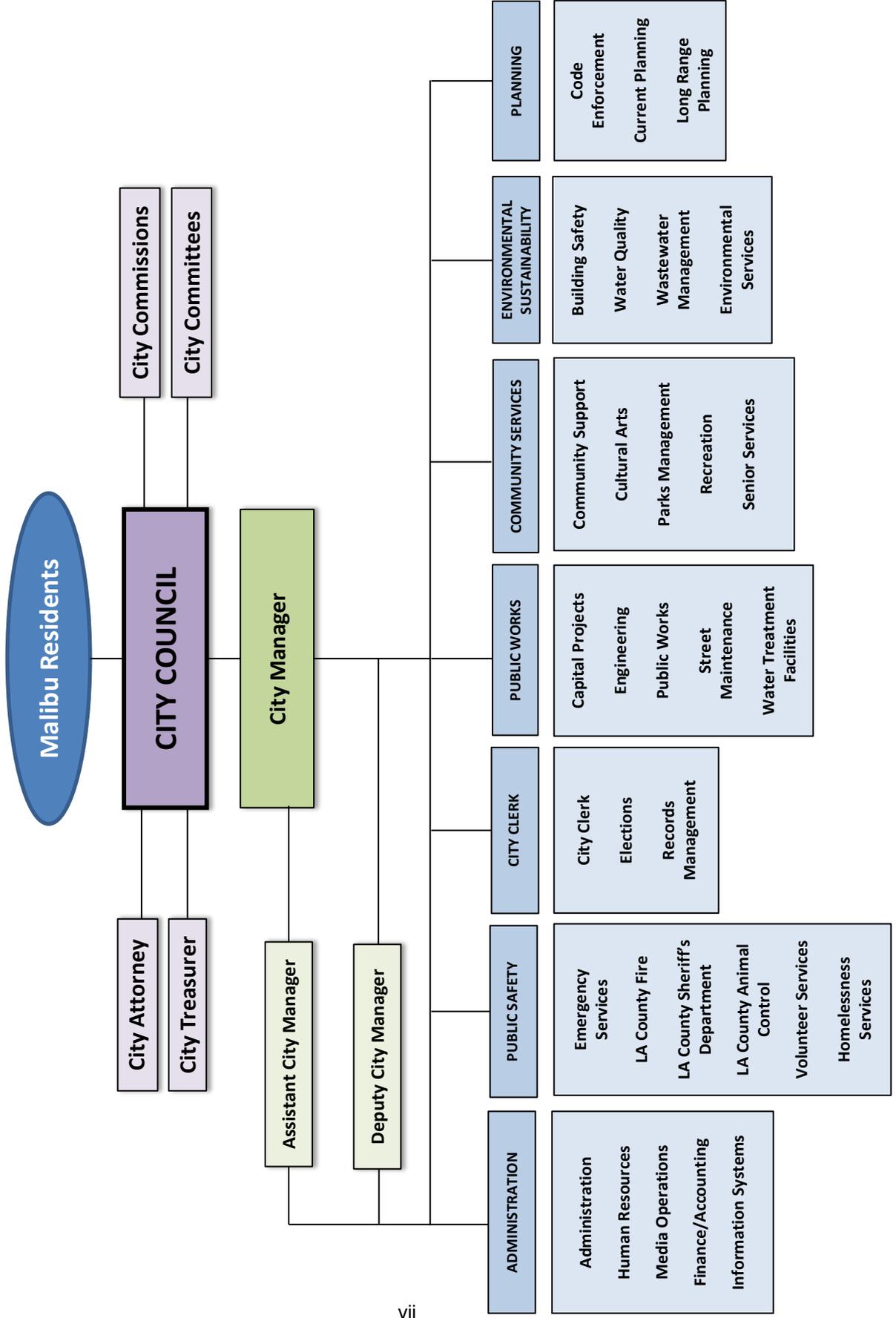
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Fiscal Year 2024-25 Adopted Organizational Chart





FINANCIAL SECTION

The Financial Section of the Annual Comprehensive Financial Report contains the following:

- Independent Auditor's Report
- Required Supplementary Information – Management Discussion and Analysis (MD&A)

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 Malibu, California, (hereafter, the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
February 12, 2026



CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

As management of the City of Malibu, we offer readers of the City of Malibu's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

In the winter of 2024-25, Malibu was impacted by the Franklin and Palisades Fires, which destroyed over 700 homes. These fires came as the City continues to recover from previous natural disasters, including the 2018 Woolsey Fire, which destroyed 480 homes. The destruction caused by these fires requires extensive construction along Pacific Coast Highway (PCH), which impacts access to the area, and thus, has harmed the local economy in addition to requiring substantial outlays for rebuilds and repairs.

Government-wide Statements:

- Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources at the close of the year ended June 30, 2025, by \$237.5 million (*net position*). Of this amount, \$80.7 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$8.6 million as a result of expenses exceeding revenues.

Fund Level Statements:

- As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of \$85.6 million, a decrease of \$12.5 million from the prior year. Of this amount, \$58.3 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2025, the General Fund reported an ending fund balance of \$83.8 million, a decrease of \$11.5 million from the prior year. Of this amount, \$66.4 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2025, the City's proprietary funds reported a combined ending net position of \$72.0 million, a decrease of \$1.8 million from the prior year. Of this amount, \$4.9 million is available for spending at the government's discretion (*unrestricted net position*).

Overview of the Financial Statements

This discussion and analysis is required supplementary information and serves as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other required supplementary information (RSI) follows the notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and RSI.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources, as well as on liabilities and deferred inflows of resources. The amount by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Malibu is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected grants and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include legislative and advisory, general government, public safety, community development, community services, and public works. Business-type activities are comprised of commercial real estate rental properties and wastewater services.

The government-wide financial statements are in this report's financial section immediately following the Management's Discussion and Analysis (MD&A).

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

The fund financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes

in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Malibu maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Grants Fund, and the Capital Improvements Fund, all of which are considered to be major funds. Data from all other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided as supplementary information elsewhere in this report.

The City of Malibu adopts an annual appropriated budget for the governmental funds, excluding Capital Projects Funds. A budgetary comparison schedule is provided for each governmental fund that has an annual budget to demonstrate compliance with that budget. These budgetary comparison schedules are included as required supplementary information for major funds and as supplementary information for nonmajor funds.

Proprietary funds. Like the government-wide financial statements, the proprietary fund type provides both long-term and short-term financial information using the economic resources measurement focus. The City of Malibu reports two proprietary funds: the Commercial Real Estate Rental Fund and the Wastewater Treatment Fund. Both are major enterprise funds and, as such, information is presented separately for each fund in the proprietary fund statements. The fund statements provide detailed information about the net position, operating statements, and cash flows of each business-type activity. In addition, the City adopts an annual budget for these enterprise funds, and budgetary comparison schedules have been provided in the supplementary information section.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports three custodial funds to account for monies held by the City as an agent for property owners with special assessments.

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

Supplementary information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. Required supplementary information is found immediately following the notes to the financial statements. Optional supplementary information is presented as combining and individual statements for other funds. This optional supplementary information can be found immediately following the required supplementary information.

Government-wide Financial Analysis

City of Malibu Net Position

	Governmental Activities		Business-type Activities		Total	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
Current assets	\$113,996,393	\$118,760,485	4,464,179	\$4,140,009	\$118,460,572	\$122,900,494
Other long-term assets	-	-	30,395,421	30,415,086	30,395,421	30,415,086
Capital assets	134,811,592	130,220,482	80,314,747	82,962,489	215,126,339	213,182,971
Total assets	248,807,985	248,980,967	115,174,347	117,517,584	363,982,332	366,498,551
Deferred charge on refunding	1,141,280	1,222,777	323,626	365,900	1,464,906	1,588,677
Deferred outflows from OPEB	1,594,506	1,839,736	-	-	1,594,506	1,839,736
Deferred outflows from pension	3,784,597	4,745,366	-	-	3,784,597	4,745,366
Total deferred outflows	6,520,383	7,807,879	323,626	365,900	6,844,009	8,173,779
Long-term liabilities	64,891,519	65,584,694	9,821,530	10,514,605	74,713,049	76,099,299
Other liabilities	24,375,203	18,120,925	4,632,153	4,630,801	29,007,356	22,751,726
Total liabilities	89,266,722	83,705,619	14,453,683	15,145,406	103,720,405	98,851,025
Deferred inflows from leases	-	-	29,087,110	28,948,804	29,087,110	28,948,804
Deferred inflows from OPEB	397,114	509,830	-	-	397,114	509,830
Deferred inflows from pension	105,385	284,316	-	-	105,385	284,316
Total deferred inflows	502,499	794,146	29,087,110	28,948,804	29,589,609	29,742,950
Net investment in capital assets	83,057,037	77,662,887	67,036,843	69,033,784	150,093,880	146,696,671
Restricted	6,768,100	6,464,329	599	527	6,768,699	6,464,856
Unrestricted	75,734,010	88,161,865	4,919,738	4,754,963	80,653,748	92,916,828
Total net position	\$165,559,147	\$172,289,081	\$71,957,180	\$73,789,274	\$237,516,327	\$246,078,355

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Malibu, net position was \$237.5 million at June 30, 2025, a decrease of \$8.6 million from the prior year's ending net position. The excess of expenses over revenues will be analyzed in conjunction with the Statement of Activities.

The largest portion of the City's net position (\$150.1 million or 63%) reflects its net investment in capital assets (for example, land, infrastructure, buildings, and equipment). Capital assets are used to provide services to citizens, and, consequently, are not available for future spending.

An additional portion of the City's net position (\$6.8 million or 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$80.7 million or 34%) may be used to meet the city's ongoing obligations to citizens and creditors.

City of Malibu Changes in Net Position

The following is a summary of the government-wide *Statement of Activities*. This table illustrates the \$8.6 million decrease in the City's net position resulting from expenses of \$80.1 million exceeding revenues of \$71.5 million. A discussion regarding significant changes in revenues and expenses follows the table.

CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2025

	Governmental Activities		Business-type Activities		Total	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
Program revenues:						
Charges for services	\$ 10,640,448	\$ 11,039,142	\$ 4,072,666	\$ 4,049,687	\$ 14,713,114	\$ 15,088,829
Operating contributions and grants	2,561,949	3,071,398	-	-	2,561,949	3,071,398
Capital contributions and grants	8,887,281	7,701,677	-	-	8,887,281	7,701,677
General revenues:						
Property taxes	19,828,285	18,468,377	-	-	19,828,285	18,468,377
Other taxes	18,468,978	23,436,295	-	-	18,468,978	23,436,295
Other revenues	6,911,714	6,432,957	158,161	116,112	7,069,875	6,549,069
Total revenues	67,298,655	70,149,846	4,230,827	4,165,799	71,529,482	74,315,645
Expenses:						
Legislative and advisory	3,738,042	2,779,543	-	-	3,738,042	2,779,543
General government	13,444,873	10,586,158	-	-	13,444,873	10,586,158
Public safety	15,052,504	13,717,693	-	-	15,052,504	13,717,693
Community development	10,512,888	10,558,458	-	-	10,512,888	10,558,458
Community services	3,697,725	4,160,553	-	-	3,697,725	4,160,553
Public works	25,626,808	15,197,534	-	-	25,626,808	15,197,534
Interest on long-term debt	1,955,749	2,016,259	-	-	1,955,749	2,016,259
Commercial real estate rental	-	-	2,576,378	2,578,579	2,576,378	2,578,579
Wastewater treatment	-	-	3,486,543	3,064,917	3,486,543	3,064,917
Total expenses	74,028,589	59,016,198	6,062,921	5,643,496	80,091,510	64,659,694
Increase/(decrease) in net position	(6,729,934)	11,133,648	(1,832,094)	(1,477,697)	(8,562,028)	9,655,951
Net position - July 1	172,289,081	161,155,433	73,789,274	75,266,971	246,078,355	236,422,404
Net position - June 30	\$165,559,147	\$172,289,081	\$71,957,180	\$73,789,274	\$237,516,327	\$246,078,355

Governmental activities. Governmental activities decreased the City's net position by \$6.7 million during the fiscal year in contrast to the prior year's increase of \$11.1 million, resulting in a net decrease of \$17.8 million from the prior year. The following are key elements of this change in comparison to the prior year:

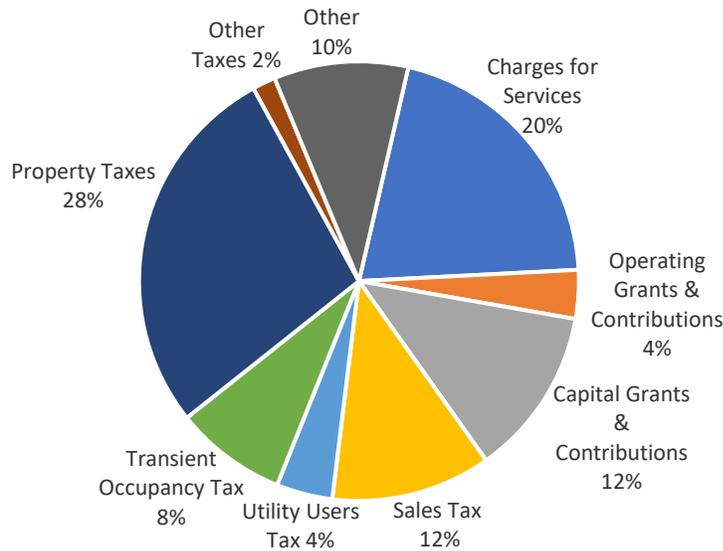
- During the current year, revenues decreased by \$2.8 million. The most significant changes were as follows:
 - Property taxes increased by \$1.4 million due to increased assessed valuations within the City.
 - Other taxes decreased by 5.0 million, a result of the impact the Franklin and Palisades fires had on the community. Transient occupancy taxes decreased by \$3.4 million and sales taxes decreased by \$1.3 million.
- Expenses increased by \$15.0 million over the prior year. The most significant changes were as follows:
 - Legislative and advisory costs increased by \$1.0 million due to litigation costs in addition to higher costs related to the proposed separation from Santa Monica Unified School District for the establishment of an independent Malibu Unified School District.
 - General government costs increased by \$2.9 million, with the majority of that increase due to annual pension and OPEB adjustments resulting from updated actuarial valuations.
 - Public safety costs increased by \$1.3 million due to contracting with an outside agency to perform parking enforcement and starting regular police patrols on PCH in addition to the patrols already occurring for weekends and special events.

- Public works costs increased by a net \$10.4 million. The City's disaster relief efforts increased by \$13.3 million in FY 2024-25. This increase was offset by a reduction in grant-funded projects on PCH, which had the majority of the work done in the prior year.

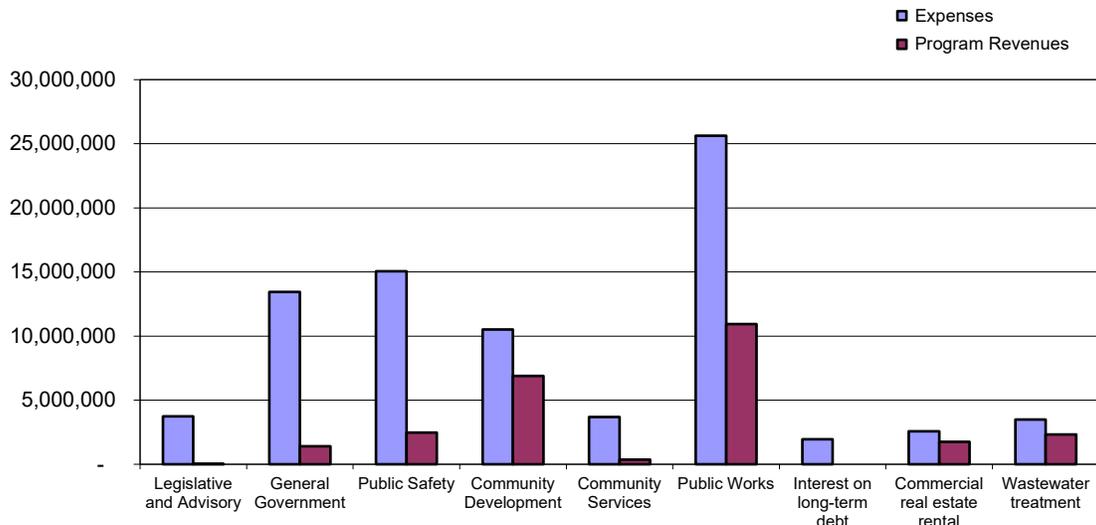
Business-type activities. Business-type activities are financed primarily by fees charged to external parties for goods and services. The City reports two proprietary funds: the commercial real estate rental enterprise fund and the wastewater treatment enterprise fund. Business-type activities decreased the City's net position by \$1.8 million during the current year in contrast to the prior year's decrease of \$1.5 million.

Each proprietary fund had similar revenues to the prior year, and the Commercial Real Estate Rental fund had similar costs. The \$0.3 million increase in costs is attributable to higher depreciation expense for the wastewater treatment facility.

Revenues by Source (Government-wide)



Expenses and Program Revenues (Government-wide)



The previous two charts illustrate the City's overall expenses and revenues by source (including both governmental and business-type activities). General revenues such as property, utility users, and sales taxes are not shown by program but are effectively used to support program activities citywide. In the current year, tax revenue was the largest single source of funds for the City (54%) followed by charges for services (20%); the remaining sources of funds were from grants and contributions (16%) and miscellaneous other revenues (10%).

Public works is the largest expense function, accounting for 32% of the total. Public safety is second at 19%, followed by general government at 17%, and community development at 13%. Community services and legislative and advisory each accounted for 5%, with wastewater services, commercial real estate rentals, and interest on long-term debt accounting for the remaining of costs.

Financial Analysis of the City's Funds

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$85.6 million, a decrease of \$12.5 million from the prior year's ending balance of \$98.1 million. In comparison, FY 2023-24 had a net increase to fund balance of \$9.7 million. The following are the key elements of the net \$22.2 million year-to-year decrease in activity:

- Revenues decreased by \$3.7 million from the prior year with the most significant changes occurring in the following categories:
 - Taxes decreased by \$3.6 million. Property taxes increased by \$1.4 million due to increased property value assessments. However, as a result of the impact the Franklin and Palisades fires had on the community, transient occupancy taxes decreased by \$3.4 million and sales taxes decreased by \$1.3 million.
 - Charges for services decreased by \$1.4 million due to the City waiving rebuild planning fees for homes that were destroyed by the Franklin and Palisades fires if certain conditions were met. Additionally, the City's ability to offer community service programs, especially for seniors, was impacted by the fires, in addition to there being a lower demand over the summer for community service programs.
 - Use of money and property increased by \$0.6 million, essentially due to higher interest income. Interest income increased due to changing interest rates throughout the fiscal year causing an increase in the fair value of investments as of June 30, which then resulted in unrealized gains being recognized as investment income for the year.
 - Fines and forfeitures increased by \$0.8 million as a result of the City contracting with an outside agency to perform parking enforcement.
- Expenditures increased by \$18.4 million over the prior year with the most significant changes occurring in the following categories:
 - Legislative and advisory costs increased by \$0.9 million due to litigation costs in addition to higher costs related to the proposed separation from Santa Monica Unified School District for the establishment of an independent Malibu Unified School District.

- General government costs increased by \$0.9 million, with much of this increase due to higher unfunded accrued liability payments made for retirement and other post-employment benefits.
- Public safety costs increased by \$1.3 million due to contracting with an outside agency to perform parking enforcement and starting regular police patrols on PCH in addition to the patrols already occurring for weekends and special events.
- Public works and capital outlay costs each increased \$7.9 million. The majority of this increased cost is due to the City's disaster relief efforts as a result of the Franklin and Palisades fires.

The governmental funds' combined ending fund balance totals \$85.6 million. Approximately 68% (\$58.3 million) of this amount constitutes unassigned fund balance which is available for spending at the City's discretion. The remainder of the combined ending fund balances is non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been designated as 1) Non-spendable for prepaid items (\$0.1 million), 2) Restricted for special revenue funds, debt service, and other specific purposes (\$4.5 million), 3) Committed for capital improvement projects, city facilities, and water quality improvements (\$12.4 million), 4) Assigned for vehicle and technology replacement, working capital, next year's operations, and fire rebuilding efforts (\$10.3 million).

General Fund. The General Fund is the chief operating fund of the City of Malibu and comprises approximately 83% of the governmental expenditures of the City in the current year. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$66.4 million while the total fund balance was \$83.8 million. As a measure of the General Fund's liquidity, it can be useful to compare unassigned fund balance to total fund expenditures. The General Fund's unassigned fund balance represents 102% of the General Fund's FY 2024-25 expenditures.

The General Fund's fund balance decreased in FY 2024-25 by \$11.5 million, while the prior year's fund balance increased by \$10.1 million. Because the General Fund comprises such a large part of the overall governmental revenues and expenditures of the City, many of the reasons for this \$21.6 million year-to-year change in the General Fund are similar to the reasons previously explained as changes in the overall governmental funds.

- Revenues decreased by \$4.0 million with the most significant changes occurring in the following categories:
 - Taxes decreased by \$3.6 million. Property taxes increased by \$1.4 million due to increased property value assessments. However, as a result of the impact the Franklin and Palisades fires had on the community, transient occupancy taxes decreased by \$3.4 million and sales taxes decreased by \$1.3 million.
 - Charges for services decreased by \$1.4 million due to the City waiving rebuild planning fees for homes that were destroyed by the Franklin and Palisades fires if certain conditions were met. Additionally, the City's ability to offer community service programs, especially for seniors, was impacted by the fires, in addition to there being a lower demand over the summer for community service programs.

- Use of money and property increased by \$0.6 million essentially due to higher interest income. Interest income increased due to changing interest rates throughout the fiscal year causing an increase in the fair value of investments as of June 30, which then resulted in unrealized gains being recognized as investment income for the year.
 - Fines and forfeitures increased by \$0.8 million as a result of the City contracting with an outside agency to perform parking enforcement.
- Expenditures increased by \$15.3 million in the following categories:
- Legislative and advisory costs increased by \$0.9 million due to litigation costs in addition to higher costs related to the proposed separation from Santa Monica Unified School District for the establishment of an independent Malibu Unified School District.
 - General government costs increased by \$0.9 million, with much of this increase due to higher unfunded accrued liability payments made for retirement and other post-employment benefits.
 - Public safety costs increased by \$1.3 million due to contracting with an outside agency to perform parking enforcement and starting regular police patrols on PCH in addition to the patrols already occurring for weekends and special events.
 - Public works costs increased by \$7.9 million and capital outlay costs increased by \$4.3 million with the majority of these increased costs due to the City's disaster relief efforts as a result of the Franklin and Palisades fires

Grants Special Revenue Fund. This fund is used to account for grants received from other governmental agencies. The majority of funds received are transferred to the Capital Improvements Fund for capital project funding. The deficit fund balance at fiscal year-end is expected to be eliminated with grant revenue.

Capital Improvements Capital Projects Fund. This fund is used to account for the acquisition, construction, and repair of major facilities and is fully funded by monies transferred from other funds.

Commercial Real Estate Rental Enterprise Fund. This fund is used to account for the commercial real estate rental activity. All revenues and expenses are for the commercial real estate rental program. Activity does not vary much from year to year as the properties have long-term rental leases. Additional information on the rental leases can be found in the Lease Receivable Note (Note 6) of the notes to the financial statements.

Wastewater Treatment Enterprise Fund. This fund is used to account for the construction and operation of a wastewater treatment facility. Phase One of the construction was completed in early FY 2018-19, and customers in the civic center area are connected to the new facility. The City is currently designing Phase Two of the facility.

Budgetary Highlights

In preparing its budgets, the City attempts to estimate its revenues using realistic but conservative methods to budget its expenditure appropriations and activities prudently. As a result, the City Council adopts budget adjustments throughout the fiscal year to reflect both changed priorities and the availability of additional revenues to allow for expansion of existing programs. During the year, the City Council amended the originally adopted budget to re-appropriate prior year approved projects and expenditures in addition to increasing appropriations for various items as identified in the Notes to Required Supplementary Information.

General Fund. The General Fund had a \$6.7 million positive net budget variance for revenues and expenditures when comparing actual amounts to the final budget for the current fiscal year. This amount reflects a negative variance of \$7.6 million in revenues and a positive variance of \$14.3 million in expenditures. The largest revenue variances are attributed to lower tax revenue, lower grant revenue, and lower charges for services, which are somewhat offset by a larger amount of investment income revenue. The positive expenditure variance resulted from expenditures coming in under the final budget in all categories except for legislative and advisory.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for governmental and business-type activities as of June 30, 2025, totaled \$215.1 million (net of accumulated depreciation), a net increase of \$1.9 million. The capital assets include land, intangible assets, roadways, buildings, leasehold improvements, storm drains, vehicles, computers and other equipment, furniture, and construction in progress. Due to the Franklin and Palisades fires, some of the City's depreciable assets had a permanent write-down of value. This decline in value is offset by construction in progress due to the City's efforts to begin rebuilding as soon as possible.

City of Malibu Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
Land	\$ 69,556,508	\$ 69,556,508	\$ 17,325,848	\$ 17,325,848	\$ 86,882,356	\$ 86,882,356
Right of Way	24,045,543	24,045,543	-	-	24,045,543	24,045,543
Construction in Progress	8,264,949	2,907,175	3,741,743	3,704,755	12,006,692	6,611,930
Buildings	13,001,033	13,200,617	58,897,442	61,563,872	71,898,475	74,764,489
Lease Assets	118,012	164,910	-	-	118,012	164,910
Equipment and Furniture	968,940	1,035,207	58,741	65,270	1,027,681	1,100,477
Vehicles	683,766	486,526	-	-	683,766	486,526
Infrastructure	18,172,841	18,823,996	290,973	302,744	18,463,814	19,126,740
Total	\$ 134,811,592	\$ 130,220,482	\$ 80,314,747	\$ 82,962,489	\$ 215,126,339	\$ 213,182,971

Information on the City's capital assets additions and deletions for governmental and business-type activities can be found in the Capital Assets Note (Note 3) of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the City of Malibu had total debt outstanding of \$74.7 million.

City of Malibu Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
Employee compensated absences	\$ 1,258,294	\$ 821,673	\$ -	\$ -	\$ 1,258,294	\$ 821,673
Lease liabilities	101,592	146,809	-	-	101,592	146,809
Certificates of participation, net	51,900,389	53,195,826	9,821,530	10,514,605	61,721,919	63,710,431
Net OPEB liability	2,169,055	1,907,292	-	-	2,169,055	1,907,292
Net pension liability	9,462,189	9,513,094	-	-	9,462,189	9,513,094
Total	\$64,891,519	\$65,584,694	\$ 9,821,530	\$ 10,514,605	\$ 74,713,049	\$ 76,099,299

In conjunction with the Malibu Public Financing Corporation, in prior years the City issued certificates of participation (COP) for the Legacy Park acquisition and construction as well as for the acquisition and improvement of a civic center building and property acquisitions of Trancas Field, Sycamore Village Parcel, Island Parcel, and Point Dume Parcel. The debt service on the Legacy Park debt is expected to be funded within the enterprise fund through the collection of rent from commercial tenants. The debt service on the certificates of participation for the Civic Center and land acquisitions is budgeted for and paid from the General Fund.

The amount of general obligation debt a governmental entity may issue is limited by state statutes to a maximum of 15% of the entity's total assessed valuation. The City of Malibu currently has no general obligation debt, and therefore, has no debt that is applicable to the limit. Additional information on the City's long-term debt can be found in the Long-Term Debt Note (Note 4) of the notes to the financial statements.

Economic Factors and Next Year's Budget

In the winter of FY 2024-25, Malibu was impacted by the Franklin and Palisades Fires, which destroyed over 700 homes. These fires came as the City continued to recover from previous natural disasters, including the 2018 Woolsey Fire, which destroyed 480 homes. The destruction caused by these fires and the subsequent rebuild efforts, which include extensive construction along the Pacific Coast Highway, further impacts access to the area and thus affects the local economy.

In FY 2025-26, the City budget focuses on continued recovery from the disasters, with focused investments in the City's rebuild efforts and infrastructure, stable revenue growth, safety improvements for the Pacific Coast Highway, and addressing homelessness, while maintaining a conservative operating budget. The budget sets forth a plan to rebuild the community and enhance services against a backdrop of continued economic uncertainty and global conflicts at the national and international levels.

The City's 2025-2026 budget reflects the urgency of the City's recovery:

- Combining an integrated Community Development department to streamline permit review, manage the rebuild center, and support residents in rebuilding their homes
- Providing grants for local businesses and non-profits to support economic and community recovery

- Investing in public safety improvements for red light cameras, speed cameras, traffic roundabouts, and public safety enforcement

These priorities continue the necessary work of helping our community recover from the Franklin and Palisades fires and their economic and community impacts, while still focusing on ensuring the long-term resilience and well-being of Malibu.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the City of Malibu for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management and Administration Department, 23825 Stuart Ranch Road, Malibu, California 90265.

BASIC FINANCIAL STATEMENTS

The City's basic financial statements, including the accompanying notes, constitute the core of the ACFR's financial section. The Basic Financial Statements include the following:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Basic Financial Statements

Major funds reported in the Basic Financial Statements are defined in note 1 of the notes to the Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF MALIBU
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 93,331,208	\$ 4,092,997	\$ 97,424,205
Accounts receivable, net of allowance for doubtful accounts	1,468,803	370,583	1,839,386
Interest receivable	658,342	-	658,342
Due from other governments	18,146,345	-	18,146,345
Prepaid expenses	95,173	-	95,173
Deposits	14,882	-	14,882
Notes receivable	200,000	-	200,000
Restricted assets-cash and equivalents with fiscal agents	81,640	599	82,239
Due from tenants	-	1,308,311	1,308,311
Lease receivable	-	29,087,110	29,087,110
Capital assets, non-depreciable	101,867,000	21,067,591	122,934,591
Capital assets, net of accumulated depreciation	32,944,592	59,247,156	92,191,748
Total assets	<u>248,807,985</u>	<u>115,174,347</u>	<u>363,982,332</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,141,280	323,626	1,464,906
Deferred amount from OPEB	1,594,506	-	1,594,506
Deferred amount from pension	3,784,597	-	3,784,597
Total deferred outflows of resources	<u>6,520,383</u>	<u>323,626</u>	<u>6,844,009</u>
LIABILITIES			
Accounts payable	14,573,623	341,239	14,914,862
Retention payable	893,854	-	893,854
Salaries and wages payable	559,421	-	559,421
Deposits	5,000,712	4,223,503	9,224,215
Other accrued liabilities	1,494,358	-	1,494,358
Interest payable	339,284	67,411	406,695
Unearned revenue	1,513,951	-	1,513,951
Noncurrent liabilities due within one year	2,152,452	708,075	2,860,527
Noncurrent liabilities due in more than one year	51,107,823	9,113,455	60,221,278
Net OPEB liability	2,169,055	-	2,169,055
Net pension liability	9,462,189	-	9,462,189
Total liabilities	<u>89,266,722</u>	<u>14,453,683</u>	<u>103,720,405</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	-	29,087,110	29,087,110
Deferred amount from OPEB	397,114	-	397,114
Deferred amount from pension	105,385	-	105,385
Total deferred inflows of resources	<u>502,499</u>	<u>29,087,110</u>	<u>29,589,609</u>
NET POSITION			
Net investment in capital assets	83,057,037	67,036,843	150,093,880
Restricted for:			
Debt service	81,640	599	82,239
Public works	5,076,832	-	5,076,832
Community services	933,205	-	933,205
Housing	123,306	-	123,306
City facilities and operations	553,117	-	553,117
Unrestricted	75,734,010	4,919,738	80,653,748
Total net position	<u>\$ 165,559,147</u>	<u>\$ 71,957,180</u>	<u>\$ 237,516,327</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MALIBU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Legislative and advisory	\$ 3,738,042	\$ 1,245	\$ -	\$ -	\$ (3,736,797)	\$ -	\$ (3,736,797)
General government	13,444,873	553,192	854,922	-	(12,036,759)	-	(12,036,759)
Public safety	15,052,504	2,283,229	194,663	-	(12,574,612)	-	(12,574,612)
Community development	10,512,888	6,897,540	4,134	-	(3,611,214)	-	(3,611,214)
Community services	3,697,725	355,189	-	-	(3,342,536)	-	(3,342,536)
Public works	25,626,808	550,053	1,508,230	8,887,281	(14,681,244)	-	(14,681,244)
Interest on long-term debt	1,955,749	-	-	-	(1,955,749)	-	(1,955,749)
Total governmental activities	<u>74,028,589</u>	<u>10,640,448</u>	<u>2,561,949</u>	<u>8,887,281</u>	<u>(51,938,911)</u>	<u>-</u>	<u>(51,938,911)</u>
Business-type activities:							
Commercial real estate rental	2,576,378	1,753,076	-	-	-	(823,302)	(823,302)
Wastewater treatment	3,486,543	2,319,590	-	-	-	(1,166,953)	(1,166,953)
Total business-type activities	<u>6,062,921</u>	<u>4,072,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,990,255)</u>	<u>(1,990,255)</u>
Total	<u>\$ 80,091,510</u>	<u>\$ 14,713,114</u>	<u>\$ 2,561,949</u>	<u>\$ 8,887,281</u>	<u>(51,938,911)</u>	<u>(1,990,255)</u>	<u>(53,929,166)</u>
General revenues:							
Taxes:							
Property tax					19,828,285	-	19,828,285
Utility users tax					2,954,988	-	2,954,988
Transient occupancy tax					5,888,863	-	5,888,863
Franchise tax					775,435	-	775,435
Sales tax					8,410,510	-	8,410,510
Parking occupancy tax					439,182	-	439,182
Intergovernmental motor vehicle in lieu, unrestricted					16,927	-	16,927
Investment earnings, unrestricted					5,388,558	158,161	5,546,719
Other revenues					1,506,229	-	1,506,229
Total general revenues					<u>45,208,977</u>	<u>158,161</u>	<u>45,367,138</u>
Change in net position					(6,729,934)	(1,832,094)	(8,562,028)
Net position - beginning of year					<u>172,289,081</u>	<u>73,789,274</u>	<u>246,078,355</u>
Net position - end of year					<u>\$ 165,559,147</u>	<u>\$ 71,957,180</u>	<u>\$ 237,516,327</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 86,341,676	\$ -	\$ 3,145,706	\$ 3,843,826	\$ 93,331,208
Accounts receivable, net of allowance	1,455,569	-	-	13,234	1,468,803
Interest receivable	658,342	-	-	-	658,342
Due from other governments	4,658,348	13,301,070	-	186,927	18,146,345
Prepaid items	95,173	-	-	-	95,173
Deposits	14,882	-	-	-	14,882
Due from other funds	13,308,312	-	-	-	13,308,312
Notes receivable	200,000	-	-	-	200,000
Restricted assets - cash with fiscal agent	81,640	-	-	-	81,640
Total assets	<u>\$ 106,813,942</u>	<u>\$13,301,070</u>	<u>\$ 3,145,706</u>	<u>\$ 4,043,987</u>	<u>\$ 127,304,705</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 11,840,898	\$ -	\$ 2,474,897	\$ 257,828	\$ 14,573,623
Retentions payable	223,045	-	670,809	-	893,854
Salaries and wages payable	559,421	-	-	-	559,421
Deposits payable	5,000,712	-	-	-	5,000,712
Other accrued liabilities	1,494,358	-	-	-	1,494,358
Unearned revenue	1,445,518	-	-	68,433	1,513,951
Due to other funds	-	13,301,070	-	7,242	13,308,312
Total liabilities	<u>20,563,952</u>	<u>13,301,070</u>	<u>3,145,706</u>	<u>333,503</u>	<u>37,344,231</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,452,010	1,915,240	-	9,822	4,377,072
FUND BALANCES					
Nonspendable					
Prepaid items	95,173	-	-	-	95,173
Restricted					
Public works	-	-	-	2,170,219	2,170,219
Capital projects	-	-	-	615,649	615,649
Community services	-	-	-	683,772	683,772
Special districts	-	-	-	306,266	306,266
Debt service and debt service reserve	81,640	-	-	-	81,640
Housing	123,306	-	-	-	123,306
City facilities	550,000	-	-	-	550,000
Committed					
Capital improvement projects	5,130,635	-	6,153,133	-	11,283,768
City facilities	1,023,138	-	-	-	1,023,138
Water quality	51,077	-	-	-	51,077
Assigned					
Vehicle maintenance & replacement	419,607	-	-	-	419,607
Information technology replacement	196,329	-	-	-	196,329
Fire rebuild requirements	3,230,798	-	-	-	3,230,798
Next fiscal year operations	6,500,000	-	-	-	6,500,000
Unassigned	66,396,277	(1,915,240)	(6,153,133)	(75,244)	58,252,660
Total fund balances	<u>83,797,980</u>	<u>(1,915,240)</u>	<u>-</u>	<u>3,700,662</u>	<u>85,583,402</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 106,813,942</u>	<u>\$13,301,070</u>	<u>\$ 3,145,706</u>	<u>\$ 4,043,987</u>	<u>\$ 127,304,705</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund Balances of Governmental Funds	\$ 85,583,402
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 the funds.	134,811,592
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,377,072
Pension related debt and other post-employment benefit debt applicable to the City governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Deferred outflows and inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities.	
Deferred outflows of resources for OPEB	1,594,506
Deferred outflows of resources for pensions	3,784,597
Deferred inflows of resources for OPEB	(397,114)
Deferred inflows of resources for pensions	(105,385)
Net OPEB liability	(2,169,055)
Net pension liability	(9,462,189)
Liabilities and deferred charges related to long-term debt are not due and payable in the current period and, therefore, are not reported in the funds, as follows:	
Deferred charge on refunding	1,141,280
Interest payable	(339,284)
Long-term liabilities	(53,260,275)
Net Position of Governmental Activities	\$ 165,559,147

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 39,134,518	\$ -	\$ -	\$ 470,503	\$ 39,605,021
Fines and forfeitures	2,027,993	-	-	255,236	2,283,229
Intergovernmental	831,529	7,259,681	-	1,841,997	9,933,207
Use of money and property	5,178,040	-	-	210,518	5,388,558
Charges for services	7,740,486	-	-	94,454	7,834,940
Other	764,301	-	-	-	764,301
Total revenues	<u>55,676,867</u>	<u>7,259,681</u>	<u>-</u>	<u>2,872,708</u>	<u>65,809,256</u>
EXPENDITURES					
Current:					
Legislative and advisory	3,737,455	-	-	-	3,737,455
General government	9,123,044	-	-	9,791	9,132,835
Public safety	14,764,350	-	-	194,663	14,959,013
Community development	10,176,173	-	-	312,202	10,488,375
Community services	3,099,256	-	-	282,868	3,382,124
Public works	13,817,143	-	-	333,520	14,150,663
Capital outlay	7,256,139	-	11,742,680	252,835	19,251,654
Debt service:					
Principal	1,145,217	-	-	-	1,145,217
Interest	2,078,805	-	-	-	2,078,805
Total expenditures	<u>65,197,582</u>	<u>-</u>	<u>11,742,680</u>	<u>1,385,879</u>	<u>78,326,141</u>
Revenues over (under) expenditures	<u>(9,520,715)</u>	<u>7,259,681</u>	<u>(11,742,680)</u>	<u>1,486,829</u>	<u>(12,516,885)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	876,163	-	11,742,680	260,995	12,879,838
Transfers out	(2,865,068)	(8,055,365)	-	(1,959,405)	(12,879,838)
Total other financing sources (uses)	<u>(1,988,905)</u>	<u>(8,055,365)</u>	<u>11,742,680</u>	<u>(1,698,410)</u>	<u>-</u>
Net change in fund balance	(11,509,620)	(795,684)	-	(211,581)	(12,516,885)
FUND BALANCE - BEGINNING	<u>95,307,600</u>	<u>(1,119,556)</u>	<u>-</u>	<u>3,912,243</u>	<u>98,100,287</u>
FUND BALANCE - ENDING	<u>\$ 83,797,980</u>	<u>\$ (1,915,240)</u>	<u>\$ -</u>	<u>\$ 3,700,662</u>	<u>\$ 85,583,402</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MALIBU
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (12,516,885)

Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This activity is reconciled as follows:

Cost of assets capitalized	8,208,650
Depreciation expense	(1,774,008)

Governmental funds report as revenues those monies that become available in the current period but which were earned and reported as revenue in a prior period within the Statement of Activities.	(2,887,673)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Governmental funds exclude revenues for monies that are not available in the current year but which are earned and reported as revenue in the Statement of Activities.	4,377,072
------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

Governmental funds do not record interest expense until the payment is due. However, the statement of activities reports interest expense as the liability is incurred. The net change in interest payable is a reconciling item to the change in net position.	9,116
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Governmental funds report the effect of premiums and discounts when debt is first issued and the loss on debt refunding when the refunding occurs. However, these amounts are deferred and amortized in the statement of activities.	113,940
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

Principal payment on long-term debt is reported as an expenditure in the governmental funds. However, this type of transaction has no effect within the Statement of Activities.	1,145,217
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in net OPEB liability	(394,277)
Change in net pension liability	(730,933)
Change in compensated absences	(436,621)
Loss on asset disposal	(1,843,532)

Change in Net Position of Governmental Activities	\$ (6,729,934)
---------------------------------------------------	----------------

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2025**

	Business-Type Activities		Totals
	Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,235,384	\$ 2,857,613	\$ 4,092,997
Accounts receivable	139,367	231,216	370,583
Lease receivable	558,513	-	558,513
Total current assets	<u>1,933,264</u>	<u>3,088,829</u>	<u>5,022,093</u>
Noncurrent assets:			
Retricted:			
Cash and cash equivalents with fiscal agent	599	-	599
Due from tenants	1,308,311	-	1,308,311
Lease receivable	28,528,597	-	28,528,597
Capital assets, non-depreciable	15,404,922	5,662,669	21,067,591
Capital assets, net of accumulated depreciation	9,565,768	49,681,388	59,247,156
Total noncurrent assets	<u>54,808,197</u>	<u>55,344,057</u>	<u>110,152,254</u>
Total assets	<u>56,741,461</u>	<u>58,432,886</u>	<u>115,174,347</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>323,626</u>	-	<u>323,626</u>
LIABILITIES			
Current liabilities:			
Accounts payable	80,600	260,639	341,239
Deposits	443,503	3,780,000	4,223,503
Interest payable	67,411	-	67,411
Noncurrent liabilities due within one year:			
Certificates of participation, net	<u>708,075</u>	-	<u>708,075</u>
Total current liabilities	1,299,589	4,040,639	5,340,228
Noncurrent liabilities:			
Noncurrent liabilities due in more than one year:			
Certificates of participation, net	<u>9,113,455</u>	-	<u>9,113,455</u>
Total liabilities	<u>10,413,044</u>	<u>4,040,639</u>	<u>14,453,683</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	<u>29,087,110</u>	-	<u>29,087,110</u>
NET POSITION			
Net investment in capital assets	15,472,786	51,564,057	67,036,843
Restricted for debt service	599	-	599
Unrestricted	<u>2,091,548</u>	<u>2,828,190</u>	<u>4,919,738</u>
Total net position	<u>\$ 17,564,933</u>	<u>\$ 54,392,247</u>	<u>\$ 71,957,180</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
OPERATING REVENUES			
Charges for sales and services:			
Property-related income	\$ 1,568,196	\$ -	\$ 1,568,196
Sewer service fees	-	2,319,590	2,319,590
Other operating income	184,880	-	184,880
Total operating revenues	<u>1,753,076</u>	<u>2,319,590</u>	<u>4,072,666</u>
OPERATING EXPENSES			
Personnel services	117,969	93,403	211,372
Professional and contractual services	384,261	270,241	654,502
Repairs and maintenance	108,819	1,526,034	1,634,853
Utilities	197,721	222,736	420,457
Supplies	574	18,723	19,297
Total operating expenses	<u>809,344</u>	<u>2,131,137</u>	<u>2,940,481</u>
Operating income before depreciation	943,732	188,453	1,132,185
Depreciation expense	1,329,324	1,355,406	2,684,730
Operating loss	<u>(385,592)</u>	<u>(1,166,953)</u>	<u>(1,552,545)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment and interest income	51,557	106,604	158,161
Interest expense	(437,710)	-	(437,710)
Total nonoperating revenues (expenses)	<u>(386,153)</u>	<u>106,604</u>	<u>(279,549)</u>
Change in net position	(771,745)	(1,060,349)	(1,832,094)
NET POSITION, BEGINNING	<u>18,336,678</u>	<u>55,452,596</u>	<u>73,789,274</u>
NET POSITION, ENDING	<u>\$ 17,564,933</u>	<u>\$ 54,392,247</u>	<u>\$ 71,957,180</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,918,767	\$ 2,215,595	\$ 4,134,362
Payments to suppliers	(678,328)	(2,046,040)	(2,724,368)
Payments to personnel	(117,969)	(93,403)	(211,372)
Net cash provided by operating activities	1,122,470	76,152	1,198,622
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Interest paid	(416,900)	-	(416,900)
Principal payment	(675,000)	-	(675,000)
Payments made for capital assets acquired	-	(36,988)	(36,988)
Net cash provided by/(used for) capital financing activities	(1,091,900)	(36,988)	(1,128,888)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	51,557	106,604	158,161
Net increase/(decrease) in cash and cash equivalents	82,127	145,768	227,895
CASH AND CASH EQUIVALENTS, BEGINNING	1,153,856	2,711,845	3,865,701
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,235,983	\$ 2,857,613	\$ 4,093,596
Reconciliation of operating income to net cash provided by operating activities:			
Operating loss	\$ (385,592)	\$(1,166,953)	\$(1,552,545)
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities:			
Depreciation expense	1,329,324	1,355,406	2,684,730
(Increase)/decrease in accounts receivable	7,720	(103,995)	(96,275)
(Increase)/decrease in due from tenants	157,971	-	157,971
Increase/(decrease) in accounts payable	13,047	(8,306)	4,741
Total adjustments	1,508,062	1,243,105	2,751,167
Net cash provided by operating activities	\$ 1,122,470	\$ 76,152	\$ 1,198,622
Noncash activities:			
Amortization of debt-related deferred items	\$ 24,199	\$ -	\$ 24,199

The notes to the financial statements are an integral part of this statement.

**CITY OF MALIBU
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 4,299,942
Cash and cash equivalents with fiscal agents	4,606,986
Due from other governments	48,652
Total assets	8,955,580
 LIABILITIES	
Accounts payable	8,975
 NET POSITION	
Restricted for individuals, other organizations, and governments	\$ 8,946,605

The notes to the financial statements are an integral part of this statement.

CITY OF MALIBU, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Malibu (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The following is a summary of the significant policies.

A. REPORTING ENTITY

The City of Malibu was incorporated in 1991 under the general laws of the State of California. The City has a council-manager form of government and is governed by an elected five-member council. The Mayor position is rotated among the five council members.

As required by generally accepted accounting principles, the accompanying financial statements include the financial activity of the City and its blended component unit, the Malibu Public Financing Corporation. The Corporation is a legally separate entity although in substance it is considered to be part of the City's operations. The City is considered to be financially accountable for the Corporation which is governed by a board comprised entirely of the City's council members. There is no requirement for separate financial statements of the Corporation, and separate financial statements for the Corporation are not prepared. The Corporation's financial activity during the year consisted of paying debt service on the outstanding certificates of participation (see Note 4).

B. MEASUREMENT FOCUS, BASIS OF PRESENTATION, AND FINANCIAL STATEMENT PRESENTATION

The accounts of the City are organized and operated based on funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures or expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Separate financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of the non-fiduciary activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements except for transactions between the City's governmental funds and the proprietary or fiduciary funds. Interfund services provided and used are not eliminated in the process of consolidation.

These statements are presented on an *economic resources* measurement focus and use the accrual basis of accounting. Accordingly, the accompanying Statement of Net Position includes all of the City's assets and liabilities, including capital assets, infrastructure, and long-term liabilities.

The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are identifiable with a specific function. The types of transactions reported as program revenues for the City are classified into three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

function. Grants and contributions include revenues restricted to meeting a particular function's operational or capital requirements. Taxes and other items not properly included among program revenues are reported as general revenues.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance, as presented in these statements, to the net position, as presented in the Government-wide Financial Statements.

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

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary sources susceptible to accrual are property tax, sales tax, transient occupancy tax, investment income, and grant revenues. Generally, revenues are subject to accrual if anticipated to be received within 180 days after year-end. The exception to this general rule is that property taxes are subject to accrual if received within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term liabilities which is recognized when due.

The City reports the following major governmental funds:

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

The **Grants Special Revenue Fund** is used to account for projects funded by various grants received from other government agencies. The majority of funds received are transferred to the Capital Improvement Capital Projects Fund to finance the related capital project expenditures. The amount of activity in this fund varies from year to year, and this fund is consistently reported as a major governmental fund. The deficit fund balance is expected to be relieved by the receipt of grant monies.

The **Capital Improvements Capital Projects Fund** is used to account for financial resources to be used for the acquisition, construction, or repair of major facilities. The amount of activity in this fund varies from year to year, and this fund is consistently reported as a major governmental fund.

The Other Governmental Funds column that is presented in these statements is the aggregated data for all non-major governmental funds. This data is comprised entirely of special revenue funds, which are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows. Proprietary Funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses result from activities related to renting commercial real estate to customers in the Commercial Real Estate Rental Enterprise fund and from activities relating to the collection, treatment, and disposal of wastewater in the Wastewater Treatment Enterprise fund. All revenues and expenses that do not relate to these activities and are not capital in nature are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds.

The **Commercial Real Estate Rental Fund** accounts for the capital assets being leased to commercial customers (see Note 6). The lease revenue is used to pay the debt service requirements of the long-term liabilities of the fund (see Note 4).

The **Wastewater Treatment Fund** accounts for the capital assets and the related activity for processing wastewater. This fund also accounts for the construction of an expansion to the Civic Center Wastewater Treatment Facility.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s Fiduciary Funds consist of three Custodial Funds which account for monies held by the City as an agent for property owners with special assessments. These statements are presented on an *economic resources* measurement focus and use the accrual basis of accounting.

C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The legal level of budgetary control is at the fund level for governmental funds. The City does not present annual budget information on the Capital Projects Fund since the City approves project-length budgets. These project-length budgets authorize total expenditures throughout a project rather than year-by-year budgeting.

The following fund exceeded appropriation amounts for the year ended June 30, 2025:

	Expenditures in Excess of
<u>Nonmajor Funds - Special Revenue Funds:</u>	<u>Budget</u>
Community Development Block Grant	\$ 1,919

At fiscal year-end, the following funds had deficit fund balances. The deficit fund balances are a result of unavailable grant revenues. Management expects to eliminate these deficit fund balances with future grant revenues.

<u>Major Funds:</u>	
Grants Special Revenue Fund	\$(1,915,240)
<u>Nonmajor Funds - Special Revenue Funds:</u>	
Solid Waste Management Surcharge	(65,422)
Community Development Block Grant	(9,822)

D. PROPERTY TAX REVENUES

Property taxes are levied, based on the assessed values determined by the Los Angeles County Assessor, as of March 1st and become a lien on the real property on July 1st. Secured taxes are due annually in two installments on November 1st and February 1st, and become delinquent on December 10th and April 10th, respectively. Unsecured taxes are due annually on July 1st and become delinquent on August 31st. The lien date for secured and unsecured property taxes

is March 1st of the preceding fiscal year. The total property tax levy is recognized as revenue to the extent that it results in current available resources. Current available resources are those property tax amounts received within 60 days past year-end.

California law limits ad valorem taxes on real property to 1% of value plus taxes necessary to pay indebtedness approved by the voters. Annual increases are limited to the cost of living, not to exceed 2% each year. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited from imposing new ad valorem, sales, or transaction taxes on real property. Local government may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors voting in a general or special election.

E. POOLED CASH AND INVESTMENTS

The City's cash is comprised of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Investments are reported at fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All cash and investments, except assets held by fiscal agents, are held in the City's investment pool, which has the general characteristic of a demand deposit account. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment income from the pool is allocated quarterly to certain funds based on the average cash balances in relation to the pool's total balance. The primary components of investment earnings are interest earnings and distributions, unrealized gains or losses from changes in fair value, and realized gains or losses from the liquidation or sale of investments. Changes in fair value that occur during a fiscal year are recognized as a component of investment earnings reported for the year, which may result in negative investment earnings in the accompanying financial statements. All investment income is recognized as revenue in the operating statement; however, only realized investment income is allocated to participating funds. All pooled investments are controlled by an investment policy that is adopted by the City Council and further controlled by State legislation.

F. CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

G. PREPAID ITEMS

Prepaid items are payments to vendors that reflect costs applicable to future periods, and they are reported in the government-wide and fund financial statements using the consumption method. In governmental funds, prepaid amounts are offset within fund balance to indicate that they are not spendable for appropriation and are not expendable financial resources.

H. RESTRICTED ASSETS

Certain assets are classified as restricted because their use is limited by applicable debt covenants. Specifically, the assets are restricted for principal and interest payments due on long-term debt, are maintained by a trustee as a reserve requirement for debt, or are restricted for payments on projects for which the debt was issued. Other assets may be classified as restricted when monies are held by a fiscal agent to pay contract retentions on certain projects.

I. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment and furniture, vehicles, lease and SBITA intangible assets, other intangible assets, and infrastructure, are reported in the applicable governmental or business-type activities columns of the Government-wide Financial Statements.

Non-infrastructure capital assets are defined by the City as individual assets with an initial, individual cost of more than \$3,000 and an expected useful life of more than one year. Infrastructure capital assets are defined by the City as long-lived capital assets with an initial cost of more than \$50,000 that are stationary and can be preserved for at least 35 years. Infrastructure assets include street, walkway, and storm drain networks and bridges. The City has capitalized all infrastructure assets.

All purchased capital assets are valued at cost where historical cost records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress as projects are constructed.

The City established a threshold of \$10,000 to recognize a right-to-use intangible asset, including subscription-based information technology arrangement (SBITA) assets and lease assets, in the government-wide financial statements and proprietary fund financial statements. SBITA and lease assets are recorded at the amount of the initial measurement of the SBITA or lease liability, adjusted by any payments made at or before the commencement of the agreement, less any incentives received at or before the commencement of the agreement's term, in addition to any initial direct costs that were ancillary charges necessary to place the asset into service. SBITA and lease assets are amortized using the straight-line method over the life of the related agreement.

All other capital assets are depreciated over their estimated useful lives using the straight-line method. The following are used as guidelines for the estimated life of assets for depreciation purposes:

Buildings & Improvements	5-45 years
Furniture, Machinery, & Office Equipment	3-15 years
Vehicles	5-10 years
Walkways and ramps	45 years
Street network	35 years
Storm drain network	60 years
Bridges	65 years

J. COMPENSATED ABSENCES PAYABLE

Compensated absences include accrued vacation and sick leave, and is accounted for in accordance with GASB Statement No. 101, whereby a liability is recognized for leave that is attributable to services already rendered, accumulated over time, and is more likely than not to be used for time off or otherwise compensated. Accordingly, the entire unpaid liability for compensated absences is reported as a long-term obligation only in the government-wide financial statements.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods and which will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has items that qualify for reporting in this category: the deferred charge on refunding of long-term liabilities and components of the calculations for the net pension and OPEB liabilities.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and which will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category: unavailable revenue, lease-related amounts for agreements where the City is the lessor, and components of the calculations for the net pension and OPEB liabilities.

Unavailable revenue is a deferred inflow of resources that exists only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds' balance sheet. Governmental funds typically report unavailable revenues for grant receipts that have been earned but which are not received within the City's defined availability period; these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. LEASE RECEIVABLE

The City is a lessor for leases of land and buildings and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

A lease receivable is initially measured at the present value of payments expected to be received during the lease term and is subsequently reduced by the principal portion of lease payments received. The related deferred inflow of resources is measured as the initial value of the lease receivable, adjusted for lease payments received at or before the lease commencement date, and is systematically recognized as revenue over the term of the lease.

Key estimates and judgments include how the City determines the (1) discount rate to adjust the expected lease receipts to present value, (2) lease term, and (3) lease receipts. A lease will be remeasured if changes occur that are anticipated to significantly affect the amount of the receivable and related deferred inflow of resources. Accordingly, the City monitors changes in circumstances that would require a remeasurement of its leases.

M. CONTRACTUAL COMMITMENTS

Encumbrances represent commitments related to unperformed contracts for goods or services, such as purchase orders. While all operating appropriations and encumbrances lapse at year-end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget. The City approves project-length budgets for capital projects, and unexpended capital improvement appropriations are carried forward until the project is complete.

At June 30, 2025, the significant commitments, including continuing capital projects, are as follows:

Major Enterprise Fund:	
Commercial Real Estate Rental	\$ 401,237
Wastewater Treatment	599,661
Major Governmental Funds:	
General Fund	15,970,102
Capital Improvements Capital Projects Fund	6,153,133
Nonmajor Governmental Funds	1,692,484

N. NET POSITION

In the government-wide, proprietary, and fiduciary fund financial statements, net position is classified into the following categories:

- **Net Investment in Capital Assets:** This category represents all capital assets and unspent debt proceeds, net of accumulated depreciation, capital related debt, deferred charges, and retentions payable. Capital assets do not represent a financial resource and, consequently, are not readily available for funding current obligations.
- **Restricted Net Position:** This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position:** This category represents the net position that is not restricted for any purpose.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to consider restricted net position to have been depleted before applying unrestricted net position.

O. FUND BALANCE

In the governmental fund financial statements, fund balance is made up of the following categories:

- **Nonspendable** fund balance typically includes inventories, prepaid items, and other similar items that must be maintained intact pursuant to legal or contractual requirements.
- **Restricted** fund balance includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislation.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a resolution (formal action) of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- **Assigned** fund balance is comprised of amounts designated by the City Council for specific purposes that do not meet the criteria to be classified as restricted or committed. In accordance with the City's fund balance policy, the City Council may assign a designee, the City Manager, to make assignments of fund balance.
- **Unassigned** fund balance is the residual classification that includes all spendable amounts not contained in other categories. The General Fund is the only fund that may report a positive unassigned fund balance. In all other governmental funds, when expenditures exceed the amounts available, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, it is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources.

P. 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) Plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is recorded solely within Governmental Activities, and the liability is being liquidated by the General Fund.

Q. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB (asset)/liability and deferred outflows/inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City's OPEB Plan (the assets of which are held by CalPERS as part of the California Employer's Retiree Benefit Trust Program (CERBT)), and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The OPEB (asset)/liability is recorded solely within Governmental Activities, and any liability will be liquidated by the General Fund.

R. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S. ACCOUNTING PRONOUNCEMENTS

The City implemented all GASB statements that were effective for reporting periods beginning in FY 2024-25. None of the newly effective GASB statements had a significant impact on the City.

GASB Statement No. 101, Compensated Absences – This Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures – This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

2. CASH AND INVESTMENTS

Cash and investments are reported in the basic financial statements as follows:

Pooled Deposits & Investments:	
Demand Deposits	\$ 10,875,228
Investments	90,847,829
Cash and Investments with Fiscal Agents:	
Investments	4,689,225
Petty Cash	1,090
Total Cash and Investments	<u>\$ 106,413,372</u>

At June 30, 2025, the pooled demand deposit bank balance was \$13,138,152. The amount shown for pooled demand deposits is the amount after outstanding checks are subtracted and deposits in transit are added.

The City maintains a cash and investment pool which is available for use by all funds, and all funds participate in the pool. Interest income realized on pooled cash and investments is allocated quarterly to the various funds based on month-end cash balances.

Cash and investments consisted of the following at year-end:

Statement of Net Position:	
Governmental Funds:	
Unrestricted	\$ 93,331,208
Restricted	81,640
Proprietary Funds:	
Unrestricted	4,092,997
Restricted	599
Fiduciary Funds:	
Cash and cash equivalents	4,299,942
Cash and cash equivalents with fiscal agents	4,606,986
Total Cash and Investments	<u>\$ 106,413,372</u>

INVESTMENTS AUTHORIZED BY THE CALIFORNIA GOVERNMENT CODE & MALIBU’S INVESTMENT POLICY

The following table identifies the investment types that are authorized by the California Government Code and the City’s investment policy for pooled investments. The table also identifies certain provisions of either the California Government Code or the City’s investment policy (whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. A separate table addresses investments of debt proceeds that are held by fiscal agents.

Investment Type - Authorized by the California Government Code	Authorized by Malibu's Investment Policy	Maximum Maturity (1)	Maximum Percentage of Portfolio (1)	Maximum Investment in a Single Issuer (1)
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
California State Treasury Obligations	No	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	20% (2)	10% (2)
Commercial Paper	Yes	270 days	15% (2)	5% (2)
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Supranationals	No	5 years	30%	None
Corporate Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	None
Mortgage Pass-Through Securities/CMO	No	5 years	20%	None
County Investment Pools	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

Notes:

(1) Restrictions are in accordance with the California Government Code unless indicated otherwise.

(2) The restriction is in accordance with the City's Investment Policy which is more restrictive than the California Government Code.

INVESTMENTS AUTHORIZED BY DEBT AGREEMENTS

The investment of debt proceeds held by fiscal agents is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy. The following table identifies the investment types that are authorized for investments held by the City’s fiscal agent. Unless indicated otherwise, the trust agreement does not specify a maximum maturity, a maximum percentage of the portfolio, or a maximum investment in a single issuer. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF MALIBU, CALIFORNIA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 June 30, 2025

Investment Type - Authorized by Trust Agreements	Certificates of Participation Series 2015, 2016 & 2018	2016 AD Limited Obligation Bonds	2008 CFD Special Tax Bonds	2010 AD Limited Obligation Bonds
Local Agency Bonds	Allowed	(4)	Allowed	Allowed
U.S. Treasury Obligations	Allowed	Allowed	Allowed	Allowed
California State Treasury Obligations	Allowed	Not Allowed	Allowed	Not Allowed
U.S. Agency Securities	Allowed	Allowed	Allowed	Allowed
Banker's Acceptances (1)	Allowed	(4)	Allowed	Allowed
Commercial Paper (2)	Allowed	Allowed	Allowed	Allowed
Repurchase Agreements	Allowed	Allowed	Not Allowed	Allowed
Money Market Mutual Funds	Allowed	Allowed	Allowed	Allowed
Local Agency Investment Fund (LAIF)	Allowed	Allowed	Allowed	Allowed
Investment agreements	Allowed	Allowed	Allowed	Allowed
Certificates of deposit (3)	Allowed	Allowed	Not Allowed	Allowed
County of Los Angeles Pooled Investment Fund	Not Allowed	Allowed	Not Allowed	Allowed

(1) Maximum maturity allowed is 360 days.

(2) Maximum maturity allowed is 270 days except the 2010 & 2016 AD Limited Obligation Bonds which is 180

(3) Maximum maturity allowed is 1 year.

(4) Not specifically stated as being allowed, but this investment is allowed as it is in accordance with the City's investment policy.

INVESTMENT IN STATE INVESTMENT POOL

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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 an investment has before maturity, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-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 cash flow and liquidity for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 3	3 to 5
City's Pooled Investments:				
Local Agency Investment Fund (LAIF)	\$ 7,324,797	\$ 7,324,797	\$ -	\$ -
Money Market Mutual Funds	2,154,910	2,154,910	-	-
U.S Treasury Notes	64,926,988	26,502,263	14,628,820	23,795,905
U.S Treasury Strips	9,533,436	5,417,276	4,116,160	-
Negotiable Certificates of Deposit	6,907,698	2,699,963	2,682,440	1,525,295
Investments held by fiscal agents:				
Money market mutual funds	4,689,225	4,689,225	-	-
Total Investments	\$ 95,537,054	\$ 48,788,434	\$ 21,427,420	\$ 25,321,200

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. The minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type are as follows:

Investment Type	Fair Value	Minimum Legal Rating	AA1	Not Rated
City's Pooled Investments:				
Local Agency Investment Fund (LAIF)	\$ 7,324,797	N/A	\$ -	\$ 7,324,797
Money Market Mutual Funds	2,154,910	N/A	-	2,154,910
U.S Treasury Notes	64,926,988	None	64,926,988	-
U.S. Treasury Strips	9,533,436	None	-	9,533,436
Negotiable Certificates of Deposit	6,907,698	N/A	-	6,907,698
Investments held by fiscal agents:				
Money market mutual funds	4,689,225	N/A	-	4,689,225
Total Investments	\$ 95,537,054		\$ 64,926,988	\$ 30,610,066

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 collateral securities that are in the possession of an outside party. The California Government Code and the City’s investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits as follows: a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City’s financial institutions also have insurance through the Federal Depository Insurance Corporation.

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’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. At year-end, the City had the following investments that were held by the counterparty’s trust department:

	Fair Value
City's Pooled Investments:	
Money Market Mutual Funds	\$ 2,154,910
U.S Treasury Notes	64,926,988
U.S Treasury Strips	9,533,436
Negotiable Certificates of Deposit	6,907,698
Investments held by fiscal agents:	
Money market mutual funds	4,689,225

CONCENTRATION OF CREDIT RISK

The City diversifies its investments by security type and institution. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments guaranteed by the U.S. government, investments in mutual funds, and investments in external investment pools are excluded from the requirement to disclose all investments with more than a 5% concentration in a single security type or a single financial institution. At year-end, the City had no investments in any one issuer that represented 5% or more of the City’s pooled investments which required disclosure.

FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. When available in an active market, quoted prices are used to determine fair value; these investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the City’s asset manager from a third-party service provider; these investments are classified within Level 2 of the fair value hierarchy. When neither quoted prices in an active market nor other evaluated prices are available, unobservable inputs are used. Unobservable inputs are classified within Level 3 of the fair value hierarchy; they are developed based on the best information available in the circumstances and may include the City’s own data.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The inputs used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions could result in a different fair value measurement at the reporting date. At June 30, 2025, the City’s investments are categorized in the following input levels:

<u>Investment</u>	<u>Fair Value</u>	<u>Fair Value Level Input</u>
City's Pooled Investments:		
Local Agency Investment Fund (LAIF)	\$ 7,324,797	**
Money Market Mutual Funds	2,154,910	**
U.S Treasury Notes	64,926,988	Level 2 input
U.S Treasury Strips	9,533,436	Level 2 input
Negotiable Certificates of Deposit	6,907,698	Level 2 input
Investments held by fiscal agents:		
Money market mutual funds	4,689,225	
Total Investments	<u>\$ 95,537,054</u>	**

** Investment is not subject to the fair value hierarchy.

3. CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2025, were as follows:

<u>Business-type Activities</u>	<u>Balances</u>				<u>Balances</u>
	<u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>June 30, 2025</u>
Cost:					
Nondepreciable capital assets:					
Land	\$ 17,325,848	\$ -	\$ -	\$ -	\$ 17,325,848
Construction in progress	3,704,755	36,988	-	-	3,741,743
Total nondepreciable assets	<u>21,030,603</u>	<u>36,988</u>	<u>-</u>	<u>-</u>	<u>21,067,591</u>
Depreciable capital assets:					
Buildings and other improvements	86,009,734	-	-	-	86,009,734
Equipment	65,270	-	-	-	65,270
Infrastructure	444,000	-	-	-	444,000
Subtotal	<u>86,519,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,519,004</u>
Accumulated depreciation for:					
Buildings and other improvements	(24,445,862)	(2,666,430)	-	-	(27,112,292)
Equipment	-	(6,529)	-	-	(6,529)
Infrastructure	(141,256)	(11,771)	-	-	(153,027)
Subtotal	<u>(24,587,118)</u>	<u>(2,684,730)</u>	<u>-</u>	<u>-</u>	<u>(27,271,848)</u>
Net depreciable assets	<u>61,931,886</u>	<u>(2,684,730)</u>	<u>-</u>	<u>-</u>	<u>59,247,156</u>
Total net capital assets	<u>\$ 82,962,489</u>	<u>\$ (2,647,742)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,314,747</u>

CITY OF MALIBU, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2025

<u>Governmental Activities</u>	Balances				Balances
	June 30, 2024	Additions	Deletions	Reclassifications	June 30, 2025
Cost:					
Nondepreciable capital assets:					
Land	\$ 69,556,508	\$ -	\$ -	\$ -	\$ 69,556,508
Right of way	24,045,543	-	-	-	24,045,543
Construction in progress	2,907,175	7,338,881	-	(1,981,107)	8,264,949
Total nondepreciable assets	<u>96,509,226</u>	<u>7,338,881</u>	<u>-</u>	<u>(1,981,107)</u>	<u>101,867,000</u>
Depreciable capital assets:					
Lease assets-equipment	235,724	3,582	(27,666)	(43,789)	167,851
Buildings and other improvements	23,652,402	354,383	(3,545,294)	1,981,107	22,442,598
Equipment and furniture	2,231,265	142,891	(156,414)	43,789	2,261,531
Vehicles	913,783	271,568	(113,177)	-	1,072,174
Infrastructure	41,383,073	97,345	(400,285)	-	41,080,133
Subtotal	<u>68,416,247</u>	<u>869,769</u>	<u>(4,242,836)</u>	<u>1,981,107</u>	<u>67,024,287</u>
Accumulated depreciation for:					
Lease assets-equipment	(70,814)	(43,728)	27,666	37,037	(49,839)
Buildings and other improvements	(10,451,785)	(839,270)	1,849,490	-	(9,441,565)
Equipment and furniture	(1,196,058)	(168,247)	108,751	(37,037)	(1,292,591)
Vehicles	(427,257)	(74,328)	113,177	-	(388,408)
Infrastructure	(22,559,077)	(648,435)	300,220	-	(22,907,292)
Subtotal	<u>(34,704,991)</u>	<u>(1,774,008)</u>	<u>2,399,304</u>	<u>-</u>	<u>(34,079,695)</u>
Net depreciable assets	<u>33,711,256</u>	<u>(904,239)</u>	<u>(1,843,532)</u>	<u>1,981,107</u>	<u>32,944,592</u>
Total net capital assets	<u>\$ 130,220,482</u>	<u>\$ 6,434,642</u>	<u>\$ (1,843,532)</u>	<u>\$ -</u>	<u>\$ 134,811,592</u>

Depreciation expense was charged to programs of the City as follows:

Business-type Activities:	
Commercial real estate rental	\$ 1,329,324
Wastewater treatment	1,355,406
Total depreciation expense	<u>\$ 2,684,730</u>
Governmental Activities:	
Legislative and advisory	\$ 587
General government	587,189
Public safety	85,367
Community development	24,513
Community services	281,332
Public works	795,020
Total depreciation expense	<u>\$ 1,774,008</u>

4. LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended June 30, 2025, were as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Long-Term Amount
Governmental Activities:						
Lease liabilities	\$ 146,809	\$ -	\$ (45,217)	\$ 101,592	\$ (43,015)	\$ 58,577
Certificates of participation:						
2015 Refunding Series B	4,200,000	-	(140,000)	4,060,000	(205,000)	3,855,000
2016 Refunding	22,015,000	-	(865,000)	21,150,000	(850,000)	20,300,000
2018 COP	23,405,000	-	(95,000)	23,310,000	(230,000)	23,080,000
Unamortized premiums:						
2015 Refunding Series B	318,857	-	(20,795)	298,062	(20,795)	277,267
2016 Refunding	2,366,369	-	(138,042)	2,228,327	(138,042)	2,090,285
2018 COP	890,600	-	(36,600)	854,000	(36,600)	817,400
Compensated absences	821,673	1,724,941	(1,288,320)	1,258,294	(629,000)	629,294
Total	<u>\$ 54,164,308</u>	<u>\$ 1,724,941</u>	<u>\$ (2,628,974)</u>	<u>\$ 53,260,275</u>	<u>\$ (2,152,452)</u>	<u>\$ 51,107,823</u>

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Long-Term Amount
Business-Type Activities:						
Certificates of participation:						
2015 Refunding Series A	\$ 6,555,000	\$ -	\$ (665,000)	\$ 5,890,000	\$ (685,000)	\$ 5,205,000
2015 Refunding Series B	3,640,000	-	(10,000)	3,630,000	(5,000)	3,625,000
Unamortized premium/discount:						
2015 Refunding Series A	(50,542)	-	6,065	(44,477)	6,065	(38,412)
2015 Refunding Series B	370,147	-	(24,140)	346,007	(24,140)	321,867
Total	<u>\$ 10,514,605</u>	<u>\$ -</u>	<u>\$ (693,075)</u>	<u>\$ 9,821,530</u>	<u>\$ (708,075)</u>	<u>\$ 9,113,455</u>

A. LEASE LIABILITIES:

Governmental Activities: The City has entered into agreements for copy machines and other equipment. In accordance with GASB Statement No. 87, the assets have been recorded at the present value of the future minimum payments. The interest rates for the agreements vary from 3.00% to 4.29% and all have fixed payment schedules. The assets are depreciated and are reported separately in the Capital Assets Note (Note 3).

The required annual principal and interest payments are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 43,015	\$ 2,988	\$ 46,003
2027	26,099	1,701	27,800
2028	5,656	1,283	6,939
2029	6,115	1,031	7,146
2030	6,601	760	7,361
2031-2033	14,106	617	14,723
Totals	<u>\$101,592</u>	<u>\$ 8,380</u>	<u>\$109,972</u>

B. CERTIFICATES OF PARTICIPATION

2015 Refunding Series B (Governmental Activities and Business-Type Activities)

In May 2015, the City issued \$8,895,000 of tax-exempt refunding certificates of participation to refund 1) the 2006B outstanding certificates of participation (business-type activities used to finance a portion of the Legacy Park acquisition for the Commercial Real Estate Rental Enterprise Fund) in the amount of \$4,130,000 and 2) the 2010C outstanding certificates of participation (governmental activities used to finance a portion of the City Hall renovations) in the amount of \$5,890,000. The 2015 certificates were issued at a premium of \$1,099,028 which is being amortized on a straight-line basis to interest expense through the year 2039. Both refunded series were paid in full by June 30, 2016, and there are no certificates outstanding.

The refunding of the 2006B Series resulted in a difference between the reacquisition price of the 2006B Series and the net carrying amount of the applicable portion of the 2015B Series of \$107,412. This difference is reported as a deferred outflow of resources (business-type activities) and is being amortized on a straight-line basis to interest expense through July 1, 2036. At year-end, the unamortized amount was \$58,447.

The refunding of the 2010C Series resulted in a difference between the reacquisition price of the 2010C Series and the net carrying amount of the applicable portion of the 2015B Series of \$93,572. This difference is reported as a deferred outflow of resources (governmental activities) and is being amortized on a straight-line basis to interest expense through July 1, 2039. At year-end, the unamortized amount was \$54,432.

Each certificate of participation represents a direct and proportionate interest in the semi-annual interest payments and annual principal payments due on the certificates. Installment payments for the issues are payable from any source of lawfully available funds of the City. There are no assets pledged as collateral for the debt, no required reserve, and no unused lines of credit. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses. The interest rate on the certificates is fixed and ranges from 2.000% to 5.000%. Semi-annual interest payments are due on November 1 and May 1 beginning on November 1, 2015. Annual principal payments are due on November 1 in years 2015 through 2039.

2015 Refunding Series A (Business-Type Activities)

In May 2015, the City issued \$11,940,000 of taxable refunding certificates of participation to refund the 2006A outstanding certificates of participation in the amount of \$10,795,000. The 2006A certificates were issued to finance a portion of the acquisition of Legacy Park for the Commercial Real Estate Rental Enterprise Fund. The certificates were issued at a discount of \$105,881 which is being amortized on a straight-line basis to interest expense through the year 2033.

The refunding resulted in a difference between the reacquisition price of the 2006A Series and the net carrying amount of the 2015A Series of \$644,222. This difference is reported as a deferred outflow of resources and is being amortized on a straight-line basis to interest expense through July 1, 2032. At year-end, the unamortized amount was \$265,179. The refunded series has been paid in full and there are no certificates outstanding.

Each certificate of participation represents a direct and proportionate interest in the semi-annual interest payments and annual principal payments due on the certificates. Installment payments for the issues are payable from any source of lawfully available funds of the City. There are no assets pledged as collateral for the debt, no required reserve, and no unused lines of credit. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses. The interest rate on the certificates is fixed and ranges from 0.55% to 4.00%. Semi-annual interest payments are due on November 1 and May 1 beginning on November 1, 2015. Annual principal payments are due on November 1 in years 2015 through 2032.

2016 Refunding Series A (Governmental Activities)

In October 2016, the City issued \$27,295,000 of tax-exempt refunding certificates of participation to 1) refund the 2009 Series A, 2009 Series B, and 2010 Series D outstanding certificates of participation in the amounts of \$17,270,000, \$595,000, and \$440,000, respectively, and 2) to acquire real property known as Trancas Field in the amount of \$11,300,000. The purpose of the 2009 Series A and B and the 2010 Series D certificates was to acquire and renovate the

building which is being used as the current city hall. The 2016 certificates were issued at a premium of \$3,553,165 which is being amortized on a straight-line basis to interest expense.

The refunded series has been paid in full and there are no certificates outstanding. The refunding of the 2009 Series A, 2009 Series B, and 2010 Series D resulted in differences between the reacquisition price of the refunded certificates and the net carrying amount of the 2016 Series A certificates. The differences for the 2009 Series B and Series D are fully amortized. The difference for the 2009 Series A is reported as a deferred outflow of resources and is being amortized to interest expense using the straight-line method through July 1, 2039. At year-end, the unamortized amount was \$1,086,848.

Each certificate of participation represents a direct and proportionate interest in the semi-annual interest payments and annual principal payments due on the certificates. Installment payments for the issues are payable from any source of lawfully available funds of the City. There are no assets pledged as collateral for the debt, no required reserve, and no unused lines of credit. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses. The interest rates on the certificates are fixed and range from 2.000% to 5.000%. Semi-annual interest payments are due on May 1 and November 1 beginning on May 1, 2017.

2018 Series A (Governmental Activities)

In September 2018, the City issued \$23,665,000 of tax-exempt certificates of participation to provide funds for the acquisition of three land parcels known as the Sycamore Village Parcel, the Island Parcel, and the Christmas Tree Lot. The cost of the parcels totaled \$42,500,000. In addition to the proceeds of the certificates, the City used general fund monies and grant monies to fund the acquisition. The certificates were issued at a premium of \$1,104,105 which is being amortized on a straight-line basis to interest expense through the year 2049.

Each certificate of participation represents a direct and proportionate interest in the semi-annual interest payments and annual principal payments due on the certificates. Installment payments for the issues are payable from any source of lawfully available funds of the City. There are no assets pledged as collateral for the debt, no required reserve, and no unused lines of credit. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses. The interest rates on the certificates are fixed and range from 3.125% to 5.000%. Semi-annual interest payments are due on May 1 and November 1 beginning on November 1, 2018. Annual principal payments are due on November 1 in years 2021 through 2048.

ANNUAL AMORTIZATION REQUIREMENTS – CERTIFICATES OF PARTICIPATION

The annual requirements to amortize the certificates of participation as of June 30, 2025, are as follows:

Year Ending	Principal	Interest	Total
<u>Governmental Activities</u>			
2026	\$ 1,285,000	\$ 2,014,700	\$ 3,299,700
2027	1,345,000	1,948,950	3,293,950
2028	1,410,000	1,880,075	3,290,075
2029	1,480,000	1,810,175	3,290,175
2030	1,555,000	1,744,250	3,299,250
2031-2035	8,740,000	7,705,525	16,445,525
2036-2040	10,685,000	5,727,400	16,412,400
2041-2045	11,230,000	3,281,038	14,511,038
2046-2049	10,790,000	813,313	11,603,313
Totals	<u>\$ 48,520,000</u>	<u>\$ 26,925,426</u>	<u>\$ 75,445,426</u>

Year Ending June 30,	Principal	Interest	Total
<u>Business-type Activities</u>			
2026	\$ 690,000	\$ 391,687	\$ 1,081,687
2027	705,000	368,908	1,073,908
2028	730,000	341,810	1,071,810
2029	760,000	311,811	1,071,811
2030	790,000	280,612	1,070,612
2031-2035	4,095,000	883,765	4,978,765
2036-2037	1,750,000	73,746	1,823,746
Totals	<u>\$ 9,520,000</u>	<u>\$ 2,652,339</u>	<u>\$ 12,172,339</u>

5. LIMITED OBLIGATION LIABILITIES

Community Facilities District No. 2006-1 (Carbon Beach)

The Community Facilities District No. 2006-1 of the City of Malibu (CFD) issued special tax bonds pursuant to the Mello-Roos Community Facilities Act of 1982 to finance the undergrounding of utilities along Pacific Coast Highway at Carbon Beach. Although the City collects and disburses funds for the CFD, the City has no obligation or duty to pay any delinquency out of any available funds of the City. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The construction is complete, and debt service payments are the only activity on the bonds. The bond's required reserve funds are recorded in the Carbon Beach CFD Custodial Fiduciary Fund. The original CFD Bonds were issued for \$4,365,000 and were refunded in July 2011; in FY 2015-16, the July 2011 refunding bonds were also refunded, and in February 2016, refunding bonds were issued for \$3,520,000. The bonds outstanding at June 30, 2025, total \$2,450,000.

Assessment District No. 2010-1 (Broad Beach)

The City of Malibu Broad Beach Road Underground Utilities Assessment District 2010-1 (AD) issued limited obligation improvement bonds pursuant to the Improvement Bond Act of 1915 to finance the undergrounding of utilities in a portion of Broad Beach Road. Although the City collects and disburses funds for the AD, the City has no obligation or duty to pay any delinquency out of any available funds of the City. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The construction is complete, and debt service payments are the only activity on the bonds. The bond's required reserve funds are recorded in the Broad Beach AD Custodial Fiduciary Fund. The AD Bonds were originally issued for \$2,238,285; bonds outstanding at June 30, 2025, total \$1,365,000.

Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility)

- A. Bonds: The Assessment District No. 2015-1 of the City of Malibu (AD) issued limited obligation improvement bonds pursuant to the Improvement Bond Act of 1915 to finance a portion of the costs of constructing a wastewater treatment plant serving the City's civic center. Although the City collects and disburses funds for the AD, the City has no obligation or duty to pay any delinquency out of any available funds of the City. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The construction is complete, and debt service payments are the only activity on the bonds. The bond's required reserve funds are recorded in the Civic Center Wastewater Treatment Facility AD Custodial Fiduciary Fund. The AD bonds were issued for \$6,295,000 in May 2016; bonds outstanding at June 30, 2025, total \$3,380,000.
- B. State Revolving Fund Loan: The Assessment District No. 2015-1 obtained long-term financing through the State of California's Revolving Fund Loan program. The loan proceeds were used to finance a portion of the costs to construct a wastewater treatment plant serving the City's civic center. Although the City collects and disburses funds for the Assessment District, the City has no obligation or duty to pay any delinquency out of any available funds of the City. These loans are not included in the accompanying financial statements as neither the faith and

credit nor the taxing powers of the City have been pledged to the payment of the obligations. The construction is complete, and debt service payments are the only activity on the loan. The loan's required reserve funds are recorded in the Civic Center Wastewater Treatment Facility AD Custodial Fiduciary Fund. The loan amount outstanding at June 30, 2025, totals \$40,069,985.

6. LEASE RECEIVABLE

The City's Commercial Real Estate Rental Enterprise Fund owns three commercial properties at the Legacy Park site; one of the properties is divided into two leasable spaces. As of June 30, 2025, the City has four non-cancelable tenant leases on the properties. A discount rate of 3.38% is used to calculate the net present value of the lease receivable for all agreements, and the discount is amortized as property-related revenue. The deferred inflow of resources is amortized over the term of the agreement using a systematic method to annually recognize revenue equal to the lease revenue recognized. The following chart shows the lease receivable at year-end, the balance of the deferred inflow of resources at year-end, and the property-related revenues recognized during the fiscal year:

	<u>Office Building</u>		<u>Animal Hospital</u>	<u>Lumber Yard</u>	<u>Total</u>
	<u>Lease #1</u>	<u>Lease #2</u>			
Balances at fiscal year-end:					
Lease receivable	\$ 1,366,986	\$ 368,885	\$ 1,109,207	\$ 26,242,032	\$ 29,087,110
Deferred inflow of resources	1,366,986	368,885	1,109,207	26,242,032	29,087,110
Property-related revenue recognized during the fiscal year:					
Lease revenue	111,773	40,938	235,400	177,812	565,923
Interest	49,982	13,852	45,448	892,991	1,002,273

Office/Retail Building: This property is comprised of two spaces available to be leased. The property is valued at \$1,141,105 for the land and \$2,924,082 for the building. Due to accumulated depreciation, the building had a net book value of \$146,204 as of June 30, 2025.

- 1) An original lease was signed on January 6, 2010, with an amended and extended lease commencing on September 1, 2019, for a five-year term, with options to extend the lease for two additional terms of five years each. The rent increases annually on September 1 by 2% during the first five-year term and by 3% during any option periods exercised. During the fiscal year, the lease was amended to provide for a rent reduction, with all other terms remaining the same. The monthly lease payment was \$16,633 at the beginning of the year and was \$12,849 per month at year-end. There are no contingent rental payments on this lease.
- 2) A lease was signed on May 14, 2012, for 1,145 square feet of the total 4,501 square feet of this building. The lease was effective on January 14, 2013, for a ten-year period with an option to extend for one, ten-year period. The monthly rate increases by 3% on January 1 of each year of the lease term. The monthly lease payment was \$4,543 at the beginning of the year, increased according to the terms of the agreement, and was \$4,679 per month at year-end. There are no contingent rental payments on this lease.

Animal Hospital: The City assumed the existing lease upon purchase of the Legacy Park site in 2006 with various extensions signed to continue the lease through December 31, 2029. The most recent lease extension was signed during FY 2024-25. The lease includes a \$25,000 annual rent reduction which is applied evenly to each month. The lease payment increases by CPI on January 1 annually, subject to a minimum and maximum range of 0% to 4%, respectively. There are no contingent rental payments on this lease. After the application of the rent reduction, the monthly lease payment was \$22,500 per month at year-end. This leased property is valued at \$855,829 for the land and \$2,303,900 for the building and its improvements. Due to accumulated depreciation, the building had a net book value of \$694,422 as of June 30, 2025.

Lumber Yard: The City executed a master lease agreement for the property in 2008 with the lease commencing on March 1, 2008, and continuing through 2044 with an option to extend to FY 2062-63. The lease has fixed increases effective every five years. The minimum monthly lease payments from January 1, 2023, through December 31, 2027, are \$89,234. Additionally, the City receives a percentage rental income based on a formula by which the City receives

30% of the tenant’s income collected annually past \$2.2 million. In FY 2024-25, the tenant’s income collected did not reach the minimum milestone, and the City received no payments from the tenant’s percentage income formula. This leased property is valued at \$3,138,040 for the land and \$14,588,211 for the building. Due to accumulated depreciation, the building had a net book value of \$2,917,642 as of June 30, 2025.

At year-end, the future minimum lease payments due to the City are as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2026	\$ 558,513	\$ 983,145	\$ 1,541,658
2027	597,446	964,266	1,561,712
2028	651,036	944,074	1,595,110
2029	706,637	922,069	1,628,706
2030	602,931	897,806	1,500,737
2031-2035	2,466,242	4,217,342	6,683,584
2036-2040	2,217,162	3,833,208	6,050,370
2041-2045	2,941,422	3,411,468	6,352,890
2046-2050	3,812,806	2,857,729	6,670,535
2051-2055	4,858,729	2,145,334	7,004,063
2056-2060	6,111,547	1,242,670	7,354,217
2060-2063	3,562,639	204,131	3,766,770
Totals	<u>\$ 29,087,110</u>	<u>\$ 22,623,242</u>	<u>\$ 51,710,352</u>

7. RETIREMENT BENEFITS

A. DEFINED BENEFIT PLAN

PLAN DESCRIPTION AND ELIGIBILITY

The City of Malibu’s defined benefit pension plan is part of the Miscellaneous Risk Pool of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan, which acts as a common investment and administrative agent for participating public employers within the State of California. All qualified permanent and probationary employees are eligible to participate in one of the City’s Plans. The City has a two-tiered plan depending on an employee’s entry date into the plan.

- Tier A is for employees who enter the plan prior to January 1, 2013, and it provides 2% of the final average compensation per year of service at age 55. The final average compensation is based on the final twelve months of compensation.
- Tier B is for employees who enter the plan on or after January 1, 2013, and it provides 2% of the final average compensation per year of service at age 62. The final average compensation is based on the final three years of compensation. This plan is in accordance with the Public Employees’ Pension Reform Act (PEPRA).

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 at www.calpers.ca.gov.

For the information included in this report, the following timeframes are used:

Actuarial Valuation Date for Pension Liability: June 30, 2023
 Measurement Date: June 30, 2024
 Measurement Period: July 1, 2023 through June 30, 2024

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 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect for the plan year ended June 30, 2025, are summarized as follows:

	Miscellaneous Risk Pool	
	Tier I Prior to January 1, 2013*	Tier II - PEPRA On or After January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	8.25%
Required employer contribution rates:		
Normal cost rate	13.31%	8.18%
Payment of unfunded liability	\$700,747	\$12,687

* Closed to new entrants

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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. During the year, the employer contributions recognized as a reduction to the net pension liability totaled \$1,510,299.

PENSION LIABILITIES, PENSION EXPENSES, & DEFERRED OUTFLOWS/INFLOWS OF PENSION-RELATED RESOURCES

As of June 30, 2025, the City reported net pension liabilities totaling \$9,462,189. The City's net pension liability is measured as the proportionate share of the net pension liability measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

CITY OF MALIBU, CALIFORNIA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 June 30, 2025

The City's proportionate share of the net pension liability as of the June 30, 2024 and 2023 measurement dates was as follows:

	<u>Miscellaneous Risk Pool</u>
Proportion - June 30, 2023	0.07626%
Proportion - June 30, 2024	<u>0.07802%</u>
Change - Increase (Decrease)	0.00176%

For the year ended June 30, 2025, the City recognized pension expense of \$2,423,364. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,692,431	\$ -
Differences between actual and expected experience	818,093	(31,921)
Change in assumptions	243,198	-
Net differences between projected and actual earnings on plan investments	544,727	-
Change in employer's proportion	415,532	-
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>70,616</u>	<u>(73,464)</u>
Total	<u>\$ 3,784,597</u>	<u>\$ (105,385)</u>

The \$1,692,431 deferred outflow of resources for the contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as a component of pension expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025-26	\$ 768,127
2026-27	1,334,114
2027-28	71,211
2028-29	<u>(186,671)</u>
Totals	<u>\$1,986,781</u>

ACTUARIAL METHODS AND ASSUMPTIONS

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial calculation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous Risk Pool</u>
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	(1)
Mortality rate table	(2)
Post retirement benefit increases	(3)

Notes

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, refer to the 2021 CalPERS Experience Study report that is available on the CalPERS website.
- (3) Contract COLA up to 2.3% until purchasing power protection allowance floor on purchasing power applies.

All other actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study; the Experience Study report can be obtained at the CalPERS website under Forms and Publications.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.9% for each plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LONG-TERM EXPECTED RATE OF RETURN

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1-10 *
Global equity, cap-weighted	30.00%	4.54%
Global equity, non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

* Using an expected inflation of 2.3%

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, calculated using the current discount rate 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 15,741,034	\$ 9,462,189	\$ 4,293,775

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

PAYABLE TO THE PENSION PLAN

At June 30, 2025, the City had no outstanding contributions due to the pension plan required for the year then ended.

B. DEFINED CONTRIBUTION PLANS

The City has established four defined contribution plans with each plan being for a specific group of employees. None of the plans meet the requirements for inclusion as a fiduciary activity in the City’s financial statements. Plan assets are held for the exclusive benefit of the plan participants and their beneficiaries and are not available to the creditors of the City. In a defined contribution pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For each of the City’s plans:

- The plan was established by City Resolution and may be amended by the City Council.
- Contributions by the City are funded by the General Fund.
- All City and employee contributions are immediately deposited into an employee’s individual account.
- Contributions and any interest earned immediately vest in full to the employee.
- No separate financial statements are available.
- Plan investments are reported at fair value and are based on quoted market prices.

1. City Manager Plan: In March 2004, the City entered into a defined contribution pension plan with ICMA Retirement Corporation (ICMA) for benefits at retirement for the City Manager. This plan is a deferred compensation plan created in accordance with Internal Revenue Code Section 401(a). The plan requires the City to contribute six percent of the City Manager's salary; the City Manager is not allowed to make contributions. Terminated employees are not allowed to participate in the plan; all vested assets of terminated employees are removed and are under the control of the terminated employee. During FY 2024-25, the City contributed \$11,835 on behalf of the City Manager, based on a salary of \$197,242 for the covered period. There was one covered employee during the year.
2. Department Head Plan: In March 2004, the City entered into a defined contribution pension plan with ICMA for benefits at retirement for the City's Department Heads. This plan is a deferred compensation plan created in accordance with Internal Revenue Code Section 401(a). The plan requires the City to contribute \$3,000 annually (or a proportional amount based on the covered time period) on behalf of each member; members are not allowed to make contributions. Terminated employees are not allowed to participate in the plan; all vested assets of terminated employees are removed and are under the control of the terminated employee. During FY 2024-25, the City contributed a total of \$20,500 on behalf of the covered employees. There were eight covered employees during the year.
3. Full-Time Employee Plan: In July 2006, the City entered into a defined contribution pension plan with ICMA for all of its full-time employees. This plan is a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All full-time employees are eligible to participate from the date of employment. In this defined contribution plan, the City is required to match an employee's contributions up to \$50 per pay period. While the City Manager and Department Heads may contribute to this plan, the City does not match their contributions. During the year ended June 30, 2025, 77 employees participated in the plan. The City made employer contributions of \$90,100, and employees contributed \$369,448.
4. Part-Time Employee Plan: In January 2007, the City entered into a defined contribution pension plan with Public Agency Retirement System (PARS) for benefits at retirement for all of its part-time employees. This is an alternative retirement system for those not covered by a CalPERS retirement plan. All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan. Plan members are required to contribute 6.2% of their salaries, and the City is required to contribute 1.3% of the members' salaries. For the year ended June 30, 2025, the City's covered payroll was \$446,533 for the 30 employees participating in the plan. The City made employer contributions of \$6,805, and employees contributed \$27,685.

8. OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides post-employment benefits to retired employees in the form of a contribution toward their medical premiums under the CalPERS health plan, which provides medical insurance benefits to eligible retirees in accordance with various labor agreements. Employees are eligible for retiree health benefits if they retire directly from the City under CalPERS (see Note 7A) and are enrolled in a CalPERS retiree health plan. The City participates in the California Employer's Retiree Benefit Trust Program (CERBT). CERBT is administered by CalPERS and is an agent multiple-employer plan. The minimum required retiree contributions are established by CalPERS. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

For this report, the following timeframes are used related to the OPEB Plan:

Actuarial Valuation Date for OPEB Liability: June 30, 2023
Measurement Date: June 30, 2024
Measurement Period: July 1, 2023 through June 30, 2024

ELIGIBILITY

As of the measurement date of June 30, 2024, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees currently receiving benefit payments	32
Inactive employees entitled to but not yet receiving benefit payments	9
Active employees	<u>90</u>
Total	<u><u>131</u></u>

CONTRIBUTIONS

The benefit provisions and contribution requirements of plan members and the City are established and may be amended through agreements and memorandums of understanding between the City, its employees, and unions representing the City's employees. Administrative costs of the OPEB plan are financed through investment earnings. The contribution required to be made under City Council and labor agreements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For the measurement period ending June 30, 2024, the City recognized contributions of \$220,402 as a reduction to the net OPEB liability. The contributions consisted of \$332,167 in benefit payments which were then reimbursed by the trust, \$1,201 in administrative costs, a contribution to the trust of \$178,146, and \$41,055 for the estimated implied subsidy. The City's contributions are funded by the General Fund.

NET OPEB LIABILITY

The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, with a measurement date of June 30, 2024. Following is a summary of the principal assumptions and methods used to determine the total OPEB liability.

ACTUARIAL ASSUMPTIONS

The total OPEB liability in the June 30 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>OPEB Plan</u>
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost method	Entry age normal, level percentage of payroll
Actuarial assumptions:	
Discount rate	6.25%
Long-term Expected Rate of Return on Investments	6.25%
Inflation	2.50%
Healthcare trend rates	Non-Medicare: 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (non-Kaiser): 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser): 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality, Retirement, Disability and Termination	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate: 2.75% Merit: CalPERS 2000-2019 experience study

The long-term expected rate of return is an estimate and is presented as geometric means developed over a 20-year period. The long-term expected real rates of return for each major asset class included in the OPEB plan's target asset allocation, as of the June 30, 2023, measurement date, are summarized below:

Asset Class	Target Allocation CERBT Strategy 1	Long-Term Expected Real Rate of Return
Global equity	49.00%	4.56%
Fixed income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITS	20.00%	4.06%
Total	100.00%	

DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate, expected City contributions to keep sufficient plan assets to pay all benefits from the trust. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the CERBT Trust investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

CHANGES IN THE NET OPEB (ASSET)/LIABILITY

The changes in the net OPEB (asset)/liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balance at 6/30/24	\$ 10,338,025	\$ 8,430,733	\$ 1,907,292
Changes in the Year:			
Service cost	728,853	-	728,853
Interest on the total OPEB liability	680,017	-	680,017
Actual vs expected experience	-	-	-
Assumption change	-	-	-
Contributions - employer	-	220,402	(220,402)
Net investment income	-	930,677	(930,677)
Benefit payments	(373,222)	(373,222)	-
Administrative expenses	-	(3,972)	3,972
Net Changes	1,035,648	773,885	261,763
Balance at 6/30/25	\$ 11,373,673	\$ 9,204,618	\$ 2,169,055

Change of Assumptions: There were no changes of assumptions.

Change of Benefit Terms: There were no changes of benefit terms.

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB liability of the City, as well as what the City's net OPEB (asset)/liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate. A one-percentage point higher discount rate results in a net OPEB asset while a one-percentage point lower discount rate results in a larger net OPEB liability.

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Net OPEB Liability/(Asset)	\$3,818,068	\$2,169,055	\$820,018

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN MEDICAL TREND RATES

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB (asset)/liability would be if it were calculated using medical trend rates that are one percentage point lower and one percentage point higher than the current medical trend rate. A one-percentage point higher medical trend rate results in a larger net OPEB liability while a one-percentage point lower medical trend rate results in a net OPEB asset.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability/(Asset)	\$520,175	\$2,169,055	\$4,252,029

OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of \$946,199. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 551,922	\$ -
Differences between expected and actual experience	125,141	(321,358)
Changes in assumptions	780,697	(75,756)
Differences between projected and actual earnings	136,746	-
Total	<u>\$ 1,594,506</u>	<u>\$ (397,114)</u>

The \$551,922 deferred outflow of resources for contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended June 30, 2026. All other amounts reported as deferred outflows and inflows of resources will be recognized as a component of OPEB expense as follows:

Fiscal Year	Amount
2025-26	\$ 33,931
2026-27	327,540
2027-28	(57,027)
2028-29	8,168
2029-30	136,305
Thereafter	196,553
Totals	<u>\$ 645,470</u>

PAYABLE TO THE OPEB PLAN

At June 30, 2025, the City had no outstanding contributions due to the OPEB plan required for the year then ended.

9. DEVELOPER FEES

PARKLAND DEVELOPMENT

The City of Malibu charges Parkland Development fees when new residential units are constructed. In FY 2024-25, the fees were \$4,968 for each detached single-family dwelling; \$4,240 for each unit of an attached multi-family dwelling with fewer than five units; \$3,159 for each unit of an attached multi-family dwelling with five or more units; \$3,938 for each unit of a duplex, triplex, or quadplex; and \$2,857 for each mobile home space. The fees are deposited in the Parkland Development In-Lieu special revenue fund, and they are used to acquire and upgrade parks. The State of California requires fees to be spent within five years of collection. During the current year, the City collected Parkland Development fees of \$14,904 and earned interest of \$8,404; there were no expenditures during the year. At June 30, 2025, the balance of fees on hand was \$205,306.

ART IN PUBLIC PLACES

Property owners are subject to the City’s Art in Public Places ordinance when the total construction cost of certain commercial, institutional, and multi-family residential development projects exceeds two hundred and fifty thousand dollars (\$250,000) or certain Capital Improvement Projects (CIP) exceed one million dollars (\$1,000,000). When applicable, the property owner is required to acquire and install approved public art on the project site, or an alternative site within and acceptable to the City. In lieu of acquiring and installing public art, property owners may pay a public art contribution into the Public Art Fund, equal to at least one percent of the project’s total construction cost, or the total CIP cost, as applicable. The fees are deposited in the Art in Public Places In-Lieu special revenue fund, and they are used to incorporate public art throughout the City. During the current year, the City collected no Art in Public Places fees and earned interest of \$1,724; there were no expenditures during the year. At June 30, 2025, the balance of fees on hand was \$39,849.

10. INTERFUND TRANSACTIONS

During the normal course of operations, the City had a variety of transactions between funds.

SHORT-TERM LOANS – DUE TO/FROM OTHER FUNDS

Due to and from other funds are transactions that represent routine and temporary cash flow assistance from the General Fund to other funds in advance of receiving grant funds or other types of revenue. The composition of these short-term balances at June 30, 2025, is as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 13,308,312	\$ -
Grants Special Revenue Fund	-	13,301,070
Nonmajor Governmental Funds	-	7,242
Total	<u>\$ 13,308,312</u>	<u>\$ 13,308,312</u>

TRANSFERS

Transactions that move resources from a fund receiving revenue to the fund through which the resources are expended are recorded as transfers. Transfers for the year ended June 30, 2025, are as follows:

	Transfers Out			
	Governmental Fund Type			
	Major Funds			
Transfers In	General Fund	Grants Special Revenue	Nonmajor Funds	Total
Governmental Fund Type:				
Major Funds:				
General Fund	\$ -	\$ -	\$ 876,163	\$ 876,163
Capital Improvements				
Capital Projects Fund	2,604,073	8,055,365	1,083,242	11,742,680
Nonmajor Funds	260,995	-	-	260,995
Total	<u>\$ 2,865,068</u>	<u>\$ 8,055,365</u>	<u>\$ 1,959,405</u>	<u>\$ 12,879,838</u>

The City uses the Capital Improvements Fund to account for all of its governmental capital projects. The funding sources for those projects are reported as transfers from various funds to the Capital Improvements Fund. All other interfund transfers were to move resources from one fund to the fund in which the expenditures being funded were recorded.

11. LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE

DESCRIPTION OF SELF-INSURANCE POOL PURSUANT TO JOINT POWERS AGREEMENT

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

PRIMARY SELF-INSURANCE PROGRAMS OF THE AUTHORITY

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program. Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program. Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence

and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2024-25 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Pollution Legal Liability Insurance. The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance. The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$119,451,814. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance. The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$74,440,428. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance. The City purchases crime insurance coverage in the amount of \$1 million with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance. The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the Authority.

ADEQUACY OF PROTECTION

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were no significant reductions in pooled or insured liability coverage in FY 2024-25.

12. COMMITMENTS AND CONTINGENCIES

- A. The City has received State and Federal funds for specific purposes that are subject to review by the grantor agencies. While unexpected, such audits could generate expenditure disallowances under the terms of the grants; the City is unable to determine the effect this may have on the financial condition of the City at this time.
- B. The City is prone to natural disasters. The City is aware of the potential for disaster and attempts to maintain an adequate fund balance in the General Fund to cover the cost of these disasters. Council Policy No. 3 requires a minimum of 50% of the General Fund operating budget to be maintained in the General Fund Undesignated Reserve. Based on the City's history, there remains a potential for a call on future revenues and existing fund balances.
- C. On November 9, 2018, the Woolsey Fire burned the western portion of the City of Malibu. Approximately 480 private structures were damaged or destroyed. The City remains committed to helping the residents rebuild and recover and has retained additional consultant services to aid that effort. The City anticipates that this higher level of service will continue to be necessary for the next several years. The City adopted Resolution No. 19-30 on June 24, 2019, which waived permit fees for all like-for-like and like-for-like plus 10% of Woolsey Fire rebuilds for Fiscal

Year 2019-20. Council established that fee waivers will only apply to properties that were primary residences at the time of the Woolsey Fire. On June 22, 2020, Council adopted Resolution No. 20-32 extending the refund deadline for the Woolsey Fire fee waivers. On March 22, 2021, Council adopted Resolution No. 21-10 further extending the fee waiver deadlines; again, on November 8, 2021, with Resolution No. 21-62, and again on September 11, 2023, with Resolution 23-40, the fee waiver deadline was extended through December 30, 2024. At fiscal year-end, some eligible permittees had yet to request a refund of fees paid; a liability has been recorded for the estimated fees eligible to be refunded.

- D. The Santa Monica College (SMC) Malibu Satellite Campus Project was completed and opened to students in February 2023. As part of the campus, there is a 5,700 square foot Sheriff's substation. The City has been in discussion with Los Angeles County and the Los Angeles County Sheriff's Department regarding the potential staffing for the proposed substation. Unfortunately, the Sheriff has had difficulty filling vacancies in the Department and does not have adequate resources to open the substation at this time. Furthermore, there is an adjacent radio tower that is undergoing permitting for height adjustments, and this tower is necessary for communications at the substation. Once these matters are resolved, plans will be reinitiated to open the substation.
- E. In the winter of 2024-25, Malibu was impacted by the Franklin and Palisades Fires, which damaged or destroyed over 700 parcels. These fires came as the City continues to recover from previous natural disasters, including the 2018 Woolsey Fire, which destroyed 480 homes. The destruction caused by these fires requires extensive construction along the Pacific Coast Highway, which impacts access to the area, and thus, has harmed the local economy in addition to requiring substantial outlays for rebuilds and repairs. In addition, the City is committed to helping residents rebuild and recover and has budgeted additional costs for this purpose. It is expected that higher levels of service will be necessary for the next several years. To spur recovery, the City used \$15 million of General Fund monies in FY 2024-25 for disaster-related costs. In FY 2025-26, an additional \$10.1 million to support operational costs and \$8.4 million for disaster related capital projects was budgeted to address urgent rebuild efforts and community recovery needs. Amounts eligible for grant or insurance reimbursement have not been obligated to the City; however, the reimbursement process is ongoing and is expected to result in substantial recovery of these disaster-related costs.

13. SUBSEQUENT EVENTS

On July 14, 2025, the City Council adopted Resolution 25-29 waiving planning and building permit fees for projects rebuilding like-for-like or like-for like plus 10% structures damaged or destroyed by the Broad, Franklin, and/or Palisades Fires, subject to certain requirements and limitations, and where the property owner demonstrates that the property was used as the primary residence. If a fee is determined to be eligible for the waiver, it is applied at the time the fee is assessed, streamlining the process and eliminating the need to process refunds.



SUPPLEMENTARY INFORMATION

Required Supplementary Information (RSI) is information that, although not part of the basic financial statements, is required by Governmental Accounting Standards Board and is considered to be an essential part of financial reporting. This information consists of additional data associated with the City's defined benefit pension plan and OPEB plan, the related net pension and OPEB liabilities, and budget to actual schedules for the General and major special revenue funds.

Supplementary Information provides information on each individual fund that is not already provided in the basic financial statements. This section includes information on non-major governmental funds, budget to actual schedules for the Commercial Real Estate Rental and Wastewater Treatment enterprise funds, and combining schedules for fiduciary funds. Following are descriptions of the non-major special revenue funds that are included in this section.

- **STATE GAS TAX** - To account for monies received from the state gas tax allocations, which are required to be spent on construction, improvement, and maintenance of public streets and infrastructure.
- **TRAFFIC SAFETY** - To account for revenues collected from traffic violations that the City has identified for use on traffic safety-related expenditures including traffic control and street maintenance not included in the Gas Tax Fund.
- **PROPOSITION A** - To account for revenues and expenditures associated with the ½ cent sales tax approved by taxpayers as Proposition A in 1980. These funds may only be expended for transportation-related services as approved by the Los Angeles County Metropolitan Transportation Authority (MTA).
- **PROPOSITION C** - To account for revenues and expenditures associated with the ½ cent sales tax approved by taxpayers as Proposition C in 1990. These funds may only be expended for transportation-related services as approved by the MTA.
- **MEASURE R** - To account for revenues and expenditures associated with the ½ cent sales tax approved by taxpayers as Measure R in 2008. These funds may only be expended for transportation-related services as approved by the MTA.
- **AIR QUALITY MANAGEMENT** - To account for monies received from the South Coast Air Quality Management District which are used for generating alternative transportation programs to reduce the problem of poor air quality in Southern California.

- **SOLID WASTE MANAGEMENT SURCHARGE** - This fund accounts for monies received from fees generated by solid waste collections in the City. Funds are to be used for implementing the solid waste management process as defined in the Source Reduction and Recycling Element.
- **PARKLAND DEVELOPMENT IN-LIEU** - The City collects fees from developers, as a condition of approval, to be used for parkland and recreation facilities and programs.
- **QUIMBY ACT PARKLAND DEDICATION** - Similar to the Parkland Development funds, the City collects fees from the development of subdivisions. Funds are restricted to the acquisition of parkland and/or construction of facilities for recreation purposes.
- **BRULTE BILL GRANT** - The City receives funding from the State of California as a supplemental grant for law enforcement. Malibu uses these funds for a variety of programs provided by the Sheriff's Department.
- **MEASURE M** – To account for revenues and expenditures associated with the ½ percent sales tax approved by taxpayers as Los Angeles County Measure M in 2016. These funds may only be expended for transportation-related projects as approved by MTA.
- **ROAD MAINTENANCE AND REHABILITATION (RMRA)** – To account for revenues and expenditures associated with the increased fuel taxes and vehicle registration fees established by Senate Bill 1 Road Repair and Accountability Act of 2017 signed by the Governor. These funds may only be expended for transportation-related projects as approved by the California Transportation Commission.
- **ART IN PUBLIC PLACES IN-LIEU** – The City collects fees from developers as a condition of approval, to incorporate public art throughout the City.
- **COMMUNITY DEVELOPMENT BLOCK GRANT** - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Program.
- **MEASURE W** – To account for revenues and expenditures associated with the parcel tax of 2.5¢ per square foot of impermeable area approved by taxpayers as Los Angeles County Measure W in 2018. These funds may only be expended for projects that promote the safe, clean water program by increasing local water supply, improving water quality, and protecting public health.
- **BIG ROCK MESA/MALIBU ROAD/CALLE DEL BARCO LMDs** - To account for special assessments on property within district boundaries for the restricted purpose of providing landslide maintenance services.



CITY OF MALIBU
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALPERS MISCELLANEOUS PENSION PLAN
LAST TEN YEARS

Fiscal year ending June 30, Measurement date	2025 <u>6/30/2024</u>	2024 <u>6/30/2023</u>	2023 <u>6/30/2022</u>	2022 <u>6/30/2021</u>	2021 <u>6/30/2020</u>
Plan's proportion of the net pension liability	0.07802%	0.07626%	0.07365%	0.05496%	0.06265%
Plan's proportionate share of the net pension liability	\$ 9,462,189	\$ 9,513,094	\$ 8,507,593	\$ 2,972,243	\$ 6,816,695
Plan's covered payroll, measurement date	\$ 9,354,492	\$ 8,117,262	\$ 7,353,661	\$ 6,987,903	\$ 7,337,369
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	101.15%	117.20%	115.69%	42.53%	92.90%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%
Plan's proportionate share of aggregate employer contributions	\$ 1,414,900	\$ 1,372,268	\$ 1,607,155	\$ 1,281,843	\$ 1,146,744
Fiscal year ending June 30, Measurement date	2020 <u>6/30/2019</u>	2019 <u>6/30/2018</u>	2018 <u>6/30/2017</u>	2017 <u>6/30/2016</u>	2016 <u>6/30/2015</u>
Plan's proportion of the net pension liability	0.05960%	0.056440%	0.055919%	0.053280%	0.04904%
Plan's proportionate share of the net pension liability	\$ 6,106,999	\$ 5,438,378	\$ 5,545,643	\$ 4,610,344	\$ 3,366,039
Plan's covered payroll, measurement date	\$ 6,903,933	\$ 6,243,134	\$ 5,593,683	\$ 5,624,392	\$ 5,398,632
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	88.46%	87.11%	99.14%	81.97%	62.35%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%
Plan's proportionate share of aggregate employer contributions	\$ 965,341	\$ 812,252	\$ 740,151	\$ 640,844	\$ 428,499

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

From Fiscal Year 6/30/15 to 6/30/16: GASB 69 paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016 to June 30, 2017: There were no changes in assumptions.

From Fiscal Year June 30, 2017 to June 30, 2018: The discount rate was reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018 to June 30, 2019: Demographic assumptions were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. Inflation was reduced from 2.75% to 2.50%.

From Fiscal Year June 30, 2019 through June 30, 2022: There were no changes in assumptions.

From Fiscal Year June 30, 2022 through June 30, 2023: The discount rate was reduced from 7.15% to 6.90%. Inflation was reduced from 2.50% to 2.30%. Mortality assumptions were changed in accordance with the 2021 CalPERS Experience Study.

From Fiscal Year June 30, 2023 through June 30, 2025: There were no changes in assumptions.

CITY OF MALIBU
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-DEFINED BENEFIT PENSION PLAN
CALPERS MISCELLANEOUS PENSION PLAN
LAST TEN YEARS

Fiscal year ending June 30, Valuation date	2025 <u>6/30/2022</u>	2024 <u>6/30/2021</u>	2023 <u>6/30/2020</u>	2022 <u>6/30/2019</u>	2021 <u>6/30/2018</u>
Contractually required contribution, actuarially determined	\$ 1,692,431	\$ 1,510,299	\$ 1,372,946	\$ 1,218,844	\$ 1,120,551
Contributions in relation to the actuarially determined contribution	<u>(1,692,431)</u>	<u>(1,510,299)</u>	<u>(1,372,946)</u>	<u>(1,218,844)</u>	<u>(1,120,551)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 10,017,791	\$ 9,354,492	\$ 8,117,262	\$ 7,353,661	\$ 6,987,903
Contributions as a percentage of covered payroll	16.89%	16.15%	16.91%	16.57%	16.04%

Fiscal year ending June 30, Valuation date	2020 <u>6/30/2017</u>	2019 <u>6/30/2016</u>	2018 <u>6/30/2015</u>	2017 <u>6/30/2014</u>	2016 <u>6/30/2013</u>
Contractually required contribution, actuarially determined	\$ 1,043,190	\$ 908,055	\$ 753,756	\$ 656,352	\$ 514,781
Contributions in relation to the actuarially determined contribution	<u>(1,043,190)</u>	<u>(908,055)</u>	<u>(753,756)</u>	<u>(656,352)</u>	<u>(514,781)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 7,337,369	\$ 6,903,933	\$ 6,243,134	\$ 5,593,683	\$ 5,624,392
Contributions as a percentage of covered payroll	14.22%	13.15%	12.07%	11.73%	9.15%

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method: Entry Age (applies to all valuation dates)

Amortization method: Level percentage of payroll, closed (applies to all valuation dates)

Asset valuation method: Market value of assets

Inflation:

June 30, 2012 through June 30, 2016 valuation dates: 2.75%

June 30, 2017 valuation date: 2.625%

June 30, 2018 through June 30, 2020 valuation dates: 2.500%

June 30, 2021 through June 30, 2022 valuation dates: 2.30%

Salary increases: Depending on age, service, and type of employment

Investment rate of return, net of pension plan investment expense, including inflation:

June 30, 2012 through June 30, 2015 valuation date: 7.50%

June 30, 2016 valuation date: 7.375%

June 30, 2017 valuation date: 7.25%

June 30, 2018 through June 30, 2020 valuation dates: 7.00%

June 30, 2021 through June 30, 2022 valuation dates: 6.8%

Retirement age: 50 years for all plans with the exception of 52 for Miscellaneous PEPRA which is 2% at 62 years

Mortality: Based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF MALIBU
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB (ASSET)/LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal year ending June 30,	2025	2024	2023	2022
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Total OPEB Liability:				
Service cost	\$ 728,853	\$ 535,369	\$ 521,040	\$ 452,928
Interest on total OPEB liability	680,017	568,340	521,619	484,049
Differences between expected & actual experience	-	126,205	-	47,734
Changes in assumptions	-	714,695	-	397,764
Benefit payments	(373,222)	(329,311)	(289,603)	(261,935)
Net change in total OPEB liability	1,035,648	1,615,298	753,056	1,120,540
Total OPEB liability - beginning of year	10,338,025	8,722,727	7,969,671	6,849,131
Total OPEB liability - end of year [a]	11,373,673	10,338,025	8,722,727	7,969,671
Plan Fiduciary Net Position:				
Contributions - employer	220,402	38,291	848,722	262,524
Net investment income	930,677	540,898	(1,317,558)	1,940,965
Administrative expenses	(3,972)	(3,473)	(3,169)	(3,251)
Benefit payments	(373,222)	(329,311)	(289,603)	(261,935)
Net change in plan fiduciary net position	773,885	246,405	(761,608)	1,938,303
Plan fiduciary net position - beginning of year	8,430,733	8,184,328	8,945,936	7,007,633
Plan fiduciary net position - end of year [b]	9,204,618	8,430,733	8,184,328	8,945,936
Net OPEB (asset)/liability - end of year [a]-[b]	\$ 2,169,055	\$ 1,907,292	\$ 538,399	\$ (976,265)
Plan fiduciary net position as a % of total OPEB liability	80.93%	81.55%	93.83%	112.25%
Covered-employee payroll, measurement date	\$ 9,210,488	\$ 8,104,391	\$ 7,351,866	\$ 6,936,621
Net OPEB (asset)/liability as a % of covered-employee payroll	23.55%	23.53%	7.32%	-14.07%
Fiscal year ending June 30,	2021	2020	2019	2018
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:				
Service cost	\$ 447,606	\$ 463,092	\$ 446,600	\$ 434,000
Interest on total OPEB liability	449,255	465,728	419,700	377,000
Differences between expected & actual experience	-	(888,466)	-	-
Changes in assumptions	(130,481)	(40,582)	-	-
Benefit payments	(250,569)	(206,069)	(195,683)	(192,000)
Net change in total OPEB liability	515,811	(206,297)	670,617	619,000
Total OPEB liability - beginning of year	6,333,320	6,539,617	5,869,000	5,250,000
Total OPEB liability - end of year [a]	6,849,131	6,333,320	6,539,617	5,869,000
Plan Fiduciary Net Position:				
Contributions - employer	773,180	760,595	761,538	720,000
Net investment income	281,616	342,290	352,724	389,000
Administrative expenses	(3,622)	(1,576)	(8,791)	(3,000)
Benefit payments	(250,569)	(206,069)	(195,683)	(192,000)
Net change in plan fiduciary net position	800,605	895,240	909,788	914,000
Plan fiduciary net position - beginning of year	6,207,028	5,311,788	4,402,000	3,488,000
Plan fiduciary net position - end of year [b]	7,007,633	6,207,028	5,311,788	4,402,000
Net OPEB (asset)/liability - end of year [a]-[b]	\$ (158,502)	\$ 126,292	\$ 1,227,829	\$ 1,467,000
Plan fiduciary net position as a % of total OPEB liability	102.31%	98.01%	81.22%	75.00%
Covered-employee payroll, measurement date	\$ 7,203,853	\$ 6,769,722	\$ 6,133,000	\$ 5,486,000
Net OPEB (asset)/liability as a % of covered-employee payroll	-2.20%	1.87%	20.02%	26.74%

Notes to schedule:

* Fiscal Year 2017-18 was the first year of implementation; therefore, only eight years are shown.

Benefit Changes: There were no changes in benefits.

Changes in Assumptions - there were no changes in assumptions except for the following:

From Measurement Date June 30, 2018 to June 30, 2019: Demographic assumptions were updated, PEMHCA waived retiree re-election change, and mortality improvement scale updated.

From Measurement Date June 30, 2019 to June 30, 2020: PPACA high cost plan excise tax removed.

From Measurement Date June 30, 2020 to June 30, 2021: Discount rate, inflation assumptions, medical trends, payroll increase assumptions, and family coverage assumptions were updated; new rates were applied from the CalPERS Experience Study; and the mortality improvement scale was updated.

From Measurement Date June 30, 2022 to June 30, 2023: Update to medical trend.

**CITY OF MALIBU
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB PLAN
LAST TEN FISCAL YEARS***

Fiscal year ending June 30, Valuation date	2025 6/30/2023	2024 6/30/2021	2023 6/30/2021	2022 6/30/2019
Actuarially determined contribution	\$ 928,518	\$ 567,889	\$ 545,330	\$ 491,000
Contribution in relation to the actuarially determined contributions**	(551,922)	(220,402)	(38,291)	(848,722)
Contribution deficiency/ (excess)	\$ 376,596	\$ 347,487	\$ 507,039	\$ (357,722)
** Includes the implied subsidy of:	\$ 63,668	\$ 41,055	\$ 37,206	\$ 26,339
Covered-employee payroll	\$ 10,018,207	\$ 9,210,488	\$ 8,104,391	\$ 7,351,866
Contributions as a % of covered-employee payroll	5.5%	2.4%	0.5%	11.5%

Fiscal year ending June 30, Valuation date	2021 6/30/2019	2020 6/30/2017	2019 6/30/2017	2018 6/30/2015
Actuarially determined contribution	\$ 483,000	\$ 625,000	\$ 604,000	\$ 614,000
Contribution in relation to the actuarially determined contributions**	(262,524)	(773,180)	(760,595)	(767,000)
Contribution deficiency/ (excess)	\$ 220,476	\$ (148,180)	\$ (156,595)	\$ (153,000)
** Includes the implied subsidy of:	\$ 26,599	\$ 47,640	\$ 36,193	\$ 37,000
Covered-employee payroll	\$ 6,936,621	\$ 7,203,853	\$ 6,769,722	\$ 6,133,000
Contributions as a % of covered-employee payroll	3.8%	10.7%	11.2%	12.5%

Methods and Assumptions Used to Determine Contribution Rates

- Actuarial cost method: Entry Age Normal, Level % of pay (All years)
- Amortization method: Level percentage of pay (All years)
- Amortization period in years (fiscal year): 21 (2018); 20 (2019); 19 (2020); 18 (2021); 17 (2022); 16 (2023); 15 (2024); 15.2 (2025)
- Asset valuation method: Market value method; investment gains and losses spread over a 5-year rolling period
- Discount rate (fiscal year): 7.25% (2018); 6.75% (2019, 2020, 2021, 2022); 6.25% (2023, 2024, 2025)
- Inflation (fiscal year): 3.00% (2018); 2.75% (2019, 2020, 2021, 2022); 2.50% (2023, 2024, 2025)
- Medical trend: Rate decreasing to an ultimate rate in 2076 and later years
 - Non-Medicare (fiscal year): 7.0%-5.0% (2018); 7.5%-4.0% (2019, 2020); 7.25%-4.0% (2021, 2022); 6.5%-3.75% (2023, 2024); 8.5%-3.45% (2025)
 - Medicare (fiscal year): 7.2%-5.0% (2018); 6.5%-4.0% (2019, 2020); 6.3%-4.0% (2021, 2022); 4.6%-3.75% (2023, 2024) 7.5%-3.45% (2025)
- Mortality (fiscal year):
 - (2018) CalPERS 1997-2011 experience study. Mortality projected fully generational with Scale MP-2014, Modified
 - (2019, 2020) CalPERS 1997-2015 experience study. Mortality projected fully generational with Scale MP-2017
 - (2021, 2022) CalPERS 1997-2015 experience study. Mortality projected fully generational with Scale MP-2019
 - (2023, 2024, 2025) CalPERS 2000-2019 experience study. Mortality projected fully generational with Scale MP-2021

* Fiscal Year 2017-18 was the first year of implementation; therefore, only eight years are shown.

**CITY OF MALIBU
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AND NEXT YEAR'S BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with	FY 2025-26 Original Budget
	Original	Final		Final Budget Positive/ (Negative)	
REVENUES					
Taxes	\$ 43,337,245	\$ 43,755,971	\$ 39,134,518	\$ (4,621,453)	\$ 39,980,000
Fines and forfeitures	2,050,000	2,050,000	2,027,993	(22,007)	2,000,000
Intergovernmental	2,720,327	3,555,619	831,529	(2,724,090)	3,499,136
Use of money and property	3,550,000	3,550,000	5,178,040	1,628,040	3,520,000
Charges for services	10,135,850	10,200,850	7,740,486	(2,460,364)	8,592,250
Other	25,000	127,655	764,301	636,646	2,538,000
Total revenues	<u>61,818,422</u>	<u>63,240,095</u>	<u>55,676,867</u>	<u>(7,563,228)</u>	<u>60,129,386</u>
EXPENDITURES					
Current:					
Legislative and advisory	2,955,924	3,265,248	3,737,455	(472,207)	3,029,101
General government	10,469,229	11,052,230	9,123,044	1,929,186	12,013,798
Public safety	16,409,817	16,544,817	14,764,350	1,780,467	16,667,786
Community development	14,232,612	14,246,612	10,176,173	4,070,439	16,362,861
Community services	3,881,734	3,885,134	3,099,256	785,878	4,745,854
Public works	6,972,457	15,732,096	13,817,143	1,914,953	16,217,189
Capital outlay	6,698,007	11,527,166	7,256,139	4,271,027	-
Debt service:					
Principal	1,145,217	1,145,217	1,145,217	-	2,014,701
Interest	2,078,805	2,078,805	2,078,805	-	1,285,000
Total expenditures	<u>64,843,802</u>	<u>79,477,325</u>	<u>65,197,582</u>	<u>14,279,743</u>	<u>72,336,290</u>
Revenues over (under) expenditures	<u>\$ (3,025,380)</u>	<u>\$ (16,237,230)</u>	<u>(9,520,715)</u>	<u>\$ 6,716,515</u>	<u>\$ (12,206,904)</u>
OTHER FINANCING SOURCES/(USES)					
Transfers in			876,163		
Transfers out			<u>(2,865,068)</u>		
Total other financing sources/(uses)			<u>(1,988,905)</u>		
Net change in fund balance			(11,509,620)		
FUND BALANCE - BEGINNING			<u>95,307,600</u>		
FUND BALANCE - ENDING			<u>\$ 83,797,980</u>		

**CITY OF MALIBU
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,792,387	\$ 11,133,587	\$ 7,259,681	\$ (3,873,906)
OTHER FINANCING USES				
Transfers out			(8,055,365)	
Net change in fund balance			(795,684)	
FUND BALANCE - BEGINNING			(1,119,556)	
FUND BALANCE - ENDING			\$ (1,915,240)	

CITY OF MALIBU, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

1. BUDGETS AND BUDGETARY PRINCIPLES

General Budget Policies

The City Manager submits a proposed budget to the City Council by May 15th of each year. The City Council holds public hearings, modifies the City Manager's recommendations, and adopts a final budget by resolution prior to June 30th of each year. The City Manager is authorized to transfer budgeted amounts between line items within a fund. Any revisions or transfers that alter the total appropriations of any fund must be approved by the City Council. Supplemental appropriations may be adopted by the City Council during the year.

Budgets are adopted consistent with generally accepted accounting principles and are used as a management control device. Annual appropriated budgets are adopted for the General Fund and generally for all Special Revenue funds.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The annual budget indicates appropriations by fund, and the legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is within a fund.

Continuing Appropriations

Unexpended annual appropriations lapse at the end of the fiscal year; encumbered appropriations are re-budgeted in the next fiscal year. Unexpended capital improvement appropriations are carried forward until the improvements or programs are complete.

Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. The budgeted amounts presented are as originally adopted and as further amended by the City Council. Revenues with significant adjustments were to increase estimates for grant revenues.

Supplemental appropriations were required and approved by the City Council for the General Fund which increased the originally adopted budget of \$64.8 million to \$79.5 million. The most significant budget amendments were to increase budgets in response to three fires that occurred during the fiscal year. Other budget amendments were for carryover appropriations from the prior year.

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue Funds					
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	Air Quality Management
ASSETS						
Cash and investments	\$ 62,255	\$ 311,693	\$ 720,433	\$ 210,620	\$ 155,596	\$ 169,490
Receivables:						
Accounts	-	-	-	-	-	-
Other governments	25,693	18,612	10,429	-	-	3,697
Total assets	<u>\$ 87,948</u>	<u>\$ 330,305</u>	<u>\$ 730,862</u>	<u>\$ 210,620</u>	<u>\$ 155,596</u>	<u>\$ 173,187</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 47,090	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>47,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted						
Public works	87,948	330,305	-	-	-	173,187
Capital projects:						
Public works	-	-	-	210,620	155,596	-
Community services	-	-	-	-	-	-
Community services	-	-	683,772	-	-	-
Special districts	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>87,948</u>	<u>330,305</u>	<u>683,772</u>	<u>210,620</u>	<u>155,596</u>	<u>173,187</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,948</u>	<u>\$ 330,305</u>	<u>\$ 730,862</u>	<u>\$ 210,620</u>	<u>\$ 155,596</u>	<u>\$ 173,187</u>

(Continued)

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025
(Continued)

	Special Revenue Funds						
	Solid Waste Management Surcharge	Parkland Development In-Lieu	Quimby Act Parkland Dedication	Brulte Bill Grant	Measure M	Road Maintenance RMRA/SB1	Art in Public Places In-Lieu
ASSETS							
Cash and investments	\$ 8,381	\$ 205,306	\$ 4,278	\$ -	\$ 259,611	\$ 580,735	\$ 39,849
Receivables:							
Accounts	13,234	-	-	-	-	-	-
Other governments	1,226	-	-	-	-	51,628	-
Total assets	\$ 22,841	\$ 205,306	\$ 4,278	\$ -	\$ 259,611	\$ 632,363	\$ 39,849
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 19,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	68,433	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	88,263	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	-	-	-
FUND BALANCES							
Restricted							
Public works	-	-	-	-	259,611	632,363	-
Capital projects:							
Public works	-	-	-	-	-	-	-
Community services	-	205,306	4,278	-	-	-	39,849
Community services	-	-	-	-	-	-	-
Special districts	-	-	-	-	-	-	-
Unassigned	(65,422)	-	-	-	-	-	-
Total fund balances	(65,422)	205,306	4,278	-	259,611	632,363	39,849
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,841	\$ 205,306	\$ 4,278	\$ -	\$ 259,611	\$ 632,363	\$ 39,849

Special Revenue Funds					Total
Community Development Block Grant	Measure W	Big Rock Mesa LMD	Malibu Road LMD	Calle del Barco LMD	Non-major Governmental Funds
\$ -	\$ 686,805	\$ 222,584	\$ 86,175	\$ 120,015	\$ 3,843,826
-	-	-	-	-	13,234
18,509	-	49,425	-	7,708	186,927
<u>\$ 18,509</u>	<u>\$ 686,805</u>	<u>\$ 272,009</u>	<u>\$ 86,175</u>	<u>\$ 127,723</u>	<u>\$ 4,043,987</u>
\$ 11,267	\$ -	\$ 132,199	\$ 35,170	\$ 12,272	\$ 257,828
-	-	-	-	-	68,433
7,242	-	-	-	-	7,242
<u>18,509</u>	<u>-</u>	<u>132,199</u>	<u>35,170</u>	<u>12,272</u>	<u>333,503</u>
<u>9,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,822</u>
-	686,805	-	-	-	2,170,219
-	-	-	-	-	366,216
-	-	-	-	-	249,433
-	-	-	-	-	683,772
-	-	139,810	51,005	115,451	306,266
(9,822)	-	-	-	-	(75,244)
<u>(9,822)</u>	<u>686,805</u>	<u>139,810</u>	<u>51,005</u>	<u>115,451</u>	<u>3,700,662</u>
<u>\$ 18,509</u>	<u>\$ 686,805</u>	<u>\$ 272,009</u>	<u>\$ 86,175</u>	<u>\$ 127,723</u>	<u>\$ 4,043,987</u>

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					Air Quality Management
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	255,236	-	-	-	-
Intergovernmental	303,565	-	286,250	228,787	171,558	14,157
Use of money and property	6,100	16,145	32,601	16,611	12,348	7,836
Charges for services	-	-	-	-	-	-
Total revenues	<u>309,665</u>	<u>271,381</u>	<u>318,851</u>	<u>245,398</u>	<u>183,906</u>	<u>21,993</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Community services	-	-	282,868	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>282,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>309,665</u>	<u>271,381</u>	<u>35,983</u>	<u>245,398</u>	<u>183,906</u>	<u>21,993</u>
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(225,000)	(200,000)	-	(290,000)	(220,000)	(20,190)
Total other financing sources/(uses)	<u>(225,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(290,000)</u>	<u>(220,000)</u>	<u>(20,190)</u>
Net change in fund balance	84,665	71,381	35,983	(44,602)	(36,094)	1,803
FUND BALANCE - BEGINNING	<u>3,283</u>	<u>258,924</u>	<u>647,789</u>	<u>255,222</u>	<u>191,690</u>	<u>171,384</u>
FUND BALANCE - ENDING	<u>\$ 87,948</u>	<u>\$ 330,305</u>	<u>\$ 683,772</u>	<u>\$ 210,620</u>	<u>\$ 155,596</u>	<u>\$ 173,187</u>

Special Revenue Funds

Solid Waste Management Surcharge	Parkland Development In-Lieu	Quimby Act Parkland Dedication	Brulte Bill Grant	Measure M	Road Maintenance RMRA/SB1	Art in Public Places In-Lieu
\$ -	\$ 14,904	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
16,567	-	-	194,663	194,370	292,976	-
387	8,404	185	-	23,685	30,885	1,724
94,454	-	-	-	-	-	-
<u>111,408</u>	<u>23,308</u>	<u>185</u>	<u>194,663</u>	<u>218,055</u>	<u>323,861</u>	<u>1,724</u>
-	-	-	-	-	-	-
-	-	-	194,663	-	-	-
312,202	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>312,202</u>	<u>-</u>	<u>-</u>	<u>194,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(200,794)</u>	<u>23,308</u>	<u>185</u>	<u>-</u>	<u>218,055</u>	<u>323,861</u>	<u>1,724</u>
154,033	-	-	-	-	-	-
(25,195)	-	-	-	(390,000)	(280,000)	-
<u>128,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(390,000)</u>	<u>(280,000)</u>	<u>-</u>
(71,956)	23,308	185	-	(171,945)	43,861	1,724
6,534	181,998	4,093	-	431,556	588,502	38,125
<u>\$ (65,422)</u>	<u>\$ 205,306</u>	<u>\$ 4,278</u>	<u>\$ -</u>	<u>\$ 259,611</u>	<u>\$ 632,363</u>	<u>\$ 39,849</u>

(Continued)

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

	Special Revenue Funds					Total Non-major Governmental Funds
	Community Development Block Grant	Measure W	Big Rock Mesa LMD	Malibu Road LMD	Calle del Barco LMD	
REVENUES						
Taxes	\$ -	\$ -	\$ 322,949	\$ 64,607	\$ 68,043	\$ 470,503
Fines and forfeitures	-	-	-	-	-	255,236
Intergovernmental	139,104	-	-	-	-	1,841,997
Use of money and property	-	37,192	8,560	2,868	4,987	210,518
Charges for services	-	-	-	-	-	94,454
Total revenues	139,104	37,192	331,509	67,475	73,030	2,872,708
EXPENDITURES						
Current:						
General government	9,791	-	-	-	-	9,791
Public safety	-	-	-	-	-	194,663
Community development	-	-	-	-	-	312,202
Community services	-	-	-	-	-	282,868
Public works	-	-	238,785	45,051	49,684	333,520
Capital outlay	106,919	-	116,000	22,481	7,435	252,835
Total expenditures	116,710	-	354,785	67,532	57,119	1,385,879
Revenues over (under) expenditures	22,394	37,192	(23,276)	(57)	15,911	1,486,829
OTHER FINANCING SOURCES/(USES)						
Transfers in	106,962	-	-	-	-	260,995
Transfers out	(136,164)	(172,856)	-	-	-	(1,959,405)
Total other financing sources/(uses)	(29,202)	(172,856)	-	-	-	(1,698,410)
Net change in fund balance	(6,808)	(135,664)	(23,276)	(57)	15,911	(211,581)
FUND BALANCE - BEGINNING	(3,014)	822,469	163,086	51,062	99,540	3,912,243
FUND BALANCE - ENDING	\$ (9,822)	\$ 686,805	\$ 139,810	\$ 51,005	\$ 115,451	\$ 3,700,662

**CITY OF MALIBU
STATE GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 293,789	\$ 293,789	\$ 303,565	\$ 9,776
Use of money and property	<u>13,000</u>	<u>13,000</u>	<u>6,100</u>	<u>(6,900)</u>
Total revenues	<u>\$ 306,789</u>	<u>\$ 306,789</u>	309,665	<u>\$ 2,876</u>
OTHER FINANCING USES				
Transfers out			<u>(225,000)</u>	
Net change in fund balance			84,665	
FUND BALANCE - BEGINNING			<u>3,283</u>	
FUND BALANCE - ENDING			<u>\$ 87,948</u>	

**CITY OF MALIBU
TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 255,236	\$ 55,236
Use of money and property	<u>39,000</u>	<u>39,000</u>	<u>16,145</u>	<u>(22,855)</u>
Total revenues	<u>\$ 239,000</u>	<u>\$ 239,000</u>	271,381	<u>\$ 32,381</u>
OTHER FINANCING USES				
Transfers out			<u>(200,000)</u>	
Net change in fund balance			71,381	
FUND BALANCE - BEGINNING			<u>258,924</u>	
FUND BALANCE - ENDING			<u>\$ 330,305</u>	

**CITY OF MALIBU
PROPOSITION A SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 295,667	\$ 295,667	\$ 286,250	\$ (9,417)
Use of money and property	<u>158,000</u>	<u>158,000</u>	<u>32,601</u>	<u>(125,399)</u>
Total revenues	453,667	453,667	318,851	(134,816)
EXPENDITURES				
Current:				
Community services	<u>196,500</u>	<u>340,500</u>	<u>282,868</u>	<u>57,632</u>
Revenues over (under) expenditures	<u>\$ 257,167</u>	<u>\$ 113,167</u>	35,983	<u>\$ (77,184)</u>
FUND BALANCE - BEGINNING			<u>647,789</u>	
FUND BALANCE - ENDING			<u>\$ 683,772</u>	

**CITY OF MALIBU
PROPOSITION C SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 245,248	\$ 245,248	\$ 228,787	\$ (16,461)
Use of money and property	<u>58,000</u>	<u>58,000</u>	<u>16,611</u>	<u>(41,389)</u>
Total revenues	<u>\$ 303,248</u>	<u>\$ 303,248</u>	245,398	<u>\$ (57,850)</u>
OTHER FINANCING USES				
Transfers out			<u>(290,000)</u>	
Net change in fund balance			(44,602)	
FUND BALANCE - BEGINNING			<u>255,222</u>	
FUND BALANCE - ENDING			<u>\$ 210,620</u>	

**CITY OF MALIBU
 MEASURE R SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 183,936	\$ 183,936	\$ 171,558	\$ (12,378)
Use of money and property	<u>44,000</u>	<u>44,000</u>	<u>12,348</u>	<u>(31,652)</u>
Total revenues	<u>\$ 227,936</u>	<u>\$ 227,936</u>	183,906	<u>\$ (44,030)</u>
OTHER FINANCING USES				
Transfers out			<u>(220,000)</u>	
Net change in fund balance			(36,094)	
FUND BALANCE - BEGINNING			<u>191,690</u>	
FUND BALANCE - ENDING			<u>\$ 155,596</u>	

CITY OF MALIBU
AIR QUALITY MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 15,000	\$ 20,000	\$ 14,157	\$ (5,843)
Use of money and property	<u>24,000</u>	<u>24,000</u>	<u>7,836</u>	<u>(16,164)</u>
Total revenues	<u>\$ 39,000</u>	<u>\$ 44,000</u>	21,993	<u>\$ (22,007)</u>
OTHER FINANCING USES				
Transfers out			<u>(20,190)</u>	
Net change in fund balance			1,803	
FUND BALANCE - BEGINNING			<u>171,384</u>	
FUND BALANCE - ENDING			<u>\$ 173,187</u>	

CITY OF MALIBU
SOLID WASTE MANAGEMENT SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 16,567	\$ (63,433)
Use of money and property	3,000	3,000	387	(2,613)
Charges for services	<u>138,150</u>	<u>138,150</u>	<u>94,454</u>	<u>(43,696)</u>
Total revenues	221,150	221,150	111,408	(109,742)
EXPENDITURES				
Current:				
Community development	<u>491,880</u>	<u>491,880</u>	<u>312,202</u>	<u>179,678</u>
Revenues over (under) expenditures	<u>\$ (270,730)</u>	<u>\$ (270,730)</u>	<u>(200,794)</u>	<u>\$ (289,420)</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in			154,033	
Transfers out			<u>(25,195)</u>	
Total other financing sources/(uses)			<u>128,838</u>	
Net change in fund balance			(71,956)	
FUND BALANCE - BEGINNING			<u>6,534</u>	
FUND BALANCE - ENDING			<u>\$ (65,422)</u>	

CITY OF MALIBU
PARKLAND DEVELOPMENT IN-LIEU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 14,904	\$ (5,096)
Use of money and property	26,000	26,000	8,404	(17,596)
Total revenues	<u>\$ 46,000</u>	<u>\$ 46,000</u>	23,308	<u>\$ (22,692)</u>
FUND BALANCE - BEGINNING			<u>181,998</u>	
FUND BALANCE - ENDING			<u>\$ 205,306</u>	

CITY OF MALIBU
QUIMBY ACT PARKLAND DEDICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	<u>\$ 1,000</u>	<u>\$ 1,000</u>	\$ 185	<u>\$ (815)</u>
FUND BALANCE - BEGINNING			<u>4,093</u>	
FUND BALANCE - ENDING			<u>\$ 4,278</u>	

**CITY OF MALIBU
 BRULTE BILL GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 175,000	\$ 194,663	\$ 194,663	\$ -
EXPENDITURES				
Current:				
Public safety	175,000	194,663	194,663	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			<u>\$ -</u>	

**CITY OF MALIBU
 MEASURE M SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 208,461	\$ 208,461	\$ 194,370	\$ (14,091)
Use of money and property	<u>67,000</u>	<u>67,000</u>	<u>23,685</u>	<u>(43,315)</u>
Total revenues	<u>\$ 275,461</u>	<u>\$ 275,461</u>	218,055	<u>\$ (57,406)</u>
OTHER FINANCING USES				
Transfers out			<u>(390,000)</u>	
Net change in fund balance			(171,945)	
FUND BALANCE - BEGINNING			<u>431,556</u>	
FUND BALANCE - ENDING			<u>\$ 259,611</u>	

CITY OF MALIBU
ROAD MAINTENANCE RMRA/SB1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 257,109	\$ 257,109	\$ 292,976	\$ 35,867
Use of money and property	97,000	97,000	30,885	(66,115)
Total revenues	\$ 354,109	\$ 354,109	323,861	\$ (30,248)
OTHER FINANCING USES				
Transfers out			(280,000)	
Net change in fund balance			43,861	
FUND BALANCE - BEGINNING			588,502	
FUND BALANCE - ENDING			\$ 632,363	

CITY OF MALIBU
ART IN PUBLIC PLACES IN-LIEU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 6,000	\$ 6,000	\$ 1,724	\$ (4,276)
Total revenues	<u>\$ 6,000</u>	<u>\$ 6,000</u>	1,724	<u>\$ (4,276)</u>
FUND BALANCE - BEGINNING			<u>38,125</u>	
FUND BALANCE - ENDING			<u>\$ 39,849</u>	

CITY OF MALIBU
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 65,276	\$ 65,276	\$ 139,104	\$ 73,828
EXPENDITURES				
Current:				
General government	9,791	9,791	9,791	-
Capital outlay	-	105,000	106,919	(1,919)
Total expenditures	<u>9,791</u>	<u>114,791</u>	<u>116,710</u>	<u>(1,919)</u>
Revenues over (under) expenditures	<u>\$ 55,485</u>	<u>\$ (49,515)</u>	<u>22,394</u>	<u>\$ 71,909</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in			106,962	
Transfers out			<u>(136,164)</u>	
Total other financing sources/(uses)			<u>(29,202)</u>	
Net change in fund balance			(6,808)	
FUND BALANCE - BEGINNING			<u>(3,014)</u>	
FUND BALANCE - ENDING			<u>\$ (9,822)</u>	

**CITY OF MALIBU
 MEASURE W SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 380,000	\$ 380,000	\$ -	\$ (380,000)
Use of money and property	<u>85,000</u>	<u>85,000</u>	<u>37,192</u>	<u>(47,808)</u>
Total revenues	<u>\$ 465,000</u>	<u>\$ 465,000</u>	37,192	<u>\$ (427,808)</u>
OTHER FINANCING USES				
Transfers out			<u>(172,856)</u>	
Net change in fund balance			(135,664)	
FUND BALANCE - BEGINNING			<u>822,469</u>	
FUND BALANCE - ENDING			<u>\$ 686,805</u>	

CITY OF MALIBU
BIG ROCK MESA LMD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 370,837	\$ 370,837	\$ 322,949	\$ (47,888)
Use of money and property	17,000	17,000	8,560	(8,440)
Total revenues	<u>387,837</u>	<u>387,837</u>	<u>331,509</u>	<u>(56,328)</u>
EXPENDITURES				
Current:				
Public works	286,424	286,424	238,785	47,639
Capital outlay	86,000	86,000	116,000	(30,000)
Total expenditures	<u>372,424</u>	<u>372,424</u>	<u>354,785</u>	<u>17,639</u>
Revenues over (under) expenditures	<u>\$ 15,413</u>	<u>\$ 15,413</u>	(23,276)	<u>\$ (38,689)</u>
FUND BALANCE - BEGINNING			<u>163,086</u>	
FUND BALANCE - ENDING			<u>\$ 139,810</u>	

**CITY OF MALIBU
MALIBU ROAD LMD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 67,238	\$ 67,238	\$ 64,607	\$ (2,631)
Use of money and property	8,000	8,000	2,868	(5,132)
Total revenues	<u>75,238</u>	<u>75,238</u>	<u>67,475</u>	<u>(7,763)</u>
EXPENDITURES				
Current:				
Public works	61,899	61,899	45,051	16,848
Capital outlay	<u>22,500</u>	<u>22,500</u>	<u>22,481</u>	<u>19</u>
Total expenditures	<u>84,399</u>	<u>84,399</u>	<u>67,532</u>	<u>16,867</u>
Revenues over (under) expenditures	<u>\$ (9,161)</u>	<u>\$ (9,161)</u>	(57)	<u>\$ 9,104</u>
FUND BALANCE - BEGINNING			<u>51,062</u>	
FUND BALANCE - ENDING			<u>\$ 51,005</u>	

**CITY OF MALIBU
 CALLE DEL BARCO LMD SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 85,673	\$ 85,673	\$ 68,043	\$ (17,630)
Use of money and property	14,000	14,000	4,987	(9,013)
Total revenues	<u>99,673</u>	<u>99,673</u>	<u>73,030</u>	<u>(26,643)</u>
EXPENDITURES				
Current:				
Public works	64,039	64,039	49,684	14,355
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>7,435</u>	<u>12,565</u>
Total expenditures	<u>84,039</u>	<u>84,039</u>	<u>57,119</u>	<u>26,920</u>
Revenues over (under) expenditures	<u>\$ 15,634</u>	<u>\$ 15,634</u>	15,911	<u>\$ 277</u>
FUND BALANCE - BEGINNING			<u>99,540</u>	
FUND BALANCE - ENDING			<u>\$ 115,451</u>	

CITY OF MALIBU
COMMERCIAL REAL ESTATE RENTAL ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Budgetary Adjustments	Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final				
OPERATING REVENUES						
Charges for sales and services:						
Property-related income	\$ 1,623,379	\$ 1,568,196	\$ 1,568,196	\$ -	\$ 1,568,196	\$ -
Other operating income	150,000	150,000	184,880	-	184,880	34,880
Total operating revenues	<u>1,773,379</u>	<u>1,718,196</u>	<u>1,753,076</u>	<u>-</u>	<u>1,753,076</u>	<u>34,880</u>
OPERATING EXPENSES						
Personnel services	143,662	143,662	117,969	-	117,969	25,693
Professional and contractual services	467,400	467,400	384,261	-	384,261	83,139
Repairs and maintenance	120,000	210,000	108,819	-	108,819	101,181
Utilities	223,100	223,100	197,721	-	197,721	25,379
Supplies	6,800	6,800	574	-	574	6,226
Total operating expenses	<u>960,962</u>	<u>1,050,962</u>	<u>809,344</u>	<u>-</u>	<u>809,344</u>	<u>241,618</u>
Operating income before depreciation	812,417	667,234	943,732	-	943,732	276,498
Depreciation expense	-	-	1,329,324	(1,329,324)	-	-
Operating income/(loss)	<u>812,417</u>	<u>667,234</u>	<u>(385,592)</u>	<u>1,329,324</u>	<u>943,732</u>	<u>276,498</u>
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	143,000	143,000	51,557	-	51,557	(91,443)
Interest expense	(416,901)	(416,901)	(437,710)	-	(437,710)	(20,809)
Principal payments on debt	(675,000)	(675,000)	-	(675,000)	(675,000)	-
Total nonoperating revenues (expenses)	<u>(948,901)</u>	<u>(948,901)</u>	<u>(386,153)</u>	<u>(675,000)</u>	<u>(1,061,153)</u>	<u>(112,252)</u>
Change in net position	<u>\$ (136,484)</u>	<u>\$ (281,667)</u>	<u>(771,745)</u>	<u>\$ 654,324</u>	<u>\$ (117,421)</u>	<u>\$ 164,246</u>
NET POSITION - BEGINNING			<u>18,336,678</u>			
NET POSITION - ENDING			<u>\$ 17,564,933</u>			

CITY OF MALIBU
WASTEWATER TREATMENT ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Budgetary Adjustments	Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final				
OPERATING REVENUES						
Charges for sales and services:						
Sewer service fees	\$ 2,300,000	\$ 2,300,000	\$ 2,319,590	\$ -	\$ 2,319,590	\$ 19,590
OPERATING EXPENSES						
Personnel services	98,361	98,361	93,403	-	93,403	4,958
Professional and contractual services	318,610	318,610	270,241	-	270,241	48,369
Repairs and maintenance	1,509,944	1,534,944	1,526,034	-	1,526,034	8,910
Utilities	235,876	235,876	222,736	-	222,736	13,140
Supplies	42,665	42,665	18,723	-	18,723	23,942
Total operating expenses	2,205,456	2,230,456	2,131,137	-	2,131,137	99,319
Operating income before depreciation	94,544	69,544	188,453	-	188,453	118,909
Depreciation expense	-	-	1,355,406	(1,355,406)	-	-
Operating income/(loss)	94,544	69,544	(1,166,953)	1,355,406	188,453	118,909
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	24,000	24,000	106,604	-	106,604	82,604
Income/(loss) before capital activities	118,544	93,544	(1,060,349)	1,355,406	295,057	201,513
Change in net position	\$ 118,544	\$ 93,544	\$ (1,060,349)	\$ 1,355,406	\$ 295,057	\$ 201,513
NET POSITION - BEGINNING			55,452,596			
NET POSITION - ENDING			\$ 54,392,247			

CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Custodial Funds			Total Custodial Funds
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	
ASSETS				
Cash and cash equivalents	\$ 249,655	\$ 134,383	\$ 3,915,904	\$ 4,299,942
Cash and cash equivalents with fiscal agents	219,330	165,166	4,222,490	4,606,986
Due from other governments	27,564	8,953	12,135	48,652
Total assets	496,549	308,502	8,150,529	8,955,580
LIABILITIES				
Accounts payable	3,292	2,750	2,933	8,975
NET POSITION				
Restricted for individuals, other organizations, and governments	<u>\$ 493,257</u>	<u>\$ 305,752</u>	<u>\$ 8,147,596</u>	<u>\$ 8,946,605</u>

**CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Custodial Funds			Total Custodial Funds
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	
ADDITIONS				
Collections from special assessments	\$ 196,791	\$ 152,577	\$ 2,299,036	\$ 2,648,404
Investment earnings	8,323	10,236	317,742	336,301
Total additions	<u>205,114</u>	<u>162,813</u>	<u>2,616,778</u>	<u>2,984,705</u>
DEDUCTIONS				
Payments for administrative charges	22,683	5,160	23,957	51,800
Interest payments	74,188	76,521	717,837	868,546
Payments for special assessment debt	130,000	55,000	1,569,641	1,754,641
Total deductions	<u>226,871</u>	<u>136,681</u>	<u>2,311,435</u>	<u>2,674,987</u>
Net increase in net position	(21,757)	26,132	305,343	309,718
NET POSITION - BEGINNING	<u>515,014</u>	<u>279,620</u>	<u>7,842,253</u>	<u>8,636,887</u>
NET POSITION - ENDING	<u>\$ 493,257</u>	<u>\$ 305,752</u>	<u>\$ 8,147,596</u>	<u>\$ 8,946,605</u>

STATISTICAL SECTION (UNAUDITED)

This part of the City of Malibu's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source - property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. Data on the largest employers in the City is not currently available.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF MALIBU
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	Fiscal 2021
Governmental activities						
Net investment in capital assets	\$ 47,850	\$ 48,132	\$ 48,033	\$ 66,651	\$ 70,790	\$ 75,398
Restricted	3,109	1,339	1,447	4,206	5,181	5,613
Unrestricted	23,870	30,394	35,743	24,395	42,408	50,728
Total net position	<u>\$ 74,829</u>	<u>\$ 79,865</u>	<u>\$ 85,223</u>	<u>\$ 95,252</u>	<u>\$ 118,379</u>	<u>\$ 131,739</u>
Business-type activities						
Net investment in capital assets	\$ 34,153	\$ 62,921	\$ 77,438	\$ 78,127	\$ 77,083	\$ 74,340
Restricted	3,323	3,985	4,350	3,403	3,440	-
Unrestricted	6,802	6,264	6,336	9,234	8,113	3,678
Total net position	<u>\$ 44,278</u>	<u>\$ 73,170</u>	<u>\$ 88,124</u>	<u>\$ 90,764</u>	<u>\$ 88,636</u>	<u>\$ 78,018</u>
Primary government						
Net investment in capital assets	\$ 82,003	\$ 111,053	\$ 125,471	\$ 144,778	\$ 147,873	\$ 149,738
Restricted	6,432	5,324	5,797	7,609	8,621	5,613
Unrestricted	30,672	36,658	42,079	33,629	50,521	54,406
Total net position	<u>\$ 119,107</u>	<u>\$ 153,035</u>	<u>\$ 173,347</u>	<u>\$ 186,016</u>	<u>\$ 207,015</u>	<u>\$ 209,757</u>

Source: City of Malibu, Finance Department

Year			
2022	2023	2024	2025
\$ 75,315	\$ 75,848	\$ 77,663	\$ 83,057
5,994	6,546	6,463	6,768
66,752	78,761	88,162	75,734
<u>\$ 148,061</u>	<u>\$ 161,155</u>	<u>\$ 172,288</u>	<u>\$ 165,559</u>
\$ 73,112	\$ 70,688	\$ 69,034	\$ 67,037
-	1	1	1
3,503	4,578	4,755	4,919
<u>\$ 76,615</u>	<u>\$ 75,267</u>	<u>\$ 73,790</u>	<u>\$ 71,957</u>
\$ 148,427	\$ 146,536	\$ 146,697	\$ 150,094
5,994	6,547	6,464	6,769
70,255	83,339	92,917	80,653
<u>\$ 224,676</u>	<u>\$ 236,422</u>	<u>\$ 246,078</u>	<u>\$ 237,516</u>

CITY OF MALIBU
Changes in Net Position- Last Ten Fiscal Years
(accrual basis of accounting) (amounts expressed in thousands)

	2016	2017	2018	2019	2020	Fiscal 2021
Expenses						
Governmental activities:						
Legislative and advisory	\$ 1,757	\$ 1,538	\$ 1,529	\$ 1,825	\$ 1,638	\$ 2,036
General government	5,395	5,506	6,268	6,664	6,810	7,459
Public safety	6,860	7,437	7,985	8,372	9,072	9,909
Community development	5,240	5,622	5,878	6,373	6,478	5,988
Community services	2,667	2,497	2,952	3,173	2,773	2,592
Public works	4,746	4,405	5,392	8,798	10,041	10,385
Interest on long-term debt	1,110	1,197	1,229	2,008	2,162	2,135
Total governmental activities expenses	<u>27,775</u>	<u>28,202</u>	<u>31,233</u>	<u>37,213</u>	<u>38,974</u>	<u>40,504</u>
Business type activities:						
Commercial real estate rental	2,293	2,243	2,180	2,423	2,576	2,512
Wastewater treatment	-	1,368	1,252	1,173	2,957	11,551
Total business type activities expenses	<u>2,293</u>	<u>3,611</u>	<u>3,432</u>	<u>3,596</u>	<u>5,533</u>	<u>14,063</u>
Total primary government expenses	<u>\$ 30,068</u>	<u>\$ 31,813</u>	<u>\$ 34,665</u>	<u>\$ 40,809</u>	<u>\$ 44,507</u>	<u>\$ 54,567</u>
Program Revenues						
Governmental activities:						
Charges for services						
Legislative and advisory	\$ 63	\$ 1	\$ 1	\$ 1	\$ -	\$ 2
General government	757	704	775	633	431	725
Public safety	768	761	933	956	1,381	1,581
Community development	4,920	4,759	5,310	5,109	6,389	6,489
Community services	556	566	532	694	388	285
Public works	491	544	517	571	558	576
Operating grants	1,120	1,270	1,887	1,822	2,166	4,811
Capital grants and contributions	55	373	1,217	9,311	7,415	6,521
Total governmental activities program revenues	<u>8,730</u>	<u>8,978</u>	<u>11,172</u>	<u>19,097</u>	<u>18,728</u>	<u>20,990</u>
Business-type activities						
Charges for services:						
Commercial real estate rental	2,183	1,786	1,920	1,583	1,513	1,515
Wastewater treatment	-	269	210	1,088	1,607	1,611
Operating grants	-	-	185	293	101	123
Capital grants and contributions	9,309	30,694	16,370	1,318	-	-
Total business-type activities program revenues	<u>11,492</u>	<u>32,749</u>	<u>18,685</u>	<u>4,282</u>	<u>3,221</u>	<u>3,249</u>
Total primary government program revenues	<u>\$ 20,222</u>	<u>\$ 41,727</u>	<u>\$ 29,857</u>	<u>\$ 23,379</u>	<u>\$ 21,949</u>	<u>\$ 24,239</u>
Net (Expense)/Revenue						
Governmental activities	\$ (19,045)	\$ (19,224)	\$ (20,061)	\$ (18,116)	\$ (20,246)	\$ (19,514)
Business-type activities	9,199	29,138	15,253	686	(2,312)	(10,814)
Total primary government net expenses	<u>\$ (9,846)</u>	<u>\$ 9,914</u>	<u>\$ (4,808)</u>	<u>\$ (17,430)</u>	<u>\$ (22,558)</u>	<u>\$ (30,328)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property	\$ 11,134	\$ 11,911	\$ 12,749	\$ 13,659	\$ 14,280	\$ 15,106
Utility users	2,389	2,376	2,316	2,094	2,164	2,362
Transient occupancy	2,620	3,287	4,677	4,550	4,951	7,904
Franchise	778	708	722	666	663	698
Sales	3,071	3,737	3,542	3,710	3,788	4,337
Parking occupancy	391	427	420	385	392	545
Motor vehicle in lieu	5	6	7	6	10	9
Investment earnings	188	171	391	999	1,182	42
Other	2,481	1,147	1,108	1,936	1,248	1,854
Transfers	(9,907)	490	529	140	233	18
Extraordinary item	-	-	-	-	14,461	-
Total governmental activities	<u>13,150</u>	<u>24,260</u>	<u>26,461</u>	<u>28,145</u>	<u>43,372</u>	<u>32,875</u>
Business-type activities						
Investment earnings	11	55	148	300	232	51
Other	-	189	82	1,794	186	162
Transfers	9,907	(490)	(529)	(140)	(233)	(18)
Total business-type activities	<u>9,918</u>	<u>(246)</u>	<u>(299)</u>	<u>1,954</u>	<u>185</u>	<u>195</u>
Total primary government	<u>\$ 23,068</u>	<u>\$ 24,014</u>	<u>\$ 26,162</u>	<u>\$ 30,099</u>	<u>\$ 43,557</u>	<u>\$ 33,070</u>
Changes in Net Position						
Governmental activities	\$ (5,895)	\$ 5,036	\$ 6,400	\$ 10,029	\$ 23,126	\$ 13,361
Business activities	19,117	28,892	14,954	2,640	(2,127)	(10,619)
Total primary government	<u>\$ 13,222</u>	<u>\$ 33,928</u>	<u>\$ 21,354</u>	<u>\$ 12,669</u>	<u>\$ 20,999</u>	<u>\$ 2,742</u>

Source: City of Malibu, Finance Department

Year			
2022	2023	2024	2025
\$ 1,862	\$ 1,713	\$ 2,780	\$ 3,738
5,562	9,131	10,586	13,445
11,174	11,962	13,718	15,052
6,846	8,763	10,558	10,513
3,147	3,594	4,161	3,697
8,188	8,199	15,197	25,627
2,101	2,059	2,016	1,956
<u>38,880</u>	<u>45,421</u>	<u>59,016</u>	<u>74,028</u>
2,455	2,490	2,579	2,576
2,942	2,951	3,065	3,487
5,397	5,441	5,644	6,063
<u>\$ 44,277</u>	<u>\$ 50,862</u>	<u>\$ 64,660</u>	<u>\$ 80,091</u>

\$ -	\$ 2	\$ -	\$ 1
869	856	734	553
1,733	1,720	1,268	2,283
7,092	7,684	7,915	6,898
618	637	514	355
595	649	608	550
2,366	5,213	3,071	2,562
313	702	7,702	8,887
<u>13,586</u>	<u>17,463</u>	<u>21,812</u>	<u>22,089</u>

1,538	1,575	1,770	1,753
2,211	2,260	2,280	2,320
160	-	-	-
-	-	-	-
<u>3,909</u>	<u>3,835</u>	<u>4,050</u>	<u>4,073</u>
<u>\$ 17,495</u>	<u>\$ 21,298</u>	<u>\$ 25,862</u>	<u>\$ 26,162</u>

\$ (25,294)	\$ (27,958)	\$ (37,204)	\$ (51,939)
(1,488)	(1,606)	(1,594)	(1,990)
<u>\$ (26,782)</u>	<u>\$ (29,564)</u>	<u>\$ (38,798)</u>	<u>\$ (53,929)</u>

\$ 16,055	\$ 17,858	\$ 18,468	\$ 19,828
2,655	3,058	3,028	2,955
10,338	9,531	9,321	5,889
751	817	840	775
5,789	6,406	9,744	8,411
496	484	505	439
15	11	13	17
(454)	1,812	4,768	5,389
5,967	1,075	1,651	1,506
4	-	-	-
-	-	-	-
<u>41,616</u>	<u>41,052</u>	<u>48,338</u>	<u>45,209</u>

21	96	116	158
68	162	-	-
(4)	-	-	-
<u>85</u>	<u>258</u>	<u>116</u>	<u>158</u>
<u>\$ 41,701</u>	<u>\$ 41,310</u>	<u>\$ 48,454</u>	<u>\$ 45,367</u>

\$ 16,322	\$ 13,094	\$ 11,134	\$ (6,730)
(1,403)	(1,348)	(1,478)	(1,832)
<u>\$ 14,919</u>	<u>\$ 11,746</u>	<u>\$ 9,656</u>	<u>\$ (8,562)</u>

CITY OF MALIBU
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Fiscal 2019</u>
General Fund				
Nonspendable	\$ 284	\$ 591	\$ 520	\$ 862
Restricted	2,310	20	262	2,824
Committed	2,545	2,624	3,171	1,826
Assigned	2,238	2,311	1,977	4,927
Unassigned	<u>23,468</u>	<u>28,852</u>	<u>34,970</u>	<u>21,890</u>
Total General Fund	<u>30,845</u>	<u>34,398</u>	<u>40,900</u>	<u>32,329</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	798	1,319	1,426	1,395
Committed	16	1,987	1,973	1,384
Assigned	-	-	-	-
Unassigned	<u>(93)</u>	<u>(2,034)</u>	<u>(2,065)</u>	<u>(1,540)</u>
Total All Other Governmental Funds	<u>721</u>	<u>1,272</u>	<u>1,334</u>	<u>1,239</u>
Total All Governmental Funds	<u>\$ 31,566</u>	<u>\$ 35,670</u>	<u>\$ 42,234</u>	<u>\$ 33,568</u>

Source: City of Malibu, Finance Department

Year	2020	2021	2022	2023	2024	2025
\$ 350	\$ 606	\$ 400	\$ 222	\$ 110	\$ 95	
1,742	1,145	1,108	1,099	1,094	755	
1,651	971	1,510	2,448	8,400	6,205	
15,234	10,005	13,926	13,561	11,671	10,347	
<u>30,687</u>	<u>45,267</u>	<u>55,163</u>	<u>67,826</u>	<u>74,033</u>	<u>66,396</u>	
<u>49,664</u>	<u>57,994</u>	<u>72,107</u>	<u>85,156</u>	<u>95,308</u>	<u>83,798</u>	
1	-	-	-	-	-	
2,623	2,272	2,936	3,762	3,916	3,776	
964	1,197	1,656	1,186	7,290	6,153	
-	-	-	-	-	-	
<u>(1,158)</u>	<u>(1,869)</u>	<u>(2,138)</u>	<u>(1,692)</u>	<u>(8,414)</u>	<u>(8,144)</u>	
<u>2,430</u>	<u>1,600</u>	<u>2,454</u>	<u>3,256</u>	<u>2,792</u>	<u>1,785</u>	
<u>\$ 52,094</u>	<u>\$ 59,594</u>	<u>\$ 74,561</u>	<u>\$ 88,412</u>	<u>\$ 98,100</u>	<u>\$ 85,583</u>	

CITY OF MALIBU
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	Fiscal 2019
Revenues				
Taxes	\$ 22,119	\$ 23,747	\$ 25,748	\$ 26,095
Fines and forfeitures	768	761	933	956
Intergovernmental	2,060	1,664	3,114	10,461
Investment income	188	171	391	999
Charges for services	6,358	6,064	6,684	6,484
Other	1,696	305	185	1,058
Total Revenues	<u>33,189</u>	<u>32,712</u>	<u>37,055</u>	<u>46,053</u>
Expenditures				
Legislative and advisory	1,754	1,535	1,526	1,822
General government	4,698	4,971	5,383	5,701
Public safety	6,841	7,420	7,973	8,250
Community development	5,239	5,610	5,862	6,357
Community services	2,595	2,381	2,653	2,879
Public works	3,082	3,225	2,949	6,423
Capital outlay	1,567	12,176	2,601	45,099
Debt Service				
Issuance of debt financing	-	1,613	-	331
Principal	587	607	807	848
Interest	1,130	1,258	1,300	1,943
Total Expenditures	<u>27,493</u>	<u>40,796</u>	<u>31,054</u>	<u>79,653</u>
Excess of revenues over/(under) expenditures	<u>5,696</u>	<u>(8,084)</u>	<u>6,001</u>	<u>(33,600)</u>
Other Financing Sources/(Uses)				
Transfers in	4,340	1,448	3,175	2,870
Transfers out	(6,322)	(958)	(2,646)	(2,730)
Long term debt issued/refunding payments	99	11,698	34	24,794
Total other financing sources	<u>(1,883)</u>	<u>12,188</u>	<u>563</u>	<u>24,934</u>
Extraordinary items	-	-	-	-
Net change in fund balances	<u>\$ 3,813</u>	<u>\$ 4,104</u>	<u>\$ 6,564</u>	<u>\$ (8,666)</u>
Debt service as a percentage of noncapital expenditures	6.4%	6.5%	7.0%	7.7%

Source: City of Malibu, Finance Department

Year	2020	2021	2022	2023	2024	2025
\$	27,298	\$ 33,020	\$ 38,194	\$ 39,697	\$ 43,245	\$ 39,605
	1,381	1,582	1,733	1,721	1,509	2,283
	3,641	9,533	3,181	6,223	10,540	9,933
	1,182	42	(454)	1,812	4,768	5,389
	7,250	7,542	8,623	9,243	9,193	7,835
	652	265	4,339	65	215	764
	<u>41,404</u>	<u>51,984</u>	<u>55,616</u>	<u>58,761</u>	<u>69,470</u>	<u>65,809</u>
	1,634	2,033	1,858	1,709	2,777	3,737
	5,637	6,160	6,666	7,063	8,215	9,133
	9,046	9,811	11,116	11,765	13,605	14,959
	6,471	5,982	6,839	8,752	10,548	10,488
	2,516	2,337	2,879	3,275	3,878	3,382
	7,148	6,466	5,555	5,933	6,284	14,151
	3,454	8,611	2,576	3,246	11,355	19,252
	-	-	-	-	-	-
	860	881	1,003	1,051	1,100	1,145
	2,271	2,244	2,212	2,172	2,128	2,079
	<u>39,037</u>	<u>44,525</u>	<u>40,704</u>	<u>44,966</u>	<u>59,890</u>	<u>78,326</u>
	<u>2,367</u>	<u>7,459</u>	<u>14,912</u>	<u>13,795</u>	<u>9,580</u>	<u>(12,517)</u>
	2,210	8,054	2,214	1,850	9,597	12,880
	(1,977)	(8,037)	(2,211)	(1,850)	(9,597)	(12,880)
	-	24	52	55	109	-
	<u>233</u>	<u>41</u>	<u>55</u>	<u>55</u>	<u>109</u>	<u>-</u>
	<u>15,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>18,526</u>	<u>\$ 7,500</u>	<u>\$ 14,967</u>	<u>\$ 13,850</u>	<u>\$ 9,689</u>	<u>\$ (12,517)</u>
	8.3%	8.0%	8.0%	7.4%	5.4%	4.6%

CITY OF MALIBU
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year Ended June 30	City								Taxable Assessed Value (Note 1)	Total Direct Rate (Note 2)
	Secured					Unsecured	SBE Nonunitary			
	Residential	Commercial	Industrial	Vacant	Others					
2016	\$12,002,314	\$ 708,495	\$ 63,655	\$ 886,735	\$ 116,709	\$ 96,722	\$ -	\$ 13,874,630	0.06759	
2017	12,878,350	741,654	64,625	923,983	121,756	91,240	-	14,821,609	0.06777	
2018	13,751,499	806,138	65,918	916,682	128,755	108,163	-	15,777,156	0.06793	
2019	14,657,850	849,808	67,236	1,120,869	125,915	104,025	-	16,925,704	0.06810	
2020	15,332,215	875,520	68,581	1,197,529	134,577	111,122	-	17,719,544	0.06821	
2021	16,120,507	911,318	69,953	1,158,981	145,240	120,926	-	18,526,924	0.06830	
2022	17,019,898	944,224	70,677	1,264,984	141,540	125,331	-	19,566,655	0.06842	
2023	18,743,104	1,010,692	72,091	1,335,449	144,321	140,355	-	21,466,012	0.06859	
2024	20,282,701	1,060,910	73,533	1,438,391	151,785	148,478	-	23,155,798	0.06873	
2025	21,585,844	1,022,338	75,003	1,489,764	153,131	182,582	-	24,508,662	0.06882	

Notes:

Note 1: In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is re-assessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Note 2: Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: Los Angeles County Assessor 2015/16 - 2024/25 Combined Tax Rolls

CITY OF MALIBU
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates (2):										
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00700
Santa Monica Community College Dist	0.06010	0.05886	0.06845	0.06270	0.07883	0.07854	0.06487	0.07093	0.07309	0.07031
Santa Monica-Malibu Unified	0.07066	0.07006	0.07397	0.06171	0.08100	0.07443	0.08264	0.08050	0.06851	0.06585
Total Direct & Overlapping Tax Rates	1.13426	1.13242	1.14592	1.12791	1.16333	1.15647	1.15101	1.15493	1.14510	1.14316
City's Share of 1% Levy Per Prop 13 (Note 3)	0.07044	0.07044	0.07044	0.07044	0.07044	0.07044	0.07044	0.07044	0.07044	0.07044
Total Direct Rate (Note 4)	0.06759	0.06777	0.06793	0.06810	0.06821	0.06830	0.06842	0.06859	0.06873	0.06882

Notes:

Note 1: In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Note 2: Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

Note 3: City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. The Education Revenue Augmentation Fund (ERAF) portion of the City's Levy has been subtracted where known.

Note 4: Total Direct Rate is the weighted average of all individual direct rates applied by the City and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren & Cone / Los Angeles County Assessor 2015/16 - 2024/25 Tax Rate Table

CITY OF MALIBU
Principal Property Tax Payers
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayer	2025		2016	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
27600 PCH LLC	1 \$ 199,545	0.81%		
Lawrence F Giliberti Cotrustee	2 193,800	0.79%		
Blue Heaven Paradise LLC	3 184,151	0.75%		
HRL Laboratories LLC	4 172,355	0.70%	2 \$ 104,933	0.76%
Carbonview Limited LLC	5 136,180	0.56%	4 90,135	0.65%
Malibu Realty LLC	6 125,677	0.51%	3 90,918	0.66%
22310 PCH LLC	7 114,899	0.47%		0.00%
Malibu Family Estate LLC	8 102,000	0.42%		0.00%
22108 PCH LLC	9 96,715	0.39%		0.00%
28060 Sea Lane LLC	10 92,259	0.38%		0.00%
Jamestown Premier Malibu Villa			1 122,398	0.88%
Goldman Sachs Trust			5 76,333	0.55%
KW Malibu Colony Plaza LLC			6 69,361	0.50%
Glimcher Properties LP			7 67,232	0.48%
Point Dume Limited			8 62,268	0.45%
2XMD Partners LLC			9 60,767	0.44%
Pacific Malibu Dume LLC			10 60,264	0.43%
	<u>\$ 1,417,581</u>	<u>5.78%</u>	<u>\$ 804,609</u>	<u>5.80%</u>

Source: HdL Coren & Cone / Los Angeles County Assessor 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF MALIBU
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date**	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	\$ 9,425,908	\$ 9,208,295	97.69%	\$ 188,989	\$ 9,397,284	99.70%
2017	10,081,189	9,737,073	96.59%	336,303	10,073,376	99.92%
2018	10,816,065	10,401,173	96.16%	407,388	10,808,561	99.93%
2019	11,640,316	11,289,896	96.99%	278,968	11,568,864	99.39%
2020	12,236,702	11,821,468	96.61%	286,286	12,107,753	98.95%
2021	12,850,881	12,367,279	96.24%	364,736	12,732,015	99.08%
2022	13,560,723	12,504,053	92.21%	740,632	13,244,685	97.67%
2023	14,849,370	14,405,574	97.01%	801,152	15,206,726	102.41%
2024	16,185,610	15,667,094	96.80%	372,573	16,039,667	99.10%
2025	17,235,106	16,481,744	95.63%	388,589	16,870,333	97.88%

** Property taxes are levied and collected by the County of Los Angeles on behalf of the City. Data on total collections by fiscal year is not available to the cities within the County of Los Angeles; consequently, some years may show a percent of levy collected that is greater than 100% of the levy.

CITY OF MALIBU
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percent of Personal Income	Percent of Assessed Valuation	Per Capita
	Certificates of Participation	Lease Liabilities	Unamortized (Discounts) Premiums	Certificates of Participation	Loans Payable	Unamortized (Discounts) Premiums				
2016	\$ 23,885	\$ 72	\$ 506	\$ 15,025	\$ 57	\$ 464	\$ 40,009	5.346%	0.288%	\$ 3,121
2017	32,305	46	3,908	14,455	48	446	51,208	6.602%	0.345%	4,004
2018	31,540	38	3,734	13,880	39	428	49,659	6.158%	0.315%	3,908
2019	54,385	36	4,633	13,300	-	410	72,764	8.554%	0.430%	6,219
2020	53,545	17	4,421	12,710	-	392	71,085	7.777%	0.401%	6,621
2021	52,680	24	4,210	12,105	-	374	69,393	7.096%	0.375%	6,467
2022	51,700	53	3,999	11,485	-	356	67,593	6.869%	0.345%	6,368
2023	50,680	77	3,787	10,850	-	337	65,731	7.648%	0.306%	6,187
2024	49,620	147	3,576	10,195	-	320	63,858	N/A	0.276%	6,011
2025	48,520	102	3,380	9,520	-	302	61,824	N/A	0.252%	5,830

Notes: Personal Income for Malibu is not available, but it is estimated by prorating the personal income of the Los Angeles-Long Beach-Santa Ana Area based on the Malibu population.

N/A - Information is not available or not required for these years.

Source: City of Malibu, Finance Department

CITY OF MALIBU
 Direct Governmental and Overlapping Bonded Debt
 As of June 30, 2025

<u>Overlapping Tax and Assessment Debt:</u>	<u>Total Debt 6/30/2025</u>	<u>Percent Applicable To City (1)</u>	<u>City's Share of Debt 6/30/2025</u>
Metropolitan Water District	\$ 17,155,000	0.602%	\$ 103,273
Santa Monica Community College District	666,066,899	31.430%	209,344,826
Santa Monica-Malibu Unified School District	492,430,000	31.374%	154,494,988
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	157,520,000	90.066%	141,871,963
City of Malibu Community Facilities District No. 2006-1	2,450,000	100.000%	2,450,000
City of Malibu Broad Beach Assessment District	1,365,000	97.861%	1,335,803
City of Malibu Assessment District No. 2015-1	3,380,000	100.000%	3,380,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 512,980,853
<u>Direct and Overlapping Governmental Debt:</u>			
Los Angeles County General Fund Obligations	3,036,637,390	1.166%	35,407,192
Los Angeles Superintendent of Schools COP	2,331,775	1.166%	27,188
Santa Monica-Malibu Unified School District COP	36,115,000	31.374%	11,330,720
City of Malibu Certificates of Participation	48,520,000	100.000%	48,520,000
City of Malibu COPs Deferred/Discounts/Premiums	3,380,389	100.000%	3,380,389
City of Malibu Lease Liabilities	101,592	100.000%	101,592
TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT			\$ 98,767,081
SUBTOTAL DIRECT DEBT (2)			\$ 52,001,981
SUBTOTAL GROSS OVERLAPPING DEBT			\$ 559,745,953
SUBTOTAL NET OVERLAPPING DEBT			\$ 559,745,953
GROSS COMBINED TOTAL DEBT (3)			\$ 611,747,934
NET COMBINED TOTAL DEBT			\$ 611,747,934
2024-25 Assessed Valuation	\$ 24,508,661,786		
<u>Ratios to 2024-25 Assessed Valuation:</u>			
Overlapping Tax and Assessment Debt		2.09%	
Total Direct Debt (\$52,001,981)		0.21%	
Net Combined Total Debt		2.50%	

Note 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.

Note 2: Excludes Refunding Certificate of Participation 2015A and a portion of Refunding Certificate of Participation 2015B which are supported by enterprise revenue.

Note 3: Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue obligations.

Source: California Municipal Statistics

CITY OF MALIBU
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (amounts in thousands)

Legal Debt Margin Calculation for the Current Year:	
Assessed value	\$ 24,508,662
Debt limit (15% of assessed value)	3,676,299
Debt applicable to limit (see Note)	-
Legal debt margin - Current Year	<u>\$ 3,676,299</u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2016	\$ 2,081,195	\$ -	\$ 2,081,195	0%
2017	2,223,241	-	2,223,241	0%
2018	2,366,573	-	2,366,573	0%
2019	2,538,856	-	2,538,856	0%
2020	2,657,932	-	2,657,932	0%
2021	2,779,039	-	2,779,039	0%
2022	2,934,998	-	2,934,998	0%
2023	3,216,902	-	3,216,902	0%
2024	3,473,370	-	3,473,370	0%
2025	3,676,299	-	3,676,299	0%

Note: The City's Certificates of Participation are not general obligation debt and, consequently, are excluded from the calculation.

Source: City of Malibu, Finance Department

CITY OF MALIBU
Demographic and Economic Statistics
Last Ten Fiscal Years

**Los Angeles-Long Beach-Anaheim
CA Metropolitan Statistical Area (Note 1)**

Year	City Population	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2016	12,818	13,295,906	\$ 748,381,829	\$ 56,287	5.20%
2017	12,788	13,309,287	775,685,639	58,282	4.60%
2018	12,707	13,285,814	806,414,541	60,697	4.50%
2019	11,700	13,236,839	851,030,974	64,293	4.20%
2020	10,736	13,178,547	917,713,888	69,637	16.60%
2021	10,730	12,970,073	977,061,793	75,332	9.30%
2022	10,614	12,870,137	987,908,883	76,760	4.60%
2023	10,624	12,799,100	1,035,420,068	80,898	4.70%
2024	10,623	N/A	N/A	N/A	5.60%
2025	10,604	N/A	N/A	N/A	5.60%

Note (1) The personal income and unemployment rates are not available for the City of Malibu exclusively. Therefore, the City is disclosing information for the Metropolitan Service Area that includes Malibu.

Note (2) N/A - Information is not available for those years

Sources: Unemployment Rates from the Bureau of Labor Statistics
Personal Income from the Bureau of Economic Analysis
City Population from the State Department of Finance

CITY OF MALIBU
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Management and Administrative Services	17.93	21.93	23.43	22.43	20.25	19.00	20.00	22.00	23.00	27.00
City Clerk										
City Clerk and Records Management	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	4.50
Community Services										
Recreation and Park Maintenance	19.44	19.37	20.81	21.37	21.27	17.67	22.77	22.69	22.69	23.28
Environmental Sustainability										
Building Safety and Permit Services	15.50	15.50	17.50	18.50	18.00	17.00	20.00	21.00	21.00	21.50
Planning										
Planning and Code Enforcement	19.50	19.50	21.00	21.25	22.50	20.00	23.00	26.00	29.00	30.00
Public Safety										
Emergency Preparedness	1.00	1.00	2.00	3.00	3.50	3.00	4.50	4.50	4.50	5.50
Public Works										
Public Works and Engineering	7.00	9.00	9.00	9.00	10.00	10.00	11.00	12.00	12.00	12.00

Source: City of Malibu, Finance Department

CITY OF MALIBU
Indicators of Demand or Level of Service
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Recreation										
Use of Facilities (hours)	15,220	15,665	16,829	16,484	14,930	17,945	16,635	20,423	21,224	19,434
Visitors Served	150,160	139,822	172,358	100,175	126,603	146,096	128,564	181,140	185,690	158,091
Police										
Physical arrests	975	812	1,047	779	924	1,080	772	550	676	N/A
Parking violations	11,302	12,936	15,225	17,305	28,354	29,929	24,985	15,382	18,192	N/A
Traffic violations	19,214	7,294	8,365	7,711	10,173	7,974	7,628	6,028	7,569	N/A
Community Development										
Permits Issued	1,972	1,798	1,719	2,338	2,523	2,444	2,276	2,166	2,336	2,563
In-house Plan Checks	636	620	457	442	946	681	829	649	762	830
Off-site Plan Checks	335	274	433	660	387	646	521	679	716	960
Public Works										
In-house Plan Checks	592	493	851	995	1,155	1,148	886	972	1,653	789
Encroachment Permits Issued	396	150	153	217	208	291	278	261	345	269

Source: City of Malibu, Various Departments

NOTES:

N/A - Information is not available or not required for these years.

CITY OF MALIBU
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire Protection										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire Engines	6	6	6	6	6	6	6	6	6	6
Other Fire Vehicles	9	9	9	9	9	9	9	9	9	10
Fire Personnel*	54	54	54	54	54	54	54	54	54	54
Paramedic Squads*	2	2	2	2	2	2	2	2	2	2
Police										
Police Vehicles	15	15	15	15	15	15	15	17	17	17
Sworn Personnel**	24	24	24	24	24	24	24	28	28	28
Non-Sworn Personnel**	1	1	1	1	1	1	1	1	1	1
Community Service										
Parks and Park Trails	5	5	5	5	5	5	5	5	5	5
Park Acreage	18	18	18	18	20	20	20	20	20	20
Open Space Acreage	588	588	588	588	588	588	588	588	588	588
Vacant Land	0	35	35	66	67	67	67	67	67	67
Community Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools***	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of Streets	74	74	74	74	74	74	74	74	74	74
Miles of Sidewalks	12	12	12	12	12	12	12	12	12	12
Number of Intersections	270	270	270	270	270	270	270	270	270	270
Total Traffic Signals	5	5	5	6	6	6	6	6	6	6
Miles of Storm Drains	5	5	5	5	5	5	5	5	5	5

* Fire services provided by contract with Los Angeles County Fire Department

** Police services provided by contract with Los Angeles County Sheriff's Department

***Swimming Pool owned by other entities but operated by City of Malibu

Source: City of Malibu, Finance Department