

CITY OF MALIBU



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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CITY OF MALIBU, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:
City of Malibu
Management and Administrative Services Department
Joseph Toney, Assistant City Manager

CITY OF MALIBU, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

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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

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City of Malibu

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

December 20, 2023

Honorable Mayor and City Council
City of Malibu, California

The Annual Comprehensive Financial Report (ACFR) of the City of Malibu for the fiscal year ending June 30, 2023, is hereby submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 present fairly the financial position and results of operations 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. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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, 2023, 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 13,000 residents, but with its miles of public beaches, more than 15 million people visit the City each 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 areas, 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 Indians, they named the stretch of beach at the mouth of the Malibu Creek “Humaliwo” or “the surf sounds loudly”. In 1802, Jose Tapia established a ranch in the area. Passed on through generations, it was eventually sold in 1891 to Fredrick Rindge. 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 property. A final court battle in the late 1920s forced Rindge to begin leasing and then selling the property at the mouth of Malibu Creek. As most 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 sectors consist of many 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.

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. In November 2018, the Woolsey Fire, the largest fire in Los Angeles County's history, destroyed nearly 480 structures in Malibu, and the city is still working to recover from the disaster.

Despite the challenges, Malibu's economy rebounded quickly during the pandemic, thanks in part to multiple rounds of Federal stimulus. The real estate market saw an incredible acceleration due to low interest rates and cash-heavy buyers, resulting in higher-than-expected property tax growth for the city. Property tax is Malibu's largest revenue source. The economy has displayed incredible resilience post the COVID-19 pandemic. While there were positive indicators like job growth and increased consumer spending, challenges such as inflationary pressures, supply chain disruptions, and varying global recovery rates have posed ongoing concerns. Government policies and Federal Reserve strategies have been significant factors influencing the economic trajectory, with efforts focused on balancing growth while managing inflationary risks. The fabled “soft landing” is seemingly possible as the market is growing bullish during the fourth quarter of 2023. Nevertheless, the outlook remains uncertain due to the evolving nature of geopolitical tensions, and the complex interplay of global economic factors. Regardless, due to the inelasticity of property tax, the city should be on solid financial footing going forward. Malibu also relies heavily on grant funding to

undertake many of its capital projects and has successfully secured millions of dollars over the years from various agencies.

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, 2023, the City had approximately \$85.2 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 \$67.8 million or 116.5% of Fiscal Year 2023-24 General Fund operating expenditures (\$58.2 million) and exceeds the City's goal of maintaining a minimum of 50% of the fund's operating expenses.

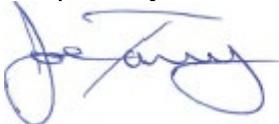
Awards and Acknowledgements

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, 2022. 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 Annual Comprehensive Financial Report 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 Renée Neermann, Julie Matsumoto, and the staff of Lance, Soll, & Lunghard LLP, the City's independent auditors. I would also like to thank the 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,



Joseph D. Toney
Assistant City Manager

**CITY OF MALIBU, CALIFORNIA
LIST OF CITY OFFICIALS
JUNE 30, 2023**

CITY COUNCIL

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

DEPARTMENT OFFICIALS

CITY MANAGER	STEVE McCLARY
ASSISTANT CITY MANAGER	JOSEPH TONEY
CITY CLERK	KELSEY PETTIJOHN
ENVIRONMENTAL SUSTAINABILITY DIRECTOR	YOLANDA BUNDY
PLANNING DIRECTOR	RICHARD MOLLIKA
COMMUNITY SERVICES DIRECTOR	KRISTIN RIESGO
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**

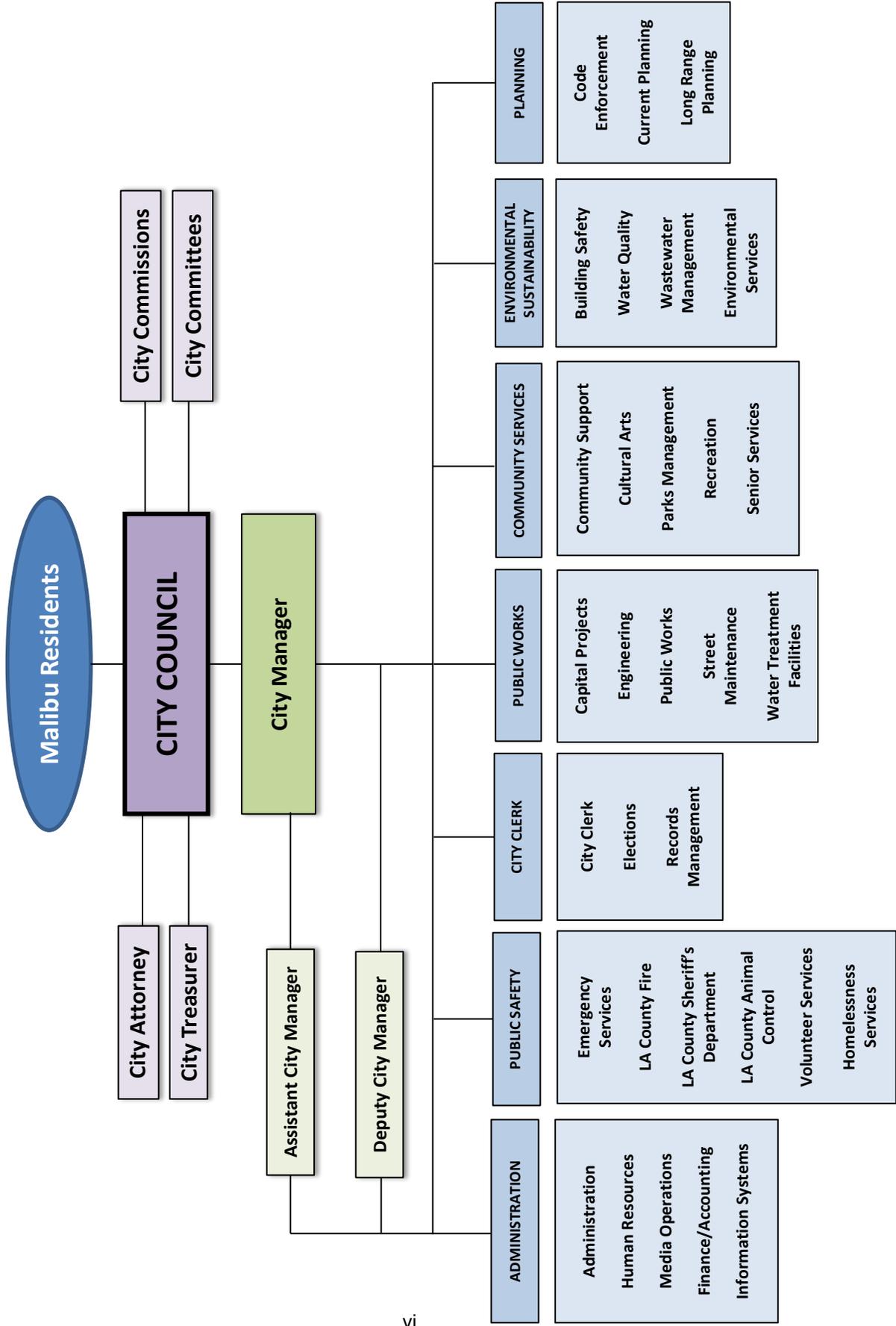
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Fiscal Year 2023-24 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)

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INDEPENDENT AUDITOR'S 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 Malibu, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, 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.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
December 20, 2023



CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

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, 2023, by \$236.4 million (*net position*). Of this amount, \$83.3 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11.7 million as a result of revenues exceeding expenses.

Fund Level Statements:

- As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$88.4 million, an increase of \$13.8 million over the prior year. Of this amount, \$66.1 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2023, the General Fund reported an ending fund balance of \$85.2 million, an increase of \$13.0 million over the prior year. Of this amount, \$67.8 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2023, the City's proprietary funds reported a combined ending net position of \$75.3 million, a decrease of \$1.3 million from the prior year. Of this amount, \$4.6 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 which 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-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Current assets	\$102,511,696	\$89,123,407	4,016,747	\$2,904,680	\$106,528,443	\$92,028,087
Other long-term assets	-	976,265	30,974,888	31,536,566	30,974,888	32,512,831
Capital assets	129,067,940	129,631,012	85,247,039	87,532,234	214,314,979	217,163,246
Total assets	231,579,636	219,730,684	120,238,674	121,973,480	351,818,310	341,704,164
Deferred charge on refunding	1,329,392	1,436,007	408,174	450,448	1,737,566	1,886,455
Deferred outflows from OPEB	1,107,315	1,245,797	-	-	1,107,315	1,245,797
Deferred outflows from pension	4,783,070	2,045,516	-	-	4,783,070	2,045,516
Total deferred outflows	7,219,777	4,727,320	408,174	450,448	7,627,951	5,177,768
Long-term liabilities	64,278,999	59,329,420	11,187,680	11,840,755	75,466,679	71,170,175
Other liabilities	12,248,737	12,472,493	4,631,026	3,850,424	16,879,763	16,322,917
Total liabilities	76,527,736	71,801,913	15,818,706	15,691,179	92,346,442	87,493,092
Deferred inflows from leases	-	-	29,561,171	30,117,634	29,561,171	30,117,634
Deferred inflows from OPEB	622,546	1,821,551	-	-	622,546	1,821,551
Deferred inflows from pension	493,698	2,773,424	-	-	493,698	2,773,424
Total deferred inflows	1,116,244	4,594,975	29,561,171	30,117,634	30,677,415	34,712,609
Net investment in capital assets	75,848,115	75,315,420	70,687,533	73,111,927	146,535,648	148,427,347
Restricted	6,546,228	5,993,600	927	11	6,547,155	5,993,611
Unrestricted	78,761,090	66,752,096	4,578,511	3,503,177	83,339,601	70,255,273
Total net position	\$161,155,433	\$148,061,116	\$75,266,971	\$76,615,115	\$236,422,404	\$224,676,231

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 \$236.4 million at June 30, 2023, an increase of \$11.7 million over the prior year's ending net position. The excess of revenues over expenses will be analyzed in conjunction with the Statement of Activities.

The largest portion of the City's net position (\$146.5 million or 62%) reflects its net investment in capital assets (for example, land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position (\$6.6 million or 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$83.3 million or 35%) may be used to meet the city's ongoing obligations to citizens and creditors.

City of Malibu Changes in Net Position

Following is a summary of the government-wide *Statement of Activities*. This table illustrates the \$11.7 million increase in the City's net position resulting from revenues of \$62.6 million exceeding expenses of \$50.9 million. Discussion regarding significant changes in revenues and expenses follows the table.

CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Program revenues:						
Charges for services	\$ 11,548,406	\$ 10,907,133	\$ 3,834,799	\$ 3,748,153	\$ 15,383,205	\$ 14,655,286
Operating contributions and grants	5,212,991	2,366,064	-	160,226	5,212,991	2,526,290
Capital contributions and grants	701,556	312,535	-	-	701,556	312,535
General revenues:						
Property taxes	17,858,262	16,054,850	-	-	17,858,262	16,054,850
Other taxes	20,295,617	20,028,925	-	-	20,295,617	20,028,925
Other revenues	2,898,363	5,528,268	258,085	89,537	3,156,448	5,617,805
Total revenues	58,515,195	55,197,775	4,092,884	3,997,916	62,608,079	59,195,691
Expenses:						
Legislative and advisory	1,712,824	1,861,401	-	-	1,712,824	1,861,401
General government	9,131,480	5,562,399	-	-	9,131,480	5,562,399
Public safety	11,962,075	11,174,023	-	-	11,962,075	11,174,023
Community development	8,762,655	6,845,619	-	-	8,762,655	6,845,619
Community services	3,593,994	3,146,891	-	-	3,593,994	3,146,891
Public works	8,198,618	8,188,281	-	-	8,198,618	8,188,281
Interest on long-term debt	2,059,232	2,100,970	-	-	2,059,232	2,100,970
Commercial real estate rental	-	-	2,490,154	2,455,195	2,490,154	2,455,195
Wastewater treatment	-	-	2,950,874	2,941,637	2,950,874	2,941,637
Total expenses	45,420,878	38,879,584	5,441,028	5,396,832	50,861,906	44,276,416
Excess/(deficiency) before transfers	13,094,317	16,318,191	(1,348,144)	(1,398,916)	11,746,173	14,919,275
Transfers	-	3,560	-	(3,560)	-	-
Increase/(decrease) in net position	13,094,317	16,321,751	(1,348,144)	(1,402,476)	11,746,173	14,919,275
Net position - July 1	148,061,116	131,739,365	76,615,115	78,017,591	224,676,231	209,756,956
Net position - June 30	\$161,155,433	\$148,061,116	\$75,266,971	\$76,615,115	\$236,422,404	\$224,676,231

Governmental activities. Governmental activities increased the City's net position by \$13.1 million during the fiscal year in contrast to the prior year's increase of \$16.3 million, resulting in a net decrease of \$3.2 million from the prior year. The following are key elements of this change over the prior year:

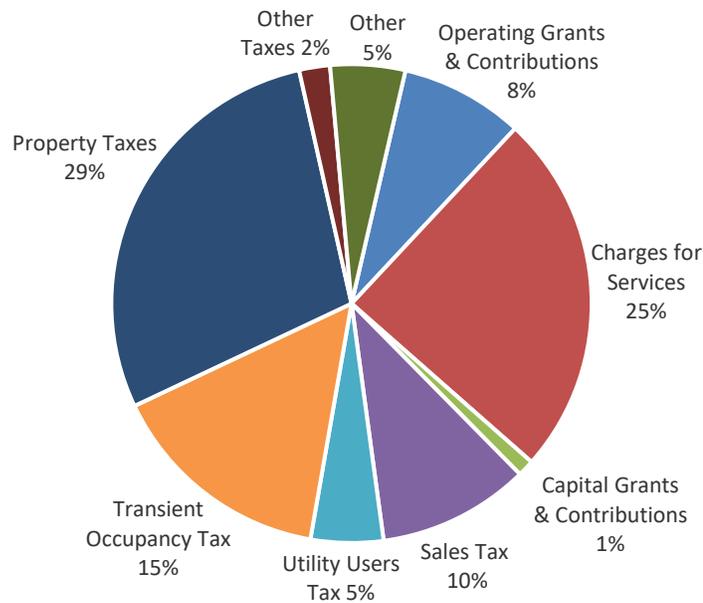
- During the current year, revenues increased by \$3.3 million. The most significant changes were as follows:
 - Operating grants increased by \$2.8 million. During FY 2022-23, the City recognized as revenue the majority of the \$2.8 million in ARPA monies that were received in the prior and current years.
 - Property taxes increased by \$1.8 million due to higher assessed values.
 - Other revenues decreased by \$2.6 million. The most significant items in this category include 1) \$4.2 million less revenue was recorded in the current year for settlement agreements related to the Woolsey Fire, 2) \$0.6 million less was received in property transfer tax receipts due to fewer properties being sold, and 3) \$2.2 million more was received in interest income due to changes in interest rates.
- Expenses increased by \$6.5 million over the prior year. The most significant changes were as follows:
 - General government costs increased by \$3.6 million with the majority of that increase due to annual pension and OPEB adjustments resulting from updated actuarial valuations.

- Public safety costs increased by \$0.8 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services.
- Community development costs increased by \$1.9 million due to an increased level of permits being submitted for review for building activities and events in the community, a reorganization of staff from performing disaster-related permit and review work back to departmental work, and higher costs for professional services for implementing the City's new ordinance for preventing night-time light pollution.

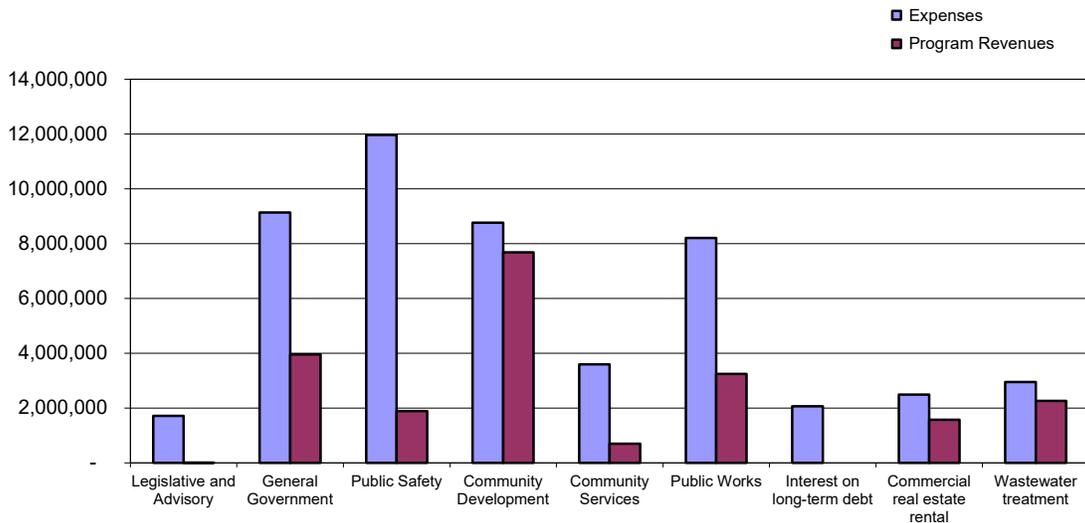
Business-type activities. Business-type activities are financed primarily by fees charged to external parties for goods and services. The City reports two proprietary funds: the commercial real estate rental enterprise fund and the wastewater treatment enterprise fund. Business-type activities decreased the City's net position by \$1.3 million during the current year in contrast to the prior year's decrease of \$1.4 million.

Both of the proprietary funds had similar expenses as in the prior year. The reason for the overall change is due to higher charges for services revenues resulting from higher rental fees and sewer service fees in the current year.

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 (61%) followed by charges for services (25%); the remaining sources of funds were from grants and contributions (9%) and miscellaneous other revenues (5%).

Public safety is the largest expense function, accounting for 24% of the total. General government is second at 18%, followed by community development at 17% and public works at 16%. Community services accounted for 7%, wastewater services accounted for 6%, and commercial real estate rentals accounted for 5%. The remaining expense functions of legislative and advisory and interest on long-term debt together accounted for the remaining 7% 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 \$88.4 million, an increase of \$13.8 million over the prior year’s ending balance of \$74.6 million. In comparison, Fiscal Year 2021-22 had a net increase to fund balance of \$15.0 million. Following are the key elements of the net \$1.2 million year-to-year decrease in activity:

- Revenues increased by \$3.6 million over the prior year with the most significant changes occurring in the following categories:
 - Taxes increased by \$1.5 million. Property taxes increased by \$1.8 million from higher assessed values; transient occupancy taxes decreased by \$0.8 million due to fewer delinquency collections; and sales taxes increased by \$0.6 million. Utility users tax, franchise fees, and parking taxes all had smaller changes.

- Intergovernmental revenues increased by \$3.0 million. The City receives many types of grants and similar types of intergovernmental funding. This revenue varies from year to year based on the projects and activities that are being funded by grants. The City was allocated \$2.8 million in ARPA monies and the majority of the allocation was recognized as revenue in the current year. In addition, the City recorded more disaster-related revenue in the current year.
 - Interest income increased by \$2.3 million 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.
 - Other revenues decreased by \$4.3 million mainly as a result of receiving \$3.7 million less in the current year for settlement agreements related to the Woolsey Fire. In addition, due to fewer properties being sold within the City, \$0.6 million less was received in property transfer tax receipts in the current year.
- Expenditures increased by \$4.3 million in the following categories:
- Small changes in legislative and advisory, general government, community services, public works, and principal and interest totaling a combined net increase of \$1.0 million.
 - Public safety costs increased by \$0.6 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services.
 - Community development costs increased by \$1.9 million due to an increased level of permits being submitted for review for building activities and events in the community, a reorganization of staff from performing disaster-related permit and review work back to departmental work, and higher costs for professional services for implementing the City's new ordinance for preventing night-time light pollution.
 - Capital outlay increased by \$0.7 million over the prior year as more work was done on disaster-related recovery projects in the current year.

The governmental funds' combined ending fund balance totals \$88.4 million. Approximately 75% (\$66.1 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 and long-term receivables (\$0.2 million), 2) Restricted for special revenue funds, debt service, and other specific purposes (\$4.9 million), 3) Committed for capital improvement projects, city facilities, and water quality improvements (\$3.6 million), 4) Assigned for vehicle and technology replacement, working capital, next year's operations, and fire rebuilding efforts (\$13.6 million).

General Fund. The General Fund is the chief operating fund of the City of Malibu and comprises approximately 96% 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 \$67.8 million while the total fund balance was \$85.2 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 158% of the General Fund's Fiscal Year 2022-23 expenditures.

The General Fund's fund balance increased in Fiscal Year 2022-23 by \$13.0 million, while the prior year's fund balance increased by \$14.1 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 \$1.1 million year-to-year change in the General Fund are similar to the reasons previously explained as changes in the overall governmental funds.

- Revenues increased by \$3.2 million with the most significant changes occurring in the following categories:
 - Taxes increased by \$1.5 million. Property taxes increased by \$1.8 million from higher assessed values; transient occupancy taxes decreased by \$0.8 million due to fewer delinquency collections; and sales taxes increased by \$0.6 million. Utility users tax, franchise fees, and parking taxes all had smaller changes.
 - Intergovernmental revenues increased by \$3.2 million. The City receives many types of grants and similar types of intergovernmental funding. This revenue varies from year to year based on the projects and activities that are being funded by grants. The City was allocated \$2.8 million in ARPA monies and the majority of the allocation was recognized as revenue in the current year. In addition, the City recorded more disaster-related revenue in the current year.
 - Interest income increased by \$2.2 million 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.
 - Other revenues decreased by \$4.3 million mainly as a result of receiving \$3.7 million less in the current year for settlement agreements related to the Woolsey Fire. In addition, due to fewer properties being sold within the City, \$0.6 million less was received in property transfer tax receipts in the current year.
- Expenditures increased by \$4.4 million in the following categories:
 - Small changes in legislative and advisory, general government, community services, public works, and principal and interest totaling a combined net increase of \$1.0 million.
 - Public safety costs increased by \$0.6 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services.
 - Community development costs increased by \$1.7 million due to an increased level of permits being submitted for review for building activities and events in

the community, a reorganization of staff from performing disaster-related permit and review work back to departmental work, and higher costs for professional services for implementing the City's new ordinance for preventing night-time light pollution.

- Capital outlay increased by \$1.0 million over the prior year as more work was done on disaster-related recovery projects in the current year.
- Other financing sources and uses increased by \$0.1 million due to smaller transfers from other funds in the prior year.

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 Fiscal Year 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. Supplemental appropriations were required and approved by the City Council for the General Fund which increased the originally adopted budget of \$49.0 million to \$52.6 million. The majority of the budget amendments were for carryover appropriations from the prior year, increased costs related to storm response and cleanup after heavy rains, higher public safety contracted costs, and higher costs related to permitting and review of building projects in the community.

General Fund. The General Fund had a \$10.1 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 positive variance of \$0.5 million in revenues and

\$9.6 million in expenditures. The largest variances are attributed to higher tax revenues, lower grant revenue, and a larger amount of investment income revenue. The positive expenditure variance resulted from expenditures coming in under the final budget in all categories.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for governmental and business-type activities as of June 30, 2023, totaled \$214.3 million (net of accumulated depreciation), a net decrease of \$2.9 million. The capital assets include land, intangible assets, roadways, buildings, leasehold improvements, storm drains, vehicles, computers and other equipment, furniture, and construction in progress. Capital asset additions totaled \$1.3 million, net deletions were \$0.1 million, and depreciation expense totaled \$4.1 million.

City of Malibu Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
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	1,616,394	1,436,154	3,685,017	3,577,341	5,301,411	5,013,495
Buildings	13,678,852	14,418,001	63,921,658	66,302,758	77,600,510	80,720,759
Right-to-use Assets	92,157	67,564	-	-	92,157	67,564
Equipment and Furniture	691,327	593,244	-	-	691,327	593,244
Vehicles	285,934	297,034	-	-	285,934	297,034
Infrastructure	19,101,225	19,216,964	314,516	326,287	19,415,741	19,543,251
Total	\$ 129,067,940	\$ 129,631,012	\$ 85,247,039	\$ 87,532,234	\$ 214,314,979	\$ 217,163,246

Additional information on the City's capital assets 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 \$71.2 million. There were additions to debt during the year for agreements for new right-to-use assets.

City of Malibu Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Employee compensated absences	\$ 688,595	\$ 605,578	\$ -	\$ -	\$ 688,595	\$ 605,578
Liabilities for right-to-use assets	77,231	53,063	-	-	77,231	53,063
Certificates of participation, net	54,467,181	55,698,536	11,187,680	11,840,755	65,654,861	67,539,291
Net OPEB liability	538,399	-	-	-	538,399	-
Net pension liability	8,507,593	2,972,243	-	-	8,507,593	2,972,243
Total	\$64,278,999	\$59,329,420	\$ 11,187,680	\$ 11,840,755	\$ 75,466,679	\$ 71,170,175

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 are 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 Fiscal Year 2023-24, the City remains committed to a fiscally conservative approach with a balanced budget and bolstering the General Fund reserve. While the past fiscal years were shaped by recovery efforts from the Woolsey Fire and the aftermath of the COVID-19 pandemic, the Fiscal Year 2022-23 budget stabilized, and the Fiscal Year 2023-24 budget was constructed on that foundation with growing revenues, primarily in property taxes.

The City Council adopted an additional resolution extending the waiver of permit fees through December 30, 2024, specifically aiding Woolsey Fire-affected properties that were primary residences at the time of the fire. Efforts to expedite the permitting process for these homes remain a priority, employing additional consultant resources for this purpose.

The Fiscal Year 2023-24 budget reflects a prudent financial blueprint, aligning \$54.88 million in ongoing general fund revenue with \$54.86 million in appropriations. The overall budget is \$81.8 million in revenue and \$93.2 million in expenses, of which \$11.7 million is one-time capital project expenditures. Staff will monitor the budget and provide any necessary adjustments to the City Council during the fiscal year.

General Fund Revenues. The City's Adopted Budget for Fiscal Year 2023-24 included conservative General Fund revenues growth. Property Tax is budgeted to have a steady growth of 3% and provides 31% of the General Fund Revenue. Other taxes including transient occupancy tax and sales tax are budgeted to increase by a combined amount of \$2.5 million over the prior year's budget. The increase is driven by a ½ cent Transient Use Tax increase that was adopted by voters in November of 2022, projected to net the City about \$3.0 million but offset by other projected reductions in sales tax as the economy may slow down. Overall General Fund revenues are budgeted at \$57.0 million.

General Fund Expenditures. The City's General Fund expenditures for Fiscal Year 2023-24 are budgeted to be \$69.8 million. This includes a total of \$11.7 million in capital projects (\$2.8 million is disaster capital). Funding was also maintained for critical budget items including debt service, property insurance, law enforcement services, and professional services for mandated activities.

Capital Improvements. The City has adopted a multi-year capital improvement program with the next fiscal year's costs totaling \$23.0 million. Major projects budgeted for Fiscal Year 2023-24 include:

- \$7.1 million for PCH Signal Synchronization System
- \$4.5 million for PCH Median Improvements
- \$4.0 million for City Hall Solar Power Project
- \$2.2 million for Annual Street Overlay

The City also plans to continue capital improvement projects related to restoration of City infrastructure damaged in the Woolsey Fire and the subsequent severe winter storms.

FEMA and CalOES will reimburse the City for much of the cost of these projects, but costs will be drawn against the General Fund until reimbursement is received. The City's required match for these projects will come from the SCE Woolsey Fire settlement funds. Additional funding comes from California JPIA, the City's insurance policy, for repairs when eligible. The major projects planned for Fiscal Year 2023-24 include:

- \$896,000 for Outdoor Warning Sirens
- \$857,000 for Park Restoration at Trancas Park
- \$780,000 for Latigo Canyon Road and Retaining Wall
- \$134,000 for Clover Heights Storm Drain Improvements

General Fund Reserve. The City Council remains committed to maintaining a strong unassigned General Fund reserve to provide a buffer against unforeseen expenditures. The City is currently in a very healthy financial position. The City has a Budgeted projected Fiscal Year 2023-24 General Fund Undesignated Reserve at year-end (June 30, 2024) of \$64.23 million with an additional \$6.5 million designated for contingencies.

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.

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CITY OF MALIBU
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 91,926,992	\$ 3,825,847	\$ 95,752,839
Accounts receivable, net of allowance for doubtful accounts	3,355,121	376,086	3,731,207
Interest receivable	522,497	-	522,497
Due from other governments	6,427,760	-	6,427,760
Prepaid expenses	35,616	-	35,616
Internal balances	186,113	(186,113)	-
Restricted assets-cash and equivalents with fiscal agents	57,597	927	58,524
Due from tenants	-	1,413,717	1,413,717
Lease receivable	-	29,561,171	29,561,171
Capital assets, non-depreciable	95,218,445	21,010,865	116,229,310
Capital assets, net of accumulated depreciation	33,849,495	64,236,174	98,085,669
Total assets	<u>231,579,636</u>	<u>120,238,674</u>	<u>351,818,310</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,329,392	408,174	1,737,566
Deferred amount from OPEB	1,107,315	-	1,107,315
Deferred amount from pension	4,783,070	-	4,783,070
Total deferred outflows of resources	<u>7,219,777</u>	<u>408,174</u>	<u>7,627,951</u>
LIABILITIES			
Accounts payable	3,101,330	244,215	3,345,545
Retention payable	4,805	-	4,805
Salaries and wages payable	427,413	-	427,413
Deposits	5,241,151	4,223,503	9,464,654
Other accrued liabilities	1,187,067	-	1,187,067
Interest payable	355,802	74,074	429,876
Unearned revenue	1,931,169	89,234	2,020,403
Noncurrent liabilities due within one year	1,794,403	673,075	2,467,478
Noncurrent liabilities due in more than one year	53,438,604	10,514,605	63,953,209
Net OPEB liability	538,399	-	538,399
Net pension liability	8,507,593	-	8,507,593
Total liabilities	<u>76,527,736</u>	<u>15,818,706</u>	<u>92,346,442</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	-	29,561,171	29,561,171
Deferred amount from OPEB	622,546	-	622,546
Deferred amount from pension	493,698	-	493,698
Total deferred inflows of resources	<u>1,116,244</u>	<u>29,561,171</u>	<u>30,677,415</u>
NET POSITION			
Net investment in capital assets	75,848,115	70,687,533	146,535,648
Restricted for:			
Debt service	57,597	927	58,524
Public works	4,303,993	-	4,303,993
Environmental sustainability	6,534	-	6,534
Community services	1,133,367	-	1,133,367
Housing	194,140	-	194,140
Bluffs Park	347,480	-	347,480
City facilities and operations	503,117	-	503,117
Unrestricted	78,761,090	4,578,511	83,339,601
Total net position	<u>\$ 161,155,433</u>	<u>\$ 75,266,971</u>	<u>\$ 236,422,404</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, 2023

	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	\$ 1,712,824	\$ 1,501	\$ -	\$ -	\$ (1,711,323)	\$ -	\$ (1,711,323)
General government	9,131,480	856,383	3,099,260	-	(5,175,837)	-	(5,175,837)
Public safety	11,962,075	1,720,348	165,271	-	(10,076,456)	-	(10,076,456)
Community development	8,762,655	7,683,625	-	-	(1,079,030)	-	(1,079,030)
Community services	3,593,994	637,176	57,094	-	(2,899,724)	-	(2,899,724)
Public works	8,198,618	649,373	1,891,366	701,556	(4,956,323)	-	(4,956,323)
Interest on long-term debt	2,059,232	-	-	-	(2,059,232)	-	(2,059,232)
Total governmental activities	<u>45,420,878</u>	<u>11,548,406</u>	<u>5,212,991</u>	<u>701,556</u>	<u>(27,957,925)</u>	<u>-</u>	<u>(27,957,925)</u>
Business-type activities:							
Commercial real estate rental	2,490,154	1,736,601	-	-	-	(753,553)	(753,553)
Wastewater treatment	2,950,874	2,260,360	-	-	-	(690,514)	(690,514)
Total business-type activities	<u>5,441,028</u>	<u>3,996,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,444,067)</u>	<u>(1,444,067)</u>
Total	<u>\$ 50,861,906</u>	<u>\$ 15,545,367</u>	<u>\$ 5,212,991</u>	<u>\$ 701,556</u>	<u>(27,957,925)</u>	<u>(1,444,067)</u>	<u>(29,401,992)</u>
General revenues:							
Taxes:							
Property tax					17,858,262	-	17,858,262
Utility users tax					3,058,345	-	3,058,345
Transient occupancy tax					9,530,517	-	9,530,517
Franchise tax					817,392	-	817,392
Sales tax					6,405,550	-	6,405,550
Parking occupancy tax					483,813	-	483,813
Intergovernmental motor vehicle in lieu, unrestricted					11,008	-	11,008
Investment earnings, unrestricted					1,812,096	95,923	1,908,019
Other revenues					1,075,259	-	1,075,259
Total general revenues and transfers					<u>41,052,242</u>	<u>95,923</u>	<u>41,148,165</u>
Change in net position					13,094,317	(1,348,144)	11,746,173
Net position - beginning of year					<u>148,061,116</u>	<u>76,615,115</u>	<u>224,676,231</u>
Net position - end of year					<u>\$ 161,155,433</u>	<u>\$ 75,266,971</u>	<u>\$ 236,422,404</u>

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

**CITY OF MALIBU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 88,036,871	\$ -	\$ 71,341	\$ 3,818,780	\$ 91,926,992
Accounts receivable, net of allowance	3,318,135	-	-	36,986	3,355,121
Interest receivable	522,497	-	-	-	522,497
Due from other governments	5,214,989	1,062,532	-	150,239	6,427,760
Prepaid items	35,616	-	-	-	35,616
Due from other funds	1,104,823	-	-	-	1,104,823
Advances to other funds	186,113	-	-	-	186,113
Restricted assets - cash with fiscal agent	57,597	-	-	-	57,597
Total assets	<u>\$ 98,476,641</u>	<u>\$ 1,062,532</u>	<u>\$ 71,341</u>	<u>\$ 4,006,005</u>	<u>\$ 103,616,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,843,986	\$ -	\$ 71,341	\$ 186,003	\$ 3,101,330
Retentions payable	4,805	-	-	-	4,805
Salaries and wages payable	427,413	-	-	-	427,413
Deposits payable	5,241,151	-	-	-	5,241,151
Other accrued liabilities	1,187,067	-	-	-	1,187,067
Unearned revenue	1,915,721	-	-	15,448	1,931,169
Due to other funds	-	1,062,532	-	42,291	1,104,823
Total liabilities	<u>11,620,143</u>	<u>1,062,532</u>	<u>71,341</u>	<u>243,742</u>	<u>12,997,758</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,700,727	506,829	-	-	2,207,556
FUND BALANCES					
Nonspendable					
Prepaid items	35,616	-	-	-	35,616
Advances to other funds	186,113	-	-	-	186,113
Restricted					
Public works	-	-	-	1,844,693	1,844,693
Capital projects	-	-	-	723,044	723,044
Community services	-	-	-	930,857	930,857
Environmental sustainability	-	-	-	6,534	6,534
Special districts	-	-	-	257,135	257,135
Debt service and debt service reserve	57,597	-	-	-	57,597
Housing	194,140	-	-	-	194,140
Bluffs Park	347,480	-	-	-	347,480
City facilities	500,000	-	-	-	500,000
Committed					
Capital improvement projects	1,318,528	-	1,185,698	-	2,504,226
City facilities	1,078,510	-	-	-	1,078,510
Water quality	51,143	-	-	-	51,143
Assigned					
Vehicle maintenance & replacement	267,105	-	-	-	267,105
Information technology replacement	82,541	-	-	-	82,541
Fire rebuild requirements	6,710,986	-	-	-	6,710,986
Next fiscal year operations	6,500,000	-	-	-	6,500,000
Unassigned	67,826,012	(506,829)	(1,185,698)	-	66,133,485
Total fund balances	<u>85,155,771</u>	<u>(506,829)</u>	<u>-</u>	<u>3,762,263</u>	<u>88,411,205</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 98,476,641</u>	<u>\$ 1,062,532</u>	<u>\$ 71,341</u>	<u>\$ 4,006,005</u>	<u>\$ 103,616,519</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, 2023**

Fund Balances of Governmental Funds	\$ 88,411,205
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.	129,067,940
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,207,556
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	1,107,315
Deferred outflows of resources for pensions	4,783,070
Deferred inflows of resources for OPEB	(622,546)
Deferred inflows of resources for pensions	(493,698)
Net OPEB liability	(538,399)
Net pension liability	(8,507,593)
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	1,329,392
Interest payable	(355,802)
Long-term liabilities	<u>(55,233,007)</u>
Net Position of Governmental Activities	<u><u>\$ 161,155,433</u></u>

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, 2023**

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 39,169,363	\$ -	\$ -	\$ 528,044	\$ 39,697,407
Fines and forfeitures	1,482,486	-	-	237,862	1,720,348
Intergovernmental	3,571,663	548,148	-	2,103,065	6,222,876
Use of money and property	1,692,228	-	-	119,868	1,812,096
Charges for services	9,089,243	-	-	153,766	9,243,009
Other	65,102	-	-	-	65,102
Total revenues	<u>55,070,085</u>	<u>548,148</u>	<u>-</u>	<u>3,142,605</u>	<u>58,760,838</u>
EXPENDITURES					
Current:					
Legislative and advisory	1,709,491	-	-	-	1,709,491
General government	7,055,118	-	-	8,000	7,063,118
Public safety	11,599,872	-	-	165,271	11,765,143
Community development	8,442,838	-	-	309,050	8,751,888
Community services	3,170,898	-	-	104,322	3,275,220
Public works	5,535,260	-	-	397,383	5,932,643
Capital outlay	2,232,188	-	904,849	108,806	3,245,843
Debt service:					
Principal	1,050,832	-	-	-	1,050,832
Interest	2,171,788	-	-	-	2,171,788
Total expenditures	<u>42,968,285</u>	<u>-</u>	<u>904,849</u>	<u>1,092,832</u>	<u>44,965,966</u>
Revenues over (under) expenditures	<u>12,101,800</u>	<u>548,148</u>	<u>(904,849)</u>	<u>2,049,773</u>	<u>13,794,872</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	928,848	-	904,849	16,332	1,850,029
Transfers out	(37,261)	(572,447)	-	(1,240,321)	(1,850,029)
Issuance of debt	55,000	-	-	-	55,000
Total other financing sources (uses)	<u>946,587</u>	<u>(572,447)</u>	<u>904,849</u>	<u>(1,223,989)</u>	<u>55,000</u>
Net change in fund balance	13,048,387	(24,299)	-	825,784	13,849,872
FUND BALANCE - BEGINNING	<u>72,107,384</u>	<u>(482,530)</u>	<u>-</u>	<u>2,936,479</u>	<u>74,561,333</u>
FUND BALANCE - ENDING	<u>\$ 85,155,771</u>	<u>\$ (506,829)</u>	<u>\$ -</u>	<u>\$ 3,762,263</u>	<u>\$ 88,411,205</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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 13,849,872
<p>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:</p>	
<p>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:</p>	
Cost of assets capitalized	1,215,849
Depreciation expense	(1,681,890)
<p>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.</p>	
	(2,453,199)
<p>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.</p>	
	2,207,556
<p>Governmental funds report issuance of debt as a financing source. However, this type of transaction has no effect within the Statement of Activities.</p>	
	(55,000)
<p>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.</p>	
	7,816
<p>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.</p>	
	104,740
<p>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.</p>	
	1,050,832
<p>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.</p>	
Change in net OPEB liability	(454,141)
Change in net pension liability	(518,070)
Change in compensated absences	(83,017)
Loss on asset disposal	(97,031)
Change in Net Position of Governmental Activities	\$ 13,094,317

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, 2023**

	Business-Type Activities		Totals
	Commercial Real Estate Rental	Wastewater Treatment	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,275,902	\$ 2,549,945	\$ 3,825,847
Accounts receivable	235,668	140,418	376,086
Lease receivable	612,367	-	612,367
Total current assets	<u>2,123,937</u>	<u>2,690,363</u>	<u>4,814,300</u>
Noncurrent assets:			
Restricted:			
Cash and cash equivalents with fiscal agent	927	-	927
Due from tenants	1,413,717	-	1,413,717
Lease receivable	28,948,804	-	28,948,804
Capital assets, non-depreciable	15,404,922	5,605,943	21,010,865
Capital assets, net of accumulated depreciation	12,224,415	52,011,759	64,236,174
Total noncurrent assets	<u>57,992,785</u>	<u>57,617,702</u>	<u>115,610,487</u>
Total assets	<u>60,116,722</u>	<u>60,308,065</u>	<u>120,424,787</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	408,174	-	408,174
LIABILITIES			
Current liabilities:			
Accounts payable	58,973	185,242	244,215
Deposits	443,503	3,780,000	4,223,503
Interest payable	74,074	-	74,074
Unearned revenue	89,234	-	89,234
Noncurrent liabilities due within one year:			
Certificates of participation, net	633,075	-	633,075
Total current liabilities	<u>1,298,859</u>	<u>3,965,242</u>	<u>5,264,101</u>
Noncurrent liabilities:			
Noncurrent liabilities due in more than one year:			
Advances from other funds	-	186,113	186,113
Certificates of participation, net	10,554,605	-	10,554,605
Total noncurrent liabilities	<u>10,554,605</u>	<u>186,113</u>	<u>10,740,718</u>
Total liabilities	<u>11,853,464</u>	<u>4,151,355</u>	<u>16,004,819</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	29,561,171	-	29,561,171
NET POSITION			
Net investment in capital assets	16,849,831	53,837,702	70,687,533
Restricted for debt service	927	-	927
Unrestricted	2,259,503	2,319,008	4,578,511
Total net position	<u>\$ 19,110,261</u>	<u>\$ 56,156,710</u>	<u>\$ 75,266,971</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, 2023**

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
OPERATING REVENUES			
Charges for sales and services:			
Property-related income	\$ 1,574,439	\$ -	\$ 1,574,439
Sewer service fees	-	2,260,360	2,260,360
Other charges	162,162	-	162,162
Total operating revenues	<u>1,736,601</u>	<u>2,260,360</u>	<u>3,996,961</u>
OPERATING EXPENSES			
Personnel services	98,440	89,275	187,715
Professional and contractual services	345,248	188,937	534,185
Repairs and maintenance	62,803	1,375,532	1,438,335
Utilities	171,491	203,316	374,807
Supplies	3,290	26,427	29,717
Total operating expenses	<u>681,272</u>	<u>1,883,487</u>	<u>2,564,759</u>
Operating income before depreciation	1,055,329	376,873	1,432,202
Depreciation and amortization expense	1,331,407	1,061,464	2,392,871
Operating loss	<u>(276,078)</u>	<u>(684,591)</u>	<u>(960,669)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment and interest income	31,378	64,545	95,923
Interest expense	(477,475)	(5,923)	(483,398)
Total nonoperating revenues (expenses)	<u>(446,097)</u>	<u>58,622</u>	<u>(387,475)</u>
Change in net position	(722,175)	(625,969)	(1,348,144)
NET POSITION, BEGINNING	<u>19,832,436</u>	<u>56,782,679</u>	<u>76,615,115</u>
NET POSITION, ENDING	<u>\$ 19,110,261</u>	<u>\$ 56,156,710</u>	<u>\$ 75,266,971</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, 2023**

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,677,425	\$ 2,251,207	\$ 3,928,632
Payments to suppliers	(555,579)	(1,889,671)	(2,445,250)
Payments to personnel	(98,440)	(89,275)	(187,715)
Net cash provided by operating activities	<u>1,023,406</u>	<u>272,261</u>	<u>1,295,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment on noncapital advances from other funds	-	(186,113)	(186,113)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Interest paid	(456,450)	(5,923)	(462,373)
Principal payment	(635,000)	-	(635,000)
Payments made for capital assets acquired	-	(107,676)	(107,676)
Payments received in advance of assessments	-	750,000	750,000
Net cash provided by/(used for) capital financing activities	<u>(1,091,450)</u>	<u>636,401</u>	<u>(455,049)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	31,378	64,545	95,923
Net increase/(decrease) in cash and cash equivalents	(36,666)	787,094	750,428
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,313,495</u>	<u>1,762,851</u>	<u>3,076,346</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 1,276,829</u></u>	<u><u>\$ 2,549,945</u></u>	<u><u>\$ 3,826,774</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating loss	<u>\$ (276,078)</u>	<u>\$ (684,591)</u>	<u>\$ (960,669)</u>
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities:			
Depreciation and amortization expense	1,331,407	1,061,464	2,392,871
(Increase)/decrease in accounts receivable	(166,373)	(9,153)	(175,526)
(Increase)/decrease in due from tenants	5,215	-	5,215
Increase/(decrease) in accounts payable	27,253	(95,459)	(68,206)
Increase/(decrease) in unearned income	89,234	-	89,234
Increase/(decrease) in deposits liability	12,748	-	12,748
Total adjustments	<u>1,299,484</u>	<u>956,852</u>	<u>2,256,336</u>
Net cash provided by operating activities	<u><u>\$ 1,023,406</u></u>	<u><u>\$ 272,261</u></u>	<u><u>\$ 1,295,667</u></u>
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, 2023**

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 4,038,209
Cash and cash equivalents with fiscal agents	4,247,317
Due from other governments	29,457
Total assets	8,314,983
 LIABILITIES	
Accounts payable	7,051
 NET POSITION	
Restricted for individuals, other organizations, and governments	\$ 8,307,932

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

**CITY OF MALIBU
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Funds
ADDITIONS	
Collections from special assessments	\$ 2,706,467
Investment earnings	208,183
Total additions	2,914,650
DEDUCTIONS	
Payments for administrative charges	79,871
Interest payments	931,723
Payments for special assessment debt	1,839,396
Total deductions	2,850,990
Net increase in net position	63,660
NET POSITION - BEGINNING	8,244,272
NET POSITION - ENDING	\$ 8,307,932

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

CITY OF MALIBU, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Malibu (the City) conform to 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 on the basis of 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 equity, 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 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 given function are offset by program revenues. Direct expenses are those that are clearly 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 instead 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 the modified accrual basis of accounting. Accordingly, only current assets and current liabilities 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.

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. The City has two Proprietary Funds which are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

Fund Classifications

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 City reports two proprietary funds, both of which are reported as 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.

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 over the duration of a project rather than year-by-year budgeting. For the year ended June 30, 2023, there were no major governmental funds with expenditures that exceeded appropriations. The following nonmajor funds had expenditures that exceeded appropriations. The Brulte Bill Grant and the Community Development Block Grant funds had current-year grant revenues and transfers from other funds that equaled the funds' total expenditures.

<u>Non-Major Funds:</u>	<u>Expenditures in Excess of Budget</u>
Special Revenue Funds:	
Brulte Bill Grant	\$ 10,271
Community Development Block Grant	47,760

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. INVESTMENTS AND INTEREST INCOME ON INVESTMENTS

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. 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.

Cash and investments of the City are managed on a pooled basis, and 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. 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. CAPITAL ASSETS

Capital assets, which include land, intangible assets (including right-to-use assets resulting from lease or subscription agreements), buildings, equipment and furniture, vehicles, 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 three years or more. 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 (such as streets, storm drains, bridges, etc.). 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. Right-to-use assets are valued at the present value of payments expected to be made over the term of the agreement.

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.

Capital assets are depreciated or amortized over their estimated useful lives using a straight-line method. Depreciation and amortization are charged as an expense against operations and accumulated amounts are reported on the respective statement of net position. Depreciation and amortization are recorded over the useful life of the assets as follows:

Intangible right-to-use assets	varies by agreement
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

G. COMPENSATED ABSENCES PAYABLE

Compensated absences include accrued vacation and sick leave that are available to employees in future years either in time off or in cash (upon leaving the employ of the City). The City accounts for compensated absences in accordance with GASB Code Section C60 whereby a liability for compensated absences is reported in governmental funds only if the liability has matured, such as would occur as a result of employee resignations and retirements. The general fund has been used in prior years to liquidate the compensated absences liability; the City expects to continue using the general fund to liquidate the compensated absences liability.

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. FLOW ASSUMPTIONS OF RESTRICTED AND UNRESTRICTED RESOURCES

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then to use unrestricted resources as they are needed. See Note 1 sections (O) and (P) for additional flow assumption information.

J. 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.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position and the Governmental Funds' Balance Sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources.

The separate financial statement element of deferred outflows of resources represents a consumption of net assets that applies to a future period(s) 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.

The separate financial statement element of deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) 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 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. CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash or so near their maturity that they present an insignificant risk of a change in value and 2) have an original maturity date of three months or less. Cash equivalents represent the proprietary and fiduciary funds' share in the City's cash and investment pool.

M. OPERATING AND NON-OPERATING REVENUES AND EXPENSES – PROPRIETARY FUNDS

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 which do not relate to these activities and which are not capital in nature are reported as non-operating revenues and expenses.

N. 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, 2023, the significant commitments, including continuing capital projects within enterprise funds, are as follows:

Major Enterprise Fund:	
Commercial Real Estate Rental	\$ 40,650
Wastewater Treatment	169,764
Major Governmental Funds:	
General Fund	7,667,759
Capital Improvements Capital Projects Fund	1,185,698
Nonmajor Governmental Funds	654,971

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, the City’s policy is to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City’s policy is to first deplete committed fund balance, then assigned fund balance, and finally unassigned fund balance.

P. 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, unspent debt proceeds, and required reserves, less accumulated depreciation and the outstanding principal of capital-related debt. The City’s 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.

Q. 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.

R. 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.

S. 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.

T. ACCOUNTING PRONOUNCEMENTS

The City implemented all GASB statements that were effective for reporting periods beginning in Fiscal Year 2022-23. These included Statement Number 91 *Conduit Debt Obligations*, Statement Number 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement Number 96 *Subscription-Based Information Technology Arrangements*. None of the newly effective GASB statements had a significant impact on the City.

2. CASH AND INVESTMENTS

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

Statement of Net Position:	
Governmental Funds:	
Unrestricted	\$ 91,926,992
Restricted	57,597
Proprietary Funds:	
Unrestricted	3,825,847
Restricted	927
Fiduciary Funds:	
Cash and cash equivalents	4,038,209
Cash and cash equivalents with fiscal agents	4,247,317
Total Cash and Investments	<u>\$ 104,096,889</u>

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:

Pooled Deposits & Investments:	
Demand Deposits	\$ 7,323,979
Investments	92,465,979
Cash and Investments with Fiscal Agents:	
Investments	4,305,841
Petty Cash	1,090
Total Cash and Investments	<u>\$ 104,096,889</u>

At June 30, 2023, the pooled demand deposit bank balance was \$9,189,500. The amount shown for pooled demand deposits is the amount after outstanding checks are subtracted and deposits in transit are added.

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, 2023

<u>Investment Type - Authorized by Trust Agreements</u>	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)	\$ 24,930,360	\$ 24,930,360	\$ -	\$ -
Money Market Mutual Funds	4,573,437	4,573,437	-	-
U.S. Treasury Bills	15,086,417	15,086,417	-	-
U.S. Treasury Notes	37,518,231	13,181,285	15,209,560	9,127,386
Negotiable Certificates of Deposit	10,357,534	6,653,322	2,855,206	849,006
Investments held by fiscal agents:				
Money market mutual funds	4,305,841	4,305,841	-	-
Total Investments	\$ 96,771,820	\$ 68,730,662	\$ 18,064,766	\$ 9,976,392

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	AAA	Not Rated
City's Pooled Investments:				
Local Agency Investment Fund (LAIF)	\$ 24,930,360	N/A	\$ -	\$ 24,930,360
Money Market Mutual Funds	4,573,437	N/A	-	4,573,437
U.S. Treasury Bills	15,086,417	None	-	15,086,417
U.S Treasury Notes	37,518,231	None	37,518,231	-
Negotiable Certificates of Deposit	10,357,534	N/A	-	10,357,534
Investments held by fiscal agents:				
Money market mutual funds	4,305,841	N/A	-	4,305,841
Total Investments	\$ 96,771,820		\$ 37,518,231	\$ 59,253,589

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The 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	\$ 4,573,437
U.S. Treasury Bills	15,086,417
U.S Treasury Notes	37,518,231
Negotiable Certificates of Deposit	10,357,534
Investments held by fiscal agents:	
Money market mutual funds	4,305,841

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, 2023, 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)	\$ 24,930,360	**
Money Market Mutual Funds	4,573,437	**
U.S. Treasury Bills	15,086,417	Level 2 input
U.S Treasury Notes	37,518,231	Level 2 input
Negotiable Certificates of Deposit	10,357,534	Level 2 input
Investments held by fiscal agents:		
Money market mutual funds	4,305,841	
Total Investments	<u>\$ 96,771,820</u>	**

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

3. CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2023, were as follows:

<u>Business-type Activities</u>	<u>Balances</u>				<u>Balances</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>June 30, 2023</u>
Cost:					
Nondepreciable capital assets:					
Land	\$ 17,325,848	\$ -	\$ -	\$ -	\$ 17,325,848
Construction in progress	3,577,341	107,676	-	-	3,685,017
Total nondepreciable assets	<u>20,903,189</u>	<u>107,676</u>	<u>-</u>	<u>-</u>	<u>21,010,865</u>
Depreciable capital assets:					
Buildings and other improvements	86,009,734	-	-	-	86,009,734
Infrastructure	444,000	-	-	-	444,000
Subtotal	<u>86,453,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,453,734</u>
Accumulated depreciation for:					
Buildings and other improvements	(19,706,976)	(2,381,100)	-	-	(22,088,076)
Infrastructure	(117,713)	(11,771)	-	-	(129,484)
Subtotal	<u>(19,824,689)</u>	<u>(2,392,871)</u>	<u>-</u>	<u>-</u>	<u>(22,217,560)</u>
Net depreciable assets	<u>66,629,045</u>	<u>(2,392,871)</u>	<u>-</u>	<u>-</u>	<u>64,236,174</u>
Total net capital assets	<u>\$ 87,532,234</u>	<u>\$ (2,285,195)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,247,039</u>

CITY OF MALIBU, CALIFORNIA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 June 30, 2023

<u>Governmental Activities</u>	Balances July 1, 2022	Additions	Deletions	Reclassifications	Balances June 30, 2023
Cost:					
Nondepreciable capital assets:					
Land	\$ 69,556,508	\$ -	\$ -	\$ -	\$ 69,556,508
Right of way	24,045,543	-	-	-	24,045,543
Construction in progress	1,436,154	812,862	-	(632,622)	1,616,394
Total nondepreciable assets	<u>95,038,205</u>	<u>812,862</u>	<u>-</u>	<u>(632,622)</u>	<u>95,218,445</u>
Depreciable capital assets:					
Right-to-use lease assets	103,074	55,000	-	-	158,074
Buildings and other improvements	23,276,552	74,560	-	-	23,351,112
Equipment and furniture	1,768,114	185,436	-	30,012	1,983,562
Vehicles	618,432	87,991	(51,930)	-	654,493
Infrastructure	40,469,752	-	(73,193)	602,610	40,999,169
Subtotal	<u>66,235,924</u>	<u>402,987</u>	<u>(125,123)</u>	<u>632,622</u>	<u>67,146,410</u>
Accumulated depreciation for:					
Right-to-use lease assets	(35,510)	(30,407)	-	-	(65,917)
Buildings and other improvements	(8,858,551)	(813,709)	-	-	(9,672,260)
Equipment and furniture	(1,174,870)	(117,365)	-	-	(1,292,235)
Vehicles	(321,398)	(67,933)	20,772	-	(368,559)
Infrastructure	(21,252,788)	(652,476)	7,320	-	(21,897,944)
Subtotal	<u>(31,643,117)</u>	<u>(1,681,890)</u>	<u>28,092</u>	<u>-</u>	<u>(33,296,915)</u>
Net depreciable assets	<u>34,592,807</u>	<u>(1,278,903)</u>	<u>(97,031)</u>	<u>632,622</u>	<u>33,849,495</u>
Total net capital assets	<u>\$ 129,631,012</u>	<u>\$ (466,041)</u>	<u>\$ (97,031)</u>	<u>\$ -</u>	<u>\$ 129,067,940</u>

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

Business-type Activities:	
Commercial real estate rental	\$ 1,331,407
Wastewater treatment	1,061,464
Total depreciation expense	<u>\$ 2,392,871</u>
Governmental Activities:	
Legislative and advisory	\$ 3,333
General government	559,538
Public safety	88,323
Community development	10,767
Community services	262,278
Public works	757,651
Total depreciation expense	<u>\$ 1,681,890</u>

4. LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended June 30, 2023, were as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Long-Term Amount
Governmental Activities:						
Direct borrowings	\$ 53,063	\$ 55,000	\$ (30,832)	\$ 77,231	\$ (23,048)	\$ 54,183
Certificates of participation:						
2015 Refunding Series B	4,460,000	-	(125,000)	4,335,000	(135,000)	4,200,000
2016 Refunding	23,660,000	-	(810,000)	22,850,000	(835,000)	22,015,000
2018 COP	23,580,000	-	(85,000)	23,495,000	(90,000)	23,405,000
Unamortized premiums:						
2015 Refunding Series B	360,447	-	(20,795)	339,652	(20,795)	318,857
2016 Refunding	2,674,289	-	(153,960)	2,520,329	(153,960)	2,366,369
2018 COP	963,800	-	(36,600)	927,200	(36,600)	890,600
Compensated absences	605,578	700,919	(617,902)	688,595	(500,000)	188,595
Total	<u>\$ 56,357,177</u>	<u>\$ 755,919</u>	<u>\$ (1,880,089)</u>	<u>\$ 55,233,007</u>	<u>\$ (1,794,403)</u>	<u>\$ 53,438,604</u>

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Long-Term Amount
Business-Type Activities:						
Certificates of participation:						
2015 Refunding Series A	\$ 7,835,000	\$ -	\$ (630,000)	\$ 7,205,000	\$ (650,000)	\$ 6,555,000
2015 Refunding Series B	3,650,000	-	(5,000)	3,645,000	(5,000)	3,640,000
Unamortized premium/discount:						
2015 Refunding Series A	(62,672)	-	6,065	(56,607)	6,065	(50,542)
2015 Refunding Series B	418,427	-	(24,140)	394,287	(24,140)	370,147
Total	<u>\$ 11,840,755</u>	<u>\$ -</u>	<u>\$ (653,075)</u>	<u>\$ 11,187,680</u>	<u>\$ (673,075)</u>	<u>\$ 10,514,605</u>

A. DIRECT BORROWINGS:

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
2024	\$ 23,048	\$ 2,596	\$ 25,644
2025	11,674	2,045	13,719
2026	4,810	1,730	6,540
2027	5,221	1,515	6,736
2028	5,656	1,283	6,939
2029-2033	26,822	2,408	29,230
Totals	<u>\$ 77,231</u>	<u>\$ 11,577</u>	<u>\$ 88,808</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 \$68,121.

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 \$62,162.

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 \$340,053. 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 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. These differences are reported as a deferred outflow of resources and are being amortized to interest expense using the straight-line method.

	2016 COP Refunding of:		
	COP 2009 Series A	COP 2009 Series B	COP 2010 Series D
Deferred loss at date of refunding	\$ 1,762,892	\$ 129,899	\$ 63,719
Amortized through date	7/1/2039	7/1/2024	7/1/2024
Unamortized amount at 6/30/23	\$ 1,242,112	\$ 16,852	\$ 8,266
Outstanding refunded certificates at 6/30/23	\$ -	\$ 175,000	\$ -

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, 2023, are as follows:

Year Ending	Principal	Interest	Total
June 30,			
<u>Business-type Activities</u>			
2024	\$ 655,000	\$ 433,726	\$ 1,088,276
2025	675,000	413,511	1,088,726
2026	690,000	391,687	1,088,511
2027	705,000	368,908	1,081,687
2028	730,000	341,810	1,071,810
2029-2033	4,055,000	1,234,116	5,289,116
2034-2037	3,340,000	315,818	3,655,818
Totals	<u>\$ 10,850,000</u>	<u>\$ 3,499,576</u>	<u>\$ 14,363,944</u>

Year Ending June 30,	Principal	Interest	Total
Governmental Activities			
2024	\$ 1,060,000	\$ 2,124,150	\$ 3,184,150
2025	1,100,000	2,074,325	3,174,325
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
2029-2033	8,075,000	8,391,938	16,466,938
2034-2038	9,845,000	6,573,956	16,418,956
2039-2043	10,965,000	4,306,806	15,271,806
2044-2048	12,750,000	1,756,925	14,506,925
2049	2,845,000	52,075	2,897,075
Totals	<u>\$ 50,680,000</u>	<u>\$ 31,123,900</u>	<u>\$ 81,803,900</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) has 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 Fiscal Year 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, 2023 total \$2,710,000.

Assessment District No. 2010-1 (Broad Beach)

The City of Malibu Broad Beach Road Underground Utilities Assessment District 2010-1 (AD) has 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, 2022 total \$1,475,000.

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

- A. Bonds: The Assessment District No. 2015-1 of the City of Malibu (AD) has 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, 2022 total \$3,555,800.
- B. State Revolving Fund Loan: The Assessment District No. 2015-1 has 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, 2022 totals \$42,999,410.

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, 2023, 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>		Animal	Lumber	<u>Total</u>
	<u>Lease #1</u>	<u>Lease #2</u>	<u>Hospital</u>	<u>Yard</u>	
Balances at fiscal year-end:					
Lease receivable	\$ 2,105,688	\$ 447,879	\$ 415,761	\$26,591,843	\$29,561,171
Deferred inflow of resources	2,105,688	447,879	415,761	26,591,843	29,561,171
Property-related revenue recognized during the fiscal year:					
Lease revenue	119,820	35,313	259,616	141,714	556,463
Amortization of present value discount	75,222	16,332	22,828	903,594	1,017,976

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 \$438,613 as of June 30, 2023.

- 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. The monthly lease payment was \$15,987 at the beginning of the year, increased according to the terms of the agreement, and was \$16,307 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 \$4,282 at the beginning of the year, increased according to the terms of the agreement, and was \$4,411 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; an extension to the lease was executed on April 10, 2013, which extends the lease through January 1, 2025. The lease includes a \$25,000 annual rent reduction which is applied evenly to each month. The monthly lease payment increases by 2% annually on January 1, and there are no contingent rental payments on this lease. After the application of the rent reduction, the monthly lease payment was \$23,283 at the beginning of the year, increased according to the terms of the agreement, and was \$23,791 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 \$924,812 as of June 30, 2023.

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 Fiscal Year 2062-63. The lease has fixed increases effective every five years. The minimum monthly lease payments from March 1, 2018, through December 31, 2022, were \$84,984 and then increased to \$89,234 per month through December 31, 2027. 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 Fiscal Year 2022-23, 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 \$4,376,463 as of June 30, 2023.

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

Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 612,367	\$ 999,167	\$ 1,611,534
2025	497,701	978,325	1,476,026
2026	376,312	961,647	1,337,959
2027	397,046	948,927	1,345,973
2028	445,491	935,508	1,380,999
2029-2033	2,692,659	4,426,137	7,118,796
2034-2038	2,262,742	3,981,216	6,243,958
2039-2043	2,634,280	3,594,650	6,228,930
2044-2048	3,443,721	3,096,658	6,540,379
2049-2053	4,416,175	2,451,222	6,867,397
2054-2058	5,581,947	1,628,812	7,210,759
2059-2063	6,200,730	579,456	6,780,186
Totals	<u>\$ 29,561,171</u>	<u>\$ 24,581,725</u>	<u>\$ 54,142,896</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 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 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, 2021
 Measurement Date: June 30, 2022
 Measurement Period: July 1, 2021 through June 30, 2022

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, 2023, 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%	7.25%
Required employer contribution rates:		
Normal cost rate	11.610%	7.760%
Payment of unfunded liability	\$592,130	\$13,787

* 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 \$1,218,844.

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

As of June 30, 2023, the City reported net pension liabilities totaling \$8,507,593. The City’s net pension liability is measured as the proportionate share of the net pension liability measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The City’s 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, 2023

The City's proportionate share of the net pension liability as of June 30, 2022 and 2021 was as follows:

	<u>Miscellaneous Risk Pool</u>
Proportion - June 30, 2021	0.05496%
Proportion - June 30, 2022	0.07365%
Change - Increase (Decrease)	0.01869%

For the year ended June 30, 2023, the City recognized pension expense of \$1,891,016. At June 30, 2023, 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	\$ 1,372,946	\$ -
Differences between actual and expected experience	170,849	(114,427)
Change in assumptions	871,781	-
Net differences between projected and actual earnings on plan investments	1,558,365	-
Change in employer's proportion	809,129	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(379,271)
Total	<u>\$ 4,783,070</u>	<u>\$ (493,698)</u>

The \$1,372,946 deferred outflow of resources related to 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, 2024. 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>
2023-24	\$ 860,288
2024-25	713,488
2025-26	389,500
2026-27	953,150
Totals	<u>\$2,916,426</u>

ACTUARIAL METHODS AND ASSUMPTIONS

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial calculation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous Risk Pool</u>
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
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) The lesser of contract COLA or 2.3% until purchasing power protection allowance floor on purchasing power applies, 2.3% thereafter.

All other actuarial assumptions used in the June 30, 2021 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%	4.45%
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	\$ 13,890,984	\$ 8,507,593	\$ 4,078,398

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, 2023, 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 of GASB Statement No. 84 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 Fiscal Year 2022-23, the City contributed \$14,100 on behalf of the City Manager, based on a salary of \$235,000 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 Fiscal Year 2022-23, the City contributed a total of \$21,000 on behalf of the covered employees. There were seven 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, 2023, there were 69 employees participating in the plan. The City made employer contributions of \$78,950, and employees contributed \$314,084.
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, 2023, the City's covered payroll was \$380,987 for the 33 employees participating in the plan. The City made employer contributions of \$4,953, and employees contributed \$23,621.

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, 2021
Measurement Date: June 30, 2022
Measurement Period: July 1, 2021 through June 30, 2022

ELIGIBILITY

As of the measurement date of June 30, 2022, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	12
Active employees	<u>86</u>
Total	<u><u>127</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, 2022, the City recognized contributions of \$848,722 as a reduction to the net OPEB liability. The contributions consisted of \$26,339 in benefit payments, \$719 in administrative costs, and \$821,664 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, 2021, with a measurement date of June 30, 2022. 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 2021 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, 2021
Measurement date	June 30, 2022
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: 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (non-Kaiser): 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser): 4.6% for 2022, decreasing to an ultimate rate of 3.75% 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, 2022, 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 Measurement Date: 6/30/21	\$ 7,969,671	\$ 8,945,936	\$ (976,265)
Changes in the Year:			
Service cost	521,040	-	521,040
Interest on the total OPEB liability	521,619	-	521,619
Actual vs expected experience	-	-	-
Assumption change	-	-	-
Contributions - employer	-	848,722	(848,722)
Net investment income	-	(1,317,558)	1,317,558
Benefit payments	(289,603)	(289,603)	-
Administrative expenses	-	(3,169)	3,169
Net Changes	753,056	(761,608)	1,514,664
Balance at Measurement Date: 6/30/22	\$ 8,722,727	\$ 8,184,328	\$ 538,399

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 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability/(Asset)	\$1,799,038	\$538,399	(\$493,236)

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 (5.5% Non-Medicare/ 4.65%-3.60% Medicare Decreasing to 2.75%)	Current Healthcare Cost Trend Rate (6.5% Non-Medicare/ 5.65%-4.60% Medicare Decreasing to 3.75%)	1% Increase (7.5% Non-Medicare/ 6.65%-5.60% Medicare Decreasing to 4.75%)
Net OPEB Liability/(Asset)	(\$729,500)	\$538,399	\$2,141,812

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$492,432. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 38,291	\$ -
Differences between expected and actual experience	37,358	(510,394)
Changes in assumptions	311,294	(112,152)
Differences between projected and actual earnings	720,372	-
Total	<u>\$ 1,107,315</u>	<u>\$ (622,546)</u>

The \$38,291 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, 2024. 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
2023-24	\$ 60,878
2024-25	55,387
2025-26	26,663
2026-27	320,272
2027-28	(64,293)
Thereafter	47,571
Totals	<u>\$ 446,478</u>

PAYABLE TO THE OPEB PLAN

At June 30, 2023, 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 Fiscal Year 2022-23, 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 \$32,437 and earned interest of \$4,139; there were no expenditures during the year. At June 30, 2023, the balance of fees on hand was \$161,662.

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 \$1,039; there were no expenditures during the year. At June 30, 2023, the balance of fees on hand was \$36,888.

10. INTERFUND TRANSACTIONS

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

LONG-TERM LOANS – ADVANCES TO/FROM OTHER FUNDS

During Fiscal Years 2018-19 through 2020-21, the General Fund provided temporary funding to the Wastewater Treatment Facility Enterprise Fund for the cumulative excess of the facility’s operating costs over the rates. The City Council adopted Resolution No. 20-61 which approved an interfund loan agreement effective as of July 1, 2019. Interest on the loan accrues at the published quarterly apportionment rate of the State of California’s Local Agency Investment Fund, compounded annually. Funds to repay the loan have been included in the wastewater and recycled water rates beginning in Fiscal Year 2021-22. The loan agreement calls for a repayment term of three years commencing in Fiscal Year 2021-22. At June 30, 2023, the outstanding balance of the loan was \$186,113.

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, 2023, is as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 1,104,823	\$ -
Grants Special Revenue Fund	-	1,062,532
Nonmajor Governmental Funds	-	42,291
Total	<u>\$ 1,104,823</u>	<u>\$ 1,104,823</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, 2023, are as follows:

	Transfers Out			
	Governmental Fund Type			
	Major Funds			
<u>Transfers In</u>	<u>General</u>	<u>Grants</u>	<u>Nonmajor</u>	<u>Total</u>
Governmental Fund Type:	Fund	Special	Funds	
Major Funds:		Revenue		
General Fund	\$ -	\$ -	\$ 928,848	\$ 928,848
Capital Improvements				
Capital Projects Fund	20,929	572,447	311,473	904,849
Nonmajor Funds	16,332	-	-	16,332
Total	<u>\$ 37,261</u>	<u>\$ 572,447</u>	<u>\$ 1,240,321</u>	<u>\$ 1,850,029</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 comprised of 124 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 Authority began covering the 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. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. 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 have a sub-limit of \$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 2022-23, 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 of Malibu 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 of Malibu. 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 of Malibu participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City's property currently has all-risk property insurance protection in the amount of \$107,249,398. 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 of Malibu purchases earthquake and flood insurance on a portion of its property. Earthquake insurance is part of the property protection insurance program of the Authority. The City's property currently has earthquake protection in the amount of \$66,006,470. 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 City 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 Fiscal Year 2022-23.

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. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 ordering all residents of California to stay home except as needed to maintain the operations of critical infrastructure sectors. The County of Los Angeles issued a Health Officer Order and a series of revisions that mirrored and expanded the Governor's Executive Order. Original estimates anticipated that the pandemic would dampen the City's revenues for several years. By the end of Fiscal Year 2020-21, most revenue sources had recovered, and Fiscal Year 2021-22 experienced an increase in revenue.

In March 2021, President Biden signed the American Rescue Plan Act (ARPA) to provide funding to cities, towns, and villages to respond and recover from the COVID-19 pandemic. The City was awarded \$2.8 million in ARPA funds. The Treasury issued a Final Rule that allowed cities to elect a Revenue Loss Standard Allowance to claim up to \$10 million in revenue loss. Thus, the City was able to claim this allowance towards government services for the \$2.8 million.

- E. The Santa Monica College (SMC) Malibu Satellite Campus Project is currently in construction and is anticipated to be substantially complete in November 2022. As part of the project, SMC is building 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. A variety of staffing scenarios have currently been requested. According to one preliminary estimate, it could cost up to approximately \$4.0 million annually to staff the facility without jail operations. This cost would be in addition to the amount the City is currently paying for the Sheriff's services it receives out of the Lost Hills Sheriff's Station. While a portion of these proposed costs may be borne by the County, the majority may be the responsibility of the City depending on the negotiated agreement. Ongoing discussions are underway with the County and Sheriff's Department to evaluate staffing levels and costs so that more detailed information can be provided to the Council and presented to the community for input.

13. CAPITAL PROJECTS IN PROGRESS

ANNUAL STREET OVERLAY

The project includes asphalt ready hot mix overlay and slurry seal at various locations that have been identified for this year's annual street maintenance. The areas included for maintenance are Harvester Road and Busch Drive which will be completed in Fiscal Year 2023-24 and Morning View Drive which will be completed in Summer of Fiscal Year 2024-25. The streets for Fiscal Year 2024-25 will be selected in the Spring of Fiscal Year 2023-24.

PACIFIC COAST HIGHWAY (PCH) MEDIAN IMPROVEMENT PROJECT

This project will promote traffic safety along PCH by channelizing the highway, regulating turn movements, widening shoulders, and improving traffic operations. The project includes the rehabilitation of the existing raised medians and asphalt and concrete shoulder joints along PCH from the intersection of John Tyler Drive to the intersection of Puerco Canyon Road. The PCH Median Improvement Project is funded by Los Angeles County Measure R, which is administered by the Los Angeles County Metropolitan Transportation Authority. In Fiscal Year 2017-18, the City began the project study report/project development support (PSR/PDS) and in Fiscal Year 2018-19, began the preliminary

approval and environmental design phase. During Fiscal Year 2022-23, the project design was completed, and the project was advertised for construction bidding. The bids received exceeded the available budget; thus, the project limits were reduced and will be rebid in Fiscal Year 2023-24. The City anticipates construction to be completed in Spring 2024.

PACIFIC COAST HIGHWAY (PCH) SIGNAL SYNCHRONIZATION SYSTEM

This project was identified by the PCH Safety Study to improve safety along the Malibu highway corridor. The project will install communication between the existing traffic signals on PCH from Topanga Canyon Road to John Tyler Drive and will connect the signals back to Caltrans' Traffic Management Center. The project will interconnect the signals and allow Caltrans to control and operate the signals and the signal system remotely. The City awarded a contract for design in Fiscal Year 2016-17. The design was completed, and the construction contract was awarded in Fiscal Year 2022-23. It is anticipated that construction will be completed in Fiscal Year 2024-25.

MARIE CANYON GREEN STREETS

This project included the installation of various filtration devices to remove or kill bacteria in stormwater. The project reduces the City's Total Maximum Daily Loads (TMDLs) from stormwater in compliance with the City's Municipal Separate Storm Sewer System Discharge Permit with the Regional Water Quality Control Board. The project was completed in Fiscal Year 2022-23.

CIVIC CENTER WASTEWATER TREATMENT FACILITY PHASE TWO

The Civic Center Wastewater Treatment Facility Phase One was completed in Fiscal Year 2018-19. The project consisted of constructing a new wastewater and recycled water treatment facility. The new wastewater treatment facility has the capacity to treat up to 190,000 gallons of wastewater per day and has flexibility to expand the treatment capacity for Phases Two and Three. The recycled water system was constructed to supply recycled water to customers within the Civic Center area. Design of Phase Two of the project is underway, and an assessment district engineer has been retained. The work includes preparing a coastal development permit, construction plans, project specifications, and cost estimates for the design to expand the existing Civic Center Wastewater Treatment Facility. The work also includes the design of a new wastewater collection system for Phase Two property owners, an additional injection well, and the expansion of the recycled water system. The project is currently developing a detailed cultural resource monitoring plan. It is expected that this project will be ready for construction by Spring 2025.

CITY HALL SOLAR POWER PROJECT

This project will include the installation of a solar power system at City Hall. It will include facilities that could be used to charge electric vehicles as well as reduce the City's overall electricity consumption. The design for this project was completed in 2018; however, construction of the project was delayed due to other priorities. A Request For Qualifications will be released in Fiscal Year 2023-24 seeking a qualified consulting firm to update the design. It is anticipated that construction will begin in Fiscal Year 2023-24.

WESTWARD BEACH ROAD IMPROVEMENTS

This project includes modifications to Westward Beach Road starting at Birdview Avenue and running approximately 1,100 feet west. The project includes a 12' wide combination sidewalk and bicycle path, and a bicycle connection from PCH to Westward Beach. A new concrete sand barrier will be placed between the beach and the proposed parking area to prevent sand from depositing on the new sidewalk and parking area. Design of this project was completed in Fiscal Year 2020-21. On March 29, 2022, the City Council directed staff to cancel this project and develop a new project that only consists of making roadway repairs along the existing shoulder areas. The revised design was completed in Fiscal Year 2022-23, and construction is anticipated to be complete in Fiscal Year 2023-24.

HEATHERCLIFF ROAD SAFETY IMPROVEMENTS

This project was to address safety issues along Heathercliff Road. The first phase of the project included engineering and design. The project was in the conceptual design phase; however, it was cancelled due to other City priorities.

PERMANENT SKATE PARK

This project consists of designing and constructing a permanent 12,500 square-foot, in-ground concrete skate park on the Crummer/Case property adjacent to Malibu Bluffs Park. The project includes parking and adds site amenities such as trash cans, benches, tables, and restrooms. Design began in Fiscal Year 2020-21 and is an ongoing project.

BLUFFS PARK SHADE STRUCTURE

This project installed four single-post shade structures at Malibu Bluffs Park. Two of the shade structures were installed at the Michael Landon Center Playground, and two were installed at the baseball field picnic area. The project was funded through the City's Proposition A Park Funds. The project was completed in Fiscal Year 2022-23.

LEGACY PARK PAVER REPAIR

This project consisted of removal and repair of a large section of pavers on the north side of the Loop Walkway at Legacy Park. The pavers had become uneven and damaged in several areas, causing a potential safety hazard for park patrons. The repairs were completed through regular maintenance services, and it has been determined this project is no longer needed.

MALIBU BLUFFS PARK SOUTH WALKWAY

This project will replace the existing walkway on the south side of Malibu Bluffs Park. Staff have repaired or replaced several different sections of the sidewalk over the past several years, but a more in-depth repair and re-leveling of the sub-surface is required. The design for this project began in Fiscal Year 2022-23 and the project is anticipated to be completed in Fiscal Year 2023-24.

TRANCAS CANYON PARK PLAYGROUND RESURFACING

This project will remove and replace the upper layer of the current playground pour-in-place safety surfacing at Trancas Canyon Park. The surfacing was installed in 2011 during the construction of the park, and staff have coordinated regular maintenance and several minor repairs since installation. The surfacing is at the end of its 10-year life and needs replacement. The design for this project will begin in Fiscal Year 2023-24.

PACIFIC COAST HIGHWAY (PCH) OVERHEAD WARNING SIGNS

This project was identified in the PCH Safety Study and included the installation of overhead warning signs on PCH near Moonshadows Malibu Restaurant and Big Rock Drive. It was consolidated with the PCH Crosswalk Improvements at Big Rock Drive and 20326 PCH project.

PACIFIC COAST HIGHWAY (PCH) AT TRANCAS CANYON ROAD RIGHT TURN LANE

This project consists of installing a new westbound right turn lane at PCH and Trancas Canyon Road. Funding for this project will be provided by funds administered through Los Angeles County Metropolitan Transit Authority. The design phase of the project began in Fiscal Year 2021-22 and was completed in Fiscal Year 2022-23. It is expected that construction will begin in Fiscal Year 2023-24.

PACIFIC COAST HIGHWAY (PCH) CROSSWALK IMPROVEMENTS AT BIG ROCK DRIVE AND 20326 PCH

This project was identified as part of the 2015 PCH Safety Study and includes the installation of overhead warning signs and raised medians on PCH. Flashing warning beacons will be installed approximately 200 feet east and west of 20326 PCH (by Moonshadows Malibu Restaurant). New raised medians and a pedestrian refuge area are planned. Funding for this project was approved in Fiscal Year 2022-23 and design will begin in Fiscal Year 2023-24.

PACIFIC COAST HIGHWAY (PCH) MEDIAN IMPROVEMENTS – PARADISE COVE AND ZUMA BEACH

This project was identified as part of the 2015 PCH Safety Study and includes installing new raised medians and improvements. New raised medians are proposed east and west of the Paradise Cove Road intersection. The proposed improvements also include relocation of the existing bus stop and new signage, as well as the installation of new raised

medians on PCH in the areas where the double yellow line exist in the vicinity of Zuma Beach, specifically where the yellow paddles are installed. Funding for this project was approved in Fiscal Year 2022-23 and design will begin in Fiscal Year 2023-24.

KANAN DUME BIOFILTER

This project was named in the City’s Enhanced Watershed Management Plan (EWMP) and includes the installation of a biofilter on Kanan Dume Drive to capture and treat stormwater. This project is intended to aid with Municipal Separate Storm Sewer System (MS4) Discharge Permit requirements. Design for this project was delayed and is now scheduled to begin in Fiscal Year 2023-24.

STORMDRAIN TRASH SCREENS PHASE TWO

This project was identified in the City’s Enhanced Watershed Management Plan (EWMP) and includes the installation of trash screens at the City’s storm drain inlets to prevent debris from entering the storm drain system. The proposed trash screens comply with the Trash Total Maximum Daily Load (TMDL) requirements. Trash screens will be installed on City-owned storm drain inlets on John Tyler Drive, Roca Chica Drive, and Piedra Chica Drive. This project will be completed in Fiscal Year 2023-24.

CITY TRAFFIC SIGNALS BACKUP POWER

This project will include upgrading the backup power system to the City’s traffic signals at Civic Center Way/Webb Way, Civic Center Way/Winter Canyon Road, and Civic Center Way/Malibu Canyon Road. Design began in Fiscal Year 2022-23 and is scheduled to be completed in Fiscal Year 2023-24.

MALIBU CANYON ROAD TRAFFIC STUDY

This project will consist of a traffic study on Malibu Canyon Road near Harbor Vista Drive and Potter Lane to decide if any feasible traffic safety improvements can be constructed at this location. The study began in Fiscal Year 2022-23 and will be completed in Fiscal Year 2023-24.

14. DISASTER RECOVERY CAPITAL PROJECTS IN PROGRESS

Multiple rehabilitation and repair projects became necessary as a result of the Woolsey Fire and the subsequent severe storms that followed in 2019. These projects are funded by a variety of sources including the Federal Emergency Management Agency (FEMA), California Office of Emergency Services (CalOES), and settlements received from Southern California Edison and CJPIA.

CLOVER HEIGHTS STORM DRAIN IMPROVEMENTS

This project consists of the design and construction to improve permanent drainage from Harvester Road to Clover Heights Avenue. The City will manage the permitting, bidding, and construction phase of the project. The City has contracted with a consultant to design the proposed storm drain improvements. The design of the project was completed in Fiscal Year 2022-23.

CORRAL CANYON ROADWAY/RETAINING WALL

The project consisted of removing a damaged metal pipe, replacing it with a reinforced concrete pipe, and installing a rock slope protection system outlet on Corral Canyon Road. The project was canceled.

LATIGO CANYON ROADWAY/RETAINING WALL IMPROVEMENTS

This project consists of repairing the roadway and existing timber retaining walls on Latigo Canyon Road that were damaged by the Woolsey Fire. The City will manage the design, permitting, bidding, and construction phase of the project. The project design was completed in Fiscal Year 2020-21. The City has submitted a project scope change to FEMA and is awaiting review and approval. It is anticipated that the scope modification and construction will occur in Fiscal Year 2023-24.

TRANCAS CANYON PARK IMPROVEMENTS

This project consists of repairing the damaged planting and irrigation system that was destroyed by the Woolsey Fire. The project also includes the repair of the septic system equipment in Trancas Canyon Park. The City will manage the design, permitting, bidding, and construction phase of the project. Design commenced in Fiscal Year 2020-21. It is anticipated that the construction will occur in Fiscal Year 2023-24.

TRANCAS CANYON PARK SLOPE IMPROVEMENTS

The project consists of repairing the existing slope east of Trancas Canyon Park. The Woolsey Fire damaged the slope causing stability issues from soil and rock erosion and damaged concrete benching. The City will manage the design, permitting, bidding, and construction phase of the project. Design commenced in Fiscal Year 2020-21. It is anticipated that the construction will occur in Fiscal Year 2023-24.

BROAD BEACH ROAD WATER QUALITY IMPROVEMENTS

The City owns several hundred feet (+800') of permeable pavers, landscaping and underground biofiltration devices located on Broad Beach Road. During the 2019 storm events, these items were damaged by silt, mud, and debris. These devices were installed in Fiscal Year 2015-16 as part of a Clean Water Grant received from the State of California. This project consists of repairing the permeable pavers, replacement of media material in the biofilters and replacing damaged landscaping. Construction for this project will be completed in Fiscal Year 2023-24.

ENCINAL CANYON ROAD DRAINAGE IMPROVEMENTS

This project is located on Encinal Canyon Road where minor erosion areas were discovered after the severe storm events. This project will consist of repairing the minor erosion areas and improving the drainage. The project was completed in Fiscal Year 2022-23.

MALIBU ROAD SLOPE REPAIRS

The existing slope adjacent to the beach access stairs at 24712 Malibu Road had eroded resulting in damage to Malibu Road. This project repaired the existing slope and pavement on Malibu Road. This project was completed in Fiscal year 2022-23.

WESTWARD BEACH ROAD SHOULDER REPAIRS

This project consists of repairing the shoulder on Westward Beach Road that was damaged during the 2019 rain following the Woolsey Fire. The project is currently in the design phase and is awaiting environmental permit review. Construction for this project will be completed in Fiscal Year 2023-24.

OUTDOOR WARNING SIRENS

Phase One of the outdoor warning sirens project includes a sound study to determine the optimal number and location of individual sirens, power and infrastructure requirements, and siren sound range. The City has been awarded a FEMA Hazard Mitigation grant to fund design, engineering, and environmental compliance. Phase Two of the Emergency Warning Sirens project consists of implementation of the design plan, including purchasing, installing, and testing the sirens. The City will apply for future grant funding for this phase of the project. Design for this project began in Fiscal Year 2021-22 and will continue in Fiscal Year 2023-24.

STORM DRAIN MASTER PLAN

After the Woolsey Fire, the City experienced storm damage throughout the areas affected by the fire. The City received grant funding through the FEMA Hazard Mitigation Grant Program for the development of a Storm Drain Master Plan. The master plan will be submitted to FEMA for their review in Fiscal Year 2023-24.

POINT DUME WALKWAYS REPAIR

This project consists of repairing damaged walkways in the Point Dume neighborhood damaged by the Woolsey Fire. The design was completed in Fiscal Year 2021-22 and construction was completed in Fiscal Year 2022-23.



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	2023	2022	2021	2020	2019
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Plan's proportion of the net pension liability	0.07365%	0.05496%	0.06265%	0.05960%	0.05644%
Plan's proportionate share of the net pension liability	\$ 8,507,593	\$ 2,972,243	\$ 6,816,695	\$ 6,106,999	\$ 5,438,378
Plan's covered payroll, measurement date	\$ 7,353,661	\$ 6,987,903	\$ 7,337,369	\$ 6,903,933	\$ 6,243,134
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	115.69%	42.53%	92.90%	88.46%	87.11%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%
Plan's proportionate share of aggregate employer contributions	\$ 1,607,155	\$ 1,281,843	\$ 1,146,744	\$ 965,341	\$ 812,252
Fiscal year ending June 30, Measurement date	2018	2017	2016	2015	
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	
Plan's proportion of the net pension liability	0.055919%	0.053280%	0.04904%	0.05209%	
Plan's proportionate share of the net pension liability	\$ 5,545,643	\$ 4,610,344	\$ 3,366,039	\$ 3,241,379	
Plan's covered payroll, measurement date	\$ 5,593,683	\$ 5,624,392	\$ 5,398,632	\$ 5,398,632	
Plan's proportionate share of the net pension liability as a percentage of its covered payroll		99.14%	81.97%	62.35%	60.04%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability		73.31%	74.06%	78.40%	83.03%
Plan's proportionate share of aggregate employer contributions		\$ 740,151	\$ 640,844	\$ 428,499	\$ 628,322

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 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. 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.

* Fiscal Year 2014-15 was the first year of implementation; therefore, only nine years are shown.

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	2023 <u>6/30/2020</u>	2022 <u>6/30/2019</u>	2021 <u>6/30/2018</u>	2020 <u>6/30/2017</u>	2019 <u>6/30/2016</u>
Contractually required contribution, actuarially determined	\$ 1,372,946	\$ 1,218,844	\$ 1,120,551	\$ 1,043,190	\$ 908,055
Contributions in relation to the actuarially determined contribution	<u>(1,372,946)</u>	<u>(1,218,844)</u>	<u>(1,120,551)</u>	<u>(1,043,190)</u>	<u>(908,055)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 8,117,262	\$ 7,353,661	\$ 6,987,903	\$ 7,337,369	\$ 6,903,933
Contributions as a percentage of covered payroll	16.91%	16.57%	16.04%	14.22%	13.15%

Fiscal year ending June 30, Valuation date	2018 <u>6/30/2015</u>	2017 <u>6/30/2014</u>	2016 <u>6/30/2013</u>	2015 <u>6/30/2012</u>
Contractually required contribution, actuarially determined	\$ 753,756	\$ 656,352	\$ 514,781	\$ 626,811
Contributions in relation to the actuarially determined contribution	<u>(753,756)</u>	<u>(656,352)</u>	<u>(514,781)</u>	<u>(626,811)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,243,134	\$ 5,593,683	\$ 5,624,392	\$ 5,398,632
Contributions as a percentage of covered payroll	12.07%	11.73%	9.15%	11.61%

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:

June 30, 2012 valuation date: 15-year smoothed market method

All other valuation dates: Market value

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%

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%

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.

* Fiscal Year 2014-15 was the first year of implementation; therefore, only nine years are shown.

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, Measurement date	2023 <u>6/30/2022</u>	2022 <u>6/30/2021</u>	2021 <u>6/30/2020</u>	2020 <u>6/30/2019</u>	2019 <u>6/30/2018</u>	2018 <u>6/30/2017</u>
Total OPEB Liability:						
Service cost	\$ 521,040	\$ 452,928	\$ 447,606	\$ 463,092	\$ 446,600	\$ 434,000
Interest on total OPEB liability	521,619	484,049	449,255	465,728	419,700	377,000
Differences between expected and actual experience	-	47,734	-	(888,466)	-	-
Changes in assumptions	-	397,764	(130,481)	(40,582)	-	-
Benefit payments**	<u>(289,603)</u>	<u>(261,935)</u>	<u>(250,569)</u>	<u>(206,069)</u>	<u>(195,683)</u>	<u>(192,000)</u>
Net change in total OPEB liability	753,056	1,120,540	515,811	(206,297)	670,617	619,000
Total OPEB liability - beginning of year	<u>7,969,671</u>	<u>6,849,131</u>	<u>6,333,320</u>	<u>6,539,617</u>	<u>5,869,000</u>	<u>5,250,000</u>
Total OPEB liability - end of year [a]	<u>8,722,727</u>	<u>7,969,671</u>	<u>6,849,131</u>	<u>6,333,320</u>	<u>6,539,617</u>	<u>5,869,000</u>
Plan Fiduciary Net Position:						
Contributions - employer	848,722	262,524	773,180	760,595	761,538	720,000
Net investment income	(1,317,558)	1,940,965	281,616	342,290	352,724	389,000
Administrative expenses	(3,169)	(3,251)	(3,622)	(1,576)	(8,791)	(3,000)
Benefit payments**	<u>(289,603)</u>	<u>(261,935)</u>	<u>(250,569)</u>	<u>(206,069)</u>	<u>(195,683)</u>	<u>(192,000)</u>
Net change in plan fiduciary net position	(761,608)	1,938,303	800,605	895,240	909,788	914,000
Plan fiduciary net position - beginning of year	<u>8,945,936</u>	<u>7,007,633</u>	<u>6,207,028</u>	<u>5,311,788</u>	<u>4,402,000</u>	<u>3,488,000</u>
Plan fiduciary net position - end of year [b]	<u>8,184,328</u>	<u>8,945,936</u>	<u>7,007,633</u>	<u>6,207,028</u>	<u>5,311,788</u>	<u>4,402,000</u>
Net OPEB (asset)/liability - end of year ([a] - [b])	<u>\$ 538,399</u>	<u>\$ (976,265)</u>	<u>\$ (158,502)</u>	<u>\$ 126,292</u>	<u>\$ 1,227,829</u>	<u>\$ 1,467,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	93.83%	112.25%	102.31%	98.01%	81.22%	75.00%
Covered-employee payroll, measurement date	\$ 7,351,866	\$ 6,936,621	\$ 7,203,853	\$ 6,769,722	\$ 6,133,000	\$ 5,486,000
Net OPEB (asset)/liability as a percentage of covered-employee payroll	7.32%	-14.07%	-2.20%	1.87%	20.02%	26.74%

Notes to schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

From Measurement Date June 30, 2017 to June 30, 2018: There were no changes in assumptions.

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, 2021 to June 30, 2022: There were no changes in assumptions.

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

** Benefit payments include refunds and the implied subsidy benefit payments

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

Fiscal year ending June 30, Valuation date	2023 <u>6/30/2021</u>	2022 <u>6/30/2019</u>	2021 <u>6/30/2019</u>	2020 <u>6/30/2017</u>	2019 <u>6/30/2017</u>	2018 <u>6/30/2015</u>
Actuarially determined contribution	\$ 545,330	\$ 491,000	\$ 483,000	\$ 625,000	\$ 604,000	\$ 614,000
Contribution in relation to the actuarially determined contributions**	<u>(38,291)</u>	<u>(848,722)</u>	<u>(262,524)</u>	<u>(773,180)</u>	<u>(760,595)</u>	<u>(767,000)</u>
Contribution deficiency/ (excess)	<u>\$ 507,039</u>	<u>\$ (357,722)</u>	<u>\$ 220,476</u>	<u>\$ (148,180)</u>	<u>\$ (156,595)</u>	<u>\$ (153,000)</u>
Covered-employee payroll	\$ 8,104,391	\$ 7,351,866	\$ 6,936,621	\$ 7,203,853	\$ 6,769,722	\$ 6,133,000
Contributions as a percentage of covered-employee payroll	0.5%	11.5%	3.8%	10.7%	11.2%	12.5%
** Includes the implied subsidy of:	\$ 37,206	\$ 26,339	\$ 26,599	\$ 47,640	\$ 36,193	\$ 37,000

Methods and Assumptions Used to Determine Contribution Rates

	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial cost method	(1)	(1)	(1)	(1)	(1)	(1)
Amortization method	16 years	17 years	18 years	19 years	20 years	21 years
Asset valuation method	(2)	(2)	(2)	(2)	(2)	(2)
Discount rate	6.25%	6.75%	6.75%	6.75%	6.75%	7.25%
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%
Medical trend (3)						
Non-Medicare	6.5% - 3.75%	7.25% - 4.0%	7.25% - 4.0%	7.5% - 4.0%	7.5% - 4.0%	7.0% - 5.0%
Medicare	4.6% - 3.75%	6.3% - 4.0%	6.3% - 4.0%	6.5% - 4.0%	6.5% - 4.0%	7.2% - 5.0%
Mortality	(7)	(6)	(6)	(5)	(5)	(4)

Notes to Schedule:

- (1) Level percentage of pay
- (2) Market value method; investment gains and losses spread over a 5-year rolling period
- (3) Rate decreasing to an ultimate rate in 2076 and later years
- (4) CalPERS 1997-2011 experience study. Mortality projected fully generational with Scale MP-2014, Modified
- (5) CalPERS 1997-2015 experience study. Mortality projected fully generational with Scale MP-2017
- (6) CalPERS 1997-2015 experience study. Mortality projected fully generational with Scale MP-2019
- (7) 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 six 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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)	FY 2023-24 Original Budget
	Original	Final			
REVENUES					
Taxes	\$ 33,096,000	\$ 38,146,000	\$ 39,169,363	\$ 1,023,363	\$ 41,054,000
Fines and forfeitures	1,150,000	1,617,000	1,482,486	(134,514)	1,500,000
Intergovernmental	3,350,475	4,778,355	3,571,663	(1,206,692)	2,230,768
Use of money and property	310,000	310,000	1,692,228	1,382,228	2,549,000
Charges for services	8,218,500	9,687,500	9,089,243	(598,257)	9,645,200
Other	66,000	66,000	65,102	(898)	65,500
Total revenues	<u>46,190,975</u>	<u>54,604,855</u>	<u>55,070,085</u>	<u>465,230</u>	<u>57,044,468</u>
EXPENDITURES					
Current:					
Legislative and advisory	2,358,062	2,358,062	1,709,491	648,571	2,464,958
General government	9,326,919	9,492,669	7,055,118	2,437,551	10,466,693
Public safety	11,475,706	12,386,829	11,599,872	786,957	16,388,082
Community development	9,110,801	10,383,051	8,442,838	1,940,213	13,843,822
Community services	3,610,877	3,666,877	3,170,898	495,979	4,513,170
Public works	5,794,867	6,510,421	5,535,260	975,161	7,304,739
Capital outlay	4,073,091	4,576,046	2,232,188	2,343,858	-
Debt service:					
Principal	1,050,832	1,050,832	1,050,832	-	1,020,000
Interest	2,171,788	2,171,788	2,171,788	-	2,164,151
Total expenditures	<u>48,972,943</u>	<u>52,596,575</u>	<u>42,968,285</u>	<u>9,628,290</u>	<u>58,165,615</u>
Revenues over (under) expenditures	<u>\$ (2,781,968)</u>	<u>\$ 2,008,280</u>	<u>12,101,800</u>	<u>\$ 10,093,520</u>	<u>\$ (1,121,147)</u>
OTHER FINANCING SOURCES/(USES)					
Transfers in			928,848		
Transfers out			(37,261)		
Issuance of debt			55,000		
Total other financing sources/(uses)			<u>946,587</u>		
Net change in fund balance			13,048,387		
FUND BALANCE - BEGINNING			<u>72,107,384</u>		
FUND BALANCE - ENDING			<u>\$ 85,155,771</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,510,869	\$ 11,789,088	\$ 548,148	\$ (11,240,940)
OTHER FINANCING USES				
Transfers out			(572,447)	
Net change in fund balance			(24,299)	
FUND BALANCE - BEGINNING			(482,530)	
FUND BALANCE - ENDING			\$ (506,829)	

CITY OF MALIBU, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

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 on a basis 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. Budgeted amounts presented are as originally adopted and as further amended by the City Council. Revenues with significant adjustments were to increase estimates for 1) property taxes, transient occupancy taxes from hotels and private rentals, sales taxes, and parking occupancy taxes, 2) parking fines, 3) grant revenues, and 4) charges for services related to higher permitting and review of building projects in the community.

Supplemental appropriations were required and approved by the City Council for the General Fund which increased the originally adopted budget of \$49.0 million to \$52.6 million. The majority of the budget amendments were for carryover appropriations from the prior year, increased costs related to storm response and cleanup after heavy rains, higher public safety contracted costs, and higher costs related to permitting and review of building projects in the community.



CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Special Revenue Funds					
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	Air Quality Management
ASSETS						
Cash and investments	\$ -	\$ 189,904	\$ 937,780	\$ 295,851	\$ 224,683	\$ 148,474
Receivables:						
Accounts	-	-	-	-	-	-
Other governments	23,891	17,502	-	-	-	3,564
	<u>23,891</u>	<u>17,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,564</u>
Total assets	<u>\$ 23,891</u>	<u>\$ 207,406</u>	<u>\$ 937,780</u>	<u>\$ 295,851</u>	<u>\$ 224,683</u>	<u>\$ 152,038</u>
LIABILITIES						
AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 6,923	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	21,507	-	-	-	-	-
	<u>21,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>21,507</u>	<u>-</u>	<u>6,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted						
Public works	2,384	207,406	-	-	-	152,038
Capital projects:						
Public works	-	-	-	295,851	224,683	-
Community services	-	-	-	-	-	-
Community services	-	-	930,857	-	-	-
Environmental sustainability	-	-	-	-	-	-
Special districts	-	-	-	-	-	-
	<u>2,384</u>	<u>207,406</u>	<u>930,857</u>	<u>295,851</u>	<u>224,683</u>	<u>152,038</u>
Total fund balances	<u>2,384</u>	<u>207,406</u>	<u>930,857</u>	<u>295,851</u>	<u>224,683</u>	<u>152,038</u>
Total liabilities and fund balances	<u>\$ 23,891</u>	<u>\$ 207,406</u>	<u>\$ 937,780</u>	<u>\$ 295,851</u>	<u>\$ 224,683</u>	<u>\$ 152,038</u>

(Continued)

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(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	\$ -	\$ 161,662	\$ 3,960	\$ -	\$ 368,616	\$ 534,959	\$ 36,888
Receivables:							
Accounts	36,986	-	-	-	-	-	-
Other governments	533	-	-	-	-	41,997	-
	<u>37,519</u>	<u>161,662</u>	<u>3,960</u>	<u>-</u>	<u>368,616</u>	<u>576,956</u>	<u>36,888</u>
Total assets	<u>\$ 37,519</u>	<u>\$ 161,662</u>	<u>\$ 3,960</u>	<u>\$ -</u>	<u>\$ 368,616</u>	<u>\$ 576,956</u>	<u>\$ 36,888</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 14,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	15,448	-	-	-	-	-	-
Due to other funds	1,016	-	-	-	-	-	-
	<u>30,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>30,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted							
Public works	-	-	-	-	368,616	576,956	-
Capital projects:							
Public works	-	-	-	-	-	-	-
Community services	-	161,662	3,960	-	-	-	36,888
Community services	-	-	-	-	-	-	-
Environmental sustainability	6,534	-	-	-	-	-	-
Special districts	-	-	-	-	-	-	-
	<u>6,534</u>	<u>161,662</u>	<u>3,960</u>	<u>-</u>	<u>368,616</u>	<u>576,956</u>	<u>36,888</u>
Total fund balances	<u>6,534</u>	<u>161,662</u>	<u>3,960</u>	<u>-</u>	<u>368,616</u>	<u>576,956</u>	<u>36,888</u>
Total liabilities and fund balances	<u>\$ 37,519</u>	<u>\$ 161,662</u>	<u>\$ 3,960</u>	<u>\$ -</u>	<u>\$ 368,616</u>	<u>\$ 576,956</u>	<u>\$ 36,888</u>

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
\$ -	\$ 537,293	\$ 168,328	\$ 93,207	\$ 117,175	\$ 3,818,780
-	-	-	-	-	36,986
33,419	-	26,160	624	2,549	150,239
<u>\$ 33,419</u>	<u>\$ 537,293</u>	<u>\$ 194,488</u>	<u>\$ 93,831</u>	<u>\$ 119,724</u>	<u>\$ 4,006,005</u>
\$ 13,651	\$ -	\$ 82,989	\$ 38,914	\$ 29,005	\$ 186,003
-	-	-	-	-	15,448
19,768	-	-	-	-	42,291
<u>33,419</u>	<u>-</u>	<u>82,989</u>	<u>38,914</u>	<u>29,005</u>	<u>243,742</u>
-	537,293	-	-	-	1,844,693
-	-	-	-	-	520,534
-	-	-	-	-	202,510
-	-	-	-	-	930,857
-	-	-	-	-	6,534
-	-	111,499	54,917	90,719	257,135
<u>-</u>	<u>537,293</u>	<u>111,499</u>	<u>54,917</u>	<u>90,719</u>	<u>3,762,263</u>
<u>\$ 33,419</u>	<u>\$ 537,293</u>	<u>\$ 194,488</u>	<u>\$ 93,831</u>	<u>\$ 119,724</u>	<u>\$ 4,006,005</u>

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					Air Quality Management
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	237,862	-	-	-	-
Intergovernmental	274,858	-	303,247	251,535	188,596	14,106
Use of money and property	5,313	8,009	24,523	7,469	7,088	3,991
Charges for services	-	-	-	-	-	-
Total revenues	<u>280,171</u>	<u>245,871</u>	<u>327,770</u>	<u>259,004</u>	<u>195,684</u>	<u>18,097</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Community services	-	-	104,322	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>104,322</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>280,171</u>	<u>245,871</u>	<u>223,448</u>	<u>259,004</u>	<u>195,684</u>	<u>18,097</u>
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(308,848)	(200,000)	-	(65,000)	(100,000)	-
Total other financing sources/(uses)	<u>(308,848)</u>	<u>(200,000)</u>	<u>-</u>	<u>(65,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(28,677)	45,871	223,448	194,004	95,684	18,097
FUND BALANCE - BEGINNING	<u>31,061</u>	<u>161,535</u>	<u>707,409</u>	<u>101,847</u>	<u>128,999</u>	<u>133,941</u>
FUND BALANCE - ENDING	<u>\$ 2,384</u>	<u>\$ 207,406</u>	<u>\$ 930,857</u>	<u>\$ 295,851</u>	<u>\$ 224,683</u>	<u>\$ 152,038</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
\$ -	\$ 32,437	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
15,686	-	-	165,271	213,342	239,668	-
2,666	4,139	112	-	13,518	12,458	1,039
153,766	-	-	-	-	-	-
172,118	36,576	112	165,271	226,860	252,126	1,039
-	-	-	-	-	-	-
-	-	-	165,271	-	-	-
309,050	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
309,050	-	-	165,271	-	-	-
(136,932)	36,576	112	-	226,860	252,126	1,039
-	-	-	-	-	-	-
(15,000)	-	-	-	(197,472)	-	-
(15,000)	-	-	-	(197,472)	-	-
(151,932)	36,576	112	-	29,388	252,126	1,039
158,466	125,086	3,848	-	339,228	324,830	35,849
\$ 6,534	\$ 161,662	\$ 3,960	\$ -	\$ 368,616	\$ 576,956	\$ 36,888

(Continued)

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ -	\$ -	\$ 356,347	\$ 58,993	\$ 80,267	\$ 528,044
Fines and forfeitures	-	-	-	-	-	237,862
Intergovernmental	46,428	390,328	-	-	-	2,103,065
Use of money and property	-	21,713	2,937	2,227	2,666	119,868
Charges for services	-	-	-	-	-	153,766
Total revenues	46,428	412,041	359,284	61,220	82,933	3,142,605
EXPENDITURES						
Current:						
General government	8,000	-	-	-	-	8,000
Public safety	-	-	-	-	-	165,271
Community development	-	-	-	-	-	309,050
Community services	-	-	-	-	-	104,322
Public works	-	-	280,197	56,484	60,702	397,383
Capital outlay	54,760	-	34,828	14,897	4,321	108,806
Total expenditures	62,760	-	315,025	71,381	65,023	1,092,832
Revenues over (under) expenditures	(16,332)	412,041	44,259	(10,161)	17,910	2,049,773
OTHER FINANCING SOURCES/(USES)						
Transfers in	16,332	-	-	-	-	16,332
Transfers out	-	(354,001)	-	-	-	(1,240,321)
Total other financing sources/(uses)	16,332	(354,001)	-	-	-	(1,223,989)
Net change in fund balance	-	58,040	44,259	(10,161)	17,910	825,784
FUND BALANCE - BEGINNING	-	479,253	67,240	65,078	72,809	2,936,479
FUND BALANCE - ENDING	\$ -	\$ 537,293	\$ 111,499	\$ 54,917	\$ 90,719	\$ 3,762,263

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 370,785	\$ 370,785	\$ 274,858	\$ (95,927)
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>5,313</u>	<u>4,313</u>
Total revenues	<u>\$ 371,785</u>	<u>\$ 371,785</u>	280,171	<u>\$ (91,614)</u>
OTHER FINANCING USES				
Transfers out			<u>(308,848)</u>	
Net change in fund balance			(28,677)	
FUND BALANCE - BEGINNING			<u>31,061</u>	
FUND BALANCE - ENDING			<u>\$ 2,384</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, 2023**

	<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	\$ 237,862	\$ 37,862
Use of money and property	900	900	8,009	7,109
Total revenues	<u>\$ 200,900</u>	<u>\$ 200,900</u>	245,871	<u>\$ 44,971</u>
OTHER FINANCING USES				
Transfers out			<u>(200,000)</u>	
Net change in fund balance			45,871	
FUND BALANCE - BEGINNING			<u>161,535</u>	
FUND BALANCE - ENDING			<u>\$ 207,406</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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 281,466	\$ 281,466	\$ 303,247	\$ 21,781
Use of money and property	2,000	2,000	24,523	22,523
Total revenues	283,466	283,466	327,770	44,304
EXPENDITURES				
Current:				
Community services	<u>165,000</u>	<u>165,000</u>	<u>104,322</u>	<u>60,678</u>
Revenues over (under) expenditures	<u>\$ 118,466</u>	<u>\$ 118,466</u>	223,448	<u>\$ 104,982</u>
FUND BALANCE - BEGINNING			<u>707,409</u>	
FUND BALANCE - ENDING			<u>\$ 930,857</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 233,468	\$ 233,468	\$ 251,535	\$ 18,067
Use of money and property	2,000	2,000	7,469	5,469
Total revenues	<u>\$ 235,468</u>	<u>\$ 235,468</u>	259,004	<u>\$ 23,536</u>
OTHER FINANCING USES				
Transfers out			<u>(65,000)</u>	
Net change in fund balance			194,004	
FUND BALANCE - BEGINNING			<u>101,847</u>	
FUND BALANCE - ENDING			<u>\$ 295,851</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 175,101	\$ 175,101	\$ 188,596	\$ 13,495
Use of money and property	2,000	2,000	7,088	5,088
Total revenues	<u>\$ 177,101</u>	<u>\$ 177,101</u>	195,684	<u>\$ 18,583</u>
OTHER FINANCING USES				
Transfers out			<u>(100,000)</u>	
Net change in fund balance			95,684	
FUND BALANCE - BEGINNING			<u>128,999</u>	
FUND BALANCE - ENDING			<u>\$ 224,683</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 14,106	\$ (1,894)
Use of money and property	800	800	3,991	3,191
Total revenues	<u>\$ 16,800</u>	<u>\$ 16,800</u>	18,097	<u>\$ 1,297</u>
FUND BALANCE - BEGINNING			<u>133,941</u>	
FUND BALANCE - ENDING			<u>\$ 152,038</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,000	\$ 26,134	\$ 15,686	\$ (10,448)
Use of money and property	125	125	2,666	2,541
Charges for services	137,500	137,500	153,766	16,266
Total revenues	142,625	163,759	172,118	8,359
EXPENDITURES				
Current:				
Community development	458,405	479,539	309,050	170,489
Revenues over (under) expenditures	\$ (315,780)	\$ (315,780)	(136,932)	\$ (162,130)
OTHER FINANCING USES				
Transfers out			(15,000)	
Net change in fund balance			(151,932)	
FUND BALANCE - BEGINNING			158,466	
FUND BALANCE - ENDING			\$ 6,534	

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 32,437	\$ 12,437
Use of money and property	500	500	4,139	3,639
Total revenues	<u>\$ 20,500</u>	<u>\$ 20,500</u>	36,576	<u>\$ 16,076</u>
FUND BALANCE - BEGINNING			<u>125,086</u>	
FUND BALANCE - ENDING			<u>\$ 161,662</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, 2023

	<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>\$ 30</u>	<u>\$ 30</u>	\$ 112	<u>\$ 82</u>
FUND BALANCE - BEGINNING			<u>3,848</u>	
FUND BALANCE - ENDING			<u>\$ 3,960</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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 165,271	\$ 10,271
EXPENDITURES				
Current:				
Public safety	<u>155,000</u>	<u>155,000</u>	<u>165,271</u>	<u>(10,271)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE - BEGINNING			<u>-</u>	
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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 198,448	\$ 198,448	\$ 213,342	\$ 14,894
Use of money and property	2,000	2,000	13,518	11,518
Total revenues	<u>\$ 200,448</u>	<u>\$ 200,448</u>	226,860	<u>\$ 26,412</u>
OTHER FINANCING USES				
Transfers out			(197,472)	
Net change in fund balance			29,388	
FUND BALANCE - BEGINNING			<u>339,228</u>	
FUND BALANCE - ENDING			<u>\$ 368,616</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 288,238	\$ 288,238	\$ 239,668	\$ (48,570)
Use of money and property	1,500	1,500	12,458	10,958
Total revenues	<u>\$ 289,738</u>	<u>\$ 289,738</u>	252,126	<u>\$ (37,612)</u>
FUND BALANCE - BEGINNING			<u>324,830</u>	
FUND BALANCE - ENDING			<u>\$ 576,956</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Use of money and property	200	200	1,039	839
Total revenues	<u>\$ 5,200</u>	<u>\$ 5,200</u>	1,039	<u>\$ (4,161)</u>
FUND BALANCE - BEGINNING			35,849	
FUND BALANCE - ENDING			<u>\$ 36,888</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 46,428	\$ (13,572)
EXPENDITURES				
Current:				
General government	8,000	8,000	8,000	-
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>54,760</u>	<u>(47,760)</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>62,760</u>	<u>(47,760)</u>
Revenues over (under) expenditures	<u>\$ 45,000</u>	<u>\$ 45,000</u>	(16,332)	<u>\$ (61,332)</u>
OTHER FINANCING SOURCES				
Transfers in			<u>16,332</u>	
Net change in fund balance			-	
FUND BALANCE - BEGINNING			<u>-</u>	
FUND BALANCE - ENDING			<u>\$ -</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 380,000	\$ 380,000	\$ 390,328	\$ 10,328
Use of money and property	100	100	21,713	21,613
	<u>\$ 380,100</u>	<u>\$ 380,100</u>	412,041	<u>\$ 31,941</u>
OTHER FINANCING USES				
Transfers out			(354,001)	
Net change in fund balance			58,040	
FUND BALANCE - BEGINNING			<u>479,253</u>	
FUND BALANCE - ENDING			<u>\$ 537,293</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 327,539	\$ 327,539	\$ 356,347	\$ 28,808
Use of money and property	800	800	2,937	2,137
Total revenues	<u>328,339</u>	<u>328,339</u>	<u>359,284</u>	<u>30,945</u>
EXPENDITURES				
Current:				
Public works	284,648	284,648	280,197	4,451
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>34,828</u>	<u>65,172</u>
Total expenditures	<u>384,648</u>	<u>384,648</u>	<u>315,025</u>	<u>69,623</u>
Revenues over (under) expenditures	<u>\$ (56,309)</u>	<u>\$ (56,309)</u>	44,259	<u>\$ 100,568</u>
FUND BALANCE - BEGINNING			<u>67,240</u>	
FUND BALANCE - ENDING			<u>\$ 111,499</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 59,388	\$ 59,388	\$ 58,993	\$ (395)
Use of money and property	800	800	2,227	1,427
Total revenues	<u>60,188</u>	<u>60,188</u>	<u>61,220</u>	<u>1,032</u>
EXPENDITURES				
Current:				
Public works	55,016	55,016	56,484	(1,468)
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>14,897</u>	<u>5,103</u>
Total expenditures	<u>75,016</u>	<u>75,016</u>	<u>71,381</u>	<u>3,635</u>
Revenues over (under) expenditures	<u>\$ (14,828)</u>	<u>\$ (14,828)</u>	(10,161)	<u>\$ 4,667</u>
FUND BALANCE - BEGINNING			<u>65,078</u>	
FUND BALANCE - ENDING			<u>\$ 54,917</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 81,618	\$ 81,618	\$ 80,267	\$ (1,351)
Use of money and property	700	700	2,666	1,966
Total revenues	<u>82,318</u>	<u>82,318</u>	<u>82,933</u>	<u>615</u>
EXPENDITURES				
Current:				
Public works	61,016	61,016	60,702	314
Capital outlay	20,000	20,000	4,321	15,679
Total expenditures	<u>81,016</u>	<u>81,016</u>	<u>65,023</u>	<u>15,993</u>
Revenues over (under) expenditures	<u>\$ 1,302</u>	<u>\$ 1,302</u>	17,910	<u>\$ 16,608</u>
FUND BALANCE - BEGINNING			<u>72,809</u>	
FUND BALANCE - ENDING			<u>\$ 90,719</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, 2023

	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	\$ 1,565,941	\$ 1,565,941	\$ 1,574,439	\$ -	\$ 1,574,439	\$ 8,498
Other operating income	145,000	145,000	162,162	-	162,162	17,162
Total operating revenues	<u>1,710,941</u>	<u>1,710,941</u>	<u>1,736,601</u>	<u>-</u>	<u>1,736,601</u>	<u>25,660</u>
OPERATING EXPENSES						
Personnel services	124,136	124,136	98,440	-	98,440	25,696
Professional and contractual services	484,447	484,447	345,248	-	345,248	139,199
Repairs and maintenance	142,400	142,400	62,803	-	62,803	79,597
Utilities	218,800	218,800	171,491	-	171,491	47,309
Supplies	6,000	6,000	3,290	-	3,290	2,710
Total operating expenses	<u>975,783</u>	<u>975,783</u>	<u>681,272</u>	<u>-</u>	<u>681,272</u>	<u>294,511</u>
Operating income before depreciation	735,158	735,158	1,055,329	-	1,055,329	320,171
Depreciation expense	-	-	1,331,407	(1,331,407)	-	-
Operating income/(loss)	735,158	735,158	(276,078)	1,331,407	1,055,329	320,171
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	6,000	6,000	31,378	-	31,378	25,378
Interest expense	(456,451)	(456,451)	(477,475)	-	(477,475)	(21,024)
Principal payments on debt	(635,000)	(635,000)	-	(635,000)	(635,000)	-
Total nonoperating revenues (expenses)	<u>(1,085,451)</u>	<u>(1,085,451)</u>	<u>(446,097)</u>	<u>(635,000)</u>	<u>(1,081,097)</u>	<u>4,354</u>
Change in net position	<u>\$ (350,293)</u>	<u>\$ (350,293)</u>	<u>(722,175)</u>	<u>\$ 696,407</u>	<u>\$ (25,768)</u>	<u>\$ 324,525</u>
NET POSITION - BEGINNING			<u>19,832,436</u>			
NET POSITION - ENDING			<u>\$ 19,110,261</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, 2023

	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	\$ 2,200,000	\$ 2,200,000	\$ 2,260,360	\$ -	\$ 2,260,360	\$ 60,360
OPERATING EXPENSES						
Personnel services	87,200	87,200	89,275	-	89,275	(2,075)
Professional and contractual services	287,000	287,000	188,937	-	188,937	98,063
Repairs and maintenance	1,373,500	1,393,500	1,375,532	-	1,375,532	17,968
Utilities	222,000	222,000	203,316	-	203,316	18,684
Supplies	42,000	42,000	26,427	-	26,427	15,573
Total operating expenses	2,011,700	2,031,700	1,883,487	-	1,883,487	148,213
Operating income before depreciation	188,300	168,300	376,873	-	376,873	208,573
Depreciation expense	-	-	1,061,464	(1,061,464)	-	-
Operating income/(loss)	188,300	168,300	(684,591)	1,061,464	376,873	208,573
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	-	-	64,545	-	64,545	64,545
Interest expense	(8,000)	(8,000)	(5,923)	-	(5,923)	2,077
Total nonoperating revenues (expenses)	(8,000)	(8,000)	58,622	-	58,622	66,622
Income/(loss) before capital activities	180,300	160,300	(625,969)	1,061,464	435,495	275,195
Bond proceeds	16,500,000	16,500,000	-	-	-	(16,500,000)
Capital outlay	(16,500,000)	(16,500,000)	-	-	-	16,500,000
Change in net position	\$ 180,300	\$ 160,300	\$ (625,969)	\$ 1,061,464	\$ 435,495	\$ 275,195
NET POSITION - BEGINNING			56,782,679			
NET POSITION - ENDING			<u>\$ 56,156,710</u>			

**CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Custodial Funds			Total Custodial Funds
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	
ASSETS				
Cash and cash equivalents	\$ 277,212	\$ 124,093	\$ 3,636,904	\$ 4,038,209
Cash and cash equivalents with fiscal agents	219,307	150,490	3,877,520	4,247,317
Due from other governments	7,023	3,341	19,093	29,457
Total assets	503,542	277,924	7,533,517	8,314,983
LIABILITIES				
Accounts payable	1,901	2,101	3,049	7,051
NET POSITION				
Restricted for individuals, other organizations, and governments	<u>\$ 501,641</u>	<u>\$ 275,823</u>	<u>\$ 7,530,468</u>	<u>\$ 8,307,932</u>

**CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Funds			
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	Total Custodial Funds
ADDITIONS				
Collections from special assessments	\$ 233,399	\$ 139,579	\$ 2,333,489	\$ 2,706,467
Investment earnings	5,499	6,608	196,076	208,183
Total additions	<u>238,898</u>	<u>146,187</u>	<u>2,529,565</u>	<u>2,914,650</u>
DEDUCTIONS				
Payments for administrative charges	23,856	7,882	48,133	79,871
Interest payments	79,963	81,630	770,130	931,723
Payments for special assessment debt	125,000	50,000	1,664,396	1,839,396
Total deductions	<u>228,819</u>	<u>139,512</u>	<u>2,482,659</u>	<u>2,850,990</u>
Net increase in net position	10,079	6,675	46,906	63,660
NET POSITION - BEGINNING	<u>491,562</u>	<u>269,148</u>	<u>7,483,562</u>	<u>8,244,272</u>
NET POSITION - ENDING	<u>\$ 501,641</u>	<u>\$ 275,823</u>	<u>\$ 7,530,468</u>	<u>\$ 8,307,932</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.

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

	2014	2015	2016	2017	2018	Fiscal 2019
Governmental activities						
Net investment in capital assets	\$ 52,846	\$ 56,421	\$ 47,850	\$ 48,132	\$ 48,033	\$ 66,651
Restricted	4,398	3,128	3,109	1,339	1,447	4,206
Unrestricted	21,556	21,174	23,870	30,394	35,743	24,395
Total net position	<u>\$ 78,800</u>	<u>\$ 80,723</u>	<u>\$ 74,829</u>	<u>\$ 79,865</u>	<u>\$ 85,223</u>	<u>\$ 95,252</u>
Business-type activities						
Net investment in capital assets	\$ 23,426	\$ 22,931	\$ 34,153	\$ 62,921	\$ 77,438	\$ 78,127
Restricted	1,801	11	3,323	3,985	4,350	3,403
Unrestricted	1,024	2,220	6,802	6,264	6,336	9,234
Total net position	<u>\$ 26,251</u>	<u>\$ 25,162</u>	<u>\$ 44,278</u>	<u>\$ 73,170</u>	<u>\$ 88,124</u>	<u>\$ 90,764</u>
Primary government						
Net investment in capital assets	\$ 76,272	\$ 79,352	\$ 82,003	\$ 111,053	\$ 125,471	\$ 144,778
Restricted	6,199	3,139	6,432	5,324	5,797	7,609
Unrestricted	22,580	23,394	30,672	36,658	42,079	33,629
Total net position	<u>\$ 105,051</u>	<u>\$ 105,885</u>	<u>\$ 119,107</u>	<u>\$ 153,035</u>	<u>\$ 173,347</u>	<u>\$ 186,016</u>

Source: City of Malibu, Finance Department

Year			
2020	2021	2022	2023
\$ 70,790	\$ 75,398	\$ 75,315	\$ 75,848
5,181	5,613	5,994	6,546
42,408	50,728	66,752	78,761
<u>\$ 118,379</u>	<u>\$ 131,739</u>	<u>\$ 148,061</u>	<u>\$ 161,155</u>
\$ 77,083	\$ 74,340	\$ 73,112	\$ 70,688
3,440	-	-	1
8,113	3,678	3,503	4,578
<u>\$ 88,636</u>	<u>\$ 78,018</u>	<u>\$ 76,615</u>	<u>\$ 75,267</u>
\$ 147,873	\$ 149,738	\$ 148,427	\$ 146,536
8,621	5,613	5,994	6,547
50,521	54,406	70,255	83,339
<u>\$ 207,015</u>	<u>\$ 209,757</u>	<u>\$ 224,676</u>	<u>\$ 236,422</u>

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

	2014	2015	2016	2017	2018	Fiscal 2019
Expenses						
Governmental activities:						
Legislative and advisory	\$ 1,647	\$ 1,769	\$ 1,757	\$ 1,538	\$ 1,529	\$ 1,825
General government	4,387	4,917	5,395	5,506	6,268	6,664
Public safety	6,596	6,667	6,860	7,437	7,985	8,372
Community development	4,692	4,882	5,240	5,622	5,878	6,373
Community services	2,384	2,509	2,667	2,497	2,952	3,173
Public works	4,619	5,827	4,746	4,405	5,392	8,798
Interest on long-term debt	1,220	1,182	1,110	1,197	1,229	2,008
Total governmental activities expenses	<u>25,545</u>	<u>27,753</u>	<u>27,775</u>	<u>28,202</u>	<u>31,233</u>	<u>37,213</u>
Business type activities:						
Commercial real estate rental	2,364	2,624	2,293	2,243	2,180	2,423
Wastewater treatment	-	-	-	1,368	1,252	1,173
Total business type activities expenses	<u>2,364</u>	<u>2,624</u>	<u>2,293</u>	<u>3,611</u>	<u>3,432</u>	<u>3,596</u>
Total primary government expenses	<u>\$ 27,909</u>	<u>\$ 30,377</u>	<u>\$ 30,068</u>	<u>\$ 31,813</u>	<u>\$ 34,665</u>	<u>\$ 40,809</u>
Program Revenues						
Governmental activities:						
Charges for services						
Legislative and advisory	\$ 2	\$ 20	\$ 63	\$ 1	\$ 1	\$ 1
General government	646	747	757	704	775	633
Public safety	720	801	768	761	933	956
Community development	4,138	3,876	4,920	4,759	5,310	5,109
Community services	506	631	556	566	532	694
Public works	526	504	491	544	517	571
Operating grants	1,731	1,359	1,120	1,270	1,887	1,822
Capital grants and contributions	1,444	4,262	55	373	1,217	9,311
Total governmental activities program revenues	<u>9,713</u>	<u>12,200</u>	<u>8,730</u>	<u>8,978</u>	<u>11,172</u>	<u>19,097</u>
Business-type activities						
Charges for services:						
Commercial real estate rental	1,963	2,030	2,183	1,786	1,920	1,583
Wastewater treatment	-	-	-	269	210	1,088
Operating grants	1,000	-	-	-	185	293
Capital grants and contributions	1,448	-	9,309	30,694	16,370	1,318
Total business-type activities program revenues	<u>4,411</u>	<u>2,030</u>	<u>11,492</u>	<u>32,749</u>	<u>18,685</u>	<u>4,282</u>
Total primary government program revenues	<u>\$ 14,124</u>	<u>\$ 14,230</u>	<u>\$ 20,222</u>	<u>\$ 41,727</u>	<u>\$ 29,857</u>	<u>\$ 23,379</u>
Net (Expense)/Revenue						
Governmental activities	\$ (15,832)	\$ (15,553)	\$ (19,045)	\$ (19,224)	\$ (20,061)	\$ (18,116)
Business-type activities	2,047	(594)	9,199	29,138	15,253	686
Total primary government net expenses	<u>\$ (13,785)</u>	<u>\$ (16,147)</u>	<u>\$ (9,846)</u>	<u>\$ 9,914</u>	<u>\$ (4,808)</u>	<u>\$ (17,430)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property	\$ 9,894	\$ 10,349	\$ 11,134	\$ 11,911	\$ 12,749	\$ 13,659
Utility users	2,487	2,577	2,389	2,376	2,316	2,094
Transient occupancy	1,535	1,984	2,620	3,287	4,677	4,550
Franchise	755	795	778	708	722	666
Sales	3,308	3,489	3,071	3,737	3,542	3,710
Parking occupancy	313	366	391	427	420	385
Motor vehicle in lieu	6	6	5	6	7	6
Investment earnings	95	108	188	171	391	999
Other	809	1,506	2,481	1,147	1,108	1,936
Transfers	350	505	(9,907)	490	529	140
Extraordinary item	-	-	-	-	-	-
Total governmental activities	<u>19,552</u>	<u>21,685</u>	<u>13,150</u>	<u>24,260</u>	<u>26,461</u>	<u>28,145</u>
Business-type activities						
Investment earnings	8	10	11	55	148	300
Other	-	-	-	189	82	1,794
Transfers	(350)	(505)	9,907	(490)	(529)	(140)
Total business-type activities	<u>(342)</u>	<u>(495)</u>	<u>9,918</u>	<u>(246)</u>	<u>(299)</u>	<u>1,954</u>
Total primary government	<u>\$ 19,210</u>	<u>\$ 21,190</u>	<u>\$ 23,068</u>	<u>\$ 24,014</u>	<u>\$ 26,162</u>	<u>\$ 30,099</u>
Changes in Net Position						
Governmental activities	\$ 3,720	\$ 6,132	\$ (5,895)	\$ 5,036	\$ 6,400	\$ 10,029
Business activities	1,705	(1,089)	19,117	28,892	14,954	2,640
Total primary government	<u>\$ 5,425</u>	<u>\$ 5,043</u>	<u>\$ 13,222</u>	<u>\$ 33,928</u>	<u>\$ 21,354</u>	<u>\$ 12,669</u>

Source: City of Malibu, Finance Department

Year			
2020	2021	2022	2023
\$ 1,638	\$ 2,036	\$ 1,862	\$ 1,713
6,810	7,459	5,562	9,131
9,072	9,909	11,174	11,962
6,478	5,988	6,846	8,763
2,773	2,592	3,147	3,594
10,041	10,385	8,188	8,199
2,162	2,135	2,101	2,059
<u>38,974</u>	<u>40,504</u>	<u>38,880</u>	<u>45,421</u>
2,576	2,512	2,455	2,490
2,957	11,551	2,942	2,951
5,533	14,063	5,397	5,441
<u>\$ 44,507</u>	<u>\$ 54,567</u>	<u>\$ 44,277</u>	<u>\$ 50,862</u>

\$ -	\$ 2	\$ -	\$ 2
431	725	869	856
1,381	1,581	1,733	1,720
6,389	6,489	7,092	7,684
388	285	618	637
558	576	595	649
2,166	4,811	2,366	5,213
7,415	6,521	313	702
<u>18,728</u>	<u>20,990</u>	<u>13,586</u>	<u>17,463</u>

1,513	1,515	1,538	1,575
1,607	1,611	2,211	2,260
101	123	160	-
-	-	-	-
<u>3,221</u>	<u>3,249</u>	<u>3,909</u>	<u>3,835</u>
<u>\$ 21,949</u>	<u>\$ 24,239</u>	<u>\$ 17,495</u>	<u>\$ 21,298</u>

\$ (20,246)	\$ (19,514)	\$ (25,294)	\$ (27,958)
<u>(2,312)</u>	<u>(10,814)</u>	<u>(1,488)</u>	<u>(1,606)</u>
<u>\$ (22,558)</u>	<u>\$ (30,328)</u>	<u>\$ (26,782)</u>	<u>\$ (29,564)</u>

\$ 14,280	\$ 15,106	\$ 16,055	\$ 17,858
2,164	2,362	2,655	3,058
4,951	7,904	10,338	9,531
663	698	751	817
3,788	4,337	5,789	6,406
392	545	496	484
10	9	15	11
1,182	42	(454)	1,812
1,248	1,854	5,967	1,075
233	18	4	-
14,461	-	-	-
<u>43,372</u>	<u>32,875</u>	<u>41,616</u>	<u>41,052</u>

232	51	21	96
186	162	68	162
<u>(233)</u>	<u>(18)</u>	<u>(4)</u>	<u>-</u>
185	195	85	258
<u>\$ 43,557</u>	<u>\$ 33,070</u>	<u>\$ 41,701</u>	<u>\$ 41,310</u>

\$ 23,126	\$ 13,361	\$ 16,322	\$ 13,094
<u>(2,127)</u>	<u>(10,619)</u>	<u>(1,403)</u>	<u>(1,348)</u>
<u>\$ 20,999</u>	<u>\$ 2,742</u>	<u>\$ 14,919</u>	<u>\$ 11,746</u>

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

	2014	2015	2016	Fiscal 2017
General Fund				
Nonspendable	\$ 580	\$ 540	\$ 284	\$ 591
Restricted	3,037	2,365	2,310	20
Committed	3,934	3,335	2,545	2,624
Assigned	1,046	1,291	2,238	2,311
Unassigned	16,512	20,284	23,468	28,852
Total General Fund	<u>25,109</u>	<u>27,815</u>	<u>30,845</u>	<u>34,398</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	1,361	764	798	1,319
Committed	1,958	503	16	1,987
Assigned	-	-	-	-
Unassigned	(2,585)	(1,329)	(93)	(2,034)
Total All Other Governmental Funds	<u>734</u>	<u>(62)</u>	<u>721</u>	<u>1,272</u>
Total All Governmental Funds	<u>\$ 25,843</u>	<u>\$ 27,753</u>	<u>\$ 31,566</u>	<u>\$ 35,670</u>

Source: City of Malibu, Finance Department

Year					
2018	2019	2020	2021	2022	2023
\$ 520	\$ 862	\$ 350	\$ 606	\$ 400	\$ 222
262	2,824	1,742	1,145	1,108	1,099
3,171	1,826	1,651	971	1,510	2,448
1,977	4,927	15,234	10,005	13,926	13,561
34,970	21,890	30,687	45,267	55,163	67,826
<u>40,900</u>	<u>32,329</u>	<u>49,664</u>	<u>57,994</u>	<u>72,107</u>	<u>85,156</u>
-	-	1	-	-	-
1,426	1,395	2,623	2,272	2,936	3,762
1,973	1,384	964	1,197	1,656	1,186
-	-	-	-	-	-
<u>(2,065)</u>	<u>(1,540)</u>	<u>(1,158)</u>	<u>(1,869)</u>	<u>(2,138)</u>	<u>(1,693)</u>
<u>1,334</u>	<u>1,239</u>	<u>2,430</u>	<u>1,600</u>	<u>2,454</u>	<u>3,255</u>
<u>\$ 42,234</u>	<u>\$ 33,568</u>	<u>\$ 52,094</u>	<u>\$ 59,594</u>	<u>\$ 74,561</u>	<u>\$ 88,411</u>

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

	2014	2015	2016	Fiscal 2017
Revenues				
Taxes	\$ 19,174	\$ 20,735	\$ 22,119	\$ 23,747
Fines and forfeitures	720	801	768	761
Intergovernmental	3,446	5,758	2,060	1,664
Investment income	95	108	188	171
Charges for services	5,411	5,382	6,358	6,064
Contributions from property owners	-	-	-	-
Other	202	363	1,696	305
Total Revenues	<u>29,048</u>	<u>33,147</u>	<u>33,189</u>	<u>32,712</u>
Expenditures				
Legislative and advisory	1,645	1,778	1,754	1,535
General government	3,672	4,225	4,698	4,971
Public safety	6,585	6,666	6,841	7,420
Community development	4,626	5,023	5,239	5,610
Community services	2,107	2,298	2,595	2,381
Public works	2,768	2,757	3,082	3,225
Capital outlay	5,207	6,902	1,567	12,176
Debt Service				
Debt issuance/refunding costs	-	418	-	1,613
Principal	805	556	587	607
Interest	1,226	1,201	1,130	1,258
Total Expenditures	<u>28,641</u>	<u>31,824</u>	<u>27,493</u>	<u>40,796</u>
Excess of revenues over/(under) expenditures	<u>407</u>	<u>1,323</u>	<u>5,696</u>	<u>(8,084)</u>
Other Financing Sources/(Uses)				
Transfers in	6,016	7,665	4,340	1,448
Transfers out	(5,666)	(7,160)	(6,322)	(958)
Long term debt issued/refunding payments	-	82	99	11,698
Other	-	-	-	-
Total other financing sources	<u>350</u>	<u>587</u>	<u>(1,883)</u>	<u>12,188</u>
Extraordinary items	-	-	-	-
Net change in fund balances	<u>\$ 757</u>	<u>\$ 1,910</u>	<u>\$ 3,813</u>	<u>\$ 4,104</u>
Debt service as a percentage of noncapital expenditures	8.3%	6.4%	6.4%	6.5%

Source: City of Malibu, Finance Department

Year					
2018	2019	2020	2021	2022	2023
\$ 25,748	\$ 26,095	\$ 27,298	\$ 33,020	\$ 38,194	\$ 39,697
933	956	1,381	1,582	1,733	1,721
3,114	10,461	3,641	9,533	3,181	6,223
391	999	1,182	42	(454)	1,812
6,684	6,484	7,250	7,542	8,623	9,243
-	-	-	-	4,339	65
185	1,058	652	265	-	-
<u>37,055</u>	<u>46,053</u>	<u>41,404</u>	<u>51,984</u>	<u>55,616</u>	<u>58,761</u>
1,526	1,822	1,634	2,033	1,858	1,709
5,383	5,701	5,637	6,160	6,666	7,063
7,973	8,250	9,046	9,811	11,116	11,765
5,862	6,357	6,471	5,982	6,839	8,752
2,653	2,879	2,516	2,337	2,879	3,275
2,949	6,423	7,148	6,466	5,555	5,933
2,601	45,099	3,454	8,611	2,576	3,246
-	331	-	-	-	-
807	848	860	881	1,003	1,051
1,300	1,943	2,271	2,244	2,212	2,172
<u>31,054</u>	<u>79,653</u>	<u>39,037</u>	<u>44,525</u>	<u>40,704</u>	<u>44,966</u>
<u>6,001</u>	<u>(33,600)</u>	<u>2,367</u>	<u>7,459</u>	<u>14,912</u>	<u>13,795</u>
3,175	2,870	2,210	8,054	2,214	1,850
(2,646)	(2,730)	(1,977)	(8,037)	(2,211)	(1,850)
34	24,794	-	24	52	55
-	-	-	-	-	-
<u>563</u>	<u>24,934</u>	<u>233</u>	<u>41</u>	<u>55</u>	<u>55</u>
-	-	15,926	-	-	-
<u>\$ 6,564</u>	<u>\$ (8,666)</u>	<u>\$ 18,526</u>	<u>\$ 7,500</u>	<u>\$ 14,967</u>	<u>\$ 13,850</u>
7.0%	7.7%	8.3%	8.0%	8.0%	7.4%

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								
	Residential	Commercial	Secured			Unsecured	SBE Nonunitary	Taxable Assessed Value (Note 1)	Total Direct Rate (Note 2)
			Industrial	Vacant	Others				
2014	\$ 10,692,188	\$ 626,686	\$ 62,126	\$ 862,106	\$ 66,249	\$ 79,812	\$ -	\$ 12,389,167	0.06726
2015	11,160,366	628,123	62,408	827,167	103,250	94,771	-	12,876,085	0.06737
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

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 2013/14 - 2022/23 Combined Tax Rolls

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Basic Levy (Note 1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates (Note 2):										
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Santa Monica Community College Dist	0.05941	0.05873	0.06010	0.05886	0.06845	0.06270	0.07883	0.07854	0.06487	0.07093
Santa Monica-Malibu Unified	0.07381	0.07636	0.07066	0.07006	0.07397	0.06171	0.08100	0.07443	0.08264	0.08050
Total Direct & Overlapping Tax Rates	1.13672	1.13859	1.13426	1.13242	1.14592	1.12791	1.16333	1.15647	1.15101	1.15493
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)	0.06726	0.06737	0.06759	0.06777	0.06793	0.06810	0.06821	0.06830	0.06842	0.06859

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. ERAF (Education Revenue Augmentation Fund) general fund tax shifts may not be included in tax ratio figures.

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 2013/14 - 2022/23 Tax Rate Table

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

Taxpayer	2023		2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
27600 PCH LLC	1 \$ 191,797	0.89%		
Blue Heaven Paradise LLC	2 177,000	0.83%		
HRL Laboratories LLC	3 153,377	0.72%	1 \$ 102,092	0.82%
Carbonview Limited LLC	4 130,773	0.61%	2 87,989	0.71%
Malibu Realty LLC	5 120,797	0.56%	3 87,557	0.71%
22310 PCH LLC	6 117,942	0.55%		
22108 PCH LLC	7 92,960	0.43%		
Goldman Sachs Trust	8 86,450	0.40%		
Malibu 2018 PCH LP	9 83,632	0.39%		
Mani MBI DE LLC	10 78,587	0.37%		
Jamestown Premier Malibu Villa			4 78,540	0.63%
KW Malibu Colony Plaza LLC			5 67,695	0.55%
2XMD Partners LLC			6 59,307	0.48%
Carlyle CP Malibu Limited Partnership			7 58,761	0.47%
Wavebreak LLC			8 47,782	0.39%
Lester J. Knispel Trust			9 45,657	0.37%
T4E Associates LLC			10 38,463	0.31%
	<u>\$ 1,233,315</u>	<u>5.75%</u>	<u>\$ 673,843</u>	<u>5.44%</u>

Source: HdL Coren & Cone / Los Angeles County Assessor 2022/23 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
2014	\$ 8,223,383	\$ 8,036,592	97.73%	\$ 176,988	\$ 8,213,580	99.88%
2015	8,699,487	8,512,581	97.85%	185,697	8,698,278	99.99%
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%

Source: County of Los Angeles Assessor
City of Malibu, Finance Department

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	Direct Borrowings	Unamortized (Discounts) Premiums	Certificates of Participation	Loans Payable	Unamortized (Discounts) Premiums				
2014	\$ 25,660	\$ 11	\$ (38)	\$ 16,290	\$ -	\$ (101)	\$ 41,822	6.179%	0.338%	\$ 3,270
2015	24,445	-	527	15,615	-	482	41,069	5.680%	0.319%	3,208
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%	6,619
2021	52,680	24	4,210	12,105	-	374	69,393	7.096%	0.375%	6,528
2022	51,700	53	3,999	11,485	-	356	67,593	6.869%	0.345%	6,417
2023	50,680	77	3,787	10,850	-	337	65,731	N/A	0.306%	6,253

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, 2023

<u>Overlapping Tax and Assessment Debt:</u>	<u>Total Debt 6/30/2023</u>	<u>Percent Applicable To City (1)</u>	<u>City's Share of Debt 6/30/2023</u>
Metropolitan Water District	\$ 19,215,000	0.590%	\$ 113,369
Santa Monica Community College District	711,042,430	30.523%	217,031,481
Santa Monica-Malibu Unified School District	534,277,688	30.466%	162,773,040
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	93,100,000	89.789%	83,593,559
City of Malibu Community Facilities District No. 2006-1	2,710,000	100.000%	2,710,000
City of Malibu Broad Beach Assessment District	1,475,000	97.377%	1,436,311
City of Malibu Assessment District No. 2015-1	3,560,000	100.000%	3,560,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 471,217,760
<u>Direct and Overlapping Governmental Debt:</u>			
Los Angeles County General Fund Obligations	2,601,551,282	1.132%	29,449,561
Los Angeles Superintendent of Schools COP	3,403,487	1.132%	38,527
Santa Monica-Malibu Unified School District COP	25,573,669	30.466%	7,791,274
City of Malibu Certificates of Participation	50,680,000	100.000%	50,680,000
City of Malibu COPs Deferred/Discounts/Premiums	3,787,181	100.000%	3,787,181
City of Malibu Direct Borrowings	77,231	100.000%	77,231
TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT			\$ 91,823,774
SUBTOTAL DIRECT DEBT (2)			\$ 54,544,412
SUBTOTAL GROSS OVERLAPPING DEBT			\$ 508,497,122
SUBTOTAL NET OVERLAPPING DEBT			\$ 508,497,122
GROSS COMBINED TOTAL DEBT (3)			\$ 563,041,534
NET COMBINED TOTAL DEBT			\$ 563,041,534
2022-23 Assessed Valuation	\$ 21,446,012,134		
<u>Ratios to 2022-23 Assessed Valuation:</u>			
Overlapping Tax and Assessment Debt		2.20%	
Total Direct Debt (\$54,544,412)		0.25%	
Net Combined Total Debt		2.63%	

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	\$ 21,446,012
Debt limit (15% of assessed value)	3,216,902
Debt applicable to limit (see Note)	-
Legal debt margin - Current Year	<u>\$ 3,216,902</u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2014	\$ 1,858,375	\$ -	\$ 1,858,375	0%
2015	1,931,413	-	1,931,413	0%
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%

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
2014	12,791	13,184,705	\$ 676,869,349	\$ 51,337	7.60%
2015	12,804	13,256,931	723,002,680	54,538	6.40%
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	13,236,539	850,624,522	64,262	4.20%
2020	10,739	13,177,752	914,040,421	69,362	16.70%
2021	10,630	12,972,847	977,881,120	75,379	9.20%
2022	10,534	12,872,322	984,030,663	76,445	4.50%
2023	10,512	N/A	N/A	N/A	4.90%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Management and Administrative Services	15.62	17.43	17.93	21.93	23.43	22.43	20.25	19.00	20.00	22.00
Public Safety										
Emergency Preparedness	1.00	1.00	1.00	1.00	2.00	3.00	3.50	3.00	4.50	4.50
City Clerk										
City Clerk and Records Management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Public Works										
Public Works and Engineering	7.00	7.00	7.00	9.00	9.00	9.00	10.00	10.00	11.00	12.00
Community Services										
Recreation and Park Maintenance	17.79	19.39	19.44	19.37	20.81	21.37	21.27	17.67	22.77	22.69
Environmental Sustainability										
Building Safety and Permit Services	14.50	15.50	15.50	15.50	17.50	18.50	18.00	17.00	20.00	21.00
Planning										
Planning and Code Enforcement	17.50	20.50	19.50	19.50	21.00	21.25	22.50	20.00	23.00	26.00

Source: City of Malibu, Finance Department

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Recreation										
Use of Facilities (hours)	16,060	15,378	15,220	15,665	16,829	16,484	14,930	17,945	16,635	20,423
Visitors Served	111,569	165,477	150,160	139,822	172,358	100,175	126,603	146,096	128,564	181,140
Police										
Physical arrests	105	1,037	975	812	1,047	779	924	1,080	772	550
Parking violations	10,109	8,535	11,302	12,936	15,225	17,305	28,354	29,929	24,985	15,382
Traffic violations	12,722	22,140	19,214	7,294	8,365	7,711	10,173	7,974	7,628	6,028
Community Development										
Permits Issued	1,874	1,793	1,972	1,798	1,719	2,338	2,523	2,444	2,276	2,166
In-house Plan Checks	660	608	636	620	457	442	946	681	829	649
Off-site Plan Checks	246	191	335	274	433	660	387	646	521	679
Public Works										
In-house Plan Checks	508	492	592	493	851	995	1,155	1,148	886	972
Encroachment Permits Issued	162	187	396	150	153	217	208	291	278	261

Source: City of Malibu, Various Departments

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	9
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	15	15	17
Sworn Personnel**	24	24	24	24	24	24	24	24	24	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	18	18	20	20	20	20
Open Space Acreage	588	588	588	588	588	588	588	588	588	588
Vacant Land	0	0	0	35	35	66	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	5	5	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