



Council Agenda Report

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

Prepared by: Renée Neermann, Finance Manager

Reviewed by: Joseph D. Toney, Assistant City Manager

Approved by: Steve McClary, City Manager

Date prepared: January 25, 2023 Meeting date: February 13, 2023

Subject: Annual Comprehensive Financial Report and Management Letter for Fiscal Year 2021-2022

RECOMMENDED ACTION: Receive and file the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2021-2022.

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

WORK PLAN: This item was included as item 6.f.1. in the Adopted Work Plan for Fiscal Year 2021-2022.

DISCUSSION: The City's independent auditors from the firm of Lance, Soll and Lunghard, LLP, have concluded their annual financial audit of the City for the fiscal year ending June 30, 2022, and have approved the issuance of the ACFR.

The ACFR reflects total governmental, combined fund balances of \$74.6 million at June 30, 2022, which is an increase of \$15.0 million from the prior year's ending balance of \$59.6 million. In comparison, Fiscal Year 2020-21 had a net increase to fund balance of \$7.5 million. Following are the key elements of the net \$7.5 million year-to-year increase in activity:

Revenues increased by a net of \$3.6 million from the prior year:

- A net increase of \$5.2 million in taxes: property taxes increased by \$0.9 million from higher assessed values, and transient occupancy tax increased by \$2.4 million resulting from increased enforcement of private rental transient occupancy

taxes and an increase to the transient occupancy tax rate for the entire year. Sales tax increased by \$1.5 million. Utility user tax, franchise fees, and parking taxes all had smaller increases and combine to account for the remaining \$0.4 million net increase.

- Intergovernmental revenues decreased by \$6.3 million. The most significant changes in intergovernmental revenues are grant-related. In the prior year, the City recorded more disaster-related grant funding than in the current year due to higher dollar-value activity on Woolsey Fire recovery projects and from receiving more COVID-19 pandemic recovery grants. Although the City was allocated \$2.8 million in ARPA monies and received \$1.4 million in FY 2021-22, only \$0.5 million was recognized as revenue; the City intends to spend most of the ARPA money in FY 2022-23 and FY 2023-24.
- Interest income decreased by \$0.5 million due to rising interest rates throughout the fiscal year which causes a large drop in the fair value of investments as of June 30; this resulted in unrealized losses, which substantially reduced investment income for the year.
- Charges for services increased by \$1.1 million due to higher permitting activities resulting from building activities throughout the City. The building activities that generated the higher charges for services are not related to rebuilding from the Woolsey Fire. Additionally, as we moved out of the COVID-19 pandemic, citizens participated in more community and recreation programs.
- Other income increased by \$4.1 million due to receiving a Woolsey Fire settlement payment.

Expenditures decreased by \$3.8 million in the fiscal year from the prior year:

- Public safety costs increased by \$1.3 million due to paying higher contracted fees for Los Angeles County Sheriff services, the City assuming the entire cost of The People Concern Homeless Outreach Team. In addition, the City had a wildfire resiliency program totaling \$324,000 to remove hazardous trees that posed a fire danger within the City. This program was funded through grant revenue.
- Community development costs increased by \$0.9 million over the prior year. The City's commitment to rebuilding from the Woolsey Fire resulted in higher costs for consultants. In addition, due to the strong economy during the first part of the fiscal year, the City received a higher number of building-related applications that were not associated with rebuilding from the fire, resulting in increased permit applications and reviews in the Planning Department.

- Public Works costs decreased by \$0.9 million from the prior year. In the prior year, the City recognized higher costs for consultants, debris removal, and non-capital infrastructure repairs resulting from the Woolsey Fire.
- Capital outlay decreased by \$6.0 million from the prior year. In the prior year, the City completed several large projects (for example, the guardrail replacement project, Civic Center Way improvements, and various projects on Pacific Coast Highway). In Fiscal Year 2021-22, the City had smaller spending for projects which are in the beginning design and planning stages.
- Smaller decreases in legislative and advisory, general government, and community services account for the remainder of the \$0.9 expenditure increase.

The General Fund is the chief operating fund of the City of Malibu and comprises approximately 95% of the governmental expenditures of the City. The General Fund Reserve totaled \$72.1 million. Of that amount, \$400,000 was prepaid items/advances to other funds; \$45,000 was restricted for debt service; \$55.2 million was available as undesignated; \$194,000 was restricted for the Housing Element; \$368,000 was restricted for Bluffs Park Improvements; \$500,000 was restricted for City facilities; \$325,000 was committed for Capital Improvement Projects; \$1.1 million was committed for deferred maintenance; \$57,000 was committed for water quality settlement; \$386,000 was assigned for Internal Services; \$7.1 million was assigned for fire rebuild requirements; and \$6.5 million was assigned for contingencies.

The City's assets exceeded its liabilities at the close of the fiscal year by \$224.7 million.

The 2021-2022 Fiscal Year audit was conducted in accordance with generally accepted auditing standards. The auditors issued a management letter that had no major findings, indicating that the standards applicable to financial audits contained in the *Government Auditing Standards* have been adhered to by the City of Malibu.

ATTACHMENTS:

1. Audit Management Letter
2. Annual Comprehensive Financial Report (ACFR)



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Malibu, California, (the "City") as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *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.

Other Reporting Responsibilities

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 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 of the Annual Comprehensive Financial Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 21, 2022 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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Solt & Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 21, 2022



CITY OF MALIBU CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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CITY OF MALIBU, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

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CITY OF MALIBU, CALIFORNIA
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INTRODUCTORY SECTION

The Introductory Section of the Annual Comprehensive Financial Report provides general information of 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 28, 2022

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, 2022 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, 2022 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 local economy is unique in that it is significantly impacted by climate. In the warm weather months, millions come to Malibu to enjoy the beautiful beaches. During the winter months, rain and pounding surf can flood roads and create landslides, making travel through the City difficult. Since its incorporation in 1991, Malibu has been plagued with disasters, including floods, multiple fires and an earthquake, creating a significant drain on the City’s finances. For this reason, the City maintains a substantial reserve in its General Fund. The Woolsey Fire, which erupted on November 8, 2018 and reached Malibu on November 9, was the largest fire in Los Angeles County history and the most disastrous event ever in Malibu. In one week, the fire burned almost 100,000 acres throughout the Santa Monica Mountains area and destroyed approximately 480 structures in Malibu. The City remains actively engaged in facilitating the recovery and rebuilding of residential homes and city infrastructure which is anticipated to take several years.

The economy recovered rapidly throughout the pandemic following multiple rounds of Federal stimulus. The real estate market experienced an incredible acceleration due to low interest rates and cash heavy buyers. This environment resulted in higher-than-expected property tax growth for Malibu as property values continued to rise, with an estimated 6.9% growth. Property Tax is the City’s largest revenue source. While the past year has been positive, there are warning signs on the horizon of a potential looming recession. The Federal Reserve initiated a series of interest rate hikes to slow the economy and address inflation, much of which was running hot due to the increased liquidity in the market. Subsequently, the yield curve inverted in March where the 2-year yield rose above the 10- year yield which some economists believe is a recession indicator. City staff will continue to carefully monitor the economy and ongoing economic effects as the COVID-19 pandemic relents. Nevertheless,

due to the inelasticity of property tax, the City should be on solid footing going forward. Additionally, Malibu relies heavily on grant funding for many of the capital projects it undertakes and has been successful in securing 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 at 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, 2022, the City had approximately \$72.1 million in total General Fund reserves, which allows for flexibility in budget projections, and also provides the City with funding in the event of an unexpected fiscal emergency in future years. The unassigned General Fund reserve is \$55.2million or 143% of Fiscal Year 2022-23 General Fund operating expenditures and exceeds the City's goal of maintaining a minimum of 50% of the fund's operating expenses.

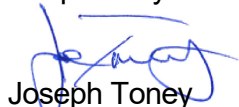
Awards and Acknowledgements

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, 2021. 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 Toney
Assistant City Manager

**CITY OF MALIBU, CALIFORNIA
LIST OF CITY OFFICIALS
JUNE 30, 2022**

CITY COUNCIL

MAYOR	PAUL GRISANTI
MAYOR PRO TEM	BRUCE LEE SILVERSTEIN
COUNCIL MEMBER	KAREN FARRER
COUNCIL MEMBER	MIKKE PIERSON
COUNCIL MEMBER	STEVE UHRING

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	JESSE BOBBETT
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**

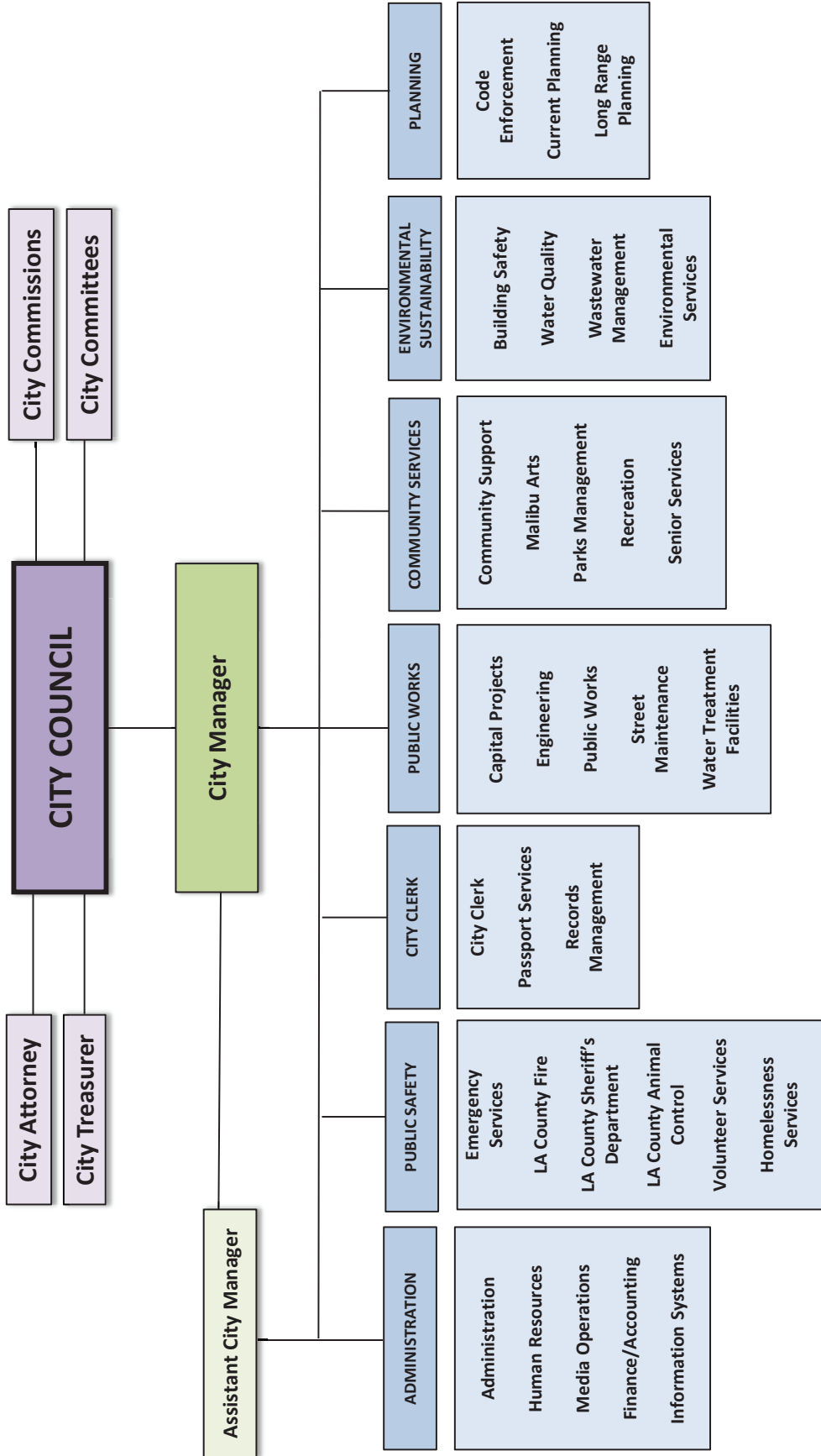
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Fiscal Year 2021-22 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 AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Malibu, California, (the "City") as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

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

Auditor's Responsibilities for the Audit of the Financial Statements

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- Exercise professional judgment and maintain professional skepticism throughout the audit.
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- 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.

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Other Reporting Responsibilities

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 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 of the Annual Comprehensive Financial Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 21, 2022 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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Loughard, LLP".

Brea, California
December 21, 2022



CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. 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, 2022 by \$224.7 million (*net position*). Of this amount, \$70.3 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 \$14.9 million as a result of revenues exceeding expenses.

Fund Level Statements:

- As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$74.6 million, an increase of \$15.0 million over the prior year. Of this amount, \$53.0 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2022, the General Fund reported an ending fund balance of \$72.1 million, an increase of \$14.1 million over the prior year. Of this amount, \$55.2 million is available for spending at the government's discretion (*unassigned fund balance*).
- As of June 30, 2022, the City's proprietary funds reported a combined ending net position of \$76.6 million, a decrease of \$1.4 million from the prior year. Of this amount, \$3.5 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 also 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, as well as on 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 also 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-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22
Current assets	\$72,310,100	\$89,123,407	\$3,479,439	\$2,904,680	\$75,789,539	\$92,028,087
Other long-term assets	158,502	976,265	1,482,864	31,536,566	1,641,366	32,512,831
Capital assets	130,770,235	129,631,012	88,855,617	87,532,234	219,625,852	217,163,246
Total assets	203,238,837	219,730,684	93,817,920	121,973,480	297,056,757	341,704,164
Deferred charge on refunding	1,542,622	1,436,007	492,722	450,448	2,035,344	1,886,455
Deferred outflows from OPEB	347,873	1,245,797	-	-	347,873	1,245,797
Deferred outflows from pension	2,114,032	2,045,516	-	-	2,114,032	2,045,516
Total deferred outflows	4,004,527	4,727,320	492,722	450,448	4,497,249	5,177,768
Long-term liabilities	64,277,456	59,329,420	12,478,830	11,840,755	76,756,286	71,170,175
Other liabilities	10,214,193	12,472,493	3,814,221	3,850,424	14,028,414	16,322,917
Total liabilities	74,491,649	71,801,913	16,293,051	15,691,179	90,784,700	87,493,092
Deferred inflows from leases	-	-	-	30,117,634	-	30,117,634
Deferred inflows from OPEB	847,978	1,821,551	-	-	847,978	1,821,551
Deferred inflows from pension	164,372	2,773,424	-	-	164,372	2,773,424
Total deferred inflows	1,012,350	4,594,975	-	30,117,634	1,012,350	34,712,609
Net investment in capital assets	75,398,634	75,315,420	74,339,509	73,111,927	149,738,143	148,427,347
Restricted	5,612,562	5,993,600	5	11	5,612,567	5,993,611
Unrestricted	50,728,169	66,752,096	3,678,077	3,503,177	54,406,246	70,255,273
Total net position	\$131,739,365	\$148,061,116	\$78,017,591	\$76,615,115	\$209,756,956	\$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 \$224.7 million at June 30, 2022, an increase of \$14.9 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 (\$148.4 million or 66%) 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 (\$6.0 million or 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$70.3 million or 31%) 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 \$14.9 million increase in the City's net position resulting from revenues of \$59.2 million exceeding expenses of \$44.3 million. Discussion regarding significant changes in revenues and expenses follows the table.

CITY OF MALIBU, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22
Program revenues:						
Charges for services	\$ 9,658,742	\$ 10,907,133	\$ 3,125,838	\$ 3,748,153	\$ 12,784,580	\$ 14,655,286
Operating contributions and grants	4,810,602	2,366,064	123,250	160,226	4,933,852	2,526,290
Capital contributions and grants	6,521,052	312,535	-	-	6,521,052	312,535
General revenues:						
Property taxes	15,106,106	16,054,850	-	-	15,106,106	16,054,850
Other taxes	15,845,303	20,028,925	-	-	15,845,303	20,028,925
Other revenues	1,905,504	5,528,268	212,596	89,537	2,118,100	5,617,805
Total revenues	53,847,309	55,197,775	3,461,684	3,997,916	57,308,993	59,195,691
Expenses:						
Legislative and advisory	2,036,333	1,861,401	-	-	2,036,333	1,861,401
General government	7,459,169	5,562,399	-	-	7,459,169	5,562,399
Public safety	9,909,338	11,174,023	-	-	9,909,338	11,174,023
Community development	5,987,781	6,845,619	-	-	5,987,781	6,845,619
Community services	2,591,475	3,146,891	-	-	2,591,475	3,146,891
Public works	10,385,109	8,188,281	-	-	10,385,109	8,188,281
Interest on long-term debt	2,135,089	2,100,970	-	-	2,135,089	2,100,970
Commercial real estate rental	-	-	2,512,311	2,455,195	2,512,311	2,455,195
Wastewater treatment	-	-	11,550,253	2,941,637	11,550,253	2,941,637
Total expenses	40,504,294	38,879,584	14,062,564	5,396,832	54,566,858	44,276,416
Excess/(deficiency) before transfers	13,343,015	16,318,191	(10,600,880)	(1,398,916)	2,742,135	14,919,275
Transfers	17,864	3,560	(17,864)	(3,560)	-	-
Increase/(decrease) in net position	13,360,879	16,321,751	(10,618,744)	(1,402,476)	2,742,135	14,919,275
Net position - July 1	118,378,486	131,739,365	88,636,335	78,017,591	207,014,821	209,756,956
Net position - June 30	\$131,739,365	\$148,061,116	\$78,017,591	\$76,615,115	\$209,756,956	\$224,676,231

Governmental activities. Governmental activities increased the City's net position by \$16.3 million during the fiscal year in contrast to the prior year's increase of \$13.3 million, resulting in a net increase of \$3.0 million over the prior year. Following are key elements of this change over the prior year:

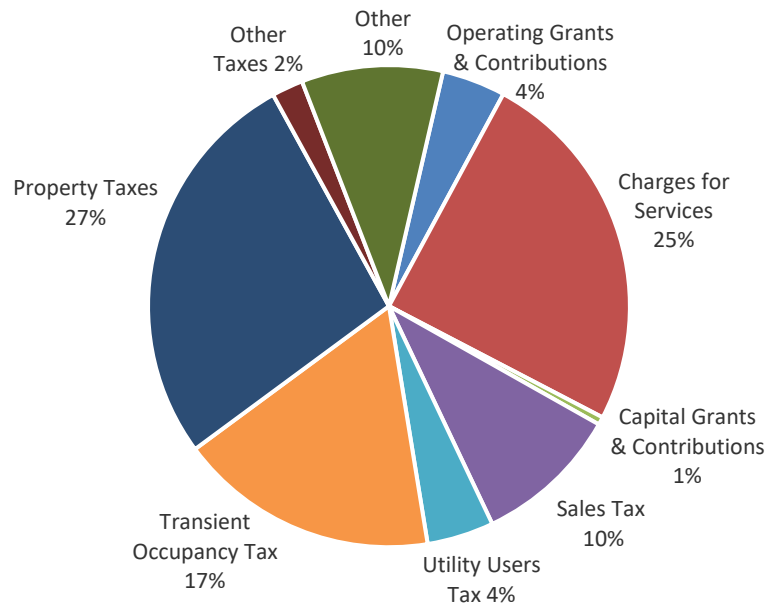
- During the current year, revenues increased by \$1.4 million. The most significant changes were as follows:
 - Charges for services increased by \$1.3 million. As the City's population moved out of COVID-related shut-downs, the citizens participated in more community and recreation programs and there was an increase in building activity within the City. Both of these resulted in higher charges for services being collected by the City.
 - Operating grants decreased by \$2.4 million. The decrease in operating grant revenue is due to smaller amounts of disaster recovery non-capital grants being used in the current year for COVID-related activities and administrative activities from the fire and storm disasters. Although the City received \$1.4 million in ARPA monies in FY 2021-22, only \$0.5 million was recognized as revenue; the City intends to spend the majority of the ARPA money in FY 2022-23 and FY 2023-24.
 - Capital grants decreased by \$6.2 million. In the prior year, the City completed large capital projects that had grant funding, such as the Civic Center Way street improvements and improvements along Pacific Coast Highway. In the current year, the City's grant-funded capital projects were in the beginning stages and, consequently, had fewer costs.
 - Property taxes increased by \$0.9 million due to higher assessed values.

- Other tax revenues increased by \$4.2 million with the majority of the increase being from transient occupancy tax and sales tax. Transient occupancy tax revenues increased by \$2.4 million from continued enforcement of private rentals as well as from a higher tax rate being in effect for the entire year as the rate increase was only in effect for half of the prior year. In addition, sales tax revenues increased by \$1.5 million.
 - Other revenues increased by \$3.6 million, essentially due to receiving a Woolsey Fire settlement payment.
- Expenses decreased by \$1.6 million from the prior year. The most significant changes were as follows:
- General government costs decreased by \$1.9 million mainly due to annual pension and OPEB adjustments resulting from updated actuarial valuations.
 - Public safety costs increased by \$1.3 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services. In addition, the City had a one-time program totaling \$324,000 to remove fire hazard trees within the City.
 - Community development costs increased by \$0.9 million, mainly due to an increased level of permits being submitted for review due to building activities and events in the community. The Planning Department received an increased number of Coastal Development Permit, Event Permit, Administrative Plan Review, Over-the-Counter, and Conditional Use Permit applications.
 - Public works costs decreased by \$2.2 million from the prior year. The City had several large projects that were essentially completed in Fiscal Year 2020-21 that were expensed since they were not constructing capitalizable assets (for example, the guardrail replacement project and various projects on Pacific Coast Highway). While the City had some similar projects in the current year, they all incurred smaller costs as the projects were mostly in the initial planning and design phases.

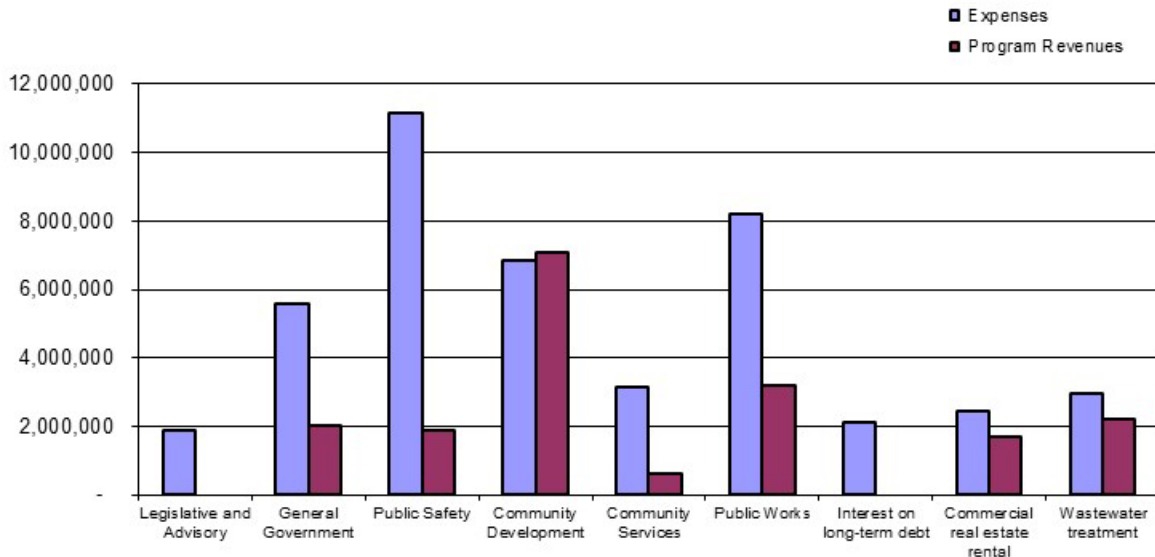
Business-type activities. Business-type activities are financed primarily by fees charged to external parties for goods and services. The City reports two proprietary funds: the commercial real estate rental enterprise fund and the wastewater treatment enterprise fund. Business-type activities decreased the City's net position by \$1.4 million during the current year in contrast to the prior year's decrease of \$10.6 million, a change of \$9.2 million.

The key element of the \$9.2 million year-to-year change is the Fiscal Year 2020-21 Wastewater Treatment fund's one-time contribution of \$8.6 million to the Civic Center Wastewater Facility Assessment District. The money for this contribution was received in prior years as prepaid assessments and bond funds that were no longer needed for the first phase of construction of the wastewater facility. The wastewater facility is complete and fully operational, and the remaining monies will be used for assessment district debt service. In addition, the Wastewater Treatment fund received higher sewer service fees of \$0.6 million from implementing an updated rate study in Fiscal Year 2021-22.

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 (60%) followed by charges for services (25%); the remaining sources of funds were from grants and contributions (5%) and miscellaneous other revenues (10%).

Public safety is the largest expense function, accounting for 25% of the total. Public works is second at 18%, followed by community development at 15% and general government at 13%. Wastewater treatment and community services each accounted for 7%, and commercial real estate rentals accounted for 6%. The remaining expense functions of legislative and advisory and interest on long-term debt together accounted for the remaining 9% 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 \$74.6 million, an increase of \$15.0 million over the prior year's ending balance of \$59.6 million. In comparison, Fiscal Year 2020-21 had a net increase to fund balance of \$7.5 million. Following are the key elements of the net \$7.5 million year-to-year increase 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 \$5.2 million. Property taxes increased by \$0.9 million from higher assessed values; transient occupancy taxes increased by \$2.4 million resulting from increased enforcement of private rental transient occupancy taxes and an increase to the transient occupancy tax rate for the entire year; and sales taxes increased by \$1.5 million. Utility users tax, franchise fees, and parking taxes all had smaller changes and combine to account for the remaining net increase.
 - Intergovernmental revenues decreased by \$6.3 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. In the prior year, the City received more disaster-related grant funding than in the current year due to higher dollar-value activity on Woolsey Fire recovery projects and from receiving more COVID-19 pandemic recovery grants in the prior year. Although the City was allocated \$2.8 million in ARPA monies and received \$1.4 million in FY 2021-22, only \$0.5 million was recognized as revenue; the City intends to spend the majority of the ARPA money in FY 2022-23 and FY 2023-24.
 - Interest income decreased by \$0.5 million due to rising interest rates throughout the fiscal year which caused a large drop in the fair value of investments as of June 30; this resulted in unrealized losses, which substantially reduced investment income for the year.
 - Charges for services increased by \$1.1 million. As the City's citizens moved out of COVID-related shut-downs, they participated in more community and recreation programs and there was an increase in building activity within the City. Both of these resulted in higher charges for services being collected by the City.
 - Other revenues increased by \$4.1 million due to receiving a Woolsey Fire settlement payment.

- Expenditures decreased by \$3.8 million in the following categories:
- Small changes in legislative and advisory, general government, community services, and principal and interest totaling a combined increase of \$0.9 million.
 - Public safety costs increased by \$1.3 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services. In addition, the City had a one-time program totaling \$324,000 to remove fire hazard trees within the City.
 - Community development costs increased by \$0.9 million, mainly due to an increased level of permits being submitted for review due to building activities and events in the community. The Planning Department received an increased number of Coastal Development Permit, Event Permit, Administrative Plan Review, Over-the-Counter, and Conditional Use Permit applications.
 - Public works costs decreased by \$0.9 million from the prior year. The prior year had higher costs for consultants, debris removal, and non-capital infrastructure repair resulting from the Woolsey Fire.
 - Capital outlay decreased by \$6.0 million from the prior year. In the prior year the City completed several large projects (for example, the guardrail replacement project, Civic Center Way improvements, and various projects on Pacific Coast Highway). In Fiscal Year 2021-22, the City had smaller spending for projects as many projects were just beginning.

The governmental funds' combined ending fund balance totals \$74.6 million. Approximately 71% (\$53.0 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 (\$0.4 million), 2) Restricted for special revenue funds, debt service, and other specific purposes (\$4.0 million), 3) Committed for capital improvement projects, city facilities, and water quality improvements (\$3.2 million), 4) Assigned for vehicle and technology replacement, working capital, next year's operations, and fire rebuilding efforts (\$13.9 million).

General Fund. The General Fund is the chief operating fund of the City of Malibu and comprises approximately 95% 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 \$55.2 million while the total fund balance was \$72.1 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 143% of the General Fund's Fiscal Year 2021-22 actual expenditures. Budgetarily, the FY 2022-23 Adopted Budget operating expenditures are \$43.2 million, or an unassigned fund balance of 128%.

The General Fund's fund balance increased in Fiscal Year 2021-22 by \$14.1 million, while the prior year's fund balance increased by \$8.3 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 \$5.8 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 \$7.7 million with the most significant changes occurring in the following categories:

- Taxes increased by \$5.2 million. Property taxes increased by \$0.9 million from higher assessed values; transient occupancy taxes increased by \$2.4 million resulting from increased enforcement of private rental transient occupancy taxes and an increase to the transient occupancy tax rate for the entire year; and sales taxes increased by \$1.5 million. Utility users tax, franchise fees, and parking taxes all had smaller increases and combine to account for the remaining increase.
- Intergovernmental revenues decreased by \$2.2 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. In the prior year, the City received more disaster-related grant funding than in the current year due to higher dollar-value activity on Woolsey Fire recovery projects and from receiving more COVID-19 pandemic recovery grants in the prior year. Although the City was allocated \$2.8 million in ARPA monies and received \$1.4 million in FY 2021-22, only \$0.5 million was recognized as revenue; the City intends to spend the majority of the ARPA money in FY 2022-23 and FY 2023-24.
- Interest income decreased by \$0.5 million due to rising interest rates throughout the fiscal year which caused a large drop in the fair value of investments as of June 30; this resulted in unrealized losses, which substantially reduced investment income for the year.
- Other revenues increased by \$4.1 million due to receiving a Woolsey Fire settlement payment.

➤ Expenditures increased by \$1.3 million in the following categories:

- Small changes in legislative and advisory, general government, community services, and principal and interest totaling a combined net increase of \$1.0 million.
- Public safety costs increased by \$1.3 million due to paying higher contracted fees for Los Angeles County Sheriff services and for performing increased homeless support services. In addition, the City had a one-time program totaling \$324,000 to remove fire hazard trees within the City.
- Community development costs increased by \$0.8 million, mainly due to an increased level of permits being submitted for review. The Planning Department received an increased number of Coastal Development Permit, Event Permit, Administrative Plan Review, Over-the-Counter, and Conditional Use Permit applications.

- Public works costs decreased by \$0.9 million from the prior year. The prior year had higher costs for consultants, debris removal, and non-capital infrastructure repair resulting from the Woolsey Fire.
 - Capital outlay decreased by \$0.9 million from the prior year. In the prior year the City completed several large projects (for example, the guardrail replacement project and re-roofing City Hall). In Fiscal Year 2021-22, the City had smaller spending for projects as many projects were just beginning.
- Other financing sources and uses decreased by \$0.6 million due to smaller transfers from other funds in the current 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 so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments throughout the fiscal year to reflect both changed priorities and 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 \$41.8 million to \$43.5 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, and higher costs related to permitting, review, and building projects in the community.

General Fund. The General Fund had a \$12.5 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 \$7.6 million in revenues and

\$4.9 million in expenditures. The positive revenue variance resulted from actual revenues exceeding the budget for all categories except intergovernmental and use of money and property. The largest variances are attributed to higher tax revenues, lower grant revenue, and the Woolsey Fire settlement receipt received. The positive expenditure variance resulted from expenditures coming in under the final budget in all categories except for debt service. The largest variance was \$1.3 million in community development.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for governmental and business type activities as of June 30, 2022, total \$217.2 million (net of accumulated depreciation), a net decrease of \$2.5 million. The capital assets include land, intangible assets, roadways, buildings, leasehold improvements, storm drains, vehicles, computer equipment, furniture, other equipment, and construction in progress. Capital asset additions totaled \$1.5 million, net deletions were \$53 thousand, and depreciation expense totaled \$3.9 million.

City of Malibu Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	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	6,902,237	1,436,154	2,493,319	3,577,341	9,395,556	5,013,495
Buildings	14,945,967	14,418,001	68,698,391	66,302,758	83,644,358	80,720,759
Equipment and Furniture	651,314	660,808	-	-	651,314	660,808
Vehicles	289,797	297,034	-	-	289,797	297,034
Infrastructure	14,378,869	19,216,964	338,059	326,287	14,716,928	19,543,251
Total	\$ 130,770,235	\$ 129,631,012	\$ 88,855,617	\$ 87,532,234	\$ 219,625,852	\$ 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 new equipment leases.

City of Malibu Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22
Employee compensated absences	\$ 546,538	\$ 605,578	\$ -	\$ -	\$ 546,538	\$ 605,578
Lease liabilities	24,332	53,063	-	-	24,332	53,063
Certificates of participation, net	56,889,891	55,698,536	12,478,830	11,840,755	69,368,721	67,539,291
Net OPEB liability	-	-	-	-	-	-
Net pension liability	6,816,695	2,972,243	-	-	6,816,695	2,972,243
Total	\$ 64,277,456	\$ 59,329,420	\$ 12,478,830	\$ 11,840,755	\$ 76,756,286	\$ 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 for 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 will be 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

The City develops its fiscal year budget conservatively with the continued approach of maintaining levels of service, reducing expenses where possible, and preserving a strong General Fund reserve. While the previous two fiscal years were challenging to budget for due to the continued recovery effort from the Woolsey Fire and the economic impacts from the COVID-19 pandemic, the FY 2022-23 budget was more normalized. General Fund revenues are predicted to be slightly more than General Fund operating expenditures. The budget is balanced with growing property tax revenues. However, there are indications of an economic slowdown and recession that could negatively impact the City during the fiscal year.

In FY 2020-21, the City Council set aside a \$6.5 million General Fund Designated Reserve for FY 2021-22 operating expenditures in anticipation of declining revenues. The funds were ultimately not needed due to the better-than-expected revenues and these funds could be repurposed for the General Fund or future uncertainties.

The City Council adopted a resolution further extending the waiving of permit fees through December 30, 2023 for all like-for-like and like-for-like plus 10% of Woolsey Fire rebuilds for properties that were primary residences at the time of the fire. The City continues to use extra consultant resources to expedite the permitting process for these destroyed homes.

The Fiscal Year 2022-23 budget presents a prudent financial plan, with total budgeted revenues of \$89.9 million and total budgeted appropriations of \$89.8 million. City staff continues to carefully monitor the ongoing effects of the COVID-19 pandemic and a potential recession and will bring any necessary budget changes to the City Council.

General Fund Revenues. As the COVID-19 pandemic continues to ease, the City's General Fund revenues for Fiscal Year 2022-23 are budgeted to increase conservatively over the prior year. Property tax remains steady and provides 35% of the General Fund Revenue. Other taxes including transient occupancy tax and sales tax are budgeted to increase by a combined amount of \$550 thousand over the prior year's budget. Additionally, revenues from Licenses and Permits and revenue from Service Charges are projected to increase by \$1.3 million combined. The City also received the second \$1.4 million payment from the American Rescue Plan Act. Overall General Fund revenues are budgeted at \$46.2million.

General Fund Expenditures. The City's General Fund expenditures for Fiscal Year 2022-23 are budgeted to be \$49.2 million. This includes use of ARPA funds in the amount of \$960,000 which includes partial funding of staff from a variety of departments, along with funding for the procurement of new permitting software. The General Fund expenditures also include \$1.8 million for Capital and \$3.2 million for disaster related capital projects. 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 an ambitious multi-year capital improvement program with the next fiscal year's costs totaling \$31.87 million. The City has minimized the use of General Fund dollars for these projects. Major projects budgeted for Fiscal Year 2022-23 include:

- \$16.5 million for Civic Center Water Treatment Facility – Phase Two
- \$4.5 million for PCH Median Improvements
- \$6.6 million for PCH Signal Synchronization System
- \$1.1 million for a Permanent Skate Park

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 was received from California JPIA, the City's insurance policy, for repairs at Trancas Canyon Park and the Broad Beach biofiltration system. The major projects planned for Fiscal Year 2022-23 include:

- \$856,000 for Park Restoration at Trancas Park
- \$750,000 for Latigo Canyon Road and Retaining Wall
- \$500,000 for Broad Beach Water Quality Improvements
- \$400,000 for –Encinal Canyon Road Drainage Improvements

General Fund Reserve. The City Council remains committed to maintaining a strong unassigned General Fund reserve to provide a buffer against unforeseen expenditures. This ongoing commitment allowed the City to put additional resources in place quickly in the aftermath of the Woolsey Fire and to maintain services during the ongoing COVID-19 pandemic.

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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 80,140,773	\$ 3,076,335	\$ 83,217,108
Accounts receivable, net of allowance for doubtful accounts	2,804,706	200,560	3,005,266
Interest receivable	100,748	-	100,748
Due from other governments	5,632,062	-	5,632,062
Prepaid expenses	27,529	-	27,529
Internal balances	372,226	(372,226)	-
Restricted assets-cash and equivalents with fiscal agents	45,363	11	45,374
Due from tenants	-	1,418,932	1,418,932
Lease receivable	-	30,117,634	30,117,634
Net OPEB asset	976,265	-	976,265
Capital assets, non-depreciable	95,038,205	20,903,189	115,941,394
Capital assets, net of accumulated depreciation	34,592,807	66,629,045	101,221,852
Total assets	<u>219,730,684</u>	<u>121,973,480</u>	<u>341,704,164</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,436,007	450,448	1,886,455
Deferred amount from OPEB	1,245,797	-	1,245,797
Deferred amount from pension	2,045,516	-	2,045,516
Total deferred outflows of resources	<u>4,727,320</u>	<u>450,448</u>	<u>5,177,768</u>
LIABILITIES			
Accounts payable	4,048,928	312,421	4,361,349
Salaries and wages payable	344,143	-	344,143
Deposits	4,814,754	430,755	5,245,509
Other accrued liabilities	1,162,385	3,030,000	4,192,385
Interest payable	363,618	77,248	440,866
Unearned revenue	1,738,665	-	1,738,665
Noncurrent liabilities due within one year	1,758,175	638,075	2,396,250
Noncurrent liabilities due in more than one year:			
Compensated absences	105,578	-	105,578
Lease liabilities	26,243	-	26,243
Certificates of participation, net	54,467,181	11,202,680	65,669,861
Net pension liability	2,972,243	-	2,972,243
Total liabilities	<u>71,801,913</u>	<u>15,691,179</u>	<u>87,493,092</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	-	30,117,634	30,117,634
Deferred amount from OPEB	1,821,551	-	1,821,551
Deferred amount from pension	2,773,424	-	2,773,424
Total deferred inflows of resources	<u>4,594,975</u>	<u>30,117,634</u>	<u>34,712,609</u>
NET POSITION			
Net investment in capital assets	75,315,420	73,111,927	148,427,347
Restricted for:			
Debt service	45,363	11	45,374
Public works	3,401,249	-	3,401,249
Environmental sustainability	158,466	-	158,466
Community services	872,192	-	872,192
Housing	194,140	-	194,140
Bluffs Park	368,255	-	368,255
City facilities and operations	953,935	-	953,935
Unrestricted	66,752,096	3,503,177	70,255,273
Total net position	<u>\$ 148,061,116</u>	<u>\$ 76,615,115</u>	<u>\$ 224,676,231</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, 2022

	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	\$ 1,861,401	\$ -	\$ -	\$ -	\$ (1,861,401)	\$ -	\$ (1,861,401)
General government	5,562,399	869,068	268,226	-	(4,425,105)	-	(4,425,105)
Public safety	11,174,023	1,732,890	161,285	-	(9,279,848)	-	(9,279,848)
Community development	6,845,619	7,091,746	-	-	246,127	-	246,127
Community services	3,146,891	618,405	-	-	(2,528,486)	-	(2,528,486)
Public works	8,188,281	595,024	1,936,553	312,535	(5,344,169)	-	(5,344,169)
Interest on long-term debt	2,100,970	-	-	-	(2,100,970)	-	(2,100,970)
Total governmental activities	38,879,584	10,907,133	2,366,064	312,535	(25,293,852)	-	(25,293,852)
Business-type activities:							
Commercial real estate rental	2,455,195	1,537,570	160,226	-	-	(757,399)	(757,399)
Wastewater treatment	2,941,637	2,210,583	-	-	-	(731,054)	(731,054)
Total business-type activities	5,396,832	3,748,153	160,226	-	-	(1,488,453)	(1,488,453)
Total	\$ 44,276,416	\$ 14,655,286	\$ 2,526,290	\$ 312,535	(25,293,852)	(1,488,453)	(26,782,305)
General revenues:							
Taxes:							
Property tax					16,054,850	-	16,054,850
Utility users tax					2,654,963	-	2,654,963
Transient occupancy tax					10,338,043	-	10,338,043
Franchise tax					750,710	-	750,710
Sales tax					5,788,909	-	5,788,909
Parking occupancy tax					496,300	-	496,300
Intergovernmental motor vehicle in lieu, unrestricted					14,608	-	14,608
Unrestricted investment earnings (loss)					(453,597)	20,881	(432,716)
Other revenues					5,967,257	68,656	6,035,913
Transfers					3,560	(3,560)	-
Total general revenues and transfers					41,615,603	85,977	41,701,580
Change in net position					16,321,751	(1,402,476)	14,919,275
Net position - beginning of year					131,739,365	78,017,591	209,756,956
Net position - end of year					\$ 148,061,116	\$ 76,615,115	\$ 224,676,231

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

CITY OF MALIBU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 77,151,981	\$ -	\$ 72,183	\$ 2,916,609	\$ 80,140,773
Accounts receivable, net of allowance	2,779,768	-	-	24,938	2,804,706
Interest receivable	100,748	-	-	-	100,748
Due from other governments	4,743,014	761,598	-	127,450	5,632,062
Prepaid items	27,529	-	-	-	27,529
Due from other funds	764,213	-	-	-	764,213
Advances to other funds	372,226	-	-	-	372,226
Restricted assets - cash with fiscal agent	45,363	-	-	-	45,363
Total assets	<u>\$ 85,984,842</u>	<u>\$ 761,598</u>	<u>\$ 72,183</u>	<u>\$ 3,068,997</u>	<u>\$ 89,887,620</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 3,851,842	\$ -	\$ 72,183	\$ 124,903	\$ 4,048,928
Salaries and wages payable	344,143	-	-	-	344,143
Deposits payable	4,814,754	-	-	-	4,814,754
Other accrued liabilities	1,162,385	-	-	-	1,162,385
Unearned revenue	1,733,665	-	-	5,000	1,738,665
Due to other funds	-	761,598	-	2,615	764,213
Total liabilities	<u>11,906,789</u>	<u>761,598</u>	<u>72,183</u>	<u>132,518</u>	<u>12,873,088</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>1,970,669</u>	<u>482,530</u>	<u>-</u>	<u>-</u>	<u>2,453,199</u>
FUND BALANCES					
Nonspendable					
Prepaid items	27,529	-	-	-	27,529
Advances to other funds	372,226	-	-	-	372,226
Restricted					
Public works	-	-	-	1,469,848	1,469,848
Capital projects	-	-	-	395,629	395,629
Community services	-	-	-	707,409	707,409
Environmental sustainability	-	-	-	158,466	158,466
Special districts	-	-	-	205,127	205,127
Debt service and debt service reserve	45,363	-	-	-	45,363
Housing	194,140	-	-	-	194,140
Bluffs Park	368,255	-	-	-	368,255
City facilities	500,000	-	-	-	500,000
Committed					
Capital improvement projects	325,000	-	1,655,852	-	1,980,852
City facilities	1,127,898	-	-	-	1,127,898
Water quality settlement	57,276	-	-	-	57,276
Assigned					
Vehicle maintenance & replacement	170,305	-	-	-	170,305
Information technology replacement	215,316	-	-	-	215,316
Fire rebuild requirements	7,041,462	-	-	-	7,041,462
Next fiscal year operations	6,500,000	-	-	-	6,500,000
Unassigned	<u>55,162,614</u>	<u>(482,530)</u>	<u>(1,655,852)</u>	<u>-</u>	<u>53,024,232</u>
Total fund balances	<u>72,107,384</u>	<u>(482,530)</u>	<u>-</u>	<u>2,936,479</u>	<u>74,561,333</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 85,984,842</u>	<u>\$ 761,598</u>	<u>\$ 72,183</u>	<u>\$ 3,068,997</u>	<u>\$ 89,887,620</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, 2022

Fund Balances of Governmental Funds	\$ 74,561,333
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.	129,631,012
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,453,199
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	1,245,797
Deferred outflows of resources for pensions	2,045,516
Deferred inflows of resources for OPEB	(1,821,551)
Deferred inflows of resources for pensions	(2,773,424)
Net OPEB asset	976,265
Net pension liability	(2,972,243)
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	1,436,007
Interest payable	(363,618)
Long-term liabilities	<u>(56,357,177)</u>
Net Position of Governmental Activities	<u><u>\$ 148,061,116</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, 2022

	General	Special Revenue Fund Grants	Capital Projects Fund Capital Improvements	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 37,694,981	\$ -	\$ -	\$ 499,167	\$ 38,194,148
Fines and forfeitures	1,444,606	-	-	288,284	1,732,890
Intergovernmental	419,348	644,211	-	2,117,528	3,181,087
Use of money and property	(474,081)	-	-	20,484	(453,597)
Charges for services	8,479,218	-	-	144,180	8,623,398
Other	4,338,745	-	-	-	4,338,745
Total revenues	51,902,817	644,211	-	3,069,643	55,616,671
EXPENDITURES					
Current:					
Legislative and advisory	1,857,960	-	-	-	1,857,960
General government	6,658,455	-	-	8,000	6,666,455
Public safety	10,954,601	-	-	161,285	11,115,886
Community development	6,704,110	-	-	135,447	6,839,557
Community services	2,785,693	-	-	93,260	2,878,953
Public works	5,149,557	-	-	405,053	5,554,610
Capital outlay	1,255,292	-	1,208,944	111,692	2,575,928
Debt service:					
Principal	1,003,144	-	-	-	1,003,144
Interest	2,211,842	-	-	-	2,211,842
Total expenditures	38,580,654	-	1,208,944	914,737	40,704,335
Revenues over (under) expenditures	13,322,163	644,211	(1,208,944)	2,154,906	14,912,336
OTHER FINANCING SOURCES (USES)					
Transfers in	930,000	-	1,208,944	75,000	2,213,944
Transfers out	(190,442)	(454,612)	-	(1,565,330)	(2,210,384)
Issuance of debt	51,875	-	-	-	51,875
Total other financing sources (uses)	791,433	(454,612)	1,208,944	(1,490,330)	55,435
Net change in fund balance	14,113,596	189,599	-	664,576	14,967,771
FUND BALANCE - BEGINNING	57,993,788	(672,129)	-	2,271,903	59,593,562
FUND BALANCE - ENDING	\$ 72,107,384	\$ (482,530)	\$ -	\$ 2,936,479	\$ 74,561,333

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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 14,967,771
Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This activity is reconciled as follows:	
Cost of assets capitalized	448,494
Depreciation expense	(1,534,949)
Governmental funds report as revenues those monies that become available in the current period but which were earned and reported as revenue in a prior period within the Statement of Activities.	(2,872,095)
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.	2,453,199
Governmental funds report issuance of debt as a financing source. However, this type of transaction has no effect within the Statement of Activities.	(51,875)
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.	6,132
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.	104,740
Principal payment on long-term debt is reported as an expenditure in the governmental funds. However, this type of transaction has no effect within the Statement of Activities.	1,003,144
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in net OPEB asset	742,114
Change in net pension liability	1,166,884
Change in compensated absences	(59,040)
Loss on asset disposal	(52,768)
Change in Net Position of Governmental Activities	<u><u>\$ 16,321,751</u></u>

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, 2022

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,313,484	\$ 1,762,851	\$ 3,076,335
Accounts receivable	69,295	131,265	200,560
Total current assets	1,382,779	1,894,116	3,276,895
Noncurrent assets:			
Retricted:			
Cash and cash equivalents with fiscal agent	11	-	11
Due from tenants	1,418,932	-	1,418,932
Lease receivable	30,117,634		30,117,634
Capital assets, non-depreciable	15,404,922	5,498,267	20,903,189
Capital assets, net of accumulated depreciation	13,555,822	53,073,223	66,629,045
Total noncurrent assets	60,497,321	58,571,490	119,068,811
Total assets	61,880,100	60,465,606	122,345,706
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	450,448	-	450,448
LIABILITIES			
Current liabilities:			
Accounts payable	31,720	280,701	312,421
Deposits	430,755	-	430,755
Other accrued liabilities	-	3,030,000	3,030,000
Interest payable	77,248	-	77,248
Noncurrent liabilities due within one year:			
Certificates of participation, net	638,075	-	638,075
Total current liabilities	1,177,798	3,310,701	4,488,499
Noncurrent liabilities:			
Noncurrent liabilities due in more than one year:			
Advances from other funds	-	372,226	372,226
Certificates of participation, net	11,202,680	-	11,202,680
Total noncurrent liabilities	11,202,680	372,226	11,574,906
Total liabilities	12,380,478	3,682,927	16,063,405
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from leases	30,117,634	-	30,117,634
NET POSITION			
Net investment in capital assets	17,570,437	55,541,490	73,111,927
Restricted for debt service	11	-	11
Unrestricted	2,261,988	1,241,189	3,503,177
Total net position	\$ 19,832,436	\$ 56,782,679	\$ 76,615,115

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, 2022

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
OPERATING REVENUES			
Charges for sales and services:			
Property-related income	\$ 1,537,570	\$ -	\$ 1,537,570
Sewer service fees	-	2,210,583	2,210,583
Other operating income	160,226	-	160,226
Total operating revenues	1,697,796	2,210,583	3,908,379
OPERATING EXPENSES			
Personnel services	69,033	81,938	150,971
Professional and contractual services	325,433	198,312	523,745
Repairs and maintenance	53,376	1,356,821	1,410,197
Utilities	177,204	190,344	367,548
Supplies	3,741	29,443	33,184
Total operating expenses	628,787	1,856,858	2,485,645
Operating income before depreciation	1,069,009	353,725	1,422,734
Depreciation expense	1,330,962	1,083,127	2,414,089
Operating loss	(261,953)	(729,402)	(991,355)
NONOPERATING REVENUES (EXPENSES)			
Investment and interest income	6,368	14,513	20,881
Grant revenue	42,720	-	42,720
Interest expense	(495,446)	(1,652)	(497,098)
Total nonoperating revenues (expenses)	(446,358)	12,861	(433,497)
Loss before transfers and capital contributions	(708,311)	(716,541)	(1,424,852)
Transfers out	(3,560)	-	(3,560)
Capital contributions	-	25,936	25,936
Change in net position	(711,871)	(690,605)	(1,402,476)
NET POSITION, BEGINNING	20,544,307	57,473,284	78,017,591
NET POSITION, ENDING	\$ 19,832,436	\$ 56,782,679	\$ 76,615,115

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, 2022**

	Business-Type Activities Enterprise Funds		
	Commercial Real Estate Rental	Wastewater Treatment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,731,021	\$ 2,264,787	\$ 3,995,808
Payments to suppliers and personnel	(645,405)	(2,301,446)	(2,946,851)
Net cash provided by/(used for) operating activities	1,085,616	(36,659)	1,048,957
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to governmental funds	(3,560)	-	(3,560)
Noncapital grants	42,720	-	42,720
Repayment on noncapital advances from other funds	-	(212,049)	(212,049)
Net cash provided by/(used for) noncapital financing activities	39,160	(212,049)	(172,889)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Interest paid	(473,838)	(1,652)	(475,490)
Principal payment	(620,000)	-	(620,000)
Payments made for capital assets acquired	(6,684)	(1,084,022)	(1,090,706)
Contributions from property owners, net	-	525,936	525,936
Net cash used for capital financing activities	(1,100,522)	(559,738)	(1,660,260)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,368	14,513	20,881
Net increase/(decrease) in cash and cash equivalents	30,622	(793,933)	(763,311)
CASH AND CASH EQUIVALENTS, BEGINNING	1,282,873	2,556,784	3,839,657
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,313,495	\$ 1,762,851	\$ 3,076,346
Reconciliation of operating income to net cash provided by operating activities:			
Operating loss	\$ (261,953)	\$ (729,402)	\$ (991,355)
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities:			
Depreciation expense	1,330,962	1,083,127	2,414,089
(Increase)/decrease in accounts receivable	(30,707)	54,204	23,497
(Increase)/decrease in due from tenants	63,932	-	63,932
Increase/(decrease) in accounts payable	(16,618)	(444,588)	(461,206)
Total adjustments	1,347,569	692,743	2,040,312
Net cash provided by/(used for) operating activities	\$ 1,085,616	\$ (36,659)	\$ 1,048,957
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, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,935,759
Cash and cash equivalents with fiscal agents	4,277,183
Due from other governments	<u>42,858</u>
Total assets	8,255,800
LIABILITIES	
Accounts payable	<u>11,528</u>
NET POSITION	
Restricted for individuals, other organizations, and governments	<u><u>\$ 8,244,272</u></u>

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, 2022**

	Custodial Funds
ADDITIONS	
Collections from special assessments	\$ 2,917,544
Investment earnings	<u>19,970</u>
Total additions	<u>2,937,514</u>
DEDUCTIONS	
Payments for administrative charges	90,790
Interest payments	959,739
Payments for special assessment debt	<u>1,670,871</u>
Total deductions	<u>2,721,400</u>
Net increase in net position	216,114
NET POSITION - BEGINNING, AS RESTATED	<u>8,028,158</u>
NET POSITION - ENDING	<u><u>\$ 8,244,272</u></u>

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

CITY OF MALIBU, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 accepted 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 funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual 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 non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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, all of the City's assets and liabilities, including capital assets, infrastructure, and long-term liabilities are included in the accompanying Statement of Net Position.

The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function 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 in 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 the operational or capital requirements of a particular function. 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 construction project rather than year-by-year budgeting. For the year ended June 30, 2022, there were no major governmental funds with expenditures which exceeded appropriations. The following nonmajor funds had expenditures which exceeded appropriations. The Brulte Bill Grant Fund had grant revenues which were equal to the fund's total expenditures and the Malibu Road LMD Fund had sufficient resources to cover the budget overage.

<u>Non-Major Funds:</u>	<u>Expenditures in Excess of Budget</u>
Special Revenue Funds:	
Brulte Bill Grant	\$ 6,285
Malibu Road LMD	1,637

D. PROPERTY TAX REVENUES

Property taxes are levied, based on the assessed values determined by the Los Angeles County Assessor (the County) as of March 1st and become a lien on the real property at 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 transactions 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, buildings, leased assets, 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. Leased assets are capitalized in accordance with generally accepted accounting principles.

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 over their estimated useful lives. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. Using the convention of no depreciation expense in the year of acquisition, depreciation is recorded on a straight-line basis over the useful life of the assets as follows:

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.

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Long-Term Amount
Governmental Activities:						
Compensated absences	\$ 546,538	\$ 619,940	\$ (560,900)	\$ 605,578	\$ (500,000)	\$ 105,578

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 this note's sections (O) and (P) for additional flow assumption information.

J. PREPAID ITEMS

Prepaid items are payments to vendors which 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

In addition to assets and liabilities, the Statement of Net Position and the Governmental Funds' Balance Sheet will sometimes report separate sections for deferred outflows of resources and for 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. The governmental funds typically report unavailable revenues for grant receipts which 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 with 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, 2022, the significant commitments, including continuing capital projects within enterprise funds, are as follows:

Major Enterprise Fund:	
Commercial Real Estate Rental	\$ 85,818
Wastewater Treatment	161,543
Major Governmental Funds:	
General Fund	17,619,809
Capital Improvements Capital Projects Fund	1,655,852
Nonmajor Governmental Funds	195,640

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 which 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 in 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. CHANGES IN ACCOUNTING PRINCIPLES AND NEW GASB PRONOUNCEMENTS

The City implemented GASB Statement No. 87, *Leases* during Fiscal Year 2021-22. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting for both the lessee and the lessor based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. There was no impact to the beginning fund balance or net position of any funds or the government-wide statements as a result of the implementation of this Statement.

2. CASH AND INVESTMENTS

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 earned 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	\$ 35,442,389
Investments	51,709,388
Cash and Investments with Fiscal Agents:	
Investments	4,322,557
Petty Cash	1,090
Total Cash and Investments	<u>\$ 91,475,424</u>

At June 30, 2022, the pooled demand deposit bank balance was \$35,724,949. The amount shown for pooled demand deposits is the amount after outstanding checks are subtracted and deposits in transit are added.

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

Governmental Funds:	
Unrestricted	\$ 80,140,773
Restricted	45,363
Proprietary Funds:	
Unrestricted	3,076,335
Restricted	11
Fiduciary Funds:	
Cash and cash equivalents	3,935,759
Cash and cash equivalents with fiscal agents	4,277,183
Total Cash and Investments	<u>\$ 91,475,424</u>

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

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

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

Notes:

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

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

INVESTMENTS AUTHORIZED BY DEBT AGREEMENTS

The investment of debt proceeds held by fiscal agents is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The following table identifies the investment types that are authorized for investments held by the City's fiscal agent. Unless indicated otherwise, the trust agreement does not specify a maximum maturity, a maximum percentage of the portfolio, nor 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, 2022

<u>Investment Type - Authorized by Trust Agreements</u>	<u>Certificates of Participation Series 2015, 2016 & 2018</u>	<u>2016 AD Limited Obligation Bonds</u>	<u>2008 CFD Special Tax Bonds</u>	<u>2010 AD Limited Obligation Bonds</u>
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) that 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. The City monitors the interest rate risk inherent in its investments, including those held by fiscal agents, by using specific identification of the investments.

Following is a table showing the specific identification of investments at year end:

	<u>Fair Value</u>	<u>Maturities</u>
City's Pooled Investments:		
Negotiable Certificates of Deposit		
Capital One Bank USA	\$ 190,315	11/8/2022
Barclays Bank	250,370	11/15/2022
Wells Fargo Bank	250,415	11/22/2022
Sallie Mae Bank	250,842	3/14/2023
Morgan Stanley Bank	250,838	3/15/2023
Morgan Stanley Pvt Bank	251,727	12/6/2023
Capital One Bank NA	246,260	6/19/2024
Comenity Capital Bank	123,083	6/27/2024
American Express National	193,126	3/24/2025
Comenity Capital Bank	188,546	3/18/2026
Texas Exchange Bank	227,055	10/29/2026
UBS Bank	226,932	12/8/2026
Celtic Bank	231,593	12/27/2027
Wells Fargo Money Market Mutual Fund	21,156	N/A
Local Agency Investment Fund (LAIF)	48,807,130	311 day average
Investments held by fiscal agents - US Bank:		
Money market mutual funds:		
First American Government Obligation Fund	4,102,219	N/A
US Bank moneymarket 5	220,338	N/A
Total	<u>\$ 56,031,945</u>	

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Not Rated</u>
City's Pooled Investments:			
Negotiable certificates of deposit	\$ 2,881,102	N/A	\$ 2,881,102
Money market mutual funds	21,156	N/A	21,156
Local Agency Investment Fund (LAIF)	48,807,130	N/A	48,807,130
Investments held by fiscal agents:			
Money market mutual funds	4,322,557	N/A	4,322,557
	<u>\$ 56,031,945</u>		<u>\$ 56,031,945</u>

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 negotiable certificates of deposit totaling \$2,881,102 and investments in money market mutual funds totaling \$21,156 which were held by the counterparty's trust department.

For investments held by fiscal agents as the bond trustee, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the City. At year end, investments held by fiscal agents' trust departments consisted of \$4,322,557 in money market mutual funds.

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 in 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.

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, 2022, 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:		
Negotiable certificates of deposit	\$ 2,881,102	Level 2 input
Money market mutual funds	21,156	**
Local Agency Investment Fund (LAIF)	48,807,130	**
Investments held by fiscal agents:		
Money market mutual funds	4,322,557	**
Total Investments	<u>\$ 56,031,945</u>	

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

3. CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2022, were as follows:

<u>Governmental Activities</u>	Balances July 1, 2021	Additions	Deletions	Reclassifications	Balances June 30, 2022
Cost:					
Nondepreciable capital assets:					
Land	\$ 69,556,508	\$ -	\$ -	\$ -	\$ 69,556,508
Right of way	24,045,543	-	-	-	24,045,543
Construction in progress	6,902,237	277,998	(52,768)	(5,691,313)	1,436,154
Total nondepreciable assets	100,504,288	277,998	(52,768)	(5,691,313)	95,038,205
Depreciable capital assets:					
Buildings and other improvements	23,008,536	8,280	-	259,736	23,276,552
Equipment and furniture	1,727,668	46,677	-	(6,231)	1,768,114
Leased equipment	-	51,875	-	51,199	103,074
Vehicles	554,768	63,664	-	-	618,432
Infrastructure	35,083,143	-	-	5,386,609	40,469,752
Subtotal	60,374,115	170,496	-	5,691,313	66,235,924
Accumulated depreciation for:					
Buildings and other improvements	(8,062,569)	(795,982)	-	-	(8,858,551)
Equipment and furniture	(1,076,354)	(116,960)	-	18,444	(1,174,870)
Leased assets	-	(17,066)	-	(18,444)	(35,510)
Vehicles	(264,971)	(56,427)	-	-	(321,398)
Infrastructure	(20,704,274)	(548,514)	-	-	(21,252,788)
Subtotal	(30,108,168)	(1,534,949)	-	-	(31,643,117)
Net depreciable assets	30,265,947	(1,364,453)	-	5,691,313	34,592,807
Total net capital assets	\$ 130,770,235	\$ (1,086,455)	\$ (52,768)	\$ -	\$ 129,631,012
<u>Business-type Activities</u>					
Cost:					
Nondepreciable capital assets:					
Land	\$ 17,325,848	\$ -	\$ -	\$ -	\$ 17,325,848
Construction in progress	2,493,319	1,084,022	-	-	3,577,341
Total nondepreciable assets	19,819,167	1,084,022	-	-	20,903,189
Depreciable capital assets:					
Buildings and other improvements	86,003,050	6,684	-	-	86,009,734
Infrastructure	444,000	-	-	-	444,000
Subtotal	86,447,050	6,684	-	-	86,453,734
Accumulated depreciation for:					
Buildings and other improvements	(17,304,659)	(2,402,317)	-	-	(19,706,976)
Infrastructure	(105,941)	(11,772)	-	-	(117,713)
Subtotal	(17,410,600)	(2,414,089)	-	-	(19,824,689)
Net depreciable assets	69,036,450	(2,407,405)	-	-	66,629,045
Total net capital assets	\$ 88,855,617	\$ (1,323,383)	\$ -	\$ -	\$ 87,532,234

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

Governmental Activities:	
Legislative and advisory	\$ 3,441
General government	572,339
Public safety	41,566
Community development	6,062
Community services	258,052
Public works	653,489
Total depreciation expense	<u>\$ 1,534,949</u>
Business-type Activities:	
Commercial real estate rental	\$ 1,330,962
Wastewater treatment	1,083,127
Total depreciation expense	<u>\$ 2,414,089</u>

4. LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Long-Term Amount
Governmental Activities:						
Direct borrowings:						
Equipment Leases	\$ 24,332	\$ 51,875	\$ (23,144)	\$ 53,063	\$ (26,820)	\$ 26,243
Certificates of participation:						
2015 Refunding Series B	4,580,000	-	(120,000)	4,460,000	(125,000)	4,335,000
2016 Refunding	24,435,000	-	(775,000)	23,660,000	(810,000)	22,850,000
2018 COP	23,665,000	-	(85,000)	23,580,000	(85,000)	23,495,000
Unamortized premiums:						
2015 Refunding Series B	381,242	-	(20,795)	360,447	(20,795)	339,652
2016 Refunding	2,828,249	-	(153,960)	2,674,289	(153,960)	2,520,329
2018 COP	1,000,400	-	(36,600)	963,800	(36,600)	927,200
Total	<u>\$ 56,914,223</u>	<u>\$ 51,875</u>	<u>\$ (1,214,499)</u>	<u>\$ 55,751,599</u>	<u>\$ (1,258,175)</u>	<u>\$ 54,493,424</u>
Business-Type Activities:						
Certificates of participation:						
2015 Refunding Series A	\$ 8,450,000	\$ -	\$ (615,000)	\$ 7,835,000	\$ (630,000)	\$ 7,205,000
2015 Refunding Series B	3,655,000	-	(5,000)	3,650,000	(5,000)	3,645,000
Unamortized premium/discount:						
2015 Refunding Series A	(68,737)	-	6,065	(62,672)	6,065	(56,607)
2015 Refunding Series B	442,567	-	(24,140)	418,427	(24,140)	394,287
Total	<u>\$ 12,478,830</u>	<u>\$ -</u>	<u>\$ (638,075)</u>	<u>\$ 11,840,755</u>	<u>\$ (653,075)</u>	<u>\$ 11,187,680</u>

A. DIRECT BORROWINGS:

Governmental Activities – Leases: The City has entered into lease 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 lease 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 for leases are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 26,820	\$ 1,392	\$28,212
2024	18,992	487	19,479
2025	7,251	118	7,369
Totals	<u>\$ 53,063</u>	<u>\$ 1,997</u>	<u>\$55,060</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 \$77,795.

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 \$69,892.

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 \$414,927. 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 6/30/22	\$ 1,319,744	\$ 33,704	\$ 16,532
Outstanding refunded certificates at 6/30/22	\$ -	\$ 255,000	\$ -

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 towards 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, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
<u>Governmental Activities</u>			
2023	\$ 1,020,000	\$ 2,167,925	\$ 3,187,925
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
2028-2032	7,740,000	8,728,506	16,468,506
2033-2037	9,460,000	6,967,856	16,427,856
2038-2042	10,855,000	4,797,763	15,652,763
2043-2047	12,245,000	2,261,213	14,506,213
2048-2049	5,590,000	206,438	5,796,438
Totals	<u>\$ 51,700,000</u>	<u>\$ 33,291,826</u>	<u>\$ 84,991,826</u>
<u>Business-type Activities</u>			
2023	\$ 635,000	\$ 453,276	\$ 1,088,276
2024	655,000	433,726	1,088,726
2025	675,000	413,511	1,088,511
2026	690,000	391,687	1,081,687
2027	705,000	368,908	1,073,908
2028-2032	3,955,000	1,396,894	5,351,894
2033-2037	4,170,000	494,850	4,664,850
Totals	<u>\$ 11,485,000</u>	<u>\$ 3,952,852</u>	<u>\$ 15,437,852</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, 2022 total \$2,835,000.

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 \$1,525,000.

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 to construct 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 \$3,785,000.
- 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 \$44,434,606.

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, 2022, 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 whereby the amortization of the deferred inflow of resources is 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	
	Lease #1	Lease #2	Hospital	Yard	Total
Balances at fiscal year-end:					
Lease receivable	\$ 2,225,508	\$ 483,192	\$ 675,377	\$26,733,557	\$30,117,634
Deferred inflow of resources	2,225,508	483,192	675,377	26,733,557	30,117,634
Property-related revenue recognized during the fiscal year:					
Lease revenue	151,054	41,262	260,596	558,576	1,011,488
Amortization of present value discount	40,164	8,863	15,818	461,237	526,082

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 has a net book value of \$584,818 at June 30, 2022.

- 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 \$15,674 at the beginning of the year, increased according to the terms of the agreement, and was \$15,987 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 \$4,156 at the beginning of the year, increased according to the terms of the agreement, and was \$4,282 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 \$22,786 at the beginning of the year, increased according to the terms of the agreement, and was \$23,283 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 has a net book value of \$1,040,008 at June 30, 2022.

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 minimum monthly lease payments from March 1, 2018 through December 31, 2022 are \$84,984. The lease had a fixed amount increase in 2018 and will increase by a fixed amount every five years thereafter. 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 2021-22, 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 has a net book value of \$5,105,873 as of June 30, 2022.

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

Year Ending June 30,	Present Value		Total Payments
	Lease	Discount Amortization	
2023	\$ 556,463	\$ 1,017,976	\$ 1,574,439
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
2028-2032	2,575,009	4,513,172	7,088,181
2033-2037	2,383,712	4,061,786	6,445,498
2038-2042	2,489,626	3,678,800	6,168,426
2043-2047	3,269,677	3,207,173	6,476,850
2048-2052	4,207,264	2,593,427	6,800,691
2053-2057	5,331,705	1,809,024	7,140,729
2058-2062	6,677,528	820,147	7,497,675
2063	743,224	10,130	753,354
Totals	<u>\$ 30,117,634</u>	<u>\$ 25,599,701</u>	<u>\$ 55,717,335</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 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 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, 2020
Measurement Date: June 30, 2021
Measurement Period: July 1, 2020 through June 30, 2021

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, 2022, 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	11.600%	7.730%
Payment of unfunded liability	\$502,288	\$10,863

* 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 \$1,120,551.

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

As of June 30, 2022, the City reported net pension liabilities totaling \$2,972,243. The City's net pension liability is measured as the proportionate share of the net pension liability measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 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.

The City's proportionate share of the net pension liability as of June 30, 2021 and 2020 was as follows:

	Miscellaneous Risk Pool
Proportion - June 30, 2020	0.06265%
Proportion - June 30, 2021	0.05496%
Change - Increase (Decrease)	-0.00769%

For the year ended June 30, 2022, the City recognized pension expense of \$51,960. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,218,844	\$ -
Differences between actual and expected experience	333,305	-
Change in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(2,594,611)
Change in employer's proportion	493,367	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(178,813)
Total	<u>\$ 2,045,516</u>	<u>\$ (2,773,424)</u>

The \$1,218,844 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, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as a component of pension expense as follows:

Fiscal Year	Amount
2022-23	\$ 302,026
2023-24	396,036
2024-25	531,673
2025-26	717,017
Totals	<u>\$1,946,752</u>

ACTUARIAL METHODS AND ASSUMPTIONS

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial calculation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous Risk Pool</u>
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
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 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that is available on the CalPERS website.
- (3) The lesser of contract COLA or 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.

Subsequent to Year-end: On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRA plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality, and retirement rates. 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 7.15% 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 (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the City's proportionate share of the net pension liability, 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 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$ 7,667,649	\$ 2,972,243	\$ (909,381)

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, 2022, the City had no outstanding contributions due to the pension plan required for the year ended June 30, 2022.

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 2021-22, the City contributed \$1,356 on behalf of the City Manager, based on a salary of \$22,596 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 2021-22, the City contributed a total of \$16,548 on behalf of the covered employees. There were eight covered employees during the year.
 3. Full-Time Employee Plan: In July 2006, the City entered into a defined contribution pension plan with ICMA for all of its full-time employees. This plan is a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All full-time employees are eligible to participate from the date of employment. In this defined contribution plan, the City is required to match an employee's contributions up to \$50 per pay period. While the City Manager and Department Heads may contribute to this plan, the City does not match their contributions. During the year ended June 30, 2022, there were 68 employees participating in the plan. The City made employer contributions of \$79,715, and employees contributed \$304,344.
 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. The plan was established by City Resolution and may be amended by the City Council. 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, 2022, the City's covered payroll was \$64,720 for the 33 employees participating in the plan. The City made employer contributions of \$3,441, and employees contributed \$16,413.

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, 2021
Measurement Period: July 1, 2020 through June 30, 2021

ELIGIBILITY

As of the measurement date of June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	11
Active employees	<u>82</u>
Total	<u><u>121</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, 2021, the City recognized contributions of \$262,524 as a reduction to the net OPEB liability. The contributions consisted of \$235,336 in benefit payments, \$589 of administrative costs, and \$26,599 for the estimated implied subsidy. The City's contributions are funded by the General Fund.

NET OPEB ASSET

The total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021, with a measurement date of June 30, 2021. 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:

	OPEB Plan
Valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal, level percentage of payroll
Actuarial assumptions:	
Discount rate	6.25%
Long-term Expected Rate of Return on Investments	6.75%
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): 6.5% 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, 2021 measurement date, are summarized below:

Asset Class	Target Allocation CERBT Strategy 1	Long-Term Expected Real Rate of Return
Global equity	59.00%	4.56%
Fixed income	25.00%	78.00%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITS	8.00%	4.06%
Total	<u>100.00%</u>	

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: 6/30/20	\$ 6,849,131	\$ 7,007,633	\$ (158,502)
Changes in the Year:			
Service cost	452,928		452,928
Interest on the total OPEB liability	484,049		484,049
Actual vs expected experience	47,734		47,734
Assumption change	397,764		397,764
Contributions - employer	-	262,524	(262,524)
Net investment income	-	1,940,965	(1,940,965)
Benefit payments	(261,935)	(261,935)	-
Administrative expenses	-	(3,251)	3,251
Net Changes	1,120,540	1,938,303	(817,763)
Balance at Measurement Date: 6/30/21	\$ 7,969,671	\$ 8,945,936	\$ (976,265)

Change of Assumptions:

- Discount rate decreased from 6.75% to 6.25%
- Inflation rate decreased from 2.75% to 2.50%
- New rates from updated CalPERS experience study
- Updated assumption for Medicare eligible implied subsidy
- Family coverage assumption increased from 20% to 25%
- Mortality improvement scale was updated to Scale MP-2021

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

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

The following presents the net OPEB asset 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 larger net OPEB asset while a one-percentage point lower discount rate results in a net OPEB liability.

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Net OPEB Liability/(Asset)	\$180,027	(\$976,265)	(\$1,922,070)

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

The following presents the net OPEB asset 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 net OPEB liability while a one-percentage point lower medical trend rate results in a larger net OPEB asset.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	(5.5% Non-Medicare/ 4.65%-3.60% Medicare Decreasing to 2.75%)	(6.5% Non-Medicare/ 5.65%-4.60% Medicare Decreasing to 3.75%)	(7.5% Non-Medicare/ 6.65%-5.60% Medicare Decreasing to 4.75%)
Net OPEB Liability/(Asset)	(\$2,069,209)	(\$976,265)	\$399,203

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$106,608. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 848,722	\$ -
Differences between expected and actual experience	42,546	(604,912)
Changes in assumptions	354,529	(130,350)
Differences between projected and actual earnings	-	(1,086,289)
Total	<u>\$ 1,245,797</u>	<u>\$ (1,821,551)</u>

The \$848,722 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, 2023. All other amounts reported as deferred outflows and inflows of resources will be recognized as a component of OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022-23	\$ (332,697)
2023-24	(323,686)
2024-25	(329,177)
2025-26	(357,901)
2026-27	(64,293)
Thereafter	(16,722)
Totals	<u>\$ (1,424,476)</u>

PAYABLE TO THE OPEB PLAN

At June 30, 2022, the City had no outstanding contributions due to the OPEB plan required for the year ended June 30, 2022.

9. DEVELOPER FEES

PARKLAND DEVELOPMENT

The City of Malibu charges Parkland Development fees when new residential units are constructed. In Fiscal Year 2021-22, the fees were \$4,401 for each detached single-family dwelling; \$3,756 for each unit of an attached multi-family dwelling with fewer than five units; \$2,799 for each unit of an attached multi-family dwelling with five or more units; \$3,489 for each unit of a duplex, triplex, or quadplex; and \$2,531 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 \$48,323 and earned interest of \$650; there were no expenditures during the year. At June 30, 2022, the balance of fees on hand was \$125,086.

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 exceed 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 through the City. During the current year, the City collected no Art in Public Places fees and earned interest of \$202; there were no expenditures during the year. At June 30, 2022, the balance of fees on hand was \$35,849.

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, 2022, the outstanding balance of the loan is \$372,226.

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, 2022 is as follows:

	Due from Other Funds	Due to Other Funds
Major Funds:		
General Fund	\$ 764,213	\$ -
Grants Special Revenue Fund	-	761,598
Nonmajor Governmental Funds	-	2,615
Total	<u>\$ 764,213</u>	<u>\$ 764,213</u>

TRANSFERS

Transactions which 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, 2022, are as follows:

	Transfers Out				
	Governmental Fund Type			Proprietary Fund Type	Total
	Major Funds			Commercial Real Estate Rental Enterprise Fund	
	General Fund	Grants Special Revenue	Nonmajor Funds		
Transfers In					
Governmental Fund Type:					
Major Funds:					
General Fund	\$ -	\$ -	\$ 930,000	\$ -	\$ 930,000
Capital Improvements					
Capital Projects Fund	115,442	454,612	635,330	3,560	1,208,944
Nonmajor Funds	75,000	-	-	-	75,000
Total	<u>\$ 190,442</u>	<u>\$ 454,612</u>	<u>\$ 1,565,330</u>	<u>\$ 3,560</u>	<u>\$ 2,213,944</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 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 2021-22, 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 \$102,821,054. 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. The 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 \$62,978,900. 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 2021-22.

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; and again, on November 8, 2021, with Resolution No. 21-62, the fee waiver deadline was extended through December 30, 2023. 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. Since that time, City staff has been carefully monitoring the impacts on the economy and the City's revenue considering the changing regulations put in place to deal with the COVID-19 pandemic. Original estimates anticipated that the pandemic would dampen the City's revenues for the next 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. City staff remains conservative in the projections for revenues in Fiscal Year 2022-23.

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 City is using the funds to return the City to its pre-pandemic staffing levels. The City will use ARPA funds for this purpose for three fiscal years, which will total approximately \$2.27 million. The City also plans to use the funds for the acquisition and implementation of budget and land management software to streamline City processes and to provide for the robust continuation of City services through future disasters. If additional funds remain, they will be used as revenue replacement per the Treasury guidance.

- 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 following areas were included for maintenance: Malibu Road, Broad Beach Road, Latigo Canyon Road, Corral Canyon Road, Webb Way, Rambla Pacifico St, and Vista Pacifica. Additionally, speed humps were installed on Birdview Avenue. The work was completed in February 2022.

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 anticipated that this project will be ready for construction by the Spring 2024.

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 Webb Way to the intersection of Puerco Canyon Road. The PCH Median Improvement Project is funded by Los Angeles County Measure R, 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 began the preliminary approval and environmental design phase in Fiscal Year 2018-19. During Fiscal Year 2021-22, the project design was completed, and the project was advertised for construction bidding.

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 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 project design phase was completed in Fiscal Year 2021-22 and construction is anticipated to begin in Fiscal Year 2022-23.

MARIE CANYON GREEN STREETS

This project includes the installation of various filtration devices to remove or kill bacteria in stormwater. The project is intended to reduce the City's Total Maximum Daily Loads (TMDLs) from stormwater to comply with the City's Municipal Separate Storm Sewer System Discharge Permit with the Regional Water Quality Control Board. The project was advertised for construction bidding in May 2022 and is anticipated to be completed in Fiscal Year 2022-23.

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. This revised project will be included in the Fiscal Year 2022-2023 work plan.

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 additional 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 consists of the installation of four single-post shade structures at Malibu Bluffs Park. Two of the shade structures will be located at the Michael Landon Center Playground, and the other two will be located at the baseball field picnic area. The project will be funded through the City's Proposition A Park Funds. The project will be completed in Fiscal Year 2022-23.

HEATHERCLIFF ROAD SAFETY IMPROVEMENTS

This project will address safety issues along Heathercliff Road. The first phase of the project includes engineering and design. This project was placed on hold due to the Woolsey Fire and COVID-19 pandemic.

LEGACY PARK PAVER REPAIR

This project consists of removal and repair of a large section of pavers on the north side of the Loop Walkway at Legacy Park. The pavers have become uneven and damaged in several areas, causing a potential safety hazard for park patrons. This project was placed on hold due to the Woolsey Fire and COVID-19 pandemic.

MALIBU BLUFFS PARK SOUTH WALKWAY

This project will replace the existing walkway located on the south side of Malibu Bluffs Park. Staff has 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.

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 has coordinated regular maintenance and several minor repairs since installation. The surfacing is at the end of its 10-year life and is in need of replacement.

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 through LA Metro. The design phase of the project began in Fiscal Year 2021-22.

VEHICLE PROTECTION DEVICES

After further review of the Malibu Municipal Code Section 17.48.070, it was determined that Vehicle Protection Devices are not needed in the identified locations of Cross Creek Road directly in front of Taverna Tony's restaurant and near the Malibu Coast Animal Hospital. This project has been eliminated.

PROJECTS COMPLETED IN FISCAL YEAR 2021-22

During Fiscal Year 2021-22, the City completed Malibu Park Drainage Improvements, 2021 Annual Street Maintenance, and the Civic Center Diversion Structure.

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.

CITYWIDE GUARDRAIL REPLACEMENT

This project consists of replacing all damaged guardrails throughout the City caused by the Woolsey Fire on Encinal Canyon Road, Birdview Avenue, Wildlife Road, Corral Canyon Road, and Kanan Dume Road. The design, permitting, bidding and construction of this project was coordinated with Los Angeles County due to their familiarity with similar projects in the area. Construction was completed in Fiscal Year 2020-21. The project will be closed out in conjunction with Latigo Canyon Roadway and Retaining Wall improvements.

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 is anticipated to be completed by June 2023.

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 from 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 waiting for approval. It is anticipated that the scope modification and construction will occur in Fiscal Year 2022-23.

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 2022-23.

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 2022-23.

BIRDVIEW AVENUE IMPROVEMENTS

This project consists of repairing the roadway embankments on Birdview Avenue which were eroded from the severe storm event in 2019. The City will manage the design, permitting, bidding, and construction phase of the project. This project was completed in Fiscal Year 2021-22.

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. This project consists of repairing the permeable pavers, replacement of media material in the biofilters and replacing damaged landscaping. The City began construction in Fiscal Year 2021-22.

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. Construction of this project will be awarded in January 2023 and will begin shortly after. The project will be completed in Fiscal Year 2022-23.

CHARMLEE PARK PERMANENT WORK

Charmlee Wilderness Park sustained substantial damage to the buildings, picnic areas, and trails during the Woolsey Fire. Trail work was completed in the summer of 2020. The city is currently working with CJPIA on funding for a replacement shed and picnic benches throughout the park. Work is expected to be completed in Fiscal Year 2022-23.

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 2022-23.

MALIBU PARK STORM DRAIN IMPROVEMENTS

Multiple storm drains throughout the Malibu Park area and on Birdview Avenue have sustained substantial damage. The damage was due to the rain and associated mud and debris caused by the lack of vegetation in the aftermath of the Woolsey Fire. The drainage structures, slopes and roadways were repaired within the identified project locations. Construction was completed in Fiscal Year 2021-22.

MALIBU ROAD SLOPE REPAIRS

The existing slope adjacent to the beach access stairs at 24712 Malibu Road has eroded resulting in damage to Malibu Road. This project will repair the existing slope and pavement on Malibu Road. This project is anticipated to be completed in Fiscal year 2022-23.

CORRAL CANYON ROAD ROADWAY/RETAINING WALL

This project consists 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. Project was withdrawn in Fiscal Year 2021-22.

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 2022-23.

15. SUBSEQUENT EVENTS

SHORT-TERM RENTALS HOME SHARING ORDINANCE

On November 23, 2020, Council adopted Ordinance No. 472 to regulate the short-term rental of residential property citywide, commonly referred to as the “Hosted Short-Term Rental Ordinance.” The City has not implemented this Ordinance as of June 30, 2022, because in order for the Hosted Short-Term Rental Ordinance to go into effect, the corresponding Local Coastal Program Amendment (LCPA) must be certified by the California Coastal Commission (CCC). On September 8, 2021, the CCC granted themselves a one-year extension to address the ordinance. On August 12, 2022, the CCC held a public hearing on the City’s LCPA to address short-term rentals and voted to deny the City’s LCPA. In early 2023, the City Council is anticipated to discuss the Hosted Short-Term Rental Ordinance to determine how to move forward.

The planned short-term rental ordinance would put new restrictions on short-term rentals such as requiring that the host be onsite during the rental of single-family residences and condominium units and limiting the number of multifamily units that can be rented on a short-term basis to 40% up to two units maximum per parcel. These restrictions would be expected to result in reduced transient occupancy tax revenue that is currently being received from short-term rentals. In Fiscal Year 2021-22, the City received \$6.6 million in transient occupancy tax revenue from short-term rentals. When the ordinance is fully approved and implemented, the reduction to this General Fund revenue source is expected to be significant but cannot be determined with certainty at this time.

16. RESTATEMENT

For the fiscal year ended June 30, 2022, the City restated the beginning net position of the Custodial Funds by \$54,123,864. This prior period adjustment was made to correct the implementation of GASB Statement No. 84, done during the prior year. Interpretation of GASB Statement No. 84, was ambiguous regarding the treatment of conduit debts for which the City operates as the custodian of the collections for and payments of those debts through the Custodial Funds. Further clarifications received from the GASB subsequent to the issuance of the prior year’s financial statements resulted in the removal of the conduit debts from the Custodial Funds.

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 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 vehicles 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 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 which 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	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018
Plan's proportion of the net pension liability	0.054960%	0.062650%	0.059600%	0.056440%
Plan's proportionate share of the net pension liability	\$ 2,972,243	\$ 6,816,695	\$ 6,106,999	\$ 5,438,378
Plan's covered payroll, measurement date	\$ 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	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	88.29%	75.10%	75.26%	75.26%
Plan's proportionate share of aggregate employer contributions	\$ 1,281,843	\$ 1,146,744	\$ 965,341	\$ 812,252

Fiscal year ending June 30, Measurement date	2018 6/30/2017	2017 6/30/2016	2016 6/30/2015	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.

* Fiscal Year 2014-15 was the first year of implementation; therefore, only eight 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	2022 6/30/2020	2021 6/30/2018	2020 6/30/2017	2019 6/30/2016
Contractually required contribution, actuarially determined	\$ 1,218,844	\$ 1,120,551	\$ 1,043,190	\$ 908,055
Contributions in relation to the actuarially determined contribution	(1,218,844)	(1,120,551)	(1,043,190)	(908,055)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,353,661	\$ 6,987,903	\$ 7,337,369	\$ 6,903,933
Contributions as a percentage of covered payroll	16.57%	16.04%	14.22%	13.15%

Fiscal year ending June 30, Valuation date	2018 6/30/2015	2017 6/30/2014	2016 6/30/2013	2015 6/30/2012
Contractually required contribution, actuarially determined	\$ 753,756	\$ 656,352	\$ 514,781	\$ 626,811
Contributions in relation to the actuarially determined contribution	(753,756)	(656,352)	(514,781)	(626,811)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
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 and 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 and 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 eight 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	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
Total OPEB Liability:					
Service cost	\$ 452,928	\$ 447,606	\$ 463,092	\$ 446,600	\$ 434,000
Interest on total OPEB liability	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**	(261,935)	(250,569)	(206,069)	(195,683)	(192,000)
Net change in total OPEB liability	1,120,540	515,811	(206,297)	670,617	619,000
Total OPEB liability - beginning of year	6,849,131	6,333,320	6,539,617	5,869,000	5,250,000
Total OPEB liability - end of year [a]	7,969,671	6,849,131	6,333,320	6,539,617	5,869,000
Plan Fiduciary Net Position:					
Contributions - employer	262,524	773,180	760,595	761,538	720,000
Net investment income	1,940,965	281,616	342,290	352,724	389,000
Administrative expenses	(3,251)	(3,622)	(1,576)	(8,791)	(3,000)
Benefit payments**	(261,935)	(250,569)	(206,069)	(195,683)	(192,000)
Net change in plan fiduciary net position	1,938,303	800,605	895,240	909,788	914,000
Plan fiduciary net position - beginning of year	7,007,633	6,207,028	5,311,788	4,402,000	3,488,000
Plan fiduciary net position - end of year [b]	8,945,936	7,007,633	6,207,028	5,311,788	4,402,000
Net OPEB (asset)/liability - end of year ([a] - [b])	\$ (976,265)	\$ (158,502)	\$ 126,292	\$ 1,227,829	\$ 1,467,000
Plan fiduciary net position as a percentage of the total OPEB liability	112.25%	102.31%	98.01%	81.22%	75.00%
Covered-employee payroll, measurement date	\$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	-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.

* Fiscal Year 2017-18 was the first year of implementation; therefore, only five 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	2022 6/30/2019	2021 6/30/2019	2020 6/30/2017	2019 6/30/2017	2018 6/30/2015
Actuarially determined contribution	\$ 491,000	\$ 483,000	\$ 625,000	\$ 604,000	\$ 614,000
Contribution in relation to the actuarially determined contributions**	(848,722)	(262,524)	(773,180)	(760,595)	(767,000)
Contribution deficiency/ (excess)	<u>\$ (357,722)</u>	<u>\$ 220,476</u>	<u>\$ (148,180)</u>	<u>\$ (156,595)</u>	<u>\$ (153,000)</u>
Covered-employee payroll	\$ 7,351,866	\$ 6,936,621	\$ 7,203,853	\$ 6,769,722	\$ 6,133,000
Contributions as a percentage of covered-employee payroll	11.5%	3.8%	10.7%	11.2%	12.5%
** Includes the implied subsidy of:	\$ 26,339	\$ 26,599	\$ 47,640	\$ 36,193	\$ 37,000

Methods and Assumptions Used to Determine Contribution Rates

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

* Fiscal Year 2017-18 was the first year of implementation; therefore, only five 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, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)	FY 2022-23 Original Budget
	Original	Final	Actual		
REVENUES					
Taxes	\$ 27,046,000	\$ 32,046,000	\$ 37,694,981	\$ 5,648,981	\$ 33,096,000
Fines and forfeitures	1,000,000	1,000,000	1,444,606	444,606	1,150,000
Intergovernmental	3,999,274	3,930,891	419,348	(3,511,543)	2,980,475
Use of money and property	305,200	310,200	(474,081)	(784,281)	310,000
Charges for services	6,250,000	6,905,000	8,479,218	1,574,218	8,218,500
Other	73,500	73,500	4,338,745	4,265,245	436,000
Total revenues	38,673,974	44,265,591	51,902,817	7,637,226	46,190,975
EXPENDITURES					
Current:					
Legislative and advisory	2,280,017	2,500,017	1,857,960	642,057	2,398,061
General government	7,087,479	7,181,159	6,658,455	522,704	9,042,010
Public safety	11,534,264	11,724,264	10,954,601	769,663	11,680,987
Community development	7,598,824	8,008,824	6,704,110	1,304,714	9,367,800
Community services	3,081,707	3,176,815	2,785,693	391,122	3,800,981
Public works	5,891,716	6,346,716	5,149,557	1,197,159	4,708,367
Capital outlay	1,090,500	1,315,500	1,255,292	60,208	-
Debt service:					
Principal	1,003,144	1,003,144	1,003,144	-	1,020,000
Interest	2,211,842	2,211,842	2,211,842	-	2,167,926
Total expenditures	41,779,493	43,468,281	38,580,654	4,887,627	44,186,132
Revenues over (under) expenditures	\$ (3,105,519)	\$ 797,310	13,322,163	\$ 12,524,853	\$ 2,004,843
OTHER FINANCING SOURCES/(USES)					
Transfers in			930,000		
Transfers out			(190,442)		
Issuance of debt			51,875		
Total other financing sources/(uses)			791,433		
Net change in fund balance			14,113,596		
FUND BALANCE - BEGINNING			57,993,788		
FUND BALANCE - ENDING			\$ 72,107,384		

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	<u>\$ 18,613,376</u>	<u>\$ 18,613,376</u>	\$ 644,211	<u>\$ (17,969,165)</u>
OTHER FINANCING USES				
Transfers out			<u>(454,612)</u>	
Net change in fund balance			189,599	
FUND BALANCE - BEGINNING			<u>(672,129)</u>	
FUND BALANCE - ENDING			<u>\$ (482,530)</u>	

CITY OF MALIBU, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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.

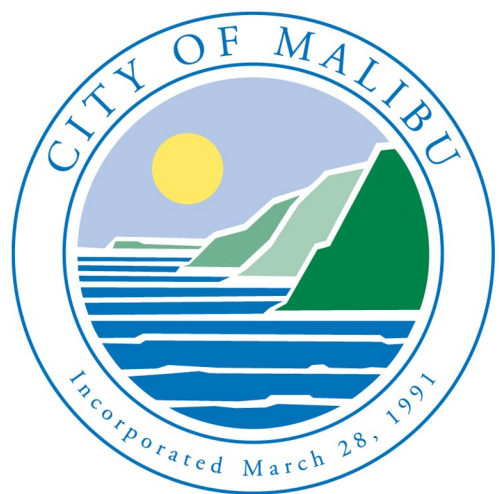
Continuing Appropriations

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, 2) transient occupancy taxes from hotels and private rentals, and 3) charges for services related to higher permitting, review, and 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 \$41.8 million to \$43.5 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, and higher costs related to permitting, review, and building projects in the community.



CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Special Revenue Funds					
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	Air Quality Management
ASSETS						
Cash and investments	\$ 10,830	\$ 119,796	\$ 715,529	\$ 101,847	\$ 128,999	\$ 130,146
Receivables:						
Accounts	-	-	-	-	-	-
Other governments	20,231	41,739	-	-	-	3,795
Total assets	<u>\$ 31,061</u>	<u>\$ 161,535</u>	<u>\$ 715,529</u>	<u>\$ 101,847</u>	<u>\$ 128,999</u>	<u>\$ 133,941</u>
LIABILITIES						
AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 8,120	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted						
Public works	31,061	161,535	-	-	-	133,941
Capital projects:						
Public works	-	-	-	101,847	128,999	-
Community services	-	-	-	-	-	-
Community services	-	-	707,409	-	-	-
Environmental sustainability	-	-	-	-	-	-
Special districts	-	-	-	-	-	-
Total fund balances	<u>31,061</u>	<u>161,535</u>	<u>707,409</u>	<u>101,847</u>	<u>128,999</u>	<u>133,941</u>
Total liabilities and fund balances	<u>\$ 31,061</u>	<u>\$ 161,535</u>	<u>\$ 715,529</u>	<u>\$ 101,847</u>	<u>\$ 128,999</u>	<u>\$ 133,941</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	\$ 151,483	\$ 125,086	\$ 3,848	\$ 6,285	\$ 339,228	\$ 287,458	\$ 35,849
Receivables:							
Accounts	24,938	-	-	-	-	-	-
Other governments	1,120	-	-	-	-	37,372	-
Total assets	<u>\$ 177,541</u>	<u>\$ 125,086</u>	<u>\$ 3,848</u>	<u>\$ 6,285</u>	<u>\$ 339,228</u>	<u>\$ 324,830</u>	<u>\$ 35,849</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 14,075	\$ -	\$ -	\$ 6,285	\$ -	\$ -	\$ -
Unearned revenue	5,000	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>19,075</u>	<u>-</u>	<u>-</u>	<u>6,285</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted							
Public works	-	-	-	-	339,228	324,830	-
Capital projects:							
Public works	-	-	-	-	-	-	-
Community services	-	125,086	3,848	-	-	-	35,849
Community services	-	-	-	-	-	-	-
Environmental sustainability	158,466	-	-	-	-	-	-
Special districts	-	-	-	-	-	-	-
Total fund balances	<u>158,466</u>	<u>125,086</u>	<u>3,848</u>	<u>-</u>	<u>339,228</u>	<u>324,830</u>	<u>35,849</u>
Total liabilities and fund balances	<u>\$ 177,541</u>	<u>\$ 125,086</u>	<u>\$ 3,848</u>	<u>\$ 6,285</u>	<u>\$ 339,228</u>	<u>\$ 324,830</u>	<u>\$ 35,849</u>

Community Development Block Grant	Special Revenue Funds				Total Non-major Governmental Funds
	Measure W	Big Rock Mesa LMD	Malibu Road LMD	Calle del Barco LMD	
\$ -	\$ 479,253	\$ 125,992	\$ 77,727	\$ 77,253	\$ 2,916,609
-	-	-	-	-	24,938
3,949	-	11,513	2,168	5,563	127,450
<u>\$ 3,949</u>	<u>\$ 479,253</u>	<u>\$ 137,505</u>	<u>\$ 79,895</u>	<u>\$ 82,816</u>	<u>\$ 3,068,997</u>
\$ 1,334	\$ -	\$ 70,265	\$ 14,817	\$ 10,007	\$ 124,903
-	-	-	-	-	5,000
2,615	-	-	-	-	2,615
<u>3,949</u>	<u>-</u>	<u>70,265</u>	<u>14,817</u>	<u>10,007</u>	<u>132,518</u>
-	479,253	-	-	-	1,469,848
-	-	-	-	-	230,846
-	-	-	-	-	164,783
-	-	-	-	-	707,409
-	-	-	-	-	158,466
<u>-</u>	<u>-</u>	<u>67,240</u>	<u>65,078</u>	<u>72,809</u>	<u>205,127</u>
<u>-</u>	<u>479,253</u>	<u>67,240</u>	<u>65,078</u>	<u>72,809</u>	<u>2,936,479</u>
<u>\$ 3,949</u>	<u>\$ 479,253</u>	<u>\$ 137,505</u>	<u>\$ 79,895</u>	<u>\$ 82,816</u>	<u>\$ 3,068,997</u>

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					
	State Gas Tax	Traffic Safety	Proposition A	Proposition C	Measure R	Air Quality Management
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	288,284	-	-	-	-
Intergovernmental	298,304	-	347,276	245,497	184,093	14,610
Use of money and property	1,343	1,285	3,532	1,758	910	698
Charges for services	-	-	-	-	-	-
Total revenues	299,647	289,569	350,808	247,255	185,003	15,308
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Community services	-	-	93,260	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	93,260	-	-	-
Revenues over (under) expenditures	299,647	289,569	257,548	247,255	185,003	15,308
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(325,000)	(200,000)	-	(300,000)	(100,000)	-
Total other financing sources/(uses)	(325,000)	(200,000)	-	(300,000)	(100,000)	-
Net change in fund balance	(25,353)	89,569	257,548	(52,745)	85,003	15,308
FUND BALANCE - BEGINNING	56,414	71,966	449,861	154,592	43,996	118,633
FUND BALANCE - ENDING	\$ 31,061	\$ 161,535	\$ 707,409	\$ 101,847	\$ 128,999	\$ 133,941

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
\$ -	\$ 48,323	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
4,473	-	-	161,285	208,323	244,730	-
449	650	21	-	3,202	2,414	202
144,180	-	-	-	-	-	-
149,102	48,973	21	161,285	211,525	247,144	202
-	-	-	-	-	-	-
-	-	-	161,285	-	-	-
135,447	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,123	-	-	-	-	-	-
139,570	-	-	161,285	-	-	-
9,532	48,973	21	-	211,525	247,144	202
75,000	-	-	-	-	-	-
-	-	-	-	(310,000)	(229,889)	-
75,000	-	-	-	(310,000)	(229,889)	-
84,532	48,973	21	-	(98,475)	17,255	202
73,934	76,113	3,827	-	437,703	307,575	35,647
\$ 158,466	\$ 125,086	\$ 3,848	\$ -	\$ 339,228	\$ 324,830	\$ 35,849

(Continued)

CITY OF MALIBU
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022
(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	\$ -	\$ -	\$ 315,598	\$ 60,405	\$ 74,841	\$ 499,167
Fines and forfeitures	-	-	-	-	-	288,284
Intergovernmental	19,690	389,247	-	-	-	2,117,528
Use of money and property	-	2,460	662	452	446	20,484
Charges for services	-	-	-	-	-	144,180
Total revenues	19,690	391,707	316,260	60,857	75,287	3,069,643
EXPENDITURES						
Current:						
General government	8,000	-	-	-	-	8,000
Public safety	-	-	-	-	-	161,285
Community development	-	-	-	-	-	135,447
Community services	-	-	-	-	-	93,260
Public works	-	-	269,355	73,751	61,947	405,053
Capital outlay	11,690	-	75,083	5,415	15,381	111,692
Total expenditures	19,690	-	344,438	79,166	77,328	914,737
Revenues over (under) expenditures	-	391,707	(28,178)	(18,309)	(2,041)	2,154,906
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	-	75,000
Transfers out	-	(100,441)	-	-	-	(1,565,330)
Total other financing sources/(uses)	-	(100,441)	-	-	-	(1,490,330)
Net change in fund balance	-	291,266	(28,178)	(18,309)	(2,041)	664,576
FUND BALANCE - BEGINNING	-	187,987	95,418	83,387	74,850	2,271,903
FUND BALANCE - ENDING	\$ -	\$ 479,253	\$ 67,240	\$ 65,078	\$ 72,809	\$ 2,936,479

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 325,372	\$ 325,372	\$ 298,304	\$ (27,068)
Use of money and property	1,000	1,000	1,343	343
Total revenues	<u>\$ 326,372</u>	<u>\$ 326,372</u>	299,647	<u>\$ (26,725)</u>
OTHER FINANCING USES				
Transfers out			(325,000)	
Net change in fund balance			(25,353)	
FUND BALANCE - BEGINNING			<u>56,414</u>	
FUND BALANCE - ENDING			<u>\$ 31,061</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, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 288,284	\$ 88,284
Use of money and property	900	900	1,285	385
Total revenues	<u>\$ 200,900</u>	<u>\$ 200,900</u>	289,569	<u>\$ 88,669</u>
OTHER FINANCING USES				
Transfers out			(200,000)	
Net change in fund balance			89,569	
FUND BALANCE - BEGINNING			71,966	
FUND BALANCE - ENDING			<u>\$ 161,535</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 236,679	\$ 236,679	\$ 347,276	\$ 110,597
Use of money and property	<u>2,000</u>	<u>2,000</u>	<u>3,532</u>	<u>1,532</u>
Total revenues	238,679	238,679	350,808	112,129
EXPENDITURES				
Current:				
Community services	<u>203,000</u>	<u>203,000</u>	<u>93,260</u>	<u>109,740</u>
Revenues over (under) expenditures	<u>\$ 35,679</u>	<u>\$ 35,679</u>	257,548	<u>\$ 221,869</u>
FUND BALANCE - BEGINNING			<u>449,861</u>	
FUND BALANCE - ENDING			<u>\$ 707,409</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 196,319	\$ 196,319	\$ 245,497	\$ 49,178
Use of money and property	2,000	2,000	1,758	(242)
Total revenues	<u>\$ 198,319</u>	<u>\$ 198,319</u>	247,255	<u>\$ 48,936</u>
OTHER FINANCING USES				
Transfers out			(300,000)	
Net change in fund balance			(52,745)	
FUND BALANCE - BEGINNING			154,592	
FUND BALANCE - ENDING			<u>\$ 101,847</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 147,239	\$ 147,239	\$ 184,093	\$ 36,854
Use of money and property	2,000	2,000	910	(1,090)
Total revenues	<u>\$ 149,239</u>	<u>\$ 149,239</u>	185,003	<u>\$ 35,764</u>
OTHER FINANCING USES				
Transfers out			(100,000)	
Net change in fund balance			85,003	
FUND BALANCE - BEGINNING			<u>43,996</u>	
FUND BALANCE - ENDING			<u>\$ 128,999</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 14,610	\$ (1,390)
Use of money and property	800	800	698	(102)
Total revenues	<u>\$ 16,800</u>	<u>\$ 16,800</u>	15,308	<u>\$ (1,492)</u>
FUND BALANCE - BEGINNING			<u>118,633</u>	
FUND BALANCE - ENDING			<u>\$ 133,941</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 4,473	\$ (527)
Use of money and property	200	200	449	249
Charges for services	137,449	137,449	144,180	6,731
Total revenues	142,649	142,649	149,102	6,453
EXPENDITURES				
Current:				
Community development	225,059	260,059	135,447	124,612
Capital outlay	-	-	4,123	(4,123)
Total expenditures	225,059	260,059	139,570	120,489
Revenues over (under) expenditures	<u>\$ (82,410)</u>	<u>\$ (117,410)</u>	9,532	<u>\$ (114,036)</u>
OTHER FINANCING SOURCES				
Transfers in			75,000	
Net change in fund balance			84,532	
FUND BALANCE - BEGINNING			73,934	
FUND BALANCE - ENDING			<u>\$ 158,466</u>	

CITY OF MALIBU
PARKLAND DEVELOPMENT IN-LIEU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 48,323	\$ 28,323
Use of money and property	1,000	1,000	650	(350)
Total revenues	<u>\$ 21,000</u>	<u>\$ 21,000</u>	48,973	<u>\$ 27,973</u>
FUND BALANCE - BEGINNING			<u>76,113</u>	
FUND BALANCE - ENDING			<u>\$ 125,086</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Use of money and property	<u>\$ 35</u>	<u>\$ 35</u>	\$ 21	<u>\$ (14)</u>
FUND BALANCE - BEGINNING			<u>3,827</u>	
FUND BALANCE - ENDING			<u>\$ 3,848</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 161,285	\$ 1,285
EXPENDITURES				
Current:				
Public safety	155,000	155,000	161,285	(6,285)
Revenues over (under) expenditures	<u>\$ 5,000</u>	<u>\$ 5,000</u>	-	<u>\$ (5,000)</u>
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			<u>\$ -</u>	

CITY OF MALIBU
MEASURE M SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 166,871	\$ 166,871	\$ 208,323	\$ 41,452
Use of money and property	2,000	2,000	3,202	1,202
Total revenues	<u>\$ 168,871</u>	<u>\$ 168,871</u>	211,525	<u>\$ 42,654</u>
OTHER FINANCING USES				
Transfers out			(310,000)	
Net change in fund balance			(98,475)	
FUND BALANCE - BEGINNING			<u>437,703</u>	
FUND BALANCE - ENDING			<u>\$ 339,228</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 247,143	\$ 247,143	\$ 244,730	\$ (2,413)
Use of money and property	1,500	1,500	2,414	914
Total revenues	<u>\$ 248,643</u>	<u>\$ 248,643</u>	247,144	<u>\$ (1,499)</u>
OTHER FINANCING USES				
Transfers out			(229,889)	
Net change in fund balance			17,255	
FUND BALANCE - BEGINNING			<u>307,575</u>	
FUND BALANCE - ENDING			<u>\$ 324,830</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, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Use of money and property	250	250	202	(48)
Total revenues	<u>\$ 5,250</u>	<u>\$ 5,250</u>	202	<u>\$ (5,048)</u>
FUND BALANCE - BEGINNING			<u>35,647</u>	
FUND BALANCE - ENDING			<u>\$ 35,849</u>	

CITY OF MALIBU
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 19,690	\$ (150,310)
EXPENDITURES				
Current:				
General government	8,000	8,000	8,000	-
Capital outlay	12,000	12,000	11,690	310
Total expenditures	20,000	20,000	19,690	310
Revenues over (under) expenditures	\$ 150,000	\$ 150,000	-	\$ (150,000)
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			\$ -	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 380,000	\$ 380,000	\$ 389,247	\$ 9,247
Use of money and property	100	100	2,460	2,360
Total revenues	<u>\$ 380,100</u>	<u>\$ 380,100</u>	391,707	<u>\$ 11,607</u>
OTHER FINANCING USES				
Transfers out			(100,441)	
Net change in fund balance			291,266	
FUND BALANCE - BEGINNING			<u>187,987</u>	
FUND BALANCE - ENDING			<u>\$ 479,253</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, 2022

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 327,539	\$ 327,539	\$ 315,598	\$ (11,941)
Use of money and property	800	800	662	(138)
Total revenues	<u>328,339</u>	<u>328,339</u>	<u>316,260</u>	<u>(12,079)</u>
EXPENDITURES				
Current:				
Public works	286,281	286,281	269,355	16,926
Capital outlay	<u>128,500</u>	<u>128,500</u>	<u>75,083</u>	<u>53,417</u>
Total expenditures	<u>414,781</u>	<u>414,781</u>	<u>344,438</u>	<u>70,343</u>
Revenues over (under) expenditures	<u>\$ (86,442)</u>	<u>\$ (86,442)</u>	(28,178)	<u>\$ 58,264</u>
FUND BALANCE - BEGINNING			<u>95,418</u>	
FUND BALANCE - ENDING			<u>\$ 67,240</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 59,388	\$ 59,388	\$ 60,405	\$ 1,017
Use of money and property	800	800	452	(348)
Total revenues	60,188	60,188	60,857	669
EXPENDITURES				
Current:				
Public works	57,529	57,529	73,751	(16,222)
Capital outlay	20,000	20,000	5,415	14,585
Total expenditures	77,529	77,529	79,166	(1,637)
Revenues over (under) expenditures	<u>\$ (17,341)</u>	<u>\$ (17,341)</u>	(18,309)	<u>\$ (968)</u>
FUND BALANCE - BEGINNING			83,387	
FUND BALANCE - ENDING			<u>\$ 65,078</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 81,618	\$ 81,618	\$ 74,841	\$ (6,777)
Use of money and property	700	700	446	(254)
Total revenues	82,318	82,318	75,287	(7,031)
EXPENDITURES				
Current:				
Public works	42,529	60,529	61,947	(1,418)
Capital outlay	20,000	20,000	15,381	4,619
Total expenditures	62,529	80,529	77,328	3,201
Revenues over (under) expenditures	\$ 19,789	\$ 1,789	(2,041)	\$ (3,830)
FUND BALANCE - BEGINNING			74,850	
FUND BALANCE - ENDING			\$ 72,809	

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, 2022

	Budgeted Amounts			Budgetary	Actual	Variance with
	Original	Final	Actual	Adjustments	(Budgetary Basis)	Final Budget Positive/ (Negative)
OPERATING REVENUES						
Charges for sales and services:						
Property-related income	\$ 1,538,067	\$ 1,538,067	\$ 1,537,570	\$ -	\$ 1,537,570	\$ (497)
Other operating income	145,000	145,000	160,226	-	160,226	15,226
Total operating revenues	1,683,067	1,683,067	1,697,796	-	1,697,796	14,729
OPERATING EXPENSES						
Personnel services	91,077	91,077	69,033	-	69,033	22,044
Professional and contractual services	384,767	444,247	325,433	-	325,433	118,814
Repairs and maintenance	152,000	152,000	53,376	-	53,376	98,624
Utilities	178,000	178,000	177,204	-	177,204	796
Supplies	6,000	6,000	3,741	-	3,741	2,259
Total operating expenses	811,844	871,324	628,787	-	628,787	242,537
Operating income before depreciation	871,223	811,743	1,069,009	-	1,069,009	257,266
Depreciation expense	-	-	1,330,962	(1,330,962)	-	-
Operating income/(loss)	871,223	811,743	(261,953)	1,330,962	1,069,009	257,266
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	6,000	6,000	6,368	-	6,368	368
Grant revenue	-	-	42,720	-	42,720	42,720
Interest expense	(473,838)	(473,838)	(495,446)	-	(495,446)	(21,608)
Principal payments on debt	(620,000)	(620,000)	-	(620,000)	(620,000)	-
Total nonoperating revenues (expenses)	(1,087,838)	(1,087,838)	(446,358)	(620,000)	(1,066,358)	21,480
Income/(loss) before transfers	\$ (216,615)	\$ (276,095)	(708,311)	\$ 710,962	\$ 2,651	\$ 278,746
Transfers to governmental funds			(3,560)			
Change in net position			(711,871)			
NET POSITION - BEGINNING			20,544,307			
NET POSITION - ENDING			\$ 19,832,436			

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, 2022

	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	\$ 2,210,622	\$ 2,210,622	\$ 2,210,583	\$ -	\$ 2,210,583	\$ (39)
OPERATING EXPENSES						
Personnel services	79,999	79,999	81,938	-	81,938	(1,939)
Professional and contractual services	269,000	275,000	198,312	-	198,312	76,688
Repairs and maintenance	1,373,500	1,373,500	1,356,821	-	1,356,821	16,679
Utilities	222,000	222,000	190,344	-	190,344	31,656
Supplies	47,000	47,000	29,443	-	29,443	17,557
Total operating expenses	1,991,499	1,997,499	1,856,858	-	1,856,858	140,641
Operating income before depreciation	219,123	213,123	353,725	-	353,725	140,602
Depreciation expense	-	-	1,083,127	(1,083,127)	-	-
Operating income/(loss)	219,123	213,123	(729,402)	1,083,127	353,725	140,602
NONOPERATING REVENUES (EXPENSES)						
Investment and interest income	-	-	14,513	-	14,513	14,513
Interest expense	(8,000)	(8,000)	(1,652)	-	(1,652)	6,348
Total nonoperating revenues (expenses)	(8,000)	(8,000)	12,861	-	12,861	20,861
Income/(loss) before capital activities	211,123	205,123	(716,541)	1,083,127	366,586	161,463
Bond proceeds	16,500,000	16,500,000	-	-	-	(16,500,000)
Capital outlay	(16,500,000)	(16,500,000)	-	-	-	16,500,000
Capital contributions	600,000	600,000	25,936	-	25,936	(574,064)
Change in net position	\$ 811,123	\$ 805,123	\$ (690,605)	\$ 1,083,127	\$ 392,522	\$ (412,601)
NET POSITION - BEGINNING			57,473,284			
NET POSITION - ENDING			\$ 56,782,679			

CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Custodial Funds			
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 263,303	\$ 112,671	\$ 3,559,785	\$ 3,935,759
Cash and cash equivalents with fiscal agents	220,338	146,117	3,910,728	4,277,183
Due from other governments	10,675	12,965	19,218	42,858
Total assets	494,316	271,753	7,489,731	8,255,800
LIABILITIES				
Accounts payable	2,754	2,605	6,169	11,528
NET POSITION				
Restricted for individuals, other organizations, and governments	<u>\$ 491,562</u>	<u>\$ 269,148</u>	<u>\$ 7,483,562</u>	<u>\$ 8,244,272</u>

**CITY OF MALIBU
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Custodial Funds			
	Carbon Beach CFD	Broad Beach AD	Civic Center Wastewater Treatment Facility AD	Total Custodial Funds
ADDITIONS				
Collections from special assessments	\$ 235,114	\$ 146,290	\$ 2,536,140	\$ 2,917,544
Investment earnings	1,110	486	18,374	19,970
Total additions	236,224	146,776	2,554,514	2,937,514
DEDUCTIONS				
Payments for administrative charges	23,239	6,746	60,805	90,790
Interest payments	83,638	83,911	792,190	959,739
Payments for special assessment debt	120,000	50,000	1,500,871	1,670,871
Total deductions	226,877	140,657	2,353,866	2,721,400
Net increase in net position	9,347	6,119	200,648	216,114
NET POSITION - BEGINNING, AS RESTATED	482,215	263,029	7,282,914	8,028,158
NET POSITION - ENDING	<u>\$ 491,562</u>	<u>\$ 269,148</u>	<u>\$ 7,483,562</u>	<u>\$ 8,244,272</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

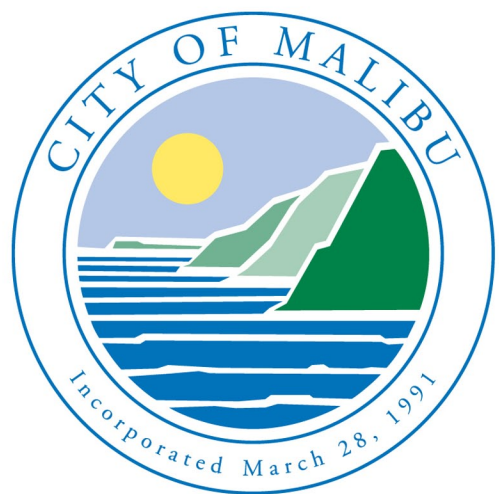
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. Data on the largest employers in the City is not currently available.

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)

	2013	2014	2015	2016	2017	Fiscal 2018
Governmental activities						
Net investment in capital assets	\$ 51,149	\$ 52,846	\$ 56,421	\$ 47,850	\$ 48,132	\$ 48,033
Restricted	6,639	4,398	3,128	3,109	1,339	1,447
Unrestricted	17,292	21,556	21,174	23,870	30,394	35,743
Total net position	<u>\$ 75,080</u>	<u>\$ 78,800</u>	<u>\$ 80,723</u>	<u>\$ 74,829</u>	<u>\$ 79,865</u>	<u>\$ 85,223</u>
Business-type activities						
Net investment in capital assets	\$ 22,895	\$ 23,426	\$ 22,931	\$ 34,153	\$ 62,921	\$ 77,438
Restricted	791	1,801	11	3,323	3,985	4,350
Unrestricted	860	1,024	2,220	6,802	6,264	6,336
Total net position	<u>\$ 24,546</u>	<u>\$ 26,251</u>	<u>\$ 25,162</u>	<u>\$ 44,278</u>	<u>\$ 73,170</u>	<u>\$ 88,124</u>
Primary government						
Net investment in capital assets	\$ 74,044	\$ 76,272	\$ 79,352	\$ 82,003	\$ 111,053	\$ 125,471
Restricted	7,430	6,199	3,139	6,432	5,324	5,797
Unrestricted	18,152	22,580	23,394	30,672	36,658	42,079
Total net position	<u>\$ 99,626</u>	<u>\$ 105,051</u>	<u>\$ 105,885</u>	<u>\$ 119,107</u>	<u>\$ 153,035</u>	<u>\$ 173,347</u>

Source: City of Malibu, Finance Department

Year			
2019	2020	2021	2022
\$ 66,651	\$ 70,790	\$ 75,398	\$ 75,315
4,206	5,181	5,613	5,994
24,395	42,408	50,728	66,752
<u>\$ 95,252</u>	<u>\$ 118,379</u>	<u>\$ 131,739</u>	<u>\$ 148,061</u>
\$ 78,127	\$ 77,083	\$ 74,340	\$ 73,112
3,403	3,440	-	-
9,234	8,113	3,678	3,503
<u>\$ 90,764</u>	<u>\$ 88,636</u>	<u>\$ 78,018</u>	<u>\$ 76,615</u>
\$ 144,778	\$ 147,873	\$ 149,738	\$ 148,427
7,609	8,621	5,613	5,994
33,629	50,521	54,406	70,255
<u>\$ 186,016</u>	<u>\$ 207,015</u>	<u>\$ 209,757</u>	<u>\$ 224,676</u>

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

	2013	2014	2015	2016	2017	Fiscal 2018
Expenses						
Governmental activities:						
Legislative and advisory	\$ 1,301	\$ 1,647	\$ 1,769	\$ 1,757	\$ 1,538	\$ 1,529
General government	5,301	4,387	4,917	5,395	5,506	6,268
Public safety	6,563	6,596	6,667	6,860	7,437	7,985
Community development	4,654	4,692	4,882	5,240	5,622	5,878
Community services	2,360	2,384	2,509	2,667	2,497	2,952
Public works	4,474	4,619	5,827	4,746	4,405	5,392
Interest on long-term debt	1,230	1,220	1,182	1,110	1,197	1,229
Total governmental activities expenses	<u>25,883</u>	<u>25,545</u>	<u>27,753</u>	<u>27,775</u>	<u>28,202</u>	<u>31,233</u>
Business type activities:						
Commercial real estate rental	2,340	2,364	2,624	2,293	2,243	2,180
Wastewater treatment	-	-	-	-	1,368	1,252
Total business type activities expenses	<u>2,340</u>	<u>2,364</u>	<u>2,624</u>	<u>2,293</u>	<u>3,611</u>	<u>3,432</u>
Total primary government expenses	<u>\$ 28,223</u>	<u>\$ 27,909</u>	<u>\$ 30,377</u>	<u>\$ 30,068</u>	<u>\$ 31,813</u>	<u>\$ 34,665</u>
Program Revenues						
Governmental activities:						
Charges for services						
Legislative and advisory	\$ -	\$ 2	\$ 20	\$ 63	\$ 1	\$ 1
General government	553	646	747	757	704	775
Public safety	692	720	801	768	761	933
Community development	3,932	4,138	3,876	4,920	4,759	5,310
Community services	542	506	631	556	566	532
Public works	551	526	504	491	544	517
Operating grants	1,201	1,731	1,359	1,120	1,270	1,887
Capital grants and contributions	5,597	1,444	4,262	55	373	1,217
Total governmental activities program revenues	<u>13,068</u>	<u>9,713</u>	<u>12,200</u>	<u>8,730</u>	<u>8,978</u>	<u>11,172</u>
Business-type activities						
Charges for services:						
Commercial real estate rental	1,801	1,963	2,030	2,183	1,786	1,920
Wastewater treatment	-	-	-	-	269	210
Operating grants	-	1,000	-	-	-	185
Capital grants and contributions	-	1,448	-	9,309	30,694	16,370
Total business-type activities program revenues	<u>1,801</u>	<u>4,411</u>	<u>2,030</u>	<u>11,492</u>	<u>32,749</u>	<u>18,685</u>
Total primary government program revenues	<u>\$ 14,869</u>	<u>\$ 14,124</u>	<u>\$ 14,230</u>	<u>\$ 20,222</u>	<u>\$ 41,727</u>	<u>\$ 29,857</u>
Net (Expense)/Revenue						
Governmental activities	\$ (12,815)	\$ (15,832)	\$ (15,553)	\$ (19,045)	\$ (19,224)	\$ (20,061)
Business-type activities	(539)	2,047	(594)	9,199	29,138	15,253
Total primary government net expenses	<u>\$ (13,354)</u>	<u>\$ (13,785)</u>	<u>\$ (16,147)</u>	<u>\$ (9,846)</u>	<u>\$ 9,914</u>	<u>\$ (4,808)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property	\$ 9,254	\$ 9,894	\$ 10,349	\$ 11,134	\$ 11,911	\$ 12,749
Utility users	2,494	2,487	2,577	2,389	2,376	2,316
Transient occupancy	1,421	1,535	1,984	2,620	3,287	4,677
Franchise	703	755	795	778	708	722
Sales	2,980	3,308	3,489	3,071	3,737	3,542
Parking occupancy	324	313	366	391	427	420
Motor vehicle in lieu	7	6	6	5	6	7
Investment earnings	45	95	108	188	171	391
Other	1,006	809	1,506	2,481	1,147	1,108
Transfers	-	350	505	(9,907)	490	529
Extraordinary item	-	-	-	-	-	-
Total governmental activities	<u>18,234</u>	<u>19,552</u>	<u>21,685</u>	<u>13,150</u>	<u>24,260</u>	<u>26,461</u>
Business-type activities						
Investment earnings	8	8	10	11	55	148
Other	-	-	-	-	189	82
Transfers	-	(350)	(505)	9,907	(490)	(529)
Total business-type activities	<u>8</u>	<u>(342)</u>	<u>(495)</u>	<u>9,918</u>	<u>(246)</u>	<u>(299)</u>
Total primary government	<u>\$ 18,242</u>	<u>\$ 19,210</u>	<u>\$ 21,190</u>	<u>\$ 23,068</u>	<u>\$ 24,014</u>	<u>\$ 26,162</u>
Changes in Net Position						
Governmental activities	\$ 5,419	\$ 3,720	\$ 6,132	\$ (5,895)	\$ 5,036	\$ 6,400
Business activities	(531)	1,705	(1,089)	19,117	28,892	14,954
Total primary government	<u>\$ 4,888</u>	<u>\$ 5,425</u>	<u>\$ 5,043</u>	<u>\$ 13,222</u>	<u>\$ 33,928</u>	<u>\$ 21,354</u>

Source: City of Malibu, Finance Department

Year			
2019	2020	2021	2022
\$ 1,825	\$ 1,638	\$ 2,036	\$ 1,862
6,664	6,810	7,459	5,562
8,372	9,072	9,909	11,174
6,373	6,478	5,988	6,846
3,173	2,773	2,592	3,147
8,798	10,041	10,385	8,188
2,008	2,162	2,135	2,101
37,213	38,974	40,504	38,880
2,423	2,576	2,512	2,455
1,173	2,957	11,551	2,942
3,596	5,533	14,063	5,397
\$ 40,809	\$ 44,507	\$ 54,567	\$ 44,277

\$ 1	\$ -	\$ 2	\$ -
633	431	725	869
956	1,381	1,581	1,733
5,109	6,389	6,489	7,092
694	388	285	618
571	558	576	595
1,822	2,166	4,811	2,366
9,311	7,415	6,521	313
19,097	18,728	20,990	13,586

1,583	1,513	1,515	1,538
1,088	1,607	1,611	2,211
293	101	123	160
1,318	-	-	-
4,282	3,221	3,249	3,909
\$ 23,379	\$ 21,949	\$ 24,239	\$ 17,495

\$ (18,116)	\$ (20,246)	\$ (19,514)	\$ (25,294)
686	(2,312)	(10,814)	(1,488)
\$ (17,430)	\$ (22,558)	\$ (30,328)	\$ (26,782)

\$ 13,659	\$ 14,280	\$ 15,106	\$ 16,055
2,094	2,164	2,362	2,655
4,550	4,951	7,904	10,338
666	663	698	751
3,710	3,788	4,337	5,789
385	392	545	496
6	10	9	15
999	1,182	42	(454)
1,936	1,248	1,854	5,967
140	233	18	4
-	14,461	-	-
28,145	43,372	32,875	41,616

300	232	51	21
1,794	186	162	68
(140)	(233)	(18)	(4)
1,954	185	195	85
\$ 30,099	\$ 43,557	\$ 33,070	\$ 41,701

\$ 10,029	\$ 23,126	\$ 13,361	\$ 16,322
2,640	(2,127)	(10,619)	(1,403)
\$ 12,669	\$ 20,999	\$ 2,742	\$ 14,919

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

	2013	2014	2015	Fiscal 2016
General Fund				
Nonspendable	\$ 616	\$ 580	\$ 540	\$ 284
Restricted	3,739	3,037	2,365	2,310
Committed	3,796	3,934	3,335	2,545
Assigned	860	1,046	1,291	2,238
Unassigned	12,937	16,512	20,284	23,468
Total General Fund	<u>21,948</u>	<u>25,109</u>	<u>27,815</u>	<u>30,845</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	4,031	1,361	764	798
Committed	3,001	1,958	503	16
Assigned	-	-	-	-
Unassigned	(3,894)	(2,585)	(1,329)	(93)
Total All Other Governmental Funds	<u>3,138</u>	<u>734</u>	<u>(62)</u>	<u>721</u>
Total All Governmental Funds	<u>\$ 25,086</u>	<u>\$ 25,843</u>	<u>\$ 27,753</u>	<u>\$ 31,566</u>

Source: City of Malibu, Finance Department

Year					
2017	2018	2019	2020	2021	2022
\$ 591	\$ 520	\$ 862	\$ 350	\$ 606	\$ 400
20	262	2,824	1,742	1,145	1,108
2,624	3,171	1,826	1,651	971	1,510
2,311	1,977	4,927	15,234	10,005	13,926
28,852	34,970	21,890	30,687	45,267	55,163
<u>34,398</u>	<u>40,900</u>	<u>32,329</u>	<u>49,664</u>	<u>57,994</u>	<u>72,107</u>
-	-	-	1	-	-
1,319	1,426	1,395	2,623	2,272	2,936
1,987	1,973	1,384	964	1,197	1,656
-	-	-	-	-	-
<u>(2,034)</u>	<u>(2,065)</u>	<u>(1,540)</u>	<u>(1,158)</u>	<u>(1,869)</u>	<u>(2,138)</u>
1,272	1,334	1,239	2,430	1,600	2,454
<u>\$ 35,670</u>	<u>\$ 42,234</u>	<u>\$ 33,568</u>	<u>\$ 52,094</u>	<u>\$ 59,594</u>	<u>\$ 74,561</u>

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

	2013	2014	2015	Fiscal 2016
Revenues				
Taxes	\$ 18,074	\$ 19,174	\$ 20,735	\$ 22,119
Fines and forfeitures	692	720	801	768
Intergovernmental	2,928	3,446	5,758	2,060
Investment income	45	95	108	188
Charges for services	5,121	5,411	5,382	6,358
Contributions from property owners	5,000	-	-	-
Other	364	202	363	1,696
Total Revenues	<u>32,224</u>	<u>29,048</u>	<u>33,147</u>	<u>33,189</u>
Expenditures				
Legislative and advisory	1,298	1,645	1,778	1,754
General government	4,379	3,672	4,225	4,698
Public safety	6,553	6,585	6,666	6,841
Community development	4,596	4,626	5,023	5,239
Community services	2,087	2,107	2,298	2,595
Public works	2,446	2,768	2,757	3,082
Capital outlay	3,113	5,207	6,902	1,567
Debt Service				
Debt issuance/refunding costs	-	-	418	-
Principal	42	805	556	587
Interest	1,228	1,226	1,201	1,130
Total Expenditures	<u>25,742</u>	<u>28,641</u>	<u>31,824</u>	<u>27,493</u>
Excess of revenues over/(under) expenditures	<u>6,482</u>	<u>407</u>	<u>1,323</u>	<u>5,696</u>
Other Financing Sources/(Uses)				
Transfers in	4,845	6,016	7,665	4,340
Transfers out	(4,845)	(5,666)	(7,160)	(6,322)
Long term debt issued/refunding payments	-	-	82	99
Other	-	-	-	-
Total other financing sources	<u>-</u>	<u>350</u>	<u>587</u>	<u>(1,883)</u>
Extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,482</u>	<u>\$ 757</u>	<u>\$ 1,910</u>	<u>\$ 3,813</u>
Debt service as a percentage of noncapital expenditures	5.3%	8.3%	6.4%	6.4%

Source: City of Malibu, Finance Department

Year					
2017	2018	2019	2020	2021	2022
\$ 23,747	\$ 25,748	\$ 26,095	\$ 27,298	\$ 33,020	\$ 38,194
761	933	956	1,381	1,582	1,733
1,664	3,114	10,461	3,641	9,533	3,181
171	391	999	1,182	42	(454)
6,064	6,684	6,484	7,250	7,542	8,623
-	-	-	-	-	4,339
305	185	1,058	652	265	-
32,712	37,055	46,053	41,404	51,984	55,616
1,535	1,526	1,822	1,634	2,033	1,858
4,971	5,383	5,701	5,637	6,160	6,666
7,420	7,973	8,250	9,046	9,811	11,116
5,610	5,862	6,357	6,471	5,982	6,839
2,381	2,653	2,879	2,516	2,337	2,879
3,225	2,949	6,423	7,148	6,466	5,555
12,176	2,601	45,099	3,454	8,611	2,576
1,613	-	331	-	-	-
607	807	848	860	881	1,003
1,258	1,300	1,943	2,271	2,244	2,212
40,796	31,054	79,653	39,037	44,525	40,704
(8,084)	6,001	(33,600)	2,367	7,459	14,912
1,448	3,175	2,870	2,210	8,054	2,214
(958)	(2,646)	(2,730)	(1,977)	(8,037)	(2,211)
11,698	34	24,794	-	24	52
-	-	-	-	-	-
12,188	563	24,934	233	41	55
-	-	-	15,926	-	-
\$ 4,104	\$ 6,564	\$ (8,666)	\$ 18,526	\$ 7,500	\$ 14,967
6.5%	7.0%	7.7%	8.0%	7.0%	8.0%

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								
	Secured					Unsecured	SBE Nonunitary	Taxable Assessed Value (Note 1)	Total Direct Rate (Note 2)
	Residential	Commercial	Industrial	Vacant	Others				
2013	\$ 10,105,213	\$ 575,214	\$ 60,908	\$ 788,285	\$ 66,443	\$ 77,765	\$ -	\$ 11,673,827	0.06706
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

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 2012/13 - 2021/22 Combined Tax Rolls

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	0.07206	0.05941	0.05873	0.06010	0.05886	0.06845	0.06270	0.07883	0.07854	0.06487
Santa Monica-Malibu Unified	0.05639	0.07381	0.07636	0.07066	0.07006	0.07397	0.06171	0.08100	0.07443	0.08264
Total Direct & Overlapping Tax Rates	1.13195	1.13672	1.13859	1.13426	1.13242	1.14592	1.12791	1.16333	1.15647	1.15101
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)	0.06706	0.06726	0.06737	0.06759	0.06777	0.06793	0.06810	0.06821	0.06830	0.06842

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 2012/13 - 2021/22 Tax Rate Table

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

Taxpayer	2022		2013	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
HRL Laboratories LLC	1 \$ 138,881	0.71%		
Jamestown Premier Malibu Village LP	2 135,901	0.69%		
27600 PCH LLC	3 128,815	0.66%		
Carbonview Limited LLC	4 128,208	0.66%	5 \$ 63,208	0.54%
Malibu Realty LLC	5 118,428	0.61%	2 88,705	0.76%
22310 PCH LLC	6 115,630	0.59%		
22108 PCH LLC	7 91,137	0.47%		
Malibu 2018 PCH LP	8 89,350	0.46%		
27768 PCH LLC	9 85,881	0.44%		
Goldman Sachs Trust	10 84,755	0.43%		
Hughes Research Laboratories, Inc.			1 99,485	0.85%
DKR Malibu Village LLC			3 77,000	0.66%
KW Malibu Colony Plaza LLC			4 66,368	0.57%
2XMD Partners LLC			6 58,144	0.50%
Carlyle CP Malibu Limited Partnership			7 57,524	0.49%
Lester J. Knispel Trust			8 44,761	0.38%
Gerald W. Schwartz			9 42,850	0.37%
T4E Associates LLC			10 37,708	0.32%
	<u>\$ 1,116,986</u>	<u>5.71%</u>	<u>\$ 635,753</u>	<u>5.44%</u>

Source: HdL Coren & Cone

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
2013	\$ 7,801,978	\$ 7,567,975	97.00%	\$ 177,441	\$ 7,745,416	99.28%
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%

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	Capital Leases	Unamortized (Discounts) Premiums	Certificates of Participation	Loans Payable	Unamortized (Discounts) Premiums				
2013	\$ 26,040	\$ 72	\$ (40)	\$ 16,635	\$ -	\$ (105)	\$ 42,602	6.746%	0.365%	\$ 3,338
2014	25,660	11	(38)	16,290	-	(101)	41,822	6.275%	0.338%	3,270
2015	24,445	-	527	15,615	-	482	41,069	5.791%	0.319%	3,208
2016	23,885	72	506	15,025	57	464	40,009	5.463%	0.288%	3,121
2017	32,305	46	3,908	14,455	48	446	51,208	6.787%	0.345%	4,004
2018	31,540	38	3,734	13,880	39	428	49,659	6.373%	0.315%	3,908
2019	54,385	36	4,633	13,300	-	410	72,764	9.567%	0.430%	6,219
2020	53,545	17	4,421	12,710	-	392	71,085	8.713%	0.401%	6,124
2021	52,680	24	4,210	12,105	-	374	69,393	8.522%	0.375%	6,462
2022	51,700	53	3,999	11,485	-	356	67,593	N/A	0.345%	6,325

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 for these years.

Source: City of Malibu, Finance Department

CITY OF MALIBU
Direct and Overlapping Governmental Activity Debt
As of June 30, 2022

	Total Debt 6/30/2022	Percent Applicable To City (1)	City's Share of Debt 6/30/2022
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	\$ 20,175,000	0.577%	\$ 116,410
Santa Monica Community College District	737,405,211	29.838%	220,026,967
Santa Monica-Malibu Unified School District	557,399,648	29.780%	165,993,615
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	95,955,000	89.465%	85,846,141
City of Malibu Community Facilities District No. 2006-1	2,835,000	100.000%	2,835,000
City of Malibu Broad Beach Assessment District	1,525,000	97.377%	1,485,000
City of Malibu Assessment District No. 2015-1	3,785,000	100.000%	3,785,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 480,088,133
Direct and Overlapping Governmental Debt:			
Los Angeles County General Fund Obligations	2,698,357,105	1.104%	29,789,862
Los Angeles Superintendent of Schools COP	3,972,227	1.104%	43,853
Santa Monica Community College District General Fund Obligations	-	0.000%	-
Santa Monica-Malibu Unified School District COP	26,894,301	29.780%	19,494,434
City of Malibu Certificates of Participation	51,700,000	100.000%	51,700,000
City of Malibu COPs Deferred/Discounts/Premiums	3,998,536	100.000%	3,998,536
City of Malibu Capital Leases	53,063	100.000%	53,063
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 105,079,748
SUBTOTAL DIRECT DEBT (2)			\$ 55,751,599
SUBTOTAL GROSS OVERLAPPING DEBT			\$ 529,416,282
SUBTOTAL NET OVERLAPPING DEBT			\$ 529,416,282
GROSS COMBINED TOTAL DEBT (3)			\$ 585,167,881
NET COMBINED TOTAL DEBT			\$ 585,167,881
2021-22 Assessed Valuation	\$ 19,566,654,634		
Ratios to 2021-2022 Assessed Valuation:			
Overlapping Tax and Assessment Debt		2.45%	
Total Direct Debt (\$55,751,599)		0.28%	
Net Combined Total Debt		2.99%	

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, mortgage revenue and non-bonded capital lease 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	\$ 19,566,655
Debt limit (15% of assessed value)	2,934,998
Debt applicable to limit (see Note)	-
Legal debt margin - Current Year	<u>\$ 2,934,998</u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Debt as Percentage of Limit</u>
2013	\$ 1,751,074	\$ -	\$ 1,751,074	0%
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%

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
2013	12,764	13,111,248	\$ 648,727,818	\$ 49,479	9.50%
2014	12,791	13,184,705	687,038,909	52,109	7.60%
2015	12,804	13,256,931	734,219,371	55,384	6.40%
2016	12,818	13,295,906	759,668,115	57,135	5.20%
2017	12,788	13,309,287	785,246,971	59,000	4.60%
2018	12,707	13,285,814	814,754,882	61,325	4.40%
2019	11,700	13,236,539	860,475,721	65,006	4.10%
2020	11,608	13,173,266	925,816,257	70,280	16.70%
2021	10,739	12,997,353	985,473,353	75,821	9.20%
2022	10,686	N/A	N/A	N/A	4.60%

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

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

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Management and Administrative Services	15.12	15.62	17.43	17.93	21.93	23.43	22.43	20.25	19.00	20.00
Public Safety										
Emergency Preparedness	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.50	3.00	4.50
City Clerk										
City Clerk and Records Management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Public Works										
Public Works and Engineering	6.00	7.00	7.00	7.00	9.00	9.00	9.00	10.00	10.00	11.00
Community Services										
Recreation and Park Maintenance	19.36	17.79	19.39	19.44	19.37	20.81	21.37	21.27	17.67	22.77
Environmental Sustainability										
Building Safety and Permit Services	15.00	14.50	15.50	15.50	15.50	17.50	18.50	18.00	17.00	20.00
Planning										
Planning and Code Enforcement	17.50	17.50	20.50	19.50	19.50	21.00	21.25	22.50	20.00	23.00

Source: City of Malibu, Finance Department

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recreation										
Use of Facilities (hours)	14,625	16,060	15,378	15,220	15,665	16,829	16,484	14,930	17,945	16,635
Visitors Served	168,406	111,569	165,477	150,160	139,822	172,358	100,175	126,603	146,096	128,564
Police										
Physical arrests	1,066	105	1,037	975	812	1,047	779	924	1,080	772
Parking violations	7,646	10,109	8,535	11,302	12,936	15,225	17,305	28,354	29,929	24,985
Traffic violations	16,044	12,722	22,140	19,214	7,294	8,365	7,711	10,173	7,974	7,628
Community Development										
Permits Issued	1,810	1,874	1,793	1,972	1,798	1,719	2,338	2,523	2,444	2,276
In-house Plan Checks	607	660	608	636	620	457	442	946	681	829
Off-site Plan Checks	154	246	191	335	274	433	660	387	646	521
Public Works										
In-house Plan Checks	487	508	492	592	493	851	995	1,155	1,148	886
Encroachment Permits Issued	183	162	187	396	150	153	217	208	291	278

Source: City of Malibu, Various Departments

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	15
Sworn Personnel**	24	24	24	24	24	24	24	24	24	24
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	18	20	20	20
Open Space Acreage	588	588	588	588	588	588	588	588	588	588
Vacant Land	0	0	0	0	35	35	66	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	5	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