

**CITY OF MURRIETA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



CITY COUNCIL

Lisa DeForest, Mayor
Lori Stone, Mayor Pro-Tem
Cindy Warren, Councilmember
Jon Levell, Councilmember
Ron Holliday, Councilmember

CITY MANAGER

Kim Summers

City of Murrieta

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2023**

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INTRODUCTORY SECTION



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CITY OF MURRIETA

*1 Town Square
Murrieta, CA 92562*

February 29, 2024

Honorable Mayor and Members of the City Council:

The City of Murrieta (City) staff are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2023. The information found in this report is provided by the Murrieta City Manager and Finance Department to the City Council and the public to inform those interested in the City's fiscal condition.

The City assumes full responsibility for the completeness and reliability of the information contained in this report and has established a framework of internal controls for this purpose. Because the cost of any internal control should not outweigh its benefit, internal controls have been designed to provide reasonable, rather than an absolute, assurance that the financial statements will be free from material misstatement.

The independent auditing firm of Rogers, Anderson, Malody, and Scott, LLP has issued an unmodified (clean) opinion on the City's financial statements, indicating they are free from material misstatement and present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

A section titled Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF MURRIETA

The City of Murrieta is located in Southwestern Riverside County and encompasses approximately 34 square miles. The City of Murrieta was incorporated on July 1, 1991, after voters approved cityhood by an overwhelming margin in November 1990. It is organized as a general law California city and operates under a council/manager form of government.

Murrieta has experienced significant growth since the mid-1980s and has been one of the fastest-growing areas in California. With a population of approximately 2,500 in 1980, Murrieta is now home to an estimated 109,998 residents.



The Murrieta Community Services District (CSD) was established on July 1, 1993, as a subsidiary of the City of Murrieta to assume functions previously provided by Riverside County Service Area 143. The CSD provides parks and recreation services to the city's residents, as well as street lighting, street sweeping, and landscape maintenance services.

The Murrieta Fire District was formed in 1947 as an independent, self-governed special district that provides fire protection services. On July 1, 1993, the district was reorganized as a subsidiary district of the City. Although technically still named Murrieta Fire District, as of April 2017, the Fire District is now referred to as *Murrieta Fire & Rescue*.

The Murrieta Redevelopment Agency (RDA) was established in July 1992. An amended redevelopment plan was adopted in June 1999 in conformity with the City's General Plan. The original RDA plan consisted of approximately 1,127 acres located in seven non-contiguous land areas throughout the City. The Plan was amended again in July 2006 to add another 1,193 acres. On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26, which directed the dissolution of all redevelopment agencies in the State of California. The RDA was dissolved and ceased to operate as a legal entity on February 1, 2012. This action has impacted the reporting entity of the City, which had previously reported the redevelopment agency as a blended component unit. Now the activity of the former RDA is being reported in a fiduciary fund named the Successor Agency to the former Murrieta Redevelopment Agency (Successor Agency) in the City's financial statements through the remainder of the dissolution period. The dissolution period will extend until all recognized obligations of the former RDA are defeased (paid in full). The City elected to create the Murrieta Housing Authority to continue the housing activities of the former RDA. The activity of the Housing Authority is being reported as a special revenue fund.

The Murrieta Public Library officially opened in April 1999, moved to its current location in March 2007, and is under the full authority of the City of Murrieta. The Murrieta Public Library is dedicated to providing a vibrant environment with open access to exceptional services, collections, and programs while continuing to promote the joy of reading for an empowered and thriving community. The Library provides informational, recreational, and educational resources and programs for all ages. Currently, the Murrieta Library serves approximately 26,460 registered patrons and maintains 96,371 books, magazines, and other resources.

GOVERNANCE

The City is governed by the Murrieta City Council, consisting of five council members under the council-manager form of government. A mayor and mayor pro-tempore are selected as presiding officers by the City Council from amongst the five council members for one-year terms, following the provisions of Resolution No. 19-4178. The City of Murrieta has transitioned to a system where City Council members are elected by district instead of serving "at large."

The City Council appoints the city manager and city attorney. All other staff positions are appointed by the city manager. The City Council acts as the Board of Directors for the Murrieta Fire District, Community Services District, Library District, Housing Authority, Successor Agency to the former RDA, and Murrieta Financing Authority.

MUNICIPAL SERVICES

The City of Murrieta provides a full range of municipal services to its residents and stakeholders:

- | | |
|-------------------------------------|-------------------------------------|
| Animal Control Services | Library and Arts Services |
| Community Development Services | Park Land Services |
| Economic Development Services | Recreation Services |
| Fire and Emergency Medical Services | Street Construction and Maintenance |
| General City Administration | Traffic Control Services |
| Law Enforcement Services | |

FISCAL AND OPERATING CHALLENGES

While the fiscal year started out with unprecedentedly high inflation rates nationwide at 8.5%, inflation rates dropped to 3% by the end of the fiscal year. Inflation became the No. 1 economic threat in the post-pandemic era. Inflation soared, partly under the false assumption of transitory price increases; the Federal Bank Reserve approved three interest rate hikes through the end of June 2023 to stabilize and bring inflation down to target rates. While higher interest rates allow for opportunities to reinvest at higher-yield investments, they negatively impacted consumer spending since financing costs to purchase a house, car, and other high-ticketed purchases now cost more.

Murrieta’s unemployment rate of 4.2% as of December 2023 was lower than the County and State's 5.2% and 5.1%, respectively. Comparing these rates to the height of the pandemic of 14.8%, the current unemployment rates are now more in line with pre-pandemic rates. The labor market continues to be challenging since many skilled workers left the labor market during the pandemic and haven’t rejoined the market, choosing to retire or find alternative means to create income. Akin to cities in our region, the City of Murrieta experienced vacancies across the organization resulting in operating interruptions to programs and projects. While the City of Murrieta has implemented creative efforts to hire and retain employees, a tight job market will be here for a while.

Bond Rating

In recent years, S&P Global Ratings have upgraded the City’s bond indebtedness for the 2020A Lease Revenue Refunding Bond, the Murrieta Successor Agency 2017 Tax Allocation Refunding Bonds, and the 2023 Local Agency Revenue Refunding Bonds. These credit rating upgrades demonstrate the strength of the underlying local economy and the City’s financial condition.

The table below summarizes the recent credit rating upgrades:

Type of Bonds/Debt	Agency	Previous Credit Rating	Current Credit Rating
Lease Revenue Refunding Bonds	City of Murrieta	A+	AA-
Tax Allocation Refunding Bonds	Murrieta Successor Agency	A	A+
CFD Special Tax Refunding Bonds	Murrieta Public Financing Authority	A	A+

Grants

Grant funding is a way to stretch our local dollars to provide more for our residents. Staff actively pursues grant opportunities to offset capital expenses and expand programs provided to residents and employees. Below are just some of the grants the City was awarded during Fiscal Year 2022/23. There are many more previously awarded grants that were utilized this year.

Department/Program	Grant	Purpose	Amount
All Staff	State of California	Employee Wellness	\$75,000
Homelessness	Housing, Homelessness Incentive Program	Homeless Street Outreach	\$249,112
Fire	Homeland Security Grant	Equipment and training	\$11,747
Library	CA State Library Building Forward Library Infrastructure Grant	expansion project of the Children's area and the addition of a new Storytime room	\$1,505,625
Library	Various	Construct a pollinator demonstration garden, establish a seed library, make state park passes available to patrons, children's furniture for the expansion project, expansion of circulated materials, STEM learning opportunities, and establishment of a Learning for All activities.	\$168,171
Public Works	Recycling Grant from Caltrans	To assist with the Asphalt Overlay Project on Murrieta Hot Springs Rd. and Hancock Ave.	\$128,000
Police Department	Office of Traffic Safety	Funding for DUI Checkpoints	\$115,000

Achievements

As of the date of this report, the City is honored to have received the following awards and recognitions:

2023 Best City in the Region

Murrieta has been voted the best city in the San Gabriel Valley/Inland Empire region in the Los Angeles Times' Best of the Southland 2023 Survey. Thanks to the dedication and hard work of individuals, businesses, and organizations that consistently contribute to making Murrieta the best place to live, work, and thrive, we are proud to receive this recognition.





2023 Top Workplaces

The City is honored to receive the Top Workplaces award by Inland Empire. This is a testament of the City Council and Management to always strive to move forward in the right direction.

2024 Best City in the Inland Empire

The City is excited to share that Murrieta was voted as the 2024 Best City in the Inland Empire by readers of the Inland Empire Magazine. This is the first time Inland Empire Magazine has ranked the votes. The City of Murrieta continues to provide its residents and businesses with an environment where they can thrive and takes pride in its ability to be a great place for people to live, work, and play.

Fire Accreditation International Recognition

The Murrieta Fire & Rescue recently renewed its accredited agency status from the Commission on Fire Accreditation International (CFAI). This recognition is a result of Murrieta Fire & Rescue's commitment to excellence demonstrated through the voluntary self-assessment and accreditation program established by CFAI. Including Murrieta Fire & Rescue, there are only 22 accredited agencies in all of California and only 308 worldwide.



ECONOMIC CONDITION AND OUTLOOK

The City of Murrieta has a stable economic future, underscored by the continued growth in 2023. The City's diverse and close-knit industry clusters have helped to create a healthy and sustainable economy that generates a reason for optimism for our future.

Located at the confluence of the I-15 and I-215 freeways with close proximity to San Diego, Los Angeles, and Orange Counties. This strategic location of the city within Southern California makes it an attractive destination for businesses and residents alike and well-positioned to capture a competitive share of regional economic growth.

Since incorporation in 1991, Murrieta's population has grown substantially, and was one of the fastest-growing Cities in the State from 2000-2008. This can be attributed to its excellent climate, affordable homes, outstanding school system, low crime rate, and focus on outdoor living, with 53 City parks and countless recreation programs, all with the focus on creating a community people want to call home. This year, the City saw the return of unparalleled permit applications with a variety of new businesses, new housing, and major new medical developments under review.

The City has seen substantial housing growth in 2023, with 3,322 housing units pending approval, 5,119 units approved, and an additional 1,742 units under construction. This reflects a robust housing market in the city and brings in a new workforce to continue to fill our growing job market.

The unemployment rate has remained low, with Murrieta consistently ranking below the County of Riverside and State of California rates. To help with workforce development and the creation of small businesses, the City developed the Murrieta Innovation Center (MIC) in 2014. It provides guidance to prospective business owners and start-up companies and is home to the first Genomics Research Lab in the region, along with ten biotech companies. In 2023, the City began the process of redesigning the MIC with the addition of a wet lab and creative office space. A grant from the US Department of Commerce partly funds this \$3 million investment, and the County of Riverside contributed another \$2.5M to the center. The businesses in the center have performed strongly, with all of them receiving venture capital, grants, or some form of seed funding. This year, the City of Murrieta accompanied the State of California on an international business recruiting event called Select USA; from this event, the City signed an agreement with NeuroReality, a startup from the Netherlands, as the second international company to join the Murrieta Innovation Center.

The City's Economic Development team works closely with the Chamber of Commerce to host workshops, business events, and annual job fairs to attract new businesses and help Murrieta-based enterprises grow and expand in the City.

The City saw significant development interest last year. There have been many major new commercial openings, including:

- Howards Electronics
- United Nursing
- MilVet
- Tropical Twist
- Vitamin Drip Med Spa
- A second Aldi location
- Bravo Auto Collection
- Claire's
- Trinity Health Academy
- Doughlicious
- Fresenius Dialysis

Many other successful companies are planning major future expansions, including Nikkiso Cryoquip, Carmax, Driveline, Walmart, and the next phase of the Makena Medical Center with a new Ambulatory Surgery Center. The Murrieta Auto Mall is seeing a resurgence with Bravo Auto Collection coming in to complement BMW, VW, and West Coast Exotic Automobiles. In addition, the final pads in the Auto Mall have been sold to an Auto Group that will bring in a new car dealership. Additional Retail is coming to the city in the Orchard Shopping Center, with the Home Depot scheduled to open in 2024, along with Ross and a fast-casual restaurant. Murrieta Town Center is adding two new restaurants, and Trader Joe's is coming in next to Sam's Club on Murrieta Hot Springs Road.

A major event will happen in February 2024 when the Murrieta Hot Springs Resort opens its doors to the public. This 46-acre resort is run by Olympus Real Estate, which also operates the Pagosa Springs Resort in Pagosa, Colorado, which was recently named USA Today's #1 Health and Wellness Resort. This will bring vital tourism and positive economic impacts to the region.

Medical growth continues to fuel the City's economy, with the following developments in 2023:

- Fresenius opened a Kidney Care Center.
- Makena Medical Phase II.
- United Nursing has opened a new nursing school on the Makena Medical site.

Trinity Health Academy opened a nursing and allied health education center. These projects and the labs fostered by the Murrieta Innovation Center exemplify the City's efforts to be the major healthcare and medical innovation hub for Southwest Riverside County.

There are many reasons why Murrieta is achieving growth at this pace, and public safety and exemplary school districts are at the top of the list. According to FBI statistics, the city has been consistently ranked as one of the top three safest cities in the nation for the last decade among cities with a population of over 100,000 with respect to violent crimes. This exceptional safety rating can be credited to our highly skilled police department and a strong relationship with members of the community who work with the department to prevent and stop crime. Murrieta Fire & Rescue also has a strong bond with the community and is one of a small number of accredited fire departments in California. The addition of two new medic squads has reduced response times significantly within the city limits.

Overall, the City's focus on the quality of life for families, public safety, and creating a beautiful environment continues to make Murrieta an attractive location for many families looking for an opportunity to raise their children in a strong, vibrant, highly educated, and safe community.

FINANCIAL INFORMATION

The City's financial records for general governmental operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received, and the liability is incurred.

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Reporting Entity

This Annual Comprehensive Financial Report (also referred to as ACFR) presents information on the financial position and operations of the City as a single comprehensive reporting entity. The City, Murrieta Fire District, Murrieta Community Services District, Murrieta Public Library, and the Murrieta Financing Authority have been included in this report per criteria established by the Governmental Accounting Standards Board (GASB). The reporting entity consists of all of the funds and account groups of the primary government (the City of Murrieta) and its component units that are legally separate organizations. Blended component units, which are legally separate from the City, but are so intertwined with the City that they are in substance the same as the City, include the Murrieta Fire District, Murrieta Community Services District, and the Murrieta Public Library.

Long-term Financial Planning

Multi-year financial planning, including the adoption of a two-year budget and a five-year capital improvement plan (CIP), provides the City Council, departments, and the public with a greater plan regarding ongoing funding and staffing for programs, projects and services. The City manages a long-term financial plan. The long-term financial plan projects revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. The two-year budget, five-year CIP plan, and the long-term financial plan are processes designed to bring continued transparency to the City's finances, operations, and strategic goals both internally with the City Council, City Manager, employees, departments, and externally with residents and businesses.

For fiscal years 2023/24 and 2024/25, the City Council adopted a balanced biennial operating budget of \$172,605,264 and \$180,706,542, respectively. As part of the City's budget framework, the City Manager delivers quarterly reports and recommends budget updates to the City Council based on revised revenue and expenditure forecasts. The adopted budget provides a sound financial plan and supports the City Council's commitment to foster quality of life for the residents of the City of Murrieta.

Measure T is a one-percent (1%) general-purpose transaction and use tax (or district sales tax), with revenues going directly to the City of Murrieta. Voters approved Measure T on November 6, 2018. The City began receiving Measure T revenues in April 2019. As previously stated, the City has experienced steady growth, but funding for public safety programs and other essential city services has not kept pace to match the increased demand for these vital services. Measure T provides a local revenue source for increased funding of essential services, including but not limited to public safety services such as neighborhood police patrols, crime prevention programs, improved response times for emergency calls, improved fire protection, and paramedic services; improved public infrastructure, and community facilities and services. In addition, Measure T provides future fiscal sustainability through funding reserves and establishing new sustainability funds. As of June 30, 2023, the district sales tax (Measure T) proceeds were approximately \$28.5 million.

The City's five-year CIP provides a financial plan to fund the City's critical and essential infrastructure projects. Over the course of five years (FY 2023/24 through FY 2027/28), the City anticipates investing a total of \$91,828,292 in essential assets. Funding for these projects is provided by a variety of funding sources, including the General Fund, Measure T Fund, Development Impact Fees, transportation, grants, and reimbursement agreements. The following table summarizes the various funding sources:

SOURCES

Transportation Funds	\$	27,487,998
Development Impact Fee Funds		24,532,093
Grant Funds		19,282,894
General Capital		12,241,261
Other Funds		3,095,510
Drainage Funds		2,851,063
Redevelopment Agency Bond Proceeds		1,972,925
Reimbursement Agreements		364,547

TOTAL SOURCES **\$ 91,828,292**

The CIP reflects the needs of our residents to ensure the streets, bridges, traffic signals, storm drains, public buildings, and parks are well maintained and operated for optimum health and safety, increased efficiency and functionality, enhanced attractiveness, and beautification. The following table summarizes the projected capital uses:

USES

Streets & Highways	\$	43,191,490
Bridges		19,105,613
Parks		9,322,990
Buildings		8,501,006
Other Improvements		6,387,387
Traffic Signals		2,967,504
Storm Drains		2,352,303

TOTAL USES **\$ 91,828,292**

The CIP document places equal emphasis on planning for new projects as well as improving and preserving existing capital assets. The City’s CIP document includes a list of Capital Improvement Projects by funding source as well as a list of unfunded Capital Improvement Projects. This is an attempt to identify and quantify the City’s true CIP needs not only in the short term but also in the long term. Although the list is comprehensive and reflects a good assessment of the City’s needs, it is by no means a complete list, as additional assessments need to be done in the coming years to refine this list, create guidelines to prioritize projects, and prepare a strategic approach to fund and complete these unfunded projects.

An electronic copy of the City’s adopted two-year budget and the five-year CIP plan can be found on the [City’s website](#).

Budget Authority

The City Council approves a two-year operating budget and an annual five-year CIP, with public meetings/hearings conducted prior to the budget and CIP adoption. Supplemental appropriations, when required during the year, are also approved by the City Council. Expenditures may not exceed appropriations at the fund level. The City Manager is authorized to approve operating transfers between departments within a fund without limit. All other budget adjustments (increase in appropriation or transferring budget between funds) require City Council approval. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget.

MAJOR ACCOMPLISHMENTS AND INITIATIVES

The City accomplished various projects and programs that support City Council's goals and objectives. These accomplishments were completed in addition to performing the day-to-day operating activities required of a city government. Included among the major initiatives this year are:

- The City remained in the top ten safest cities in the nation for violent crime in cities our size;
- Received Government Finance Officers Annual (GFOA) Operating Budget Award for the FY 2021/22 through FY 2022/23 Biennial Budget Report;
- Received the California Society of Municipal Finance Officer Award for the FY 2022/23 through FY 2027/28 Capital Improvement Plan (CIP) budget;
- Completed FY 2021/22 Annual Comprehensive Financial Report and Single Audit Report. This is the second consecutive year with no findings for both the financial statement audit and Single Audits;
- Completed five Agreed-Upon Procedures and annual three mandated State Controllers' Reports;
- Renegotiated Deferred Compensation Plan Investment Fees with Public Agency Retirement Services (PARS) for part-time employees;
- Held Measure T Citizen's Oversight Committee meetings, providing transparency regarding Measure T spending;
- Through the Public Information Office, 25 unique social media accounts expanded content, increased followers and viewers increasing engagement to over 235,000 followers;
- Launched the new Murrieta Magazine, which will be mailed to each household in conjunction with the Parks and Recreation guide to provide engaging editorial content;
- Code Enforcement responded to over 1,600 requests for service and closed over 1,400 cases;
- Code Enforcement issued 222 administrative citations and processed 11 graffiti and 240 sign cases;
- Building & Safety Division issued 4,717 building permits and performed 19,836 inspections;

- Executed full electronic plan check (EPC) submittal processes and digital requirements for new building projects. Plans are now accepted online 24/7;
- Human Resources processed 6,550 employment applications;
- Completed 72 recruitments, including associated postings, pre-employment screenings, and new hire onboarding processes;
- Collaborated with Finance to consolidate the City's 457 / Deferred Compensation plans;
- Completed labor negotiations with four labor groups. Worked with the labor teams extensively to reach common understanding and agreement;
- Risk Management coordinated 46 new Worker's Compensation claims and closed 123 Worker's Compensation claims;
- Risk Management processed 47 general liability claims and closed 23 general liability claims;
- Released the first-ever Murrieta Fire & Rescue Annual Report;
- Murrieta Fire District processed 1,261 Fire plans, issued 228 annual permits, inspected 363 construction projects, performed 1,238 Business Inspections, conducted 363 AB-38 escrow defensible space inspections and completed 9,100 State Mandated Defensible Space Inspections through the Fire Prevention office;
- Delivered 130 hours of public education and installed 250 smoke detectors;
- Conducted two CERT classes with 58 total attendees and conducted a Fire Engineer and Captain's academy.
- Murrieta Fire District responded to 11,616 calls for service;
- Deployed to 10 Mutual Aid incidents throughout the state, including eight responses to major wildland fires and two responses to assist communities impacted by record snowfall events in the San Bernardino Mountains and Mammoth Lakes;
- Murrieta Fire District submitted Annual Compliance Report (ACR) to the Center for Public Safety Excellence (CPSE) and awarded continued Accredited Agency status;
- Library conducted the summer reading challenge with a total of 2,233 participants, and 5,340 total books read;
- Library conducted Earth Day Celebration and Plant Trade – Expanded annual event with twenty vendors and exhibitors, two educational presentations, plant trading with the Inland Empire Plant Traders, and Seed Library ribbon cutting with over 2,000 attendees;
- Library conducted the Expanded Touch-a-Truck event with 20+ working vehicles from organizations around Riverside County on display for children and their families with over 3,000 attendees;
- Library conducted the Science, Technology, Engineering, Art, and Math (STEAM) workshops – Provided several STEAM workshops, including 3D printing and Art Studio;

- Homelessness services conducted the Annual Point in Time count, with Murrieta having one of the lowest per capita rates of homelessness in California;
- Continued to work with staff on creative options to assist with the renovations for the Murrieta Hot Springs Resort, for a February 2024 grand opening;
- Provided orientation for three new City Council Members;
- Facilitated the new Mental Health sub-committee and worked to procure CareSolace to provide all citizens and businesses within the city access to mental health services;
- Conducted a Council Candidate Orientation presentation by all departments;
- Conducted a two-day Council Goal Setting Workshop;
- Secured over \$1 million in Congressional appropriations for the Murrieta community and Western Riverside County region;
- Secured appropriations from Congress Member Issa's and Senator Padilla for the City's new Emergency Mobile Command Center;
- As the local election official, conducted the City's General Municipal Election, administered public outreach, partnering with the County of Riverside, Registrar of Voters;
- Worked with the County of Riverside Registrar of Voters to coordinate ballot drop-off locations at City Hall, Fire Station No. 4, and the Murrieta Public Library which also served as in-person Voting Centers;
- Updated the Short-Term Vacation Rental fine structure to be current with state law providing greater deterrence of violations of the City's STVR rules;
- Completed Warm Springs Parkway construction;
- Completed I-215/Clinton Keith Road Interchange Landscape Project;
- Received \$3M in Measure A Regional Arterial funding allocated by the Western Riverside County Regional Arterials Call for Projects for Murrieta Hot Springs Road construction;
- Received \$2.6M Earmark for I-215/Keller Road Interchange from U.S. Congress and started administration through Caltrans Local Assistance.
- Completed 1,176 building maintenance requests and 12,552 miles of city street sweeping and replaced approximately 500 street name signs.
- Completed 629 NPDES inspections, Issued 293 encroachment permits; 30 grading permits; 129 transportation permits; 74 annual transportation permits; and 12 haul permits.

A complete list of Citywide accomplishments can be found on the City's website at [City's website](#).

The CIP plan addresses the City's critical and essential infrastructure projects. During the fiscal year 2022/23, the City accomplished and completed the following CIP projects:

CIP 8094: Second Avenue/Pioneer Park \$351,570

The project was substantially completed in February 2023 and is currently in the closeout phase. Future plans include a further expansion of the park, and Phase 1 consisted of a tot lot and shade shelter.

CIP 8043 Pavement Resurfacing – Asphalt Overlay \$3,571,651

An asphalt overlay is applied to existing high-volume traffic streets when the asphalt pavement surface deteriorates to the point of needing repair. The thickness of an asphalt overlay is about 2” and consists of a rubberized hot asphalt mix. The result of the overlay is a new road surface for drivers. The City maintains an ongoing pavement resurfacing program using Measure A, SB1 RMRA funds, and CalRecycle Grant Funds. The FY 2022/23 project covered the areas of Murrieta Hot Springs Road & Hancock Ave. The estimated total cost of the last project was approximately \$3.6 million. The project was substantially completed in Fall 2022.

CIP 13028: Madison Ave Intersection \$355,583

The project included lengthening the left turn pockets at the westbound and southbound approach to Murrieta Hot Springs Road and Madison Avenue intersection. The project was substantially completed in January 2023.

CIP 21021: Police Department Detective Bureau and Community Room Improvement \$212,306

The project expanded the existing Detective Bureau area to accommodate the Gang Task Force and School Resource Officers. The project also restores the Community Room as originally designed for use by the community to help foster closer relationships with the residents. The project was substantially completed in June 2023.

CIP 10043: City Hall Improvements Project \$753,033

This addresses the update and repairs to the aging City Hall and included flooring and cubicle adequate workstation needs. The project is approximately 85-90% complete and nearing final completion.

CIP 10037: Communications Tower \$767,534

The City joined the Public Safety Enterprise Communications (PSEC) radio system in 2015 and discovered geographic areas of the community with “dead spots” or very weak signal strength, which created public safety communication issues in those areas. It was determined that a new PSEC simulcast tower on Hollingsworth Hill was the best solution to remedy the communication issues. The project was funded by General Fund Capital using Measure T funds. The project was in-service in Fall 2022 and completed testing in January 2023.

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 Murrieta for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City strives to develop an Annual Comprehensive Financial Report, which will continue to meet the Certificate of Achievement Program's requirements. We believe our current report conforms to the program requirements, and we are submitting it to the GFOA to determine its eligibility for the Certificate of Achievement for Excellence in Financial Reporting.

The preparation and development of this complex report is the result of the cooperation and dedication of all City staff and the diligent work of the entire Finance Department, particularly Jennifer Terry, Finance Manager, and Ashley Lopez, Accounting Supervisor. I also appreciate the staff of Rogers, Anderson, Malody, and Scott, LLP, for the professional way in which the audit of this financial report was conducted. I would also like to express my appreciation to the City Council for their leadership and support throughout the year and their dedication to the citizens of Murrieta.

Respectfully submitted,



Kim Summers
City Manager



Javier Carcamo
Director of Finance

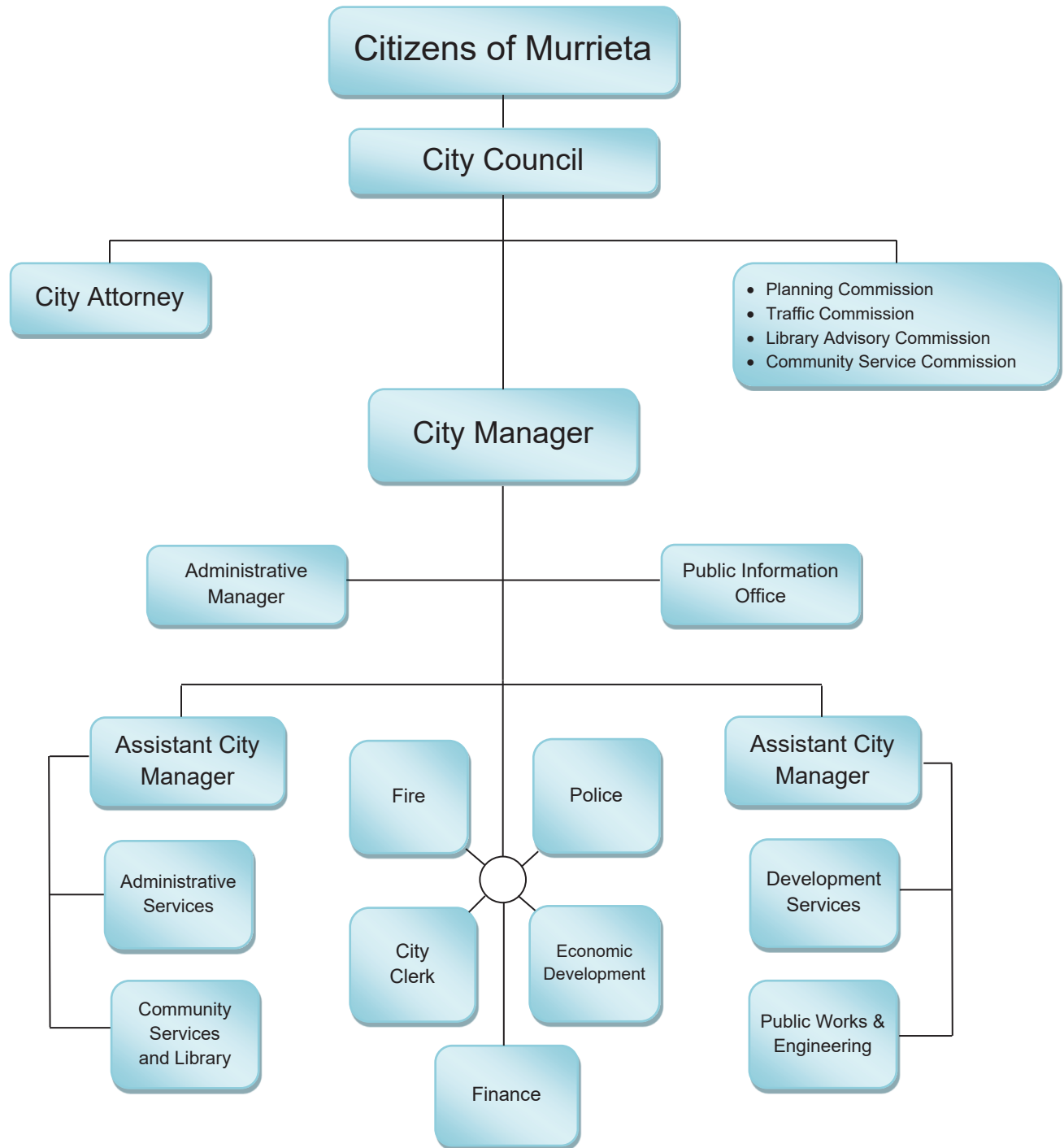


City of Murrieta List of Principal Officers

City Manager	Kim Summers
Assistant City Manager	Ivan Holler
Assistant City Manager	Kristen Crane
City Attorney	Tiffany Israel
City Clerk	Cristal McDonald
Community Services Director	Brian Ambrose
Economic Development Director	Scott Agajanian
Development Services Director	David Chantarangsu
Director of Finance	Javier Carcamo
Director of Public Works/City Engineer	Bob Moehling
Fire Chief	Bernard Molloy
Police Chief	Anthony Conrad



City of Murrieta Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Murrieta
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Independent Auditor's Report

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San Bernardino, CA 92408
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City Council Members
City of Murrieta
Murrieta, California

To the Honorable City Council,

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Murrieta (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As described in Note 1 to the financial statements, in the year ended June 30, 2023, the City adopted new accounting guidance under Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*. And GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



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As described in Note 19 to the financial statements, the fund balances of certain funds and net position of governmental activities at July 1, 2022 were restated for the correction of an error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability for the miscellaneous and safety plans, the schedules of plan contributions for the miscellaneous and safety plans, the schedule of changes in the net OPEB liability and related ratios, schedule of contributions for OPEB and the budgetary comparison schedules for the General Fund and major Special Revenue Funds, identified as required supplementary information in the accompanying 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.

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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino,
February 29, 2024

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

As management of the City of Murrieta, we offer readers of the City of Murrieta’s financial statements this narrative overview and analysis of the City’s financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the enclosed letter of transmittal and basic financial statements.

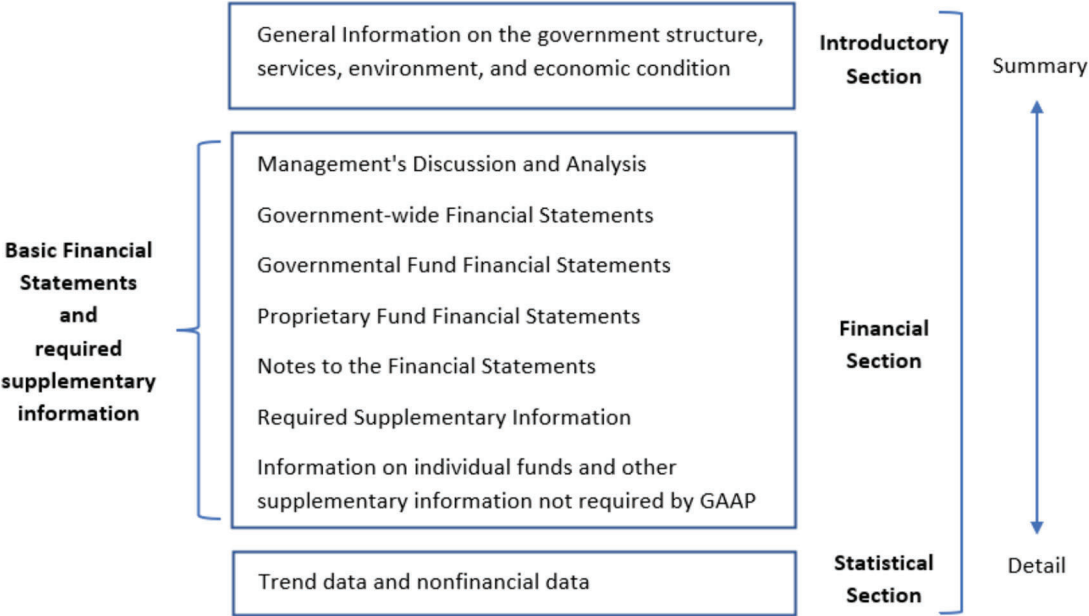
FINANCIAL HIGHLIGHTS

Programs and general revenues	\$ 169,686,503
Cost of governmental activities	<u>(140,352,341)</u>
Net revenues over expenditures	29,334,162
Net Position at Beginning of Year	<u>529,750,505</u>
Net Position at End of Year	<u><u>\$ 559,084,667</u></u>

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Murrieta’s basic financial statements. The City of Murrieta’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

COMPONENTS OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT



Government-wide financial statements

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

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

The statement of net position presents information on all of the City of Murrieta's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a valuable indicator of whether the financial position of the City of Murrieta is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the City of Murrieta that are principally supported by taxes and intergovernmental revenues (government 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 of Murrieta include general government, public safety, community development, parks and recreation, and public works.

The government-wide financial statements include not only the City but also the Murrieta Financing Authority, the Murrieta Fire District, the Murrieta Community Services District, and the Murrieta Public Library. Although these entities are legally separate, they function, for all practical purposes, as a part of the City. Therefore, they have been included as blended component units as an integral part of the primary government.

Fund financial statements

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

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term 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 the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

The City of Murrieta maintains 28 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 Fire District Special Revenue Fund, the Federal Grants Fund Special Revenue Fund, the Development Impact Capital Project Fund, and 2016A LARB Debt Service Funds, all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The City of Murrieta adopted an operating budget for its general fund and three of the six other major funds. A budgetary comparison statement has been provided for the General Fund and the Fire District Fund to demonstrate compliance with this budget.

Proprietary Funds

The City of Murrieta maintains only the internal service fund type of proprietary funds. The internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for its Information Technology and Risk Management activities. Because the City does not maintain Enterprise type proprietary funds, all of the internal service funds' activities have been included within governmental activities in the government-wide financial statements.

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 statement due to the fact that the resources of those funds are not available to support the City of Murrieta's own programs.

Notes to the Financial Statements

The notes provide additional information essential to fully understanding the data provided in the government-wide and fund financial statements.

Combining Statements

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

Our analysis focuses on the net position (Table 1) of the City's governmental activities reported in the government-wide statements.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

NET POSITION For the years ended June 30, 2023 and 2022

	Governmental Activities		
	2023	2022	Change
Current and Other Assets	\$ 299,198,009	\$ 266,837,100	\$ 32,360,909
Capital Assets, Net	447,446,827	453,543,416	(6,096,589)
TOTAL ASSETS	746,644,836	720,380,516	26,264,320
Deferred Outflows of Resources	50,081,038	26,226,958	23,854,080
Current and Other Liabilities	42,113,359	36,052,930	6,060,429
Long-term Liabilities	182,942,531	151,049,395	31,893,136
TOTAL LIABILITIES	225,055,890	187,102,325	37,953,565
Deferred Inflows of Resources	12,585,317	29,754,644	-17,169,327
Net Position:			
Net Investment			
In Capital Assets	436,191,370	442,591,027	(6,399,657)
Restricted	123,733,392	112,099,667	11,633,725
Unrestricted	(840,095)	(24,940,189)	24,100,094
TOTAL NET POSITION	\$ 559,084,667	\$ 529,750,505	\$ 29,334,162

The City's combined net position as of June 30, 2023, as shown in table 1, was \$559,084,667. The City's net position increased by \$29,334,162 compared to the prior fiscal year. The increase in the City's net position is primarily attributed to an increase of approximately \$50,118,400 in total assets net of deferred outflows of resources and an increase of approximately \$20,784,238 in total liabilities net of deferred inflows of resources.

Current assets increased by \$32,360,909 or 12.1% compared to prior year balances. The increase is mostly attributable to the following items: an increase in cash and investments of \$23,029,355, and in increase in receivables totaling \$6,237,654.

The capital assets net of accumulated depreciation has decreased by \$6,096,589. The decrease represents the difference between additions, deletions, and depreciation in the current year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Governmental activities capital assets are discussed in more detail in the capital asset section of this report, and additional detailed information can be found in the *Notes to the Basic Financial Statements* (Note 4 – Capital Assets).

Changes in the various components associated with Governmental Accounting Standards Board (GASB) statement 68 *Accounting and Financial Reporting for Pension*, statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (OPEB), and statement 87 *Leases* impacted

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

deferred outflows and inflows, and changes in pension, OPEB and leases liabilities for the year. GASB 68 and GASB 75 pronouncements required the City to record the net pension and OPEB liabilities on the books. The deferred outflows of resources increased by \$23,854,080, while the deferred inflows of resources decreased by \$17,169,327.

Current liabilities increased by \$6,060,429, or 16.8%. The increase is primarily attributable to the liability valuation of claims and judgments (Worker's Compensation) offset by a reduction in unearned revenue. The current liabilities categories include a reclassification of the long-term debt within one year of \$8,946,381. In prior years, this obligation was previously reported as long-term debt for more than one year category. The reduction of unearned revenue is associated with revenue recognition for the SLFRF Federal grant of \$16,463,101 from the American Rescue Plan Act, which was not spent by the end of last fiscal year.

Long-term liabilities such as outstanding debt, leases, employee benefit accruals, claims and judgments, OPEB, and net pension liability increased by \$40,839,517, an increase of approximately 22.3% from the prior year. The most significant addition is attributable to the increase in actuarial valuation for OPEB liability of \$5,689,198 and net pension liability of \$37,703,167. All other outstanding debt and other liabilities decreased by \$2,552,848 combined as a result of debt within one year now being reported separately from long-term debt. Debt activities for the governmental funds can be found in the Long-Term Debt section of this report, and additional detailed information can be found in the *Notes to the Basic Financial Statements* (Note 6 – Long-Term Debt).

Approximately 78.0% of the City's net position is net investment in capital assets (i.e., land, construction in progress, buildings, land & building improvements, parkland improvement, vehicles, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending.

The restricted net position represents resources subject to external restrictions and earmarked for a specific purpose. The unrestricted net position represents the resources that may be used to meet the government's ongoing obligations to creditors and services to residents. The negative unrestricted net position is primarily due to the inclusion of the pension and OPEB net liability.

Government Activities

The Statement of Activities presents program revenues, expenses, and general revenues in detail.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

CHANGES IN NET POSITION For the years ended June 30, 2023 and 2022

	Governmental Activities		
	2023	2022	Change
REVENUES:			
Program Revenues:			
Charges for Services	\$ 26,358,037	\$ 18,737,464	\$ 7,620,573
Operating Grants and Contributions	7,658,257	5,534,571	2,123,686
Capital Grants and Contributions	27,420,836	18,092,765	9,328,071
Total Program Revenues	61,437,130	42,364,800	19,072,330
General Revenues:			
Taxes:			
Property Taxes	38,545,304	34,633,924	3,911,380
Sales Taxes	55,580,286	54,788,375	791,911
Franchise Taxes	4,915,332	4,644,997	270,335
Business License Tax	928,285	920,357	7,928
Transient Occupancy Taxes	1,907,457	2,111,609	(204,152)
Property Transfer Tax	576,080	1,224,304	(648,224)
Motor Vehicle License	113,965	133,053	(19,088)
Investment Income	4,579,089	2,168,412	2,410,677
Gain on Sale of Capital Assets	21,566	-	21,566
Miscellaneous	1,082,009	1,067,693	14,316
Total General Revenues	108,249,373	101,692,724	6,556,649
TOTAL REVENUES	169,686,503	144,057,524	25,628,979
EXPENSES:			
General Government	17,679,910	9,651,406	8,028,504
Public Safety	72,862,928	55,338,998	17,523,930
Community Development	8,202,449	5,385,148	2,817,301
Parks & Recreation	19,336,947	16,246,798	3,090,149
Public Works	19,808,063	21,449,510	(1,641,447)
Interest on Long-term Debt	2,462,044	4,278,037	(1,815,993)
TOTAL EXPENSES	140,352,341	112,349,897	28,002,444
CHANGE IN NET POSITION	29,334,162	31,707,627	(2,373,465)
NET POSITION, BEGINNING OF YEAR, AS RESTATED	529,750,505	498,042,878	31,707,627
NET POSITION, END OF YEAR	\$ 559,084,667	\$ 529,750,505	\$ 29,334,162

The City's combined net position as of June 30, 2023, as shown above, is \$559,084,667. The City's net position increased by \$29,334,162 or approximately 5.54% compared to the prior fiscal year. This increase occurs when spending is less than the revenues received. There were several reasons for the increase in net position, including improved Property taxes, investment earnings, a slight increase in sales & use tax revenue source, operating and capital grant revenues, development impact fees, and increased activity services.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

When combining general and program revenues, sales and property taxes make up approximately 55.4% of total revenues. As of June 30, 2023, program revenues totaled \$61,437,130, while general revenues totaled \$108,249,373. Total revenue for the year totaled \$169,686,503, an increase of \$25,628,979 compared to the prior fiscal year. The most noteworthy changes are as follows:

Program revenues increased by a total of \$19,072,330 to \$61,437,130. This represents an increase of approximately 45% from the previous year.

- Charges for services increased by \$7,620,573 or 40.7% during the fiscal year 2022/23 primarily due to the following: charges for services for Public Works, General Government, Community Development, and Public Safety were higher by \$2,926,676, \$1,080,111, \$2,288,831, and \$1,241,484, respectively, when compared to the prior year. Parks and Recreation revenue was steady, with an increase of \$83,471 when compared to the prior year.
- Operating contributions and grant revenue increased in total by \$2,123,686. That represents an increase of approximately 38.3% as compared to last year. The most significant increase occurred in the General Government category by \$4,148,782, while Public Safety decreased by \$2,151,337. Community development and Parks and Recreation had a slight increase of \$54,306, and \$71,935, respectively. This year, capital grants and contributions increased by \$9,328,071, or 51.6%. The increase is mainly in the Public Works category due to development impact fees, gas taxes, and Riverside County Measure "A" tax revenues for transportation.

General revenues increased by \$6,556,649 to \$108,249,373 in the current year.

- The most significant increase in general revenues was property taxes by \$3,911,380, investment income by \$2,410,677, and sales tax revenues by \$791,911. This represents an increase of approximately 11.3% in property tax revenues, 111.2% in investment income, and 1.4% in sales tax revenue. The increase in property tax revenue was attributed to strong demand for real estate and a resilient economy overcoming the increase in mortgage interest rates.
- The increase in investment income is attributable to the higher investment yields in the City's investment portfolio, Local Agency Investment Fund, and Cash Sweep investment program. The dividend earned through June 30, 2023, in the Cash Sweep investment program total \$2,131,532.
- Transient Occupancy Tax (TOT) decreased by \$204,152 or 9.6% from the prior year. TOT revenues in the fiscal year 2021/22 is the highest amount received in City history and surpasses pre-pandemic levels. The slight decrease in TOT may indicate this revenue source plateau during the current fiscal year.
- Akin to TOT, the Property transfer tax decreased by \$648,224 or 52.9% from the prior year. The documentary transfer tax revenue is based on two factors: the number of transfers of interest in real property and property value at the time of sale. Property transfer tax was expected to be impacted by the increase in the mortgage interest rate during the fiscal year 2022/23.
- The sale of capital assets increased by \$21,566 as a result of the standard vehicle and equipment disposal.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

Total governmental activities expenses increased by \$28,002,444 from \$112,349,897 to \$140,352,341. This represents an increase of approximately 24.9% compared to the prior year.

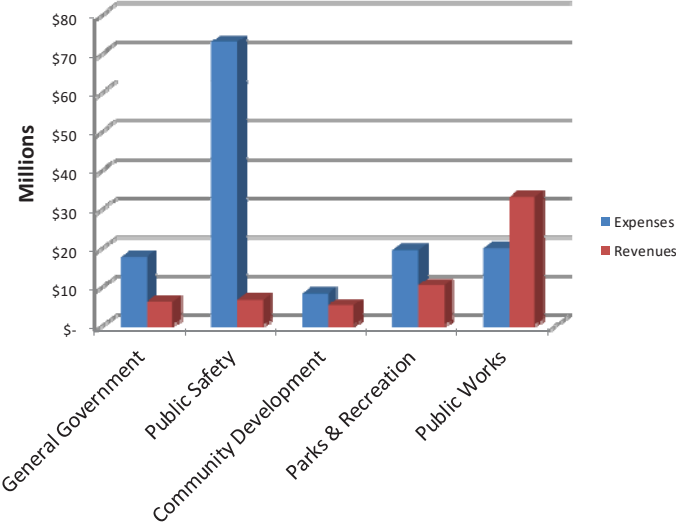
- The increase is primarily due to personnel-related expenses, Operation & Maintenance costs, changes in pension liabilities, Other Post-Employment Benefits (OPEB), and compensated absences.
- General Government, Public Safety, Community Development, and Parks and Recreation & Recreation expense categories experienced an increase in expenditures associated with personnel-related salary & benefits as a result of new labor agreements, increases in operating-related expenses such as legal, contract services, landscape maintenance, and animal control services.

Chart 1 – Expenses & Program Revenues

This chart highlights the cost for each of the City’s five largest programs. General Government, Public Safety, and Community Development are funded with general fund revenues such as taxes, grants and contributions, and other sources. The chart indicates that the overall cost of the government is more than the revenues generated to support it. The City is not fully recovering the cost of these services.

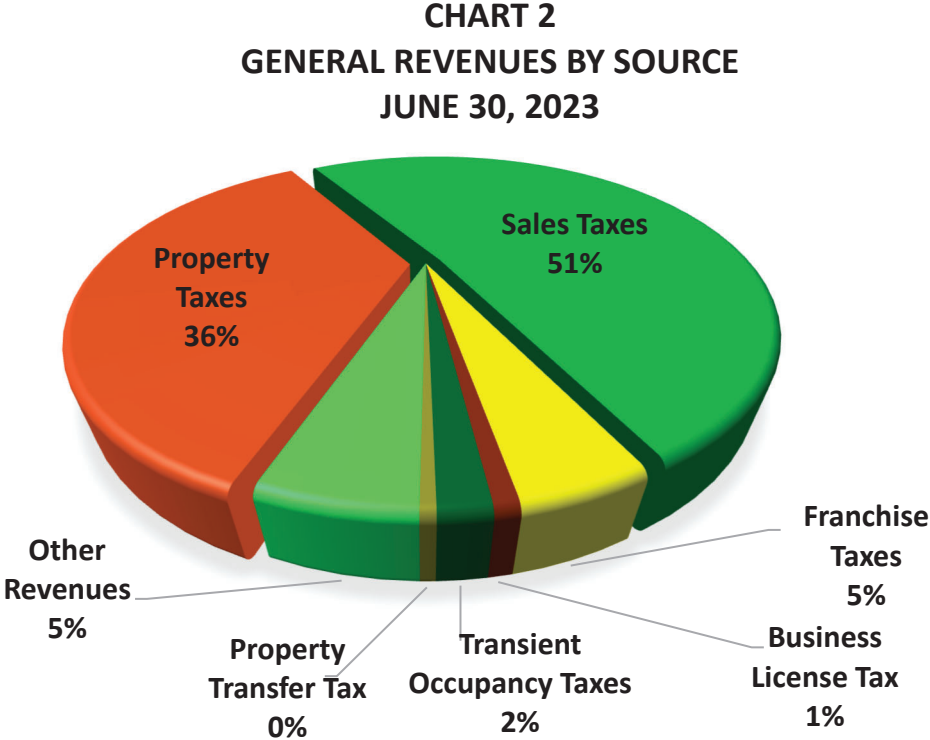
Parks & Recreation is primarily funded by Development Impact Fees (DIF), which are, in turn, allocated towards construction capital projects. The operating expenditures for Parks & Recreation are primarily funded by assessments and charges for services, with General Fund revenues providing additional subsidies as needed. The Public Works program is also mainly funded by DIF, capital grants, and contributions, which are used for large capital projects.

**CHART 1
EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES
JUNE 30, 2023**



Management’s Discussion and Analysis
 For the Year Ended June 30, 2023

Chart 2 (General Revenues by Source) identifies the various general (or discretionary) revenues available for government programs and services.



Financial Analysis of the City’s Funds

The City of Murrieta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City of Murrieta’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Murrieta’s financing requirements. In particular, unassigned fund balance may serve as a valuable measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Murrieta’s governmental funds reported combined ending fund balances of \$249,792,261, a decrease of \$37,733,076 or approximately 12.6% compared to last year’s governmental funds balance. The change in fund balance for the General Fund column totaled \$21,908,251, broken down by fund as follows.

Fund Title	Change in Fund Balance
General Fund	\$ 11,141,180
Transaction Sales Tax (Measure T)	9,412,716
General Capital Fund	1,413,024
Traffic Safety Fund	1,859
Crime Prevention Fund	(84,697)
Vehicle Replacement Fund	24,169
Total Net Changes in Fund Balance	\$ 21,908,251

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

Additional information can be found in the consolidating schedule on page 22 of this report.

The other net changes in fund balances in the governmental funds include an increase of \$12,424,950 for the Capital Project Development Impact Fee fund, \$956,044 for the Federal Grants fund, and \$2,653,773 for the Non-Major Governmental Funds. The Fire District fund had a decrease in fund balance of \$256,817.

In accordance with GASB Statement No. 54 (thoroughly discussed in the notes to the financial statements Note 8 - Fund Balance), the combined ending fund balance of \$249,792,261 is broken down as follows:

Governmental Funds

Fund Balance Classification	2023	2022	Change
Non-Spendable	\$ 4,738,334	\$ 5,017,077	\$ (278,743)
Restricted	123,233,392	182,122,784	(58,889,392)
Committed	51,229,664	59,624,816	(8,395,152)
Assigned	57,042	52,482	4,560
Unassigned	70,533,829	39,120,287	31,413,542
Total Fund Balance	\$ 249,792,261	\$ 285,937,446	\$ (36,145,185)

The non-spendable category represents that portion of fund balance that cannot be spent because it is either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The restricted category represents that portion of fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The committed category represents that portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the City of Murrieta’s highest level of decision-making authority (City Council) and remains binding unless removed in the same manner. The assigned category represents that portion of fund balance that includes amounts constrained by the City of Murrieta’s intent to be used for specific purposes that are neither restricted nor committed. The intent was established at either the highest level of decision-making or by an official designated for that purpose, typically through the adoption of the Budget. The remaining category, unassigned, is that portion of fund balance that does not fall into one of the four other categories and may only be reported as a positive number in the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance.

General Fund

For the financial statement presentation, the General Fund column includes the following funds: General Fund, Measure T Fund, General Capital Fund, Traffic Safety Fund, Crime Prevention Fund, and Vehicle Replacement Fund. At the end of the fiscal year, the General Fund’s revenues exceeded expenditures, including other financing sources (uses) of \$21,908,251, thereby increasing the General Fund balance at the end of June 30, 2023, to \$127,167,181.

Compared to the prior year, General Fund revenues increased by \$10,444,289 to \$100,133,019, including transfers. The increase is primarily attributable to property taxes of approximately \$1,307,455, and \$803,840 in sales & use tax. Taxes-related revenue generally aligns with the economic condition. The slight increase in Sales & Use Tax and Transaction Sales & Use Tax revenue were moderate, with an increase of 1.4% when compared to FY 2021/22. General consumer and restaurant/hotels spending improved while Autos & Transportation, fuel and service stations, and building & construction declined.

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

The intergovernmental revenue category increased by \$3,432,472 combined for various intergovernmental service agreements as a result of revenue recognition during the current fiscal year. The use of Money and Property revenue category increased by \$4,565,634. The increase in Use of Money & Property is primarily due to an increase in investment income associated with the City's investment portfolio and short-term investment through the City's sweep account. The investment income increase is approximately \$1,472,918. The other component is associated with the accounting required by GASB 31 to recognize unrealized gain or loss of securities that weren't sold or matured at year-end. The recognition of unrealized gain or loss of securities accounts for approximately \$3,092,716. During the fiscal year, the value of fixed-income securities, like the ones in the city's portfolio, have an inverse relationship to the movement of interest rates. The value of a bond will increase as interest rates decrease. Conversely, the value of bonds decreases when interest rates rise. Lastly, the charges for services revenue category increased by \$1,554,897, while the remaining revenue categories declined by approximately \$1,012,239.

General Fund expenditures decreased by \$10,610,953 to \$78,224,768 after transfers out and other financing uses. The increase in expenditures is mainly attributable to Public Safety operations and services by \$3,827,291. Personnel-related expenditures increased by \$2,774,673 due to new authorized positions and salary & benefit increases. The Public Safety operating costs increased by \$1,058,618.

The General Government Category increased by \$2,733,571. The increase in General Government expenditures is associated with personnel-related expenditures of \$1,241,610 and increases in operating costs of \$1,491,961 for legal and contract services, landscape maintenance, and animal control services. Public Works and Community Development increased by \$1,522,955 and \$1,500,866, respectively. All other expenditure categories increased by \$1,026,270.

The total fund balance includes funds classified as non-spendable in the amount of \$4,181,606, primarily made up of long-term note receivables, long-term advances to other funds, inventory, and prepaid costs, which are not in spendable form. A non-spendable classification means the funds are set aside since those resources cannot be accounted as City funds until collected or, in the case of inventory and prepaid, until it is used or goods/services received.

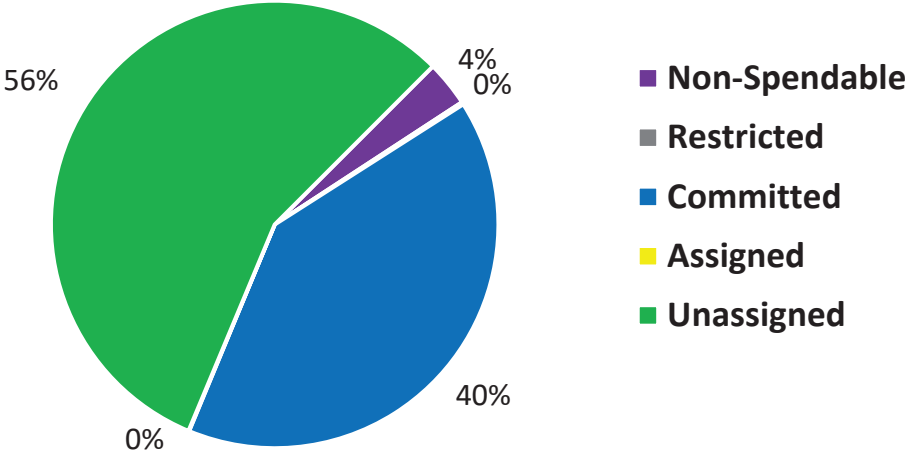
The restricted fund balance of \$225,188 represents cash in an escrow account for the streetlight retrofit project, and partial annual debt service obligation by the General Fund. Additional information regarding the capital lease can be found in Note 7 - Capital Lease Liability on page 58 of this report.

Committed funds totaled \$51,229,664. These funds are slated for capital projects, continuing appropriations, economic contingency reserves, operating reserves, pension rate stabilization reserves, fleet replacement reserves, and facility replacement reserves. It includes an operating reserve of \$16,795,491 from the General Fund and \$5,680,142 from the Measure T fund. The combined operating reserve of \$22,475,633 is approximately 31% of the annual operating budget. The operating reserve is established by a City Council policy to provide sufficient cash flow and resources to pay the annual debt and obligated long-term debt requirements and to maintain City operations should a catastrophic event such as a natural disaster or an economic or legislative change occur that might have an adverse impact to the City's financial position. The current operating reserve policy requires a 25% reserve. The committed fund balance includes a \$7,054,727 economic contingency reserve, \$4,584,352 fleet replacement, \$2,240,850 facilities reserve, and \$25,000 in continuing operations.

Management’s Discussion and Analysis
For the Year Ended June 30, 2023

The assigned fund balance totaling \$57,042 is set aside for City programs. The second most significant portion of the fund balance is unassigned fund balance in the amount of \$71,473,681. The unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. More detailed information about the City’s fund balance is presented in Note 9 to the financial statements.

**General Fund
Fund Balance as of June 30, 2023**



Murrieta Fire District Fund

The Fire Fund accounts for proceeds of property taxes and other sources that are restricted by law or administrative action. The Fire District's administrative division and fire suppression, including paramedics and fire prevention staff, operate five fire stations strategically located within the City's boundaries.

For the past few years, annual operating expenses have exceeded operating revenues. As of the end of FY 2022/23, revenues totaled \$18,670,185, an increase of \$1,904,499 or 11.36% from the previous year. The most significant driver of the increase was property tax revenue of \$1,693,874. The Riverside County real estate market remained relatively strong, increasing property values. The District's operating expenses increased by \$1,320,724. Total expenditures, including other financing uses, totaled \$21,790,922. The Fire District’s operating costs continue to increase primarily due to salary and wages, and pension costs.

The Fire District fund balance at the end of the fiscal year totaled \$3,722,345, a net decrease of \$258,883 from the previous year. The fund balance is restricted for fire operations and includes an operating reserve of \$3,750,812 and \$28,467 in non-spendable fund balance.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

Federal Grant Fund

The Federal Grant Fund accounts for federally funded programs that support improved responses to public safety services. For FY 2022/23, revenues totaled \$7,114,681, an increase of \$6,059,221 from the previous year. The operating expenditures totaled \$4,982,210, an increase of \$3,087,720 from the previous year. The grant expenditures are associated with ARPA funds, DOJ and Homeland security grants, and FEMA EPMC grant.

Development Impact Fee Fund

This Fund accounts for developer contributions and other revenue sources that are restricted by law or administrative action related to capital expenditures for infrastructure such as roads, sidewalks, medians, storm drains, facilities, parks, and open space. For the fiscal year 2022/23, revenues totaled \$13,322,699, an increase of \$6,513,062 from the previous year. Approximately 92% of the current year's revenue is derived from the developer participation revenue category; the remaining comes from interest earnings. Total expenditures amounted to \$892,002, a decrease of \$160,640 from the prior year. The most significant decline was from Capital Outlay with a reduction of \$254,915. While the Public Works function increased by \$94,275. The Capital Outlay reduction is associated the completion of fewer capital improvement projects. The increase in the Public Works function is due to development impact fee reimbursement. The Development Impact Fee Fund balance at the end of the fiscal year totaled \$53,004,606, a net increase of \$12,424,947 from the previous year. The fund balance contributions are earmarked for capital-related projects, and appropriations are established in the Capital Improvement Plan budget.

Debt Service Fund

The Local Agency Refunding Bonds Series, 2022, 2016A, and 2016B Debt Service Funds account for the accumulation of resources and the payment of principal, interest, and related costs. The restricted fund balance at year-end is \$73,513,272. Additional information on the Murrieta Financing Authority debt can be found in Note 7, Long-Term Debt, starting on page 56 of this report.

General Fund Budgetary Highlights

As customary, Finance staff delivers quarterly budget update reports to City Council. As necessary, staff recommends budget adjustments to revenue and expenses to align the budget with actual financial activities, unanticipated revenue or expenses, or revised forecasts.

The revised revenue budget for FY 2022/23 totaled \$93,623,252, while actual revenues totaled \$99,798,392, outperforming revenue projections by \$6,175,140. The most significant budgetary variance is in the sales and property taxes, intergovernmental revenue, licenses and permits, and charges for services categories. While other revenue categories, use of monies, miscellaneous revenues and sale of capital assets, experienced a moderate increase when compared to the amended budget. Fines & forfeitures were slightly under budget when compared to the amended budget. Transfers In were lower than budgeted.

The General Fund Sales & Use tax, Transaction tax, and property taxes outperformed the budget by \$4,258,493, primarily due to conservative budget adjustments and more favorable economic conditions than expected when the budget was amended. During the fiscal year, the autos and transportation and fuel and service stations experienced decreases in Sales and Use Tax in comparison to the prior fiscal year; however, consumer goods outperformed the prior year.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

Historically, the use of money and property has been budgeted conservatively. The use of money and property came in higher than the budgeted amount by \$513,515, primarily due to higher interest earnings on investments through June 30, 2023. The interest earnings were offset by a reduction in the GASB Statement 31 entry. As required by GASB Statement 31 - *Accounting and Financial Reporting for Investments*, a non-cash accounting adjustment to record gains or losses in investments either not yet sold or matured. The negative change in the valuation of investment at year-end was \$4,553,676.05. The value of fixed-income securities may fluctuate with changes in interest rates. As interest rates go up, the market value of the securities may go down, and the reverse is true; when interest rates go down, the market value of the securities may go up. The difference between book value and fair market value is considered an unrealized gain or loss.

Licenses and Permits and Charges for services outperformed its budget by \$664,878 and \$1,027,163, respectively, due to multifamily housing and commercial developments for permits, plan checks, and inspection services. The Intergovernmental revenue category was \$1,709,232 higher than the budget primarily due to the collection of deferred payments from the previous fiscal year associated with the intergovernmental agreement for dispatch services.

General Fund	GENERAL FUND BUDGET TO ACTUAL		
	Budget	Actuals	Variance
Revenues			
Taxes	\$ 79,398,447	\$ 83,656,940	4,258,493
Licenses and permits	2,731,688	3,396,566	664,878
Intergovernmental	3,531,972	5,241,204	1,709,232
Charges for services	4,604,345	5,631,508	1,027,163
Use of money and property	805,020	1,318,538	513,518
Fines & forfeiture	331,500	329,264	(2,236)
Miscellaneous revenues	191,353	418,238	226,885
Transfers in	2,028,927	8,805	(2,020,122)
Sales of capital assets	-	21,566	21,566
Total Revenues	<u>93,623,252</u>	<u>100,022,629</u>	<u>6,399,377</u>
Expenses			
General government	13,244,403	11,886,711	(1,357,692)
Public safety	43,236,572	42,744,400	(492,172)
Community development	9,025,486	7,530,975	(1,494,511)
Parks and recreation	974,686	890,670	(84,016)
Public works	5,920,834	6,085,862	165,028
Capital outlay	2,722,326	3,682,485	960,159
Debt service	32,400	32,400	-
Transfers out	11,507,207	5,371,264	(6,135,943)
Total Expenses	<u>86,663,914</u>	<u>78,224,767</u>	<u>(8,439,147)</u>
Net Revenues over Expenses	<u>\$ 6,959,338</u>	<u>\$ 21,797,862</u>	<u>\$ 14,838,524</u>

**Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

The total revised General Fund operating expenditure budget in FY 2022/23 totaled \$87,663,914, while actual expenses at year-end totaled \$78,224,768. The actual operating expenses were \$9,439,146 lower than the budgeted figures. This negative variance (or budgetary savings) comprised of Operations & Maintenance, Allocations (or Internal Service Charges), and Transfer Out across the various expenditure functions. Personnel Costs were slightly over budget by \$242,176 between the General Fund and Measure T, which can be attributed to higher costs in retirement costs.

Operations & Maintenance had budgetary savings of approximately \$2.6 million savings across multiple departments in contract services for consultants, contracts, and legal services. Capital Outlay was over budget by approximately \$331k. This can be attributed to Capital Improvement Project costs being paid out of the general ledger but budgeted in the subsidiary job ledger. The transfer out savings in this category is primarily due to reduced expenditures and increased revenue in both the Fire District and Community Services District (CSD), which resulted in a lower Transfer In from the General Fund and District sales tax fund to make the aforementioned district’s fund whole.

Capital assets

At the end of FY 2022/23, the City had capital assets (net of accumulated depreciation) of \$447,446,827, including land, construction in progress (CIP), buildings and improvements, improvements to land, parkland improvements, equipment (including vehicles), infrastructure, leased assets, and right-to-use subscriptions. Current year additions to all asset categories totaled \$11,809,568, while deletions totaled \$515,134. The accumulated depreciation increased by \$17,391,023 net of deletions. Capital assets with the most significant increase was in Construction in Progress with \$2,525,454. The capital asset category with the most significant decreases net of depreciation was infrastructure, with \$6,941,803, followed by parkland improvements with \$1,661,755. The remaining categories had an overall decrease of \$484,400. The decreases were primarily due to current-year depreciation.

Additional information on the City’s capital assets can be found in Note 6, Capital Assets, on page 55 of this report.

CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2023	2022
Land	\$ 178,561,254	\$ 178,561,254
Construction in Progress	10,837,340	8,311,886
Buildings & Improvements	31,411,469	32,318,372
Improvements to Land	1,722,707	1,839,455
Parkland Improvements	16,641,360	18,303,115
Equipment	14,622,353	14,192,397
Infrastructure	191,651,768	198,593,571
Lease Assets	1,532,661	1,423,366
Right-to-use Subscriptions	465,915	-
Total Capital Assets	\$ 447,446,827	\$ 453,543,416

*More detailed information about the City’s capital assets is presented in Note 1 and Note 6 to the financial statements.

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

Long-Term Debt

At the end of the current fiscal year, the City of Murrieta had bonded debt and leases outstanding, along with liability for claims and judgments, an obligation for employee post-employment benefits (OPEB), compensated absences payable, and Net Pension liabilities totaling \$193,256,129. The total outstanding debt increased by approximately 27.94% or \$42,206,734 during FY 2022/23. The most significant increase relates to the increase in Net Pension Liability.

The pension (CalPERS) liability increased by \$37,703,167 due to the reduction in the discount rate from 7% to 6.8%, coupled with lower-than-anticipated earnings for FY 2022/23. The adjusted discount rate was announced in November 2021 and was implemented with the Fiscal Year Ending 2020/21 actuarial valuation reports that were available in the summer of 2022. Earnings for Fiscal Year 2022/23 came in lower at 5.8%, one full percent lower than the newly adjusted discount rate.

The increase in Other Post Employment Benefits (OPEB) liability of approximately \$5,689,198 is attributed to less than favorable asset performance compared to expected. Claims and Judgments related to the City’s general liability and Workers’ Compensation increased approximately by \$3,314,645 primarily due to an increase in the actuarial valuation of future liability. Compensated absences had an increase of \$843,210 due to an increase in the number of employees and increases in the salary and compensation schedules. The remaining outstanding debt items had an overall decrease of \$5,343,486.

OUTSTANDING DEBT

	Governmental Activities	
	2023	2022
City Related Debt		
Lease Revenue Bond Series 2020A	\$ 2,903,446	\$ 3,572,388
Leases & Notes Payable	7,314,398	7,386,229
Net Pension Liability	62,692,810	24,989,643
Claims and Judgments	13,306,371	9,991,726
OPEB Liability	28,061,581	22,372,383
Compensated Absences	6,792,674	5,949,464
Total City Related Debt	121,071,280	74,261,833
CFD Related Debt		
Local Agency Revenue Bond, Series 2022	29,814,849	31,687,562
Local Agency Revenue Bond, Series 2016A	35,900,000	38,210,000
Local Agency Revenue Bond, Series 2016B	6,470,000	6,890,000
Total CFD Related Debt	72,184,849	76,787,562
Total Outstanding Debt	\$ 193,256,129	\$ 151,049,395

*More detailed information about the City’s long-term debt is presented in Note 7 to the financial statements.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2023

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Finance Director Javier Carcamo, Finance Department at:

Finance Department
City of Murrieta
1 Town Square
Murrieta, CA 92562
(951) 461-6090
JCarcamo@MurrietaCA.Gov



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FINANCIAL STATEMENTS



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City of Murrieta

Statement of Net Position June 30, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 246,420,669
Receivables, net:	
Accounts	1,968,240
Taxes	12,751,422
Loans	12,502,677
Accrued interest	1,795,442
Leases	3,296,929
Prepaid Costs	1,326,930
Inventories	37,817
Deposits Held with Others	4,836,312
Due from Other Governments	5,033,483
Land Held for Resale	3,515,665
Restricted Assets:	
Cash and Investments with Fiscal Agents	5,712,423
Capital Assets, Not Depreciable	189,398,594
Capital Assets, Net of Accumulated Depreciation	258,048,233
Total Assets	<u>746,644,836</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding	348,084
Deferred Pension-Related Items	37,577,887
Deferred OPEB-Related Items	12,155,067
Total Deferred Outflows of Resources	<u>50,081,038</u>
 LIABILITIES	
Accounts Payable	3,513,208
Accrued Liabilities	4,064,897
Accrued Interest	504,566
Due to Other Governments	5,469
Deposits Payable	11,628,445
Unearned Revenues	12,083,176
Long-term Liabilities, Due Within One Year	10,313,598
Long-term Liabilities, Due in More Than One Year	92,188,140
Net Pension Liability	62,692,810
Net OPEB Liability	28,061,581
Total Liabilities	<u>225,055,890</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension-Related Items	3,565,813
Deferred OPEB-Related Items	5,883,648
Deferred Amounts Related to Leases	3,135,856
Total Deferred Inflows of Resources	<u>12,585,317</u>
 NET POSITION	
Net Investment in Capital Assets	436,191,370
Restricted for:	
Community Development:	
Nonexpendable	500,000
Expendable	21,872,471
Public Safety	4,820,629
Public Works	87,286,216
Capital Projects	3,974,784
Public Education and Government	1,393,603
Debt Service	3,885,689
Unrestricted	(840,095)
Total Net Position	<u>\$ 559,084,667</u>

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



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City of Murrieta

Statement of Activities For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 17,679,910	\$ 1,846,704	\$ 4,201,413	\$ 100,744	\$ (11,531,049)
Public Safety	72,862,928	3,458,096	3,261,229	-	(66,143,603)
Community Development	8,202,449	5,025,514	122,061	-	(3,054,874)
Parks and Recreation	19,336,947	10,222,700	73,554	23,785	(9,016,908)
Public Works	19,808,063	5,805,023	-	27,296,307	13,293,267
Interest on Long-Term Debt	2,462,044	-	-	-	(2,462,044)
Total Governmental Activities	<u>\$ 140,352,341</u>	<u>\$ 26,358,037</u>	<u>\$ 7,658,257</u>	<u>\$ 27,420,836</u>	<u>\$ (78,915,211)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	24,419,742
Property Taxes, Levied for Fire Safety	14,125,562
Property Transfer Taxes	576,080
Transient Occupancy Taxes	1,907,457
Sales and Use Taxes	55,580,286
Franchise Taxes	4,915,332
Business Licenses Taxes	928,285
Motor Vehicle License	113,965
Investment Income	4,579,089
Sale of Assets	21,566
Miscellaneous	1,082,009
Total General Revenues	<u>108,249,373</u>

Change in Net Position	29,334,162
Net Position - Beginning of Year, As Restated	<u>529,750,505</u>
Net Position - End of Year	<u>\$ 559,084,667</u>

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

City of Murrieta

Balance Sheet – Governmental Funds June 30, 2023

	General	Special Revenue		Capital Projects
		Fire District	Federal Grants	Development Impact
ASSETS				
Pooled Cash and Investments	\$ 120,939,131	\$ 3,526,618	\$ 11,088,798	\$ 53,302,059
Receivables:				
Accounts	1,634,198	47,510	6,455	100,000
Taxes	11,570,797	678,935	-	-
Loans	3,548,760	-	-	-
Accrued Interest	1,306,466	-	-	-
Leases	-	2,620,007	-	-
Prepaid Costs and Other Assets	372,004	40,192	-	-
Inventories	15,842	4,998	-	-
Due from Other Governments	452,103	303,113	1,191,363	-
Due from Other Funds	1,721,644	-	-	-
Land Held for Resale	-	-	-	-
Advance to Other Funds	245,000	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	73,267	-	-	-
Total Assets	\$ 141,879,212	\$ 7,221,373	\$ 12,286,616	\$ 53,402,059
LIABILITIES				
Accounts Payable	\$ 1,777,330	\$ 154,857	\$ 165,339	\$ 16,255
Accrued Liabilities	2,212,535	851,140	31	31,382
Deposits Payable	9,246,107	2,300	-	-
Unearned Revenue	200,000	-	10,728,959	-
Due to Other Governments	653	-	-	4,816
Due to Other Funds	-	-	818,844	-
Advances from Other Funds	-	-	-	245,000
Total Liabilities	13,436,625	1,008,297	11,713,173	297,453
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	241,278	2,772	-	100,000
Grants	-	-	806,515	-
Accrued Interest	1,034,128	-	-	-
Deferred Inflows Related to Leases	-	2,487,959	-	-
Total Deferred Inflows of Resources	1,275,406	2,490,731	806,515	100,000
FUND BALANCES (DEFICITS):				
Nonspendable	4,181,606	45,190	-	-
Restricted	225,188	3,677,155	-	53,004,606
Committed	51,229,664	-	-	-
Assigned	57,042	-	-	-
Unassigned	71,473,681	-	(233,072)	-
Total Fund Balances (Deficits)	127,167,181	3,722,345	(233,072)	53,004,606
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 141,879,212	\$ 7,221,373	\$ 12,286,616	\$ 53,402,059

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

City of Murrieta

**Balance Sheet – Governmental Funds (Continued)
June 30, 2023**

<u>Debt Service Fund</u>		
<u>2016A LARB</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 53,223,225	\$ 242,079,831
-	169,631	1,957,794
-	501,690	12,751,422
-	8,953,917	12,502,677
-	488,976	1,795,442
-	676,922	3,296,929
-	11,538	423,734
-	-	20,840
-	3,086,904	5,033,483
-	-	1,721,644
-	3,515,665	3,515,665
-	-	245,000
<u>1,883,583</u>	<u>3,755,573</u>	<u>5,712,423</u>
<u>\$ 1,883,583</u>	<u>\$ 74,384,041</u>	<u>\$ 291,056,884</u>
\$ -	\$ 1,239,584	\$ 3,353,365
-	876,254	3,971,342
-	2,380,038	11,628,445
-	1,154,202	12,083,161
-	-	5,469
-	902,800	1,721,644
-	-	245,000
<u>-</u>	<u>6,552,878</u>	<u>33,008,426</u>
-	2,555,487	2,899,537
-	380,161	1,186,676
-	-	1,034,128
-	647,897	3,135,856
<u>-</u>	<u>3,583,545</u>	<u>8,256,197</u>
-	511,538	4,738,334
1,883,583	64,442,860	123,233,392
-	-	51,229,664
-	-	57,042
-	(706,780)	70,533,829
<u>1,883,583</u>	<u>64,247,618</u>	<u>249,792,261</u>
<u>\$ 1,883,583</u>	<u>\$ 74,384,041</u>	<u>\$ 291,056,884</u>



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City of Murrieta

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Fund Balances - Total Governmental Funds		\$ 249,792,261
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of depreciation (excluding those in the internal service fund) have not been included as financial resources in governmental fund activity.		445,927,894
Long-term debt and compensated absences that have not been included in the governmental fund activity (excluding those in the internal service fund):		
Lease Revenue Bonds	(2,620,000)	
Local Agency Revenue Bonds	(69,790,000)	
Premium	(2,678,295)	
Notes, Leases and Subscription Liabilities	(6,881,661)	
Loss on Refunding	348,084	
Compensated Absences	(6,659,513)	(88,281,385)
Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds.		(504,566)
Pension-related debt is not due and payable in current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions 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	37,577,887	
Deferred Inflows of Resources	(3,565,813)	
Pension Liability	(62,692,810)	(28,680,736)
OPEB-related debt is not due and payable in current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions 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	12,155,067	
Deferred Inflows of Resources	(5,883,648)	
Net OPEB Liability	(28,061,581)	(21,790,162)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		5,120,341
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		(2,498,980)
Net Position of Governmental Activities		<u>\$ 559,084,667</u>

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

City of Murrieta

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects
	General	Fire District	Federal Grants	Development Impact
REVENUES				
Taxes	\$ 83,656,940	\$ 15,319,706	\$ -	\$ -
Assessments	-	1,551,897	-	-
Licenses and Permits	3,396,566	1,313	-	-
Intergovernmental	5,241,204	766,909	7,114,681	-
Charges for Services	5,631,508	452,381	-	-
Use of Money and Property	1,318,538	269,128	323,576	1,102,864
Fines and Forfeitures	329,264	251,205	-	-
Developer Participation	-	-	-	12,219,839
Miscellaneous	418,238	57,646	-	-
Total Revenues	<u>99,992,258</u>	<u>18,670,185</u>	<u>7,438,257</u>	<u>13,322,703</u>
EXPENDITURES				
Current:				
General Government	11,886,711	-	3,883,686	-
Public Safety	42,744,400	21,790,922	1,044,744	-
Community Development	7,530,975	-	-	-
Parks and Recreation	890,670	-	14,583	-
Public Works	6,085,862	-	-	352,418
Capital Outlay	3,682,485	-	39,200	539,584
Debt Service:				
Principal Retirement	32,029	-	-	-
Interest and Fiscal Charges	372	-	-	-
Total Expenditures	<u>72,853,504</u>	<u>21,790,922</u>	<u>4,982,213</u>	<u>892,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,138,754</u>	<u>(3,120,737)</u>	<u>2,456,044</u>	<u>12,430,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	8,805	2,863,920	-	28,917
Transfers Out	(5,371,264)	-	(1,500,000)	(34,668)
SBITA Acquisition	110,390	-	-	-
Proceeds from Sale of Capital Assets	21,566	-	-	-
Total Other Financing Sources (Uses)	<u>(5,230,503)</u>	<u>2,863,920</u>	<u>(1,500,000)</u>	<u>(5,751)</u>
NET CHANGE IN FUND BALANCES	21,908,251	(256,817)	956,044	12,424,950
Fund Balances (Deficit), beginning of year, as restated (Note 19)	<u>105,258,930</u>	<u>3,979,162</u>	<u>(1,189,116)</u>	<u>40,579,656</u>
Fund Balances (Deficit), end of year	<u>\$ 127,167,181</u>	<u>\$ 3,722,345</u>	<u>\$ (233,072)</u>	<u>\$ 53,004,606</u>

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

City of Murrieta

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds (Continued)
For the Year Ended June 30, 2023**

<u>Debt Service Fund</u>		
2016A LARB	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,654,456	\$ 101,631,102
3,612,020	12,850,993	18,014,910
-	-	3,397,879
-	9,825,797	22,948,591
-	610,184	6,694,073
46,875	1,517,286	4,578,267
-	20,735	601,204
-	143,420	12,363,259
-	386,110	861,994
<u>3,658,895</u>	<u>28,008,981</u>	<u>171,091,279</u>
-	256,040	16,026,437
-	574,836	66,154,902
-	43,742	7,574,717
-	15,002,048	15,907,301
-	3,298,867	9,737,147
-	5,426,616	9,687,885
2,310,000	3,229,886	5,571,915
1,302,020	1,527,463	2,829,855
<u>3,612,020</u>	<u>29,359,498</u>	<u>133,490,159</u>
<u>46,875</u>	<u>(1,350,517)</u>	<u>37,601,120</u>
-	5,169,541	8,071,183
-	(1,165,251)	(8,071,183)
-	-	110,390
-	-	21,566
<u>-</u>	<u>4,004,290</u>	<u>131,956</u>
46,875	2,653,773	37,733,076
1,836,708	61,593,845	212,059,185
<u>\$ 1,883,583</u>	<u>\$ 64,247,618</u>	<u>\$ 249,792,261</u>

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

City of Murrieta

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		\$ 37,733,076
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlays	\$ 11,164,602	
Depreciation and amortization	<u>(17,264,190)</u>	(6,099,588)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. These amounts are the net effect of these differences in the treatments of long-term debt and related items.		
Principal Payments	5,484,568	
Amortization of Premium	291,655	
Amortization on Loss on Refunding	<u>(31,644)</u>	5,744,579
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		108,801
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(946,602)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(3,063,476)
OPEB obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		527,478
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(1,554,816)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities.		<u>(3,115,290)</u>
Change in Net Position of Governmental Activities		<u>\$ 29,334,162</u>

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

City of Murrieta

**Statement of Fund Net Position – Proprietary Funds
June 30, 2023**

	Internal Service Funds
ASSETS	
Current Assets:	
Cash and Investments	\$ 4,340,838
Accounts Receivable	10,446
Prepaid Costs	903,196
Inventory	16,977
Deposits Held with Others	4,836,312
Total Current Assets	<u>10,107,769</u>
Noncurrent:	
Capital Assets, Net of Accumulated Depreciation	<u>1,518,933</u>
Total Assets	<u>11,626,702</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	159,843
Accrued Liabilities	93,555
Unearned Revenue	15
Compensated Absences	26,632
Claims and Judgments	1,285,286
Note Payable	168,818
Total Current Liabilities	<u>1,734,149</u>
Noncurrent:	
Compensated Absences	106,529
Claims and Judgments	12,021,085
Note Payable	263,919
Total Noncurrent Liabilities	<u>12,391,533</u>
Total Liabilities	<u>14,125,682</u>
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	1,086,196
Restricted for Public, Education, Government	421,778
Unrestricted	(4,006,954)
Total Net Position (Deficit)	<u>\$ (2,498,980)</u>

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

City of Murrieta

**Statement of Revenues, Expenses, and Changes in Fund Net Position –
Proprietary Funds
For the Year Ended June 30, 2023**

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Interdepartmental Charges	\$ 11,760,740
Franchise Taxes	44,679
Miscellaneous	2,191
Total Operating Revenues	<u>11,807,610</u>
OPERATING EXPENSES	
Administration and General	8,008,858
Claims Expense	6,515,003
Depreciation Expense	526,512
Total Operating Expenses	<u>15,050,373</u>
OPERATING INCOME (LOSS)	(3,242,763)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	128,474
Interest Expense	(1,001)
Total Nonoperating Revenues (Expenses)	<u>127,473</u>
CHANGES IN NET POSITION	(3,115,290)
Net Position, beginning of year	<u>616,310</u>
Net Position (Deficit), end of year	<u>\$ (2,498,980)</u>

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

City of Murrieta

**Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2023**

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Interfund Service Provided	\$ 11,810,408
Cash Paid to Suppliers for Goods and Services	(6,450,783)
Cash Paid to Employees for Services	(1,481,385)
Claims Paid	(3,465,691)
Net Cash Provided by Operating Activities	<u>412,549</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on subscription-based liability	(179,364)
Principal payments on note	(39,102)
Interest payments on note	(1,001)
Net Cash Used by Capital and Related Financing Activities	<u>(219,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	128,474
Net Cash Provided by Investing Activities	<u>128,474</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	321,556
Cash and Cash Equivalents, beginning of year	<u>4,019,282</u>
Cash and Cash Equivalents, end of year	<u>\$ 4,340,838</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating (Loss)	\$ (3,242,763)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:	
Depreciation Expense	526,512
(Increase) Decrease in Accounts Receivable	2,798
(Increase) Decrease in Prepaid Costs	77,771
(Increase) Decrease in Inventory	(16,977)
(Increase) Decrease in Deposits Held with Others	(265,333)
Increase (Decrease) in Accounts Payable	(12,524)
Increase (Decrease) in Accrued Liabilities	10,120
Increase (Decrease) in Claims and Judgments	3,314,645
Increase (Decrease) in Compensated Absences	18,300
Total Adjustments	<u>3,655,312</u>
Net Cash Provided by Operating Activities	<u>\$ 412,549</u>

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

City of Murrieta

**Statement of Fiduciary Net Position
June 30, 2023**

	Custodial Fund	Successor Agency Private- Purpose Trust Fund
ASSETS		
Pooled Cash and Investments	\$ 26,778	\$ 4,328,752
Receivables, net:		
Accounts	25,802	-
Taxes	100,597	-
Prepaid Costs	-	409
Restricted Assets:		
Cash and Investments with Fiscal Agents	10,627,198	1,843
Total Assets	<u>10,780,375</u>	<u>4,331,004</u>
LIABILITIES		
Accounts Payable	2,966	38,783
Accrued Liabilities	3,711	36,665
Deposits Payable	12,965	-
Interest Payable	-	484,696
Long-Term Liabilities:		
Due in One Year	-	1,665,000
Due in More than One Year	-	30,681,425
Total Liabilities	<u>19,642</u>	<u>32,906,569</u>
NET POSITION (DEFICIT)		
Restricted for Other Organizations	10,760,733	-
Unrestricted for Successor Agency	-	(28,575,565)
Total Net Position (Deficit)	<u>\$ 10,760,733</u>	<u>\$ (28,575,565)</u>

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

City of Murrieta

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023**

	<u>Custodial Fund</u>	<u>Successor Agency Private- Purpose Trust Fund</u>
ADDITIONS		
Taxes	\$ 2,679,163	\$ 3,064,431
Interest Income	187,226	83,306
Total Additions	<u>2,866,389</u>	<u>3,147,737</u>
DEDUCTIONS		
Administrative Costs	271,032	371,490
Residual Commitments of the Agency	735,183	96,040
Interest on Bonds	892,361	1,120,394
Total Deductions	<u>1,898,576</u>	<u>1,587,924</u>
CHANGES IN NET POSITION	967,813	1,559,813
Net Position (Deficit), beginning of year	<u>9,792,920</u>	<u>(30,135,378)</u>
Net Position (Deficit), end of year	<u>\$ 10,760,733</u>	<u>\$ (28,575,565)</u>

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



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**Notes to the Financial Statements
For the Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Murrieta (the City) is a reporting entity, which consists of the primary government and component units:

- Reporting Entity:
 - Primary Government
 - City of Murrieta
- Component Units:
 - Murrieta Financing Authority
 - Murrieta Fire Protection District
 - Murrieta Community Services District
 - Murrieta Public Library Board
 - Murrieta Housing Authority

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Murrieta (the primary government) and its component units. Component units are entities for which the government is considered to be financially accountable.

The City was incorporated on July 1, 1991, under the laws of the state of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five-member board. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including police, fire, public services, community development, general and administrative, and other services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units. Component units are legally separate entities that meet any one of the following three tests:

1. The City appoints the voting majority of the board of the potential component unit and is able to impose its will on the component unit and/or is in a relationship of financial benefit or burden with the potential component unit.
2. The potential component unit is fiscally dependent upon the City.
3. The financial statements would be misleading if data from the potential component units were not included.

Component units are legally separate entities. However, the City Council serves in separate sessions as the governing body of these related agencies and they are, in substance, part of the City's operations, so data from these units are combined with data of the City. Based on the above criteria, the accompanying financial statements include the financial activities of the entities listed below.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

A) Reporting Entity, (Continued)

Blended Component Units

The Murrieta Financing Authority (the Authority) was formed on March 1, 1993, by a joint powers agreement between the City and the Redevelopment Agency of the City of Murrieta (the Agency). The City appoints the voting majority of the board and the City has operational responsibility for the Authority. It was created for the purpose of assisting in the financing and refinancing of certain redevelopment activities of the Agency and certain public programs and projects of the City and for the purpose of aiding in the financing and refinancing of public capital improvements. The operations of the Authority are reported as a debt service fund.

The Murrieta Fire Protection District (MFPD) was an independent (self-governed) special district formed pursuant to the State of California Health and Safety Code commencing with Section 13800, for the purpose of providing fire protection services. Effective July 1, 1993, the MFPD was reorganized as a subsidiary district of the City of Murrieta. The MFPD continues to operate as a special district under the same Health and Safety Code provisions. As a subsidiary district, the City Council of the City of Murrieta now serves as MFPD's governing Board of Directors and the City has operational responsibility for the District. The operations of the MFPD are reported as a special revenue fund.

On June 25, 1992, the Board of Supervisors of the County of Riverside adopted Resolution No. 50 90 to form the Murrieta Community Services District (MCSD) as a subsidiary of the City of Murrieta and detach the area within the City boundaries from the county service area (CSA143). The formation of MCSD and the detachment from CSA143 were effective on July 1, 1993. As a subsidiary district, the City Council of the City of Murrieta now serves as the District's governing Board of Directors and the City has operational responsibility for the District. The operations of the Community Services District are reported as a special revenue fund.

The Murrieta Public Library's (the Library) board was established on February 17, 1998, by City Ordinance 185. The City provides for the Murrieta public library system and adopted the provisions of an act of the legislature of the state of California entitled "Municipal Libraries" as set forth in Education Code Section 18900 et seq. regarding the regulation and maintenance of a public library system. The City Council of the City of Murrieta now serves as the Library's governing Board of Directors and the City has operational responsibility for the Library. The operations of the Murrieta Public Library are reported as a special revenue fund.

On April 5, 2011, the City established the Murrieta Housing Authority (the Housing Authority). The majority of the Housing Authority's activities began when it became the successor housing entity to the former Murrieta Redevelopment Agency. The City Council of the City of Murrieta serves as the governing Board of Directors and the City has operational responsibility for the Housing Authority. The operations of the Housing Authority are reported as a special revenue fund.

Separate financial statements are not prepared for the component units.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees and charges for support. Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, all interfund services have been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead, as general revenues.

The underlying accounting system of the City is organized and operated on the basis of separate 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the City's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental and proprietary funds in the aggregate for nonmajor funds. Fiduciary fund statements, even though excluded from the government-wide financial statements, include financial information for private-purpose trust funds and custodial funds.

C) Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C) Basis of Accounting and Measurement Focus, (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City's fiduciary fund financial statements report custodial fund and private purpose trust fund. Custodial funds are used to account for situations where the government's role is purely custodial.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C) Basis of Accounting and Measurement Focus, (Continued)

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 general government, except those required to be accounted for in another fund.

The *Fire District Special Revenue Fund* accounts for proceeds of property taxes and other sources that are restricted by law or administrative action to expenditures for the operation of the City’s fire stations.

The *Federal Grants Special Revenue Fund* accounts for revenues and expenditure made under federal grant programs.

The *Development Impact Capital Projects Fund* accounts for developer contributions and other revenue sources that are restricted by law or administrative action to expenditures for development purposes.

The *2016A LARB Debt Service Fund* accounts for the accumulation of resources for, and the payment of principal, interest and related costs on the 2016 Local Agency Refunding Bonds Series A.

The City also reports the following fund types:

Governmental Fund Types

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted to expenditures for special purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major facilities other than those financed by Proprietary, Special Assessment and/or Trust Funds.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs other than those being financed by proprietary funds.

Proprietary Fund Types

Internal Service Funds – These funds account for goods and services provided by one City department to other City departments or agencies. These activities include self-insurance and information technology.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C) Basis of Accounting and Measurement Focus, (Continued)

Fiduciary Fund Types

The *Private-Purpose Trust Fund* is used to account for the balances and transactions of the Successor Agency to the Murrieta Redevelopment Agency (Successor Agency). The Successor Agency private purpose trust fund accounts for the assets and liabilities of the former redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Custodial funds are used to report fiduciary activities that are not required to be reported in private-purpose trust funds. The City uses the custodial fund to account for various assessment districts for which the City acts as an agent for debt service activity.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to funds for services. Operating expenses for the internal service funds include the costs of sales and services, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated in the governmental activities column when presented in the governmentwide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, community development, etc.).

D) Implementation of New Accounting Pronouncements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this Statement, a lessee is required to recognize a SBITA liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures for capital assets and long-term liabilities.

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E) Cash and Investments

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows, cash equivalents represent demand deposits of proprietary funds held in financial institutions or in cash management pools where funds can be added or withdrawn at any time without prior notice or penalty and cash equivalents are highly liquid investments with a maturity of three months or less from the date of purchase.

F) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of the interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 a.m. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

G) Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H) Restricted Assets

Certain proceeds of debt issues, as well as certain resources set-aside for their repayment, are classified as restricted assets in the financial statements because their use is limited by applicable bond covenants.

I) Capital Assets and Right-to-Use Leased Assets

Capital assets, which include property, plant, equipment, right-to-use leased assets and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the Governmental Activities column of the government-wide and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received are recorded at acquisition value as of the date received. Right-to-use lease/subsorption assets, which include equipment and vehicles, follow the same capitalization thresholds as capital assets. Right-to-use lease/subsorption assets are recorded at the amount of the initial measurement of the lease/subsorption liabilities and modified by any lease/subsorption payments made to the lessor at or before the commencement of the lease term.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 to 50 years
Equipment	5 to 20 years
Furniture and fixtures	10 to 20 years
Infrastructure	20 to 50 years

J) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding, net of accumulated amortization. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J) Deferred Outflows/Inflows of Resources, (Continued)

- Deferred outflows related to pensions and other postemployment benefits (OPEB) equal to employer contributions made after the measurement date of the net pension liability and OPEB liability. These amounts will be recognized in the next fiscal year.
- Deferred outflows related to pensions and OPEB for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB through the plans.
- Deferred outflows from OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with OPEB through the plans.
- Deferred outflows related to pensions for the changes in employer’s proportion and differences between the employer’s contributions and the employer’s proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources, which are taxes, interest, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows from lease receivable is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- Deferred inflows related to OPEB for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plans.
- Deferred inflows from pensions and OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions and OPEB through the plans.

Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J) Deferred Outflows/Inflows of Resources, (Continued)

- Deferred inflows related to pensions for the changes in proportion and differences between the employer’s contributions and the employer’s proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions and OPEB resulting from the net differences between projected and actual earnings on plan investments of the pension and OPEB plans’ fiduciary net position. These amounts are amortized over five years.

K) Lease Receivable

The City measures lease receivable at the present value of lease payments expected to be received during the lease term. Interest revenue is recognized ratably over the contract term.

L) Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

M) Compensated Absences

All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Murrieta has six employee bargaining groups, and each group has its own Memorandum of Understanding (MOU). Management is unrepresented and has a compensation plan. All MOUs or plans provide for annual leave (used for both vacation and sick leave) or vacation leave when taken, with a cash-out of unused/accrued leave upon termination.

Maximum accrual limits for each MOU or plan are:

Murrieta General Employees Association (MGEA)	544 Hours
Murrieta Police Officers Association (MPOA)	544 Hours
Murrieta Police Management Association (MPMA)	544 Hours
Murrieta Supervisors Association	594 Hours
Management/Confidential (M/C):	
Confidential	644 Hours
At-will Employees	1,000 Hours

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

M) Compensated Absences, (Continued)

The Murrieta Firefighters Association (MFA) and Murrieta Fire Management Association (MFMA) 24 hour battalion chiefs' vacation leave maximum accruals are limited to the equivalent of two years' accrual (annual accruals vary with longevity of employee). MFMA 40-hour battalion chiefs' maximum annual leave accrual is limited to 644 hours.

Sick leave is payable when an employee is unable to work because of illness. Employees with continuous employment of five years or more may receive a payment of 25% of unused sick leave when they resign or retire at the then rate of compensation. Employees with continuous employment over 10 years may receive a payment of 50% of the unused sick leave when they resign or retire at the then rate of compensation. Police management employees with continuous employment over 15 years may receive a payment of 75% of the unused sick leave when they resign or retire.

The liability for compensated absences will be paid in future years from the Fire, Library, Community Services District, Information Technology, and General Funds.

N) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities and proprietary fund statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

P) Fund Balances

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable Fund Balance – Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

P) Fund Balances (Continued)

Committed Fund Balance – The City Council, as the City’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

Assigned Fund Balance – Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The City’s fund balance policy delegates the authority to assign amounts to be used for specific purposes to the City Manager or designee for the purpose of reporting these amounts in the annual financial statements.

Unassigned Fund Balance – These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

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.

R) Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB plans and additions to/deductions from the OPEB plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the City’s OPEB plans recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

S) Use of Estimates

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

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2023:

	Deficits
Federal Grants Special Revenue Fund	\$ (233,072)
Block Grants Special Revenue Fund	(135,465)
Reimbursement Agreement Special Revenue Fund	(19,450)
TUMF Special Revenue Fund	(381,263)
Other Grants Special Revenue Fund	(170,602)
Risk Management Internal Service Fund	(6,727,904)

These deficits will be eliminated by future revenues or transfers from General Fund.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Expenditures in Excess of Appropriations

The following departments/funds reported expenditures in excess of appropriations at June 30, 2023:

	Final Budget	Actual	Variance with Final Budget
General Fund:			
City Council	\$ 221,048	\$ 223,132	(2,084)
Animal Control	433,830	480,309	(46,479)
Emergency Services	-	25,645	(25,645)
Finance	2,622,370	2,697,161	(74,791)
Police Communications	4,292,290	4,639,831	(347,541)
Fire Operations	2,655,621	2,901,253	(245,632)
Engineering	3,503,899	3,604,617	(100,718)
Maintenance	952,332	1,099,592	(147,260)
Federal Grants			
Public Safety	-	14,583	(14,583)
Capital Outlay	-	39,200	(39,200)
State Gas Tax			
Capital Outlay	118,153	634,094	(515,941)
Measure A			
Capital Outlay	110,798	877,315	(766,517)
AQMD			
Public Works	250	257	(7)
Capital Outlay	-	65,989	(65,989)
Seized Assets Forfeitures			
Debt Service - Principal	11,174	157,883	(146,709)
Murrieta Public Library			
Parks and Recreation	2,823,799	2,829,028	(5,229)
Community Service District			
Capital Outlay	40,000	45,958	(5,958)
RMRA			
Public Works	-	42,956	(42,956)
Capital Outlay	6,097	2,835,028	(2,828,931)
Other Grants			
General Government	700	191,835	(191,135)
Capital Outlay	355,960	415,292	(59,332)
Community Facilities District			
Capital Outlay	-	10,548	(10,548)
South West Road and Bridge			
Public Works	60	94	(34)
City Wide DS			
General Government	-	6	(6)
Debt Service - Principal	928,196	997,003	(68,807)

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

3) CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the accompanying financial statements:

Statement of Net Position	
Cash and Investments	\$ 246,420,669
Restricted:	
Cash and Investments with Fiscal Agent	5,712,423
Statement of Net Position Fiduciary Funds	
Cash and Investments	4,355,530
Restricted:	
Cash and Investments with Fiscal Agent	10,629,041
Total	<u>\$ 267,117,663</u>

Cash and investments as of June 30, 2023, consisted of the following:

Cash on hand	\$ 7,800
Deposits with Financial Institutions	(724,086)
Investments	<u>267,833,949</u>
Total	<u>\$ 267,117,663</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

3) CASH AND INVESTMENTS, (Continued)

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
United States Treasury Obligations	5 Years	None	None
United States Government Sponsored			
Agency Securities	5 Years	30%	20%
Mortgage-Backed Securities	5 Years	20%	5%
Repurchase Agreements	1 Year	20%	None
Commercial Paper	270 Days	25%	5%
Banker's Acceptances	180 Days	30%	5%
Medium Term Notes	5 Years	30%	5%
Supranational	5 Years	30%	10%
State of California Local Agency			
Investment Fund (LAIF)	None	None	None
California Local Agency Bonds	5 Years	30%	5%
Money Market Funds	5 Years	20%	10%
Mutual Funds	5 Years	20%	10%
Negotiable Certificates of Deposits	5 Years	30%	5%
Federally Insured Time Deposits			
(Non-Negotiable Certificates of Deposits)	5 Years	20%	None
Collateralized Non- Negotiable			
Certificates of Deposits	5 Years	20%	None
Certificate of Deposit Placement			
Service (CDARS)	5 Years	30%	None
Collateralized Bank Deposits	5 Years	None	None

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2023, the City had the following investments and original maturities:

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

3) CASH AND INVESTMENTS, (Continued)

	Remaining Investment Maturities				
	6 Months or Less	6 Months to 1 Year	1 to 3 Years	3 to 5 Years	Total
U.S. Treasury Securities	\$ 1,954,532	\$ 7,855,199	\$ 35,230,798	\$ 5,271,456	\$ 50,311,985
Federal Agency Securities	12,735,285	3,911,334	10,770,815	2,291,199	29,708,633
Money Market Mutual Fund	107,312,023	-	-	-	107,312,023
LAIF	26,010,356	-	-	-	26,010,356
Commercial Paper	7,286	-	6,423,049	409,943	6,840,278
Medium-Term Notes	3,120,329	8,823,140	15,268,584	2,185,286	29,397,339
Supranational	735,121	-	1,493,308	-	2,228,429
Cash with Fiscal Agent:					
Money Market Mutual Fund	16,024,906	-	-	-	16,024,906
Total	\$ 167,899,838	\$ 20,589,673	\$ 69,186,554	\$ 10,157,884	\$ 267,833,949

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standard & Poor's, as of fiscal year end for each investment type.

	Total	Minimum Legal Rating	Ratings as of Fiscal Year End			
			AAA	AA+	Other	Exempt/ Not Related
U.S. Treasury Securities	\$ 50,311,985	N/A	\$ -	\$ 50,311,985	\$ -	\$ -
Federal Agency Securities	29,708,633	N/A	1,178,988	22,852,026	-	5,677,619
Money Market Mutual Fund	107,312,023	AAA	105,321,635	-	1,925,211	65,177
LAIF	26,010,356	N/A	-	-	-	26,010,356
Medium-Term Notes	6,840,278	A	4,653,077	-	-	2,187,201
Commercial paper	29,397,339	A	1,822,024	1,696,187	25,879,128	-
Supranational	2,228,429	AA	2,228,429	-	-	-
Cash with Fiscal Agent:						
Money Market Mutual Funds	16,024,906	AAA	16,024,906	-	-	-
Total	\$ 267,833,949		\$ 131,229,059	\$ 74,860,198	\$ 27,804,339	\$ 33,940,353

The actual ratings for the "Other" category above are as follows:

	A	A+	A-	AA-	AA	Total
Medium-Term Notes	\$ 11,005,866	\$ 6,365,799	\$ 3,557,569	\$ 3,756,441	\$ 1,193,453	\$ 25,879,128
	AA	A	BBB	Below B	Total	
Money Market Mutual Fund	\$ 272,407	\$ 774,369	\$ 841,706	\$ 36,729	\$ 1,925,211	

The City's investment policy imposes restrictions on percentages that the City can invest in certain types of investments and with any one issuer for certain types of investments. GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2023, the City's did not have investments in any one issuer that exceed 5% of its total investments.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

3) CASH AND INVESTMENTS, (Continued)

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The California Government Code requires California banks and savings and loan associations to secure the City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the state of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an Agent of Depository.

These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

Investments 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.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

3) CASH AND INVESTMENTS, (Continued)

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
U.S. Treasury Securities	\$ -	\$ 50,311,985	\$ -	\$ 50,311,985
Federal Agency Securities	-	29,708,633	-	29,708,633
Medium-Term Notes	-	6,840,278	-	6,840,278
Commercial Paper	-	29,397,339	-	29,397,339
Supranational	-	2,228,429	-	2,228,429
Total Leveled Investments	\$ -	\$ 118,486,664	\$ -	118,486,664
LAIF*				26,010,356
Money Market Mutual Funds*				123,336,929
Total Investment Portfolio				\$ 267,833,949

*Not subject to fair value measurements.

4) LOANS RECEIVABLE

In October 2020, the City sold property that resulted in a note receivable of \$4,500,000 due to the City. \$2,400,000 of the note is payable in monthly interest and principal payment of \$17,957 and bears interest at 4.25% per annum. Each monthly payment is due on the first day of each calendar month. The remaining \$2,100,000 of the note is paid by sales tax generated by and directly attributable to business owned or operated by the borrower, or owned or operated by an affiliate of the borrower, which are located on the property. The balance of this note as of June 30, 2023, is \$3,548,760.

In February 2004, the former Murrieta Redevelopment Agency (Agency) entered into a Participation Agreement with a California limited partnership for the development, construction and operation of a 64-unit apartment complex of which units shall be available to qualified low and moderate income tenants. Under the terms of the agreement, the Agency loaned \$610,046 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and bears interest at a rate of one percent (3%).

The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Housing Authority assumed responsibility of the Agency notes receivable. The balance of the loan outstanding at June 30, 2023 was \$534,674. Payments on the note are based on a percentage of residual receipts as defined in the agreement. Any unpaid balance is due and payable at the maturity date.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

4) LOANS RECEIVABLE (Continued)

In April 2010, the former Murrieta Redevelopment Agency (Agency) entered into a Disposition and Development Agreement (DDA) with a developer for the development, construction and operation of 40 units which shall be rented exclusively to extremely low income, very low income and low income households. As part of the DDA, the Developer promised to pay the Agency \$2,222,222 and is evidenced by a nonrecourse residual receipts promissory note. The loan is for a term of not more than fifty-five years and bears interest at a rate of one percent (3%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Housing Authority assumed responsibility of the Agency notes receivable. The principal balance of the loan outstanding at June 30, 2023 was \$2,222,222. Payments on the loan are based on a percentage of the Partnership's surplus cash as defined in the agreement. Any unpaid balance is due and payable at the maturity date.

In June of 2023, the Murrieta Housing Authority finalized an agreement with National Community Renaissance of California (National CORE) to a loan using ARPA funds of \$1,500,000 and a Housing Authority Loan for \$6,142,807. These loans provide financing for the construction of affordable housing on the property known as 24960 Adams Avenue in the City of Murrieta. Both loans are for a term of not more than sixty-five years and bears interest at a rate of one percent (3%). The Housing Authority Note is secured by the Housing Successor Deed of Trust. As of June 1, 2023, only \$6,142,807 was loaned to National CORE, the ARPA Loan will be executed when National CORE enters Phase Two of the Project. Payments on the loan are based on a percentage of the Partnership's surplus cash as defined in the agreement under the Housing Successor's Share of Residual Receipts. Any unpaid balance is due and payable at the maturity date. All payments applied to this Note will be applied first to penalties and late fees, then to interest, then to reduce the principal amount owed. As of June 30, 2023, the principal balance of the loan outstanding is \$6,142,807.

Housing loans receivable of \$54,214 in the Housing Authority Special Revenue Fund consist of various low-interest home loans made to low-income families.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

5) LEASE RECEIVABLE

The City, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2055 and provide various renewal options. During the year ended June 30, 2023, the City recognized \$118,311 and \$77,703 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 125,413	\$ 75,595	\$ 201,008
2025	132,141	73,334	205,475
2026	117,598	70,985	188,583
2027	101,468	68,740	170,208
2028	109,227	66,427	175,654
2029 - 2033	673,523	290,913	964,436
2034 - 2038	706,526	210,035	916,561
2039 - 2043	602,733	129,265	731,998
2044 - 2048	264,519	78,010	342,529
2049 - 2053	338,919	39,261	378,180
2054 - 2055	124,862	2,717	127,579
Totals	<u>\$ 3,296,929</u>	<u>\$ 1,105,282</u>	<u>\$ 4,402,211</u>

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City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities					
Capital Assets, not being- depreciated:					
Land	\$ 178,561,254	\$ -	\$ -	\$ -	\$ 178,561,254
Construction in progress	8,311,886	9,296,596	-	(6,771,142)	10,837,340
Total capital assets, not being depreciated	186,873,140	9,296,596	-	(6,771,142)	189,398,594
Capital assets being depreciated:					
Buildings and improvements	58,416,137	-	-	558,254	58,974,391
Improvements to land	3,328,592	-	-	-	3,328,592
Parkland improvements	36,525,113	50,605	-	497,307	37,073,025
Equipment	37,212,499	1,285,002	(515,134)	1,880,720	39,863,087
Infrastructure	403,356,837	-	-	3,834,861	407,191,698
Right-to-use leases	1,662,705	493,409	-	-	2,156,114
Right-to-use subscriptions	-	683,956	-	-	683,956
Total capital assets being depreciated	540,501,883	2,512,972	(515,134)	6,771,142	549,270,863
Less: accumulated depreciation:					
Buildings and improvements	26,097,765	1,465,157	-	-	27,562,922
Improvements to land	1,489,137	116,748	-	-	1,605,885
Parkland improvements	18,221,998	2,209,667	-	-	20,431,665
Equipment	23,020,102	2,620,311	(399,679)	-	25,240,734
Infrastructure	204,763,266	10,776,664	-	-	215,539,930
Less: accumulated amortization:					
Right-to-use leases	239,339	384,114	-	-	623,453
Right-to-use subscriptions	-	218,041	-	-	218,041
Total accumulated depreciation and amortization	273,831,607	17,790,702	(399,679)	-	291,222,630
Total capital assets being depreciated, net	266,670,276	(15,277,730)	(115,455)	6,771,142	258,048,233
Government activities capital assets, net	\$ 453,543,416	\$ (5,981,134)	\$ (115,455)	\$ -	\$ 447,446,827

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 851,672
Public Safety	2,530,947
Community Development	54,949
Parks and Recreation	2,674,870
Public Works	11,151,752
Internal Service Fund	526,512
Total Depreciation and Amortization Expense	<u>\$ 17,790,702</u>

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

7) LONG-TERM LIABILITIES

The following is a schedule of changes in long-term liabilities of the City for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Other Debt:					
Lease Revenue Refunding					
Bonds, Series 2020A	\$ 3,215,000	\$ -	\$ (595,000)	\$ 2,620,000	\$ 615,000
Premium	357,388	-	(73,942)	283,446	-
Local Agency Revenue					
Bonds, Series 2016B	6,890,000	-	(420,000)	6,470,000	430,000
Local Agency Revenue					
Bonds, Series 2022	29,075,000	-	(1,655,000)	27,420,000	2,190,000
Premium	2,612,562	-	(217,713)	2,394,849	-
Private Placement:					
Local Agency Revenue					
Bonds, Series 2016A	38,210,000	-	(2,310,000)	35,900,000	2,390,000
Direct Borrowings					
Note payable	6,032,183	-	(638,594)	5,393,589	657,450
Lease Liability	1,354,046	493,409	(355,152)	1,492,303	395,909
Subscription Liability	-	639,900	(211,394)	428,506	199,842
Other Long-Term Liabilities:					
Claims and Judgments	9,991,726	3,372,569	(57,924)	13,306,371	2,150,111
Compensated Absences	5,949,464	843,210	-	6,792,674	1,285,286
Total Long-Term Debt	\$ 103,687,369	\$ 5,349,088	\$ (6,534,719)	\$ 102,501,738	\$ 10,313,598

Lease Revenue Bonds, Series 2020

On February 27, 2020, the Murrieta Financing Authority issued \$3,790,000 of Lease Refunding Bonds, Series 2020A to advance refund the 2007 Certificates of Participation. The bonds consist serial bonds with annual maturity dates from May 1, 2022 through May 1, 2027, with interest rates ranging from .89% to 1.100%. Interest is payable semiannually beginning May 1, 2020. The Bonds have no reserve requirement. The balance outstanding on the Bonds at June 30, 2023 was \$2,620,000.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 615,000	\$ 104,800	\$ 719,800
2025	640,000	80,200	720,200
2026	670,000	54,600	724,600
2027	695,000	27,800	722,800
Totals	\$ 2,620,000	\$ 267,400	\$ 2,887,400

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

2016 Local Agency Refunding Bonds Series B

On June 2, 2016, the Murrieta Financing Authority issued \$8,850,000 Local Agency Refunding Bonds 2016 Series B (the “2016B Bonds”). The 2016B Bonds were issued to (i) acquire \$3,195,000 City of Murrieta Community Facilities District No. 2004-1 (“CFD 2004-1”) 2016 Special Tax Refunding Bonds; \$1,810,000 Community Facilities District 2004-2 (“CFD 2004-2”) 2016 Special Tax Refunding Bonds; and \$3,845,000 Community Facilities District 2004-3 (“CFD 2004-3”) 2016 Special Tax Refunding Bonds, – (collectively, the “Local Obligations” or the “Districts”), (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company guaranteeing the scheduled payment of principal and interest on the Bonds maturing on and between September 1, 2028 and September 1, 2035, inclusive, and (iii) to purchase a debt service reserve insurance policy relating to the Bonds.

The 2016B Bonds are special obligations of the Authority secured and payable solely from pledged Special Tax Revenues derived by Special Taxes (“Special Taxes”) collected by the Districts from real property within their boundaries and other amounts held under the Fiscal Agent Agreement. The 2016B Bonds are not a debt or liability of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

Principal ranges from \$345,000 to \$595,000 maturing annually through September 1, 2035. The bonds bear interest at rates ranging from 2.0% to 5.0%, due semiannually on March 1 and September 1.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 430,000	\$ 200,087	\$ 630,087
2025	435,000	191,438	626,438
2026	445,000	182,637	627,637
2027	455,000	166,813	621,813
2028	475,000	143,562	618,562
2029 - 2033	2,655,000	481,819	3,136,819
2034 - 2036	1,575,000	64,875	1,639,875
Totals	\$ 6,470,000	\$ 1,431,231	\$ 7,901,231

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

2022 Local Agency Refunding Bonds

On May 12, 2022, the Murrieta Financing Authority issued \$29,075,000 Local Agency Refunding Bonds 2022 (the “2022 Bonds”). The 2022 Bonds were issued to (i) acquire \$6,710,000 City of Murrieta Community Facilities District No. 2000-1 (“CFD 2000-1”) 2022 Special Tax Refunding Bonds; \$4,180,000 Community Facilities District 2001-1 Area A (“CFD 2001-1 A”) 2022 Special Tax Refunding Bonds; \$3,170,000 Community Facilities District 2001-1 Area B (“CFD 2001-1 B”) 2022 Special Tax Refunding Bonds, \$11,945,000 Community Facilities District No. 2003-1 (“CFD 2003-1”) 2022 Special Tax Refunding Bonds and \$3,070,000 Community Facilities District No. 2003-2 (“CFD 2003-2”) 2022 Special Tax Refunding Bonds – (collectively, the “Local Obligations” or the “Districts”), (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company guaranteeing the scheduled payment of principal and interest on the Bonds when due, (iii) to purchase a debt service reserve insurance policy relating to the Bonds to satisfy 50% of the reserve requirement, and (iv) to fund a cash deposit to the reserve fund for the remaining 50% of the reserve requirement. The Local Obligations, together with certain available funds on hand, were issued to refund 2012 Local Agency Bonds.

The 2022 Bonds are special obligations of the Authority secured and payable solely from pledged Special Tax Revenues derived by Special Taxes (“Special Taxes”) collected by the Districts from real property within their boundaries and other amounts held under the Fiscal Agent Agreement. The 2022 Bonds are not a debt or liability of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

Principal ranges from \$1,395,000 to \$3,065,000 maturing annually through September 1, 2034. The bonds bear interest at rates ranging from 4.0% to 5.0%, due semiannually on March 1 and September 1.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,190,000	\$ 1,305,300	\$ 3,495,300
2025	2,290,000	1,204,250	3,494,250
2026	2,405,000	1,086,875	3,491,875
2027	2,520,000	963,750	3,483,750
2028	2,645,000	834,625	3,479,625
2029 - 2033	12,390,000	2,122,750	14,512,750
2034 - 2035	2,980,000	150,750	3,130,750
Totals	\$ 27,420,000	\$ 7,668,300	\$ 35,088,300

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

2016 Local Agency Refunding Bonds Series A

On January 20, 2016, the Murrieta Financing Authority issued \$49,790,000 Local Agency Refunding Bonds 2016 Series A (the “2016A Bonds”). The 2016A Bonds were issued to (i) acquire \$20,100,000 City of Murrieta Community Facilities District No. 2000-2 Area A (“CFD 2000-2 A”) 2016 Special Tax Refunding Bonds; \$9,195,000 Community Facilities District 2000-2 Area B (“CFD 2000-2 B”) 2016 Special Tax Refunding Bonds, \$14,865,000 Community Facilities District 2003-3 (“CFD 2003-3”) 2016 Special Tax Refunding Bonds, \$1,980,000 Community Facilities District No. 2003-4 (“CFD 2003-4”) 2016 Special Tax Refunding Bonds, and \$3,650,000 Community Facilities District No. 2005-1 (“CFD 2005-1”) 2016 Special Tax Refunding Bonds – (collectively, the “Local Obligations” or the “Districts”), and (ii) to fund a cash deposit to the reserve fund for the reserve requirement. The 2016A Bonds were issued by a private sale through a placement agent.

The 2016A Bonds are special obligations of the Authority secured and payable solely from pledged Special Tax Revenues derived by Special Taxes (“Special Taxes”) collected by the Districts from real property within their boundaries and other amounts held under the Fiscal Agent Agreement. The 2016A Bonds are not a debt or liability of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

Principal ranges from \$1,065,000 to \$3,470,000 maturing annually through September 1, 2035. The bonds bear interest at rates ranging from 3.030% to 3.680%, due semiannually on March 1 and September 1.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,390,000	\$ 1,225,258	\$ 3,615,258
2025	2,465,000	1,145,887	3,610,887
2026	2,555,000	1,064,488	3,619,488
2027	2,630,000	981,174	3,611,174
2028	2,710,000	895,430	3,605,430
2029 - 2033	15,045,000	2,915,388	17,960,388
2034 - 2036	8,105,000	371,404	8,476,404
Totals	\$ 35,900,000	\$ 8,599,029	\$ 44,499,029

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

Notes Payable

On May 16, 2017, the City entered into purchase agreement to purchase CAD software. The agreement is payable in annual principal and interest payments of 208,663 through January 2024. The agreement bears an annual rate of 2.79%. The balance outstanding on the note payable at June 30, 2023, was \$202,998. The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 202,998	\$ 5,664	\$ 208,662
Totals	\$ 202,998	\$ 5,664	\$ 208,662

On December 19, 2017, the City entered into a purchase and sale agreement with Southern California Edison to acquire an estimated 6,424 streetlight poles (property) to allow for conversion of the current high-pressure sodium fixtures to energy efficient light-emitting diodes. On April 10, 2018, the City entered into a finance agreement with Banc of America Leasing and Capital LLC to finance the cost of acquiring the streetlight poles. On October 6, 2020, the City entered into a refinancing agreement with Banc of America to take advantage of lower interest rates. Payments are to be paid by the City on each June 1 and December 1 consist of principal and interest at a rate of 3.25% per annum. The balance outstanding on the lease payable at June 30, 2023, was \$5,108,000. The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 415,000	\$ 162,646	\$ 577,646
2025	429,000	149,045	578,045
2026	443,000	134,989	577,989
2027	458,000	120,461	578,461
2028	473,000	105,437	578,437
2029 - 2033	2,606,000	284,523	2,890,523
2034	284,000	4,615	288,615
Totals	\$ 5,108,000	\$ 961,716	\$ 6,069,716

On May 21, 2020, the City entered into purchase agreement to purchase copiers. The agreement is payable in annual principal and interest payments of 40,029 through 2026. The agreement bears an annual rate of .8927%. The balance outstanding on the note payable at June 30, 2023, was \$82,591. The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

Notes Payable (Continued)

Year Ending June 30,	Principal	Interest	Total
2024	\$ 39,452	\$ 576	\$ 40,028
2025	39,806	223	40,029
2026	3,333	3	3,336
Totals	\$ 82,591	\$ 802	\$ 83,393

Lease Liability

The City leases office equipment and vehicles for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2031 and provide for renewal options up to one year. Underlying right-to-use leases and related amortization can be found in Note 6.

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 395,909	\$ 53,933	\$ 449,842
2025	320,025	35,914	355,939
2026	221,311	23,420	244,731
2027	190,543	13,843	204,386
2028	120,107	6,213	126,320
2029 - 2031	244,408	7,894	252,302
Totals	\$ 1,492,303	\$ 141,217	\$ 1,633,520

Subscription Liability

The City leases various subscription-based software, for various terms under long-term, noncancelable subscription agreements. The subscriptions expire at various dates through 2027. Total future minimum lease payments under the agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 199,842	\$ 9,645	\$ 209,487
2025	213,797	5,153	218,950
2026	7,234	352	7,586
2027	7,633	181	7,814
Totals	\$ 428,506	\$ 15,331	\$ 443,837

Long-term liabilities are generally liquidated by the General Fund.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

Fiduciary Fund

As of June 30, 2023, long-term debt is reported in a private-purpose trust fund due to the dissolution of redevelopment agencies by the state of California.

The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Other Debt:						
2017 Series A	\$ 11,640,000	\$ -	\$ (740,000)	\$ 10,900,000	\$ 765,000	\$ 10,135,000
Premium	1,003,534	-	(76,218)	927,316	-	927,316
2017 Series B	21,705,000	-	(885,000)	20,820,000	900,000	19,920,000
Discount	(322,131)	-	21,240	(300,891)	-	(300,891)
Total	\$ 34,026,403	\$ -	\$ (1,679,978)	\$ 32,346,425	\$ 1,665,000	\$ 30,681,425

On October 16, 2017, the Successor Agency to the Murrieta Redevelopment Agency issued \$14,480,000 Tax Allocation Refunding Bonds, Series 2017 A. The Bonds were issued (i) to currently refund the outstanding principal balances of the Murrieta Redevelopment Project Tax Allocation Bonds of 2002 and Murrieta Redevelopment Project Tax Allocation Bonds of 2005, (ii) to purchase a municipal bond insurance policy and (iii) to pay certain issuance costs. The Bonds bear interest at rates varying from 2% to 5%. Interest on the bonds is payable semiannually each February 1 and August 1 beginning February 1, 2018. The Bonds are due in annual installments from \$545,000 to \$1,105,000 through August 2035.

The Successor Agency to the Murrieta Redevelopment Agency is required by the 2017 A Tax Allocation Parity Bonds to maintain reserve funds of the lesser of (1) 125% average annual debt service, (2) maximum annual debt service, and (3) 10% original proceeds. As of the fiscal year ended June 30, 2023, this reserve requirement was met.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 765,000	\$ 416,131	\$ 1,181,131
2025	785,000	392,881	1,177,881
2026	815,000	360,731	1,175,731
2027	855,000	318,981	1,173,981
2028	895,000	275,231	1,170,231
2029 - 2033	5,100,000	749,646	5,849,646
2034 - 2036	1,685,000	79,739	1,764,739
Totals	\$ 10,900,000	\$ 2,593,340	\$ 13,493,340

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES, (Continued)

On October 16, 2017, the Successor Agency to the Murrieta Redevelopment Agency issued \$25,230,000 Tax Allocation Refunding Bonds, Series 2017 B. The Bonds were issued (i) to currently refund the outstanding principal balance of the Murrieta Redevelopment Project Tax Allocation Bonds of, (ii) to purchase a municipal bond insurance policy and (iii) to pay certain issuance costs. The bonds consist of \$9,175,000 serial bonds with annual maturity dates from August 1, 2018 through August 1, 2027, with interest rates ranging from 1.60% to 3.25%, term bonds of \$5,165,000 with an interest rate of 3.625% and annual maturity dates from August 1, 2028 through August 1, 2032 and term bonds of \$5,615,000 with an interest rate of 3.75% and term bonds of \$10,440,000 with annual maturity dates from August 1, 2033 through August 1, 2037. Interest is payable semiannually beginning February 1, 2018.

The Successor Agency to the Murrieta Redevelopment Agency is required by the 2017 B Tax Allocation Parity Bonds to maintain reserve funds of the lesser of (1) 125% average annual debt service, (2) maximum annual debt service, and (3) 10% original proceeds. As of the fiscal year ended June 30, 2023, this reserve requirement was met.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 900,000	\$ 723,662	\$ 1,623,662
2025	930,000	699,625	1,629,625
2026	950,000	672,588	1,622,588
2027	975,000	643,103	1,618,103
2028	1,010,000	611,457	1,621,457
2029 - 2033	5,615,000	2,481,039	8,096,039
2034 - 2038	10,440,000	1,061,438	11,501,438
Totals	<u>\$ 20,820,000</u>	<u>\$ 6,892,912</u>	<u>\$ 27,712,912</u>

8) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The following represents the composition of interfund balances as of June 30, 2023:

Due To	Due From	Amount
General Fund	Federal Grants Special Revenue Fund	\$ 818,844
	Nonmajor Governmental Funds	902,800
Total		<u>\$ 1,721,644</u>

These were the result of temporary deficit cash balances. The deficits are expected to be repaid when receivables are collected in the following fiscal year.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

8) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, (Continued)

Advances To/From Other Funds

The General Fund has advanced \$245,000 to the Development Impact Fees Capital Projects Fund for construction of City facilities. The advance is expected to be repaid from future development fees collected over several years.

Interfund Transfers

Transfers In	Transfers Out				Total
	General Fund	Federal Grants	Development Impact	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 8,805	\$ 8,805
Fire District	2,863,920	-	-	-	2,863,920
Development Impact	28,917	-	-	-	28,917
Nonmajor Governmental Funds	2,478,427	1,500,000	34,668	1,156,446	5,169,541
Total	<u>\$ 5,371,264</u>	<u>\$ 1,500,000</u>	<u>\$ 34,668</u>	<u>\$ 1,165,251</u>	<u>\$ 8,071,183</u>

During the year, interfund transfers were made for purposes of financing administrative costs, capital improvements and repayment of debt. Specifically, the following transfers were made:

Non-Major Governmental Funds -Other Grants Fund transferred \$8,805 to the General Fund as reimbursement for grant-eligible expenses.

The General Fund transferred \$2,863,920 to the Fire District to augment the Fire District Fund budget to support the district's programs and services.

The General Fund transferred \$28,917 to the Development Impact Fee Fund to support ongoing capital projects.

The General Fund transferred \$1,696,112 to the Nonmajor Governmental Funds - Community Services District to offset programs and services provided by the CSD.

The General Fund transferred \$61,541 to augment the Library District fund to support the district's programs and services provided by the Library District.

The General Fund transferred \$185,113 to the Non-Governmental Funds -CSD Zones and Lighting and Landscape Districts (LLD), to support the operations and maintenance of the LLDs.

The General Fund was transferred to the Non-Major Governmental Fund – Seized Assets Department of Justice, \$83,696 for a prior-year reimbursement of capital lease payment.

The General Fund transferred \$151,965 to the Nonmajor Governmental Funds – Citywide Debt Service Fund for debt service and \$300,000 to the Nonmajor Governmental Funds – NPDES Special Revenue Fund to control pollutant discharges into surface waters.

The Federal American Rescue Plan Act (ARPA) Grant Funds transferred to the Housing Authority Fund \$1,500,000 to fulfill a loan agreement associated with the construction of an affordable housing development.

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

8) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, (Continued)

The Development Impact Fee Fund transferred \$34,668 to Non-Major Governmental Funds to support ongoing capital projects.

Nonmajor Governmental Funds – Community Services District and Measure A Special Revenue Fund transferred \$425,846 and \$730,600 for debt service purposes, respectively.

9) FUND BALANCE

Details of the City’s governmental fund balances at June 30, 2023, are presented below:

	General Fund	Fire District	Federal Grants	Development Impact	2016A LARB	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Costs and Other Assets	\$ 372,004	\$ 40,192	\$ -	\$ -	\$ -	\$ 11,538	\$ 423,734
Inventories	15,842	4,998	-	-	-	-	20,840
Long-Term Advances and Loans	3,793,760	-	-	-	-	-	3,793,760
Endowments	-	-	-	-	-	500,000	500,000
Restricted:							
Infrastructure Development	-	-	-	-	-	1,888,543	1,888,543
Fire Protection	-	3,677,155	-	-	-	-	3,677,155
Public Safety	-	-	-	-	-	1,143,474	1,143,474
Public Library Services	-	-	-	-	-	1,383,873	1,383,873
Regional Transportation Improvement Projects	-	-	-	53,004,606	-	2,086,241	55,090,847
Housing	-	-	-	-	-	15,215,051	15,215,051
Street Maintenance	73,267	-	-	-	-	26,571,944	26,645,211
Area Drainage	-	-	-	-	-	5,847,155	5,847,155
Air Pollution Reduction Measures	-	-	-	-	-	791,926	791,926
Storm Drain Pollution Reduction Measures	-	-	-	-	-	997,318	997,318
Community Service Programs	-	-	-	-	-	6,657,420	6,657,420
Historic Preservation	-	-	-	-	-	9,730	9,730
Debt Service	151,921	-	-	-	1,883,583	1,850,185	3,885,689
Committed to:							
Public Safety	178,819	-	-	-	-	-	178,819
Capital Improvement Projects	9,969,848	-	-	-	-	-	9,969,848
Continuing Appropriations	2,934,188	-	-	-	-	-	2,934,188
Land Acquisitions	1,766,247	-	-	-	-	-	1,766,247
Economic Contingency Reserve	7,054,727	-	-	-	-	-	7,054,727
Operating Reserve	22,475,633	-	-	-	-	-	22,475,633
Fire Fleet Replacement Reserve	2,415,443	-	-	-	-	-	2,415,443
Fleet Replacement Reserve	2,168,909	-	-	-	-	-	2,168,909
Facility Repairs Reserve	1,100,000	-	-	-	-	-	1,100,000
CSD Facility Repair Reserve	1,105,850	-	-	-	-	-	1,105,850
Fire Facility Repair Reserve	35,000	-	-	-	-	-	35,000
Continuing Operations	25,000	-	-	-	-	-	25,000
Assigned:							
General Plan	21,181	-	-	-	-	-	21,181
Repairs and Equipment	22,920	-	-	-	-	-	22,920
Dare Program	4,560	-	-	-	-	-	4,560
Produce for People	8,381	-	-	-	-	-	8,381
Unassigned	71,473,681	-	(233,072)	-	-	(706,780)	70,533,829
Total Fund Balance (Deficit)	\$ 127,167,181	\$ 3,722,345	\$ (233,072)	\$ 53,004,606	\$ 1,883,583	\$ 64,247,618	\$ 249,792,261

The unassigned category above encompasses fund designations that do not satisfy the criteria of the other categories presented. Included in Committed fund balance of the General Fund are continuing appropriations of \$2,934,188. The continuing appropriations represent open contract amounts and their related appropriation at year-end that are expected to be honored upon performance by the vendors in the following fiscal year.

10) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES

The City is exposed to various risks of losses, including tort claims; theft of, damage to, and destruction of property; cyber-crimes; employment practices claims; professional errors and omissions; and natural disasters. The City currently reports all of its risk management activities in its Risk Management Internal Service Fund. The City participates in a risk retention pool and jointly funds coverage programs with other public agencies. The City's self-insured retention varies by program.

The General Liability program provides a coverage limit of \$50 million with a \$125,000 self-insured retention. The Liability Program provides defense and indemnity coverage against claims and suits arising from covered occurrences, including auto liability, bodily injury, property damage, personal injury, and public officials' errors and omissions.

The Workers' Compensation program provides a coverage limit of \$5 million with a \$250,000 self-insured retention. The Workers' Compensation program provides statutory benefits for employee injuries arising out of and in the course of employment and \$5,000,000 in employers' liability coverage.

The all-risk Property program provides group-purchased commercial insurance coverage on a replacement cost basis. The program provides a coverage limit of \$100 million with a \$100,000 pool deductible (inclusive of a \$10,000 City deductible). The auto physical damage program provides coverage to City-owned vehicles. Coverage is available on a replacement cost basis.

The Auto Physical Damage program provides group-purchased commercial insurance for physical damage to vehicles. The program provides a coverage limit of \$10 million with a \$25,000 pool deductible (inclusive of \$5,000 City deductible).

The Employment Practices Liability (EPL) program provides a coverage limit of \$50 million with a \$100,000 self-insured retention. The EPL program provides coverage for employment-related lawsuits, such as wrongful termination and discrimination.

The Cyber Liability program provides a coverage limit of \$12 million with a \$5,000 self-insured retention. Cyber liability provides coverage for information security and privacy liability, privacy notification costs, regulatory defense & penalties, website media content liability, cyber extortion, first-party data protection & business interruption losses.

The Crime program provides a coverage limit of \$1 million with a \$2,500 City deductible. The Crime program provides coverage for public employee dishonesty, forgery or alteration, and computer fraud coverage. The Deadly Weapon Response program provides coverage for third-party injuries while on City property, including defense costs when a weapon has been used or brandished. The program also covers crisis management services and first-party property damage, including business interruption.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

10) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES, (Continued)

Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). At June 30, 2023, the amount of these liabilities was \$13,306,371. The amount represents an estimate of \$8,718,484 for June 30, 2022, and \$4,587,887 of IBNR. This liability is the City’s best estimate based on available information.

The following represents the changes in claims liabilities:

Year	Beginning of Year	Changes in Estimates	Claim Payments	End of Year
2023	\$ 9,991,726	\$ 3,372,569	\$ 57,924	\$ 13,306,371
2022	8,740,016	3,092,680	1,840,970	9,991,726

The City of Murrieta is a member of the Public Entity Risk Management Authority (a joint powers authority) for the purpose of pooling losses and claims of general liability and workers’ compensation with those of other member cities and agencies. The City continues to carry commercial insurance, both primary and excess, for all other risks of loss.

11) PENSION PLANS

A) General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website, at www.calpers.ca.gov.

11) PENSION PLANS, (Continued)

A) General Information about the Pension Plans, (Continued)

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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 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 Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

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City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

11) PENSION PLANS, (Continued)

A) General Information about the Pension Plans, (Continued)

	Miscellaneous		
	Tier I Prior to January 1, 2013	Tier II On or After January 1, 2013	PEPRA On or After January 1, 2013
Hire Date	January 1, 2013	January 1, 2013	January 1, 2013
Benefit Formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	50	Monthly for Life
Retirement Age	55	60	62
Monthly Benefits, as a Percent of Eligible Compensation	Highest Single Year	3-Year Average	3-Year Average
Required Employee Contribution Rates	8.00%	7.00%	7.00%
Required Employer Contribution Rates:			
Normal Cost Rate	14.34%	8.95%	7.56%
Payment of Unfunded Liability	\$ 1,764,935	\$ 20,121	\$ 30,508

	Safety - Police		
	Tier I Prior to October 15, 2011	Tier II On or After October 15, 2011	TIER III - PEPRA On or After January 1, 2013
Hire Date	October 15, 2011	October 15, 2011	January 1, 2013
Benefit Formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50	55	57
Monthly Benefits, as a Percent of Eligible Compensation	Highest Single Year	3-Year Average	3-Year Average
Required Employee Contribution Rates	9.00%	9.00%	13.00%
Required Employer Contribution Rates:			
Normal Cost Rate	23.75%	20.64%	12.78%
Payment of Unfunded Liability	\$ 1,886,959	\$ 50,400	\$ 8,140

	Safety - Fire	
	Tier I Prior to January 1, 2013	TIER III - PEPRA On or After January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	57
Monthly Benefits, as a Percent of Eligible Compensation	Highest Single Year	3-Year Average
Required Employee Contribution Rates	9.00%	13.00%
Required Employer Contribution Rates:		
Normal Cost Rate	23.75%	12.78%
Payment of Unfunded Liability	\$ 1,053,775	\$ 11,935

11) PENSION PLANS, (Continued)

A) General Information about the Pension Plans, (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer 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 contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$10,841,912. The actual employer payments of \$9,736,240 made to CalPERS by the District during the measurement period ended June 30, 2023 differed from the District's proportionate share of the employer's contributions of \$13,363,500 by \$3,627,260, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B) Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Notes to the Financial Statements
For the Year Ended June 30, 2023

11) PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	(1)	(1)
Mortality Rate Table ⁽¹⁾	(2)	(2)
Post-Retirement Benefit Increase	(3)	(3)

1) Varies by entry age and service.
 2) Derived using CalPERS' membership data for all funds
 3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.
⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

11) PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

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

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 - 10 ²
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12%	4%
Private Equity	13%	7%
Treasury	5%	0%
Mortgage-backed securities	5%	1%
Investment grade corporation	10%	2%
High yield	5%	2%
Emerging market debt	5%	2%
Private debt	5%	3%
Real assets	15%	3%
Leverage	-5%	-1%
Total	100.00%	

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

⁽²⁾ Figures are based on the 2021 Assets Liability Management Study.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s 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.

11) PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Notes to the Financial Statements
For the Year Ended June 30, 2023

11) PENSION PLANS, (Continued)

C) Proportionate Share of Net Pension Liability

The following table shows the City’s proportionate share of the Plan’s net pension liability over the measurement period.

Miscellaneous Plan:	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Pension Liability	Proportionate Share of Net Pension Liability
Balance at 6/30/2021 (VD)	\$ 83,675,607	\$ 75,171,758	\$ 8,503,849
Balance at 6/30/2022 (MD)	93,688,866	72,757,880	20,930,986
Net Changes during 2021-22	<u>\$ (10,013,259)</u>	<u>\$ 2,413,878</u>	<u>\$ (12,427,137)</u>

Safety Plan:	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Pension Liability	Proportionate Share of Net Pension Liability
Balance at 6/30/2021 (VD)	\$ 163,914,275	\$ 147,428,481	\$ 16,485,794
Balance at 6/30/2022 (MD)	185,498,639	143,736,815	41,761,824
Net Changes during 2021-22	<u>\$ (21,584,364)</u>	<u>\$ 3,691,666</u>	<u>\$ (25,276,030)</u>

The City’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The City’s proportionate share of the net pension liability for the total Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2021	0.44785%	0.46975%
Proportion - June 30, 2022	0.44732%	0.60775%
Change - Increase (Decrease)	-0.00053%	0.13800%

Notes to the Financial Statements
For the Year Ended June 30, 2023

11) PENSION PLANS, (Continued)

C) Proportionate Share of Net Pension Liability, (Continued)

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 of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Miscellaneous	Safety
One Percent Decrease	5.90%	5.90%
Net Pension Liability	\$ 33,702,468	\$ 67,378,896
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 20,930,986	\$ 41,761,824
One Percent Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ 10,423,225	\$ 20,825,654

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

Notes to the Financial Statements
For the Year Ended June 30, 2023

11) PENSION PLANS, (Continued)

C) Proportionate Share of Net Pension Liability, (Continued)

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

D) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2021), the City’s net pension liability was \$24,989,643. For the measurement period ending June 30, 2022 (the measurement date), the Local Government incurred a pension expense of \$16,377,614. As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 10,841,912	\$ -
Changes in assumptions	6,355,672	-
Differences Between Actual and Expected Experience	1,413,682	-
Change in Employer’s Proportion	8,537,844	52,484
Differences Between the Employer’s Contributions and the Employer’s Proportionate Share of Contributions	-	3,513,329
Net Differences Between Projected and Actual Earnings on Plan Investments	10,428,777	-
Total	<u>\$ 37,577,887</u>	<u>\$ 3,565,813</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$10,841,912 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 9,277,887
2025	4,949,016
2026	2,575,354
2027	6,367,905
2028	-
Thereafter	-
Total	<u>\$ 23,170,162</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

11) PENSION PLANS, (Continued)

E) Payable to the Pension Plan

At June 30, 2023, the City reported a payable of \$498,377 for the outstanding amount of contributions to the pension plan required for the year then ended.

12) OPEB PLANS

A) General Information about the OPEB Plans

Plan Description

The City provides other postemployment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS) as follows:

Members of all groups who retired prior to July 1, 2007, receive a monthly contribution of \$695.

The MGEA and MSA groups and employees covered by the Management and Confidential Compensation Plan hired prior to January 1, 2008, who choose to continue their CalPERS health insurance upon retirement, are eligible to receive a monthly contribution to a Retirement Health Savings Plan (RHS) in the amount of \$833. Those hired after January 1, 2008, but before July 14, 2014, and retire with 10 years of City service can receive \$360 per month until Medicare age and then will receive the minimum mandated amount for employer contributions to participate in Public Employees Medical and Hospital Care Act (PEMHCA). Those hired after January 1, 2008, but before July 14, 2014, and retire with less than 10 years of City service and those hired after July 15, 2014, and retire from the City, will receive the minimum mandated amount for employer contributions to participate in PEMCHA (PEMCHA minimum).

Employees of the MPOA and MPMA groups hired prior to July 1, 2007, who choose to continue their CalPERS health insurance upon retirement are eligible to receive a monthly contribution to a Retirement Health Savings Plan (RHS) in the amount of \$833. Those hired after July 1, 2007 who retire with 10 years of City service can receive \$360 per month until Medicare age and then will receive the PEMCHA minimum contribution. Those hired after July 1, 2007, who retire with less than 10 years of City service will receive the PEMCHA minimum contribution.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

12) OPEB PLANS, (Continued)

A) General Information about the OPEB Plans, (Continued)

Plan Description (Continued)

Employees of the MFA and MFMA groups hired prior to January 1, 2010 who choose to continue their CalPERS health insurance upon retirement are eligible to receive a monthly contribution to a Retirement Health Savings Plan (RHS) in the amount of \$833. Those hired after January 1, 2010, who retire with 10 years of City service can receive \$360 per month until Medicare age and then will receive the PEMCHA minimum contribution. Those hired after January 1, 2010, who retire with less than 10 years of City service will receive the PEMCHA minimum contribution.

Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza, North 400 Q Street, Sacramento, CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Employees Covered

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	151
Inactive Employees or Beneficiaries Entitled to but not yet Receiving Benefits	25
Active Employees	<u>359</u>
Total	<u><u>535</u></u>

Contributions

The plan and its contribution requirements are established by City policy and may be amended by the City Council. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2023, the City’s cash contributions were \$1,449,071 in premium payments and the estimated implied subsidy was \$410,733 resulting in total contributions of \$1,859,804.

B) Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

12) OPEB PLANS, (Continued)

B) Net OPEB Liability, (Continued)

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:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.70%
Inflation	2.30%
Projected Salary Increase	2.80% Per Annum, in Aggregate
Expected Long-Term Investment Rate of Return	6.00%
Healthcare Cost Trend Rates	5.50%, decreasing to 3.83%
Pre-Retirement Turnover	Derived from CalPERS Pension Plan
Mortality	Derived from CalPERS Pension Plan Updated to Reflect Most Recent Experience Study

The actuarial assumptions used in the June 30, 2021, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

Long-Term Expected Rate of Return

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plans’ target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CEBRT:		
Global Equity	49.00%	4.50%
Fixed Income	23.00%	1.40%
REITs	20.00%	3.70%
TIPs	5.00%	0.50%
Commodities	3.00%	1.10%
Total	100.00%	

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2023

12) OPEB PLANS, (Continued)

B) Net OPEB Liability, (Continued)

Discount Rate

The discount rate of 5.70% was used in the valuation. It is assumed that the City will contribute in accordance with the Funding Policy. Under this Funding Policy, the OPEB Trust is not expected to be depleted in the future.

Changes in Assumption

The discount rate was changed from 7.00% to 5.70%.

C) Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance - June 30, 2021 (Measurement Date)	\$ 28,994,228	\$ 6,621,845	\$ 22,372,383
Changes in the Year:			
Service Cost	608,999	-	608,999
Interest on the Total OPEB Liability	2,008,234	-	2,008,234
Differences Between Actual and Expected Experience	(56,650)	-	(56,650)
Changes in Assumptions	4,100,386	-	4,100,386
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	1,859,804	(1,859,804)
Net Investment Income	-	(886,356)	886,356
Administrative Expenses	-	(1,677)	1,677
Benefit Payments	(1,859,804)	(1,859,804)	-
Net Changes	4,801,165	(888,033)	5,689,198
Balance - June 30, 2022 (Measurement Date)	\$ 33,795,393	\$ 5,733,812	\$ 28,061,581

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

12) OPEB PLANS, (Continued)

C) Changes in the Net OPEB Liability, (Continued)

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (6.00%) than the current discount rate:

	One Percent Decrease (4.70%)	Discount Rate (5.70%)	One Percent Increase (6.70%)
Net OPEB Liability	<u>\$ 31,884,700</u>	<u>\$ 28,061,581</u>	<u>\$ 24,832,282</u>

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	One Percent Decrease	Current Healthcare Cost Trend Rates	One Percent Increase
Net OPEB Liability	<u>\$ 21,599,282</u>	<u>\$ 22,372,383</u>	<u>\$ 23,295,745</u>

D) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,476,030. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 2,005,185	\$ -
Differences Between Actual and Expected Experience	1,293,330	(261,504)
Change in Assumptions	8,338,095	(5,622,144)
Differences Between Projected and Actual Earnings	518,457	-
Total	<u>\$ 12,155,067</u>	<u>\$ (5,883,648)</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

12) OPEB PLANS, (Continued)

D) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, (Continued)

\$2,005,185 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2024	\$ 1,081,211
2025	1,073,383
2026	1,038,595
2027	731,164
2028	461,196
Thereafter	(119,315)
Total	\$ 4,266,234

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plans required for the year ended June 30, 2023.

13) JOINT FINANCING ACQUISITION AGREEMENTS

On September 1, 1991, the City entered into a joint financing and acquisition agreement with the Community Facilities District No. 89-5 (Rancon Business Center) of the County of Riverside and Rancon Business Center/Rancho California, a California joint venture. The boundaries of the CFD No. 89-5 are completely within the boundaries of the City of Murrieta; however, the Rancho California Water District now functions as the legislative body of the CFD No. 89-5. On October 24, 1991, the CFD No. 89-5 issued its \$18,825,000 Series 1991. Bonds to provide financing for the construction and acquisition of certain public facilities, which include the acquisition and construction of certain roads and associated landscaping facilities. Funds for the bond debt service requirements, as they come due, are to be obtained from a special tax levied against properties within the CFD No. 89-5. The road facilities that were previously to be owned, maintained, and operated by the County are to be owned, maintained, and operated by the City.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

13) JOINT FINANCING ACQUISITION AGREEMENTS, (Continued)

On December 1, 1991, the City entered into a joint financing and acquisition agreement with the Community Facilities District No. 89-4 (Walsh Medical Arts Center) of the County of Riverside and Kevin P. Walsh and Regina M. Walsh. The boundaries of the CFD No. 89-4 are completely within the boundaries of the City; however, the board of the County will continue to function as the legislative body of the CFD No. 89-4. On December 20, 1991 the CFD No. 89-4 issued its \$4,825,000 Series 1991 Bonds to provide financing for the construction and acquisition of certain public facilities, which include the acquisition and construction of certain roads and associated landscaping facilities and certain flood control and drainage facilities. Funds for the bonds debt service requirements, as they come due, are to be obtained from a special tax levied against properties within the CFD No. 89-4. The road facilities that were previously to be owned, maintained, and operated by the County are to be owned, maintained, and operated by the City. The flood facilities that were previously to be owned, maintained, and operated by the Riverside County Flood Control and Water Conservation District are to be owned, maintained, and operated by the City.

14) COMMUNITY FACILITIES DISTRICT (CFD) BONDS (NONCITY OBLIGATION)

The City has issued special tax bonds for various CFDs, which are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District and by the City Council. Neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay the delinquency out of any available funds of the City. The City acts solely as an agent for those paying taxes levied and the bondholders. As of June 30, 2023, the remaining balance on the bonds was \$97,147,850.

15) JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with four other governmental entities, created the Southwest Communities Financing Authority (Financing Authority) on November 30, 2004. The Financing Authority was formed to issue bonds for the construction of an animal shelter to be used by the member agencies. The Financing Authority’s board is composed of one member from each participating entity. The City has the following fiscal obligations: debt repayment of any bonds issued, administrative costs, and operation of the animal shelter. The debt service payments and the animal shelter operating costs will be prorated to each member based on the percentage of the animals housed at the facility, on an annual basis. The administrative costs will be borne equally by all members. For the year ended June 30, 2023, the City’s share of the payments was \$104,915 and was paid from the General Fund.

16) CONTINGENT LIABILITIES AND COMMITMENTS

Claims and Lawsuits

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the City's management, on advice of legal counsel, it is unlikely that they will have a material adverse effect on the accompanying financial statements.

The City has received Federal and State funds for specific purposes that are subject to review by the grantor agencies. These programs are subject to audit by the grantor agencies and upon further examination by the grantors, certain costs could be disallowed. The City expects any such amounts to be immaterial.

The decision of Flores v. City of San Gabriel highlighted not only the need for cities to audit their policies and practices related to Fair Labor Standards Act (FLSA) compliance but also to revisit long held and generally accepted assumptions and practices related to such. In June 2017, the City of Murrieta engaged an employment law firm to conduct an audit of its FLSA regular rate of pay and payroll practices. Through the employment law firm, a forensic accounting analysis has been completed for two labor groups including an analysis and settlement of the underpayment for nonexempt employees. The City has engaged the same employment law firm to conduct an audit of its FLSA regular rate of pay and underpayment for the third labor group.

The estimated amount of remaining construction contract commitments at year-end is \$6,875,053.

17) TOWN HALL ASSOCIATION ENDOWMENT

In March 2014, the City received a permanent endowment from the Town Hall Association upon dissolution of the Town Hall Association's Board. The City maintains the \$500,000 principal nonexpendable endowment in the Town Hall Association Permanent nonmajor fund. The investment earnings on the nonexpendable endowment are to be spent 25% to the Murrieta Friends of the Library, 25% to the Murrieta High School's Scholarship Foundation (aka Dollar for Scholars), and 50% to the Murrieta Library.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

18) TAX ABATEMENTS

In accordance with California Government Code § 53083, the City provides sales tax rebates to a local sales tax generators based on sales tax generated at a site developed within the City of Murrieta. The City entered into an economic development agreement for sales tax rebates with a local sales tax generator in order to retain one of the City's significant tax-generating business, jobs, and occupancy of land within City boundaries. The rebates are calculated based on the total taxes generated by the business.

For the fiscal year ended June 30, 2023, the City abated local sales tax totaling \$262,750.

19) RESTATEMENT OF NET POSITION AND FUND BALANCES

Fund balances at July 1, 2022 were restated due to corrections of accounting for investments. Net position and other fund balances at July 1, 2022 were restated due to corrections of errors as follows:

	General (Sub-fund of General Fund)	Measure T (Sub-fund of General Fund)	SLESF
Fund Balance, as Previously Reported	\$ 53,491,683	\$ 43,510,403	\$ 222,826
Corrections of errors	260,331	34,928	1,480
Fund Balance, as Restated	<u>\$ 53,752,014</u>	<u>\$ 43,545,331</u>	<u>\$ 224,306</u>
	2016A LARB	2016B LARB	2022 LARB
Fund Balance, as Previously Reported	\$ 40,046,708	\$ 7,210,784	\$ 30,563,488
Corrections of accounting for investments	(38,210,000)	(6,890,000)	(29,075,000)
Fund Balance, as Restated	<u>\$ 1,836,708</u>	<u>\$ 320,784</u>	<u>\$ 1,488,488</u>
	Governmental Activities		
Net Position, as Previously Reported	\$ 603,628,766		
Corrections of prior year balances	(73,878,261)		
Net Position, as Restated	<u>\$ 529,750,505</u>		

REQUIRED SUPPLEMENTARY INFORMATION



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City of Murrieta

**Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous
Last Ten Fiscal Years**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.15475%	\$ 9,629,244	\$ 9,304,312	103.49%	77.57%
6/30/2015	0.05956%	11,366,253	9,517,674	119.42%	78.40%
6/30/2016	0.51059%	13,728,601	10,158,506	135.14%	74.06%
6/30/2017	0.36862%	15,796,583	9,962,258	158.56%	73.31%
6/30/2018	0.40440%	15,240,675	10,070,150	151.35%	75.26%
6/30/2019	0.41123%	16,467,905	11,695,857	140.80%	75.26%
6/30/2020	0.40933%	17,265,656	13,637,452	126.60%	76.89%
6/30/2021	0.44785%	8,503,848	14,879,086	57.15%	76.89%
6/30/2022	0.44732%	20,930,986	15,803,799	132.44%	77.66%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Murrieta

Schedule of Contributions – Miscellaneous Last Ten Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 1,721,566	\$ (1,721,566)	\$ -	\$ 9,517,674	18.09%
6/30/2016	1,695,346	(1,695,346)	-	10,158,506	16.69%
6/30/2017	2,369,575	(2,369,575)	-	9,962,258	23.79%
6/30/2018	1,953,751	(1,953,751)	-	10,070,150	19.40%
6/30/2019	2,314,203	(2,314,203)	-	11,695,857	19.79%
6/30/2020	2,604,872	(2,604,872)	-	13,637,452	19.10%
6/30/2021	3,022,322	(3,022,322)	-	14,876,806	20.32%
6/30/2022	4,316,257	(4,316,257)	-	15,803,799	27.31%
6/30/2023	3,674,268	(3,674,268)	-	18,443,881	19.92%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Murrieta

**Schedule of Proportionate Share of the Net Pension Liability – Safety
Last Ten Fiscal Years**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.29795%	\$ 18,540,083	\$ 15,020,869	123.43%	78.56%
6/30/2015	0.01046%	20,107,047	15,256,435	131.79%	78.40%
6/30/2016	0.77879%	25,005,813	16,124,346	155.08%	74.06%
6/30/2017	0.54565%	28,723,325	15,382,210	186.73%	73.31%
6/30/2018	0.48605%	28,518,996	15,967,350	178.61%	75.26%
6/30/2019	0.50053%	31,245,479	15,990,879	195.40%	75.26%
6/30/2020	0.52295%	34,841,083	19,219,826	181.28%	76.17%
6/30/2021	0.46975%	16,485,795	19,879,940	82.93%	76.17%
6/30/2022	0.60775%	41,761,824	21,489,931	194.33%	77.49%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Murrieta

Schedule of Contributions– Safety Last Ten Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 4,158,891	\$ (4,158,891)	\$ -	\$ 9,517,674	43.70%
6/30/2016	3,536,719	(3,536,719)	-	10,158,506	34.82%
6/30/2017	3,418,924	(3,418,924)	-	9,962,258	34.32%
6/30/2018	4,565,327	(4,565,327)	-	10,070,150	45.34%
6/30/2019	4,164,182	(4,164,182)	-	11,695,857	35.60%
6/30/2020	6,002,858	(6,002,858)	-	13,637,452	44.02%
6/30/2021	6,946,768	(6,946,768)	-	14,876,806	46.70%
6/30/2022	5,738,839	(5,738,839)	-	15,803,799	36.31%
6/30/2023	7,167,644	(7,167,644)	-	19,277,127	37.18%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Murrieta

Schedule of Changes in the Net OPEB Liability and Related Ratios Last Ten Fiscal Years

Fiscal Year End	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:						
Service Cost	\$ 608,999	\$ 951,994	\$ 624,020	\$ 665,335	\$ 1,134,456	\$ 1,096,570
Interest on Total OPEB Liability	2,008,234	1,802,951	1,921,683	1,611,799	1,284,754	1,189,368
Change in Assumptions	4,100,386	(7,228,470)	6,301,882	1,760,802	(8,713,953)	(46,095)
Differences Between Expected and Actual Experience	(56,650)	625,952	(337,835)	1,881,782	-	-
Benefit Payments	(1,859,804)	(1,734,698)	(1,498,358)	(1,429,954)	(1,357,606)	(1,052,317)
Net Change in Total OPEB Liability	4,801,165	(5,582,271)	7,011,392	4,489,764	(7,652,349)	1,187,526
Total OPEB Liability - Beginning of Year	28,994,228	34,576,499	27,565,107	23,075,343	30,727,692	29,540,166
Total OPEB Liability - End of Year (a)	33,795,393	28,994,228	34,576,499	27,565,107	23,075,343	30,727,692
Plan Fiduciary Net Position:						
Contributions - Employer	1,859,804	1,734,698	1,498,358	1,429,954	1,357,606	1,052,317
Net Investment Income	(886,356)	1,428,310	177,392	291,907	349,279	419,455
Administrative Expenses	(1,677)	(1,966)	(2,453)	(1,013)	(8,145)	(2,129)
Benefit Payments	(1,859,804)	(1,734,698)	(1,498,358)	(1,429,954)	(1,357,606)	(1,052,317)
Net Change in Plan Fiduciary Net Position	(888,033)	1,426,344	174,939	290,894	341,134	417,326
Plan Fiduciary Net Position - Beginning of Year	6,621,845	5,195,501	5,020,562	4,729,668	4,388,534	3,971,208
Plan Fiduciary Net Position - End of Year (b)	5,733,812	6,621,845	5,195,501	5,020,562	4,729,668	4,388,534
Net OPEB Liability - Ending (a)-(b)	\$ 28,061,581	\$ 22,372,383	\$ 29,380,998	\$ 22,544,545	\$ 18,345,675	\$ 26,339,158
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.00%	22.84%	15.03%	18.21%	20.50%	14.28%
Covered - Employee Payroll	\$ 37,293,730	\$ 32,857,278	\$ 28,448,165	\$ 27,686,736	\$ 26,037,530	\$ 25,344,468
Net OPEB Liability as Percentage of Covered - Employee Payroll	75.20%	68.09%	103.28%	81.43%	70.46%	103.92%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2018 to June 30, 2019

The discount rate was changed from 4.12% to 7.00%.

From fiscal year June 30, 2019 to June 30, 2020

The inflation rate was changed from 2.75% to 2.50% and projected salary increase was changed from 3.0% to 2.75%.

From fiscal year June 30, 2020 to June 30, 2021

The discount rate was changed from 7.00% to 5.20%.

From fiscal year June 30, 2021 to June 30, 2022

The discount rate was changed from 5.2% to 7.00%.

From fiscal year June 30, 2022 to June 30, 2023

The discount rate was changed from 7.00% to 5.70%

* Fiscal year 2018 was the first year of implementation; therefore, only six years are shown.

City of Murrieta

Schedule of Contributions - OPEB Last Ten Fiscal Years

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 3,277,322	\$ 3,019,917	\$ 3,043,480	\$ 2,953,121	\$ 2,396,299	\$ 2,375,564
Contributions in Relation to the Actuarially Determined Contributions	(2,005,185)	(1,859,804)	(1,620,531)	(1,407,397)	(1,429,954)	(1,357,606)
Contribution Deficiency (Excess)	\$ 1,272,137	\$ 1,160,113	\$ 1,422,949	\$ 1,545,724	\$ 966,345	\$ 1,017,958
Covered - Employee Payroll	\$41,390,955	\$37,293,730	\$32,857,278	\$28,448,165	\$27,686,736	\$26,037,530
Contributions as a Percentage of Covered - Employee Payroll	4.80%	4.99%	4.93%	4.95%	5.16%	5.21%
Notes to Schedule:						
Valuation Date	6/30/2022	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:						
Actuarial Cost Method	Entry Age Level	Entry Age Level	Entry Age Level	Entry Age Level	Entry Age Level	Entry Age Level
Amortization Method	Percentage of Payroll, Closed	Percentage of Payroll, Closed	Percentage of Payroll, Closed	Percentage of Payroll, Closed	Percentage of Payroll, Closed	Percentage of Payroll, Closed
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.75%	2.75%
Salary Increases	2.80%	2.80%	2.75%	2.75%	3.00%	3.25%
Investment Rate of Return	5.70%	7.00%	7.00%	7.00%	7.00%	4.12%
Mortality	Derived from CalPERS Pension Updated to Reflect Most Recent Study					

* Fiscal year 2018 was the first year of implementation; therefore, only six years are shown.

City of Murrieta

Budgetary Comparison Schedule – General Fund For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 64,935,800	\$ 79,398,447	\$ 83,656,940	\$ 4,258,493
Licenses and Permits	2,346,187	2,731,688	3,396,566	664,878
Intergovernmental	3,355,680	3,531,972	5,241,204	1,709,232
Charges for Services	2,422,080	4,604,345	5,631,508	1,027,163
Use of Money and Property	404,200	805,020	1,318,538	513,518
Fines and Forfeitures	394,150	331,500	329,264	(2,236)
Developer Participation	-	-	-	-
Miscellaneous	367,030	191,353	418,238	226,885
Total Revenues	74,225,127	91,594,325	99,992,258	8,397,933
EXPENDITURES				
Current:				
General Government:				
City Council	192,358	221,048	223,132	(2,084)
City Attorney	600,000	600,000	247,250	352,750
General Administration	1,967,183	2,392,653	2,211,235	181,418
Animal Control	433,830	433,830	480,309	(46,479)
Emergency Services	-	-	25,645	(25,645)
Administrative Services	673,276	768,722	738,943	29,779
Human Resources	1,259,474	1,407,980	1,404,923	3,057
City Clerk	1,051,824	1,299,817	1,234,762	65,055
Finance	2,596,776	2,622,370	2,697,161	(74,791)
Nondepartmental	1,868,081	3,497,983	2,623,351	874,632
Subtotal General Government	10,642,802	13,244,403	11,886,711	1,357,692
Public Safety:				
Police Administration	3,444,851	4,405,000	4,327,841	77,159
Police Operations	17,563,354	17,647,915	17,329,782	318,133
Police Support	17,688,401	13,398,775	12,932,907	465,868
Police Communications	-	4,292,290	4,639,831	(347,541)
Fire Administration	644,987	836,971	612,786	224,185
Fire Operations	2,126,252	2,655,621	2,901,253	(245,632)
Subtotal Public Safety	41,467,845	43,236,572	42,744,400	492,172
Community Development:				
Economic Development	2,363,681	2,623,627	2,418,042	205,585
Planning	2,783,018	3,876,620	2,952,095	924,525
Building and Safety	2,315,495	2,525,239	2,160,838	364,401
Subtotal Community Development	7,462,194	9,025,486	7,530,975	1,494,511
Parks and Recreation	1,047,671	974,686	890,670	84,016
Public Works:				
Engineering	3,754,391	3,503,899	3,604,617	(100,718)
Maintenance	1,108,908	952,332	1,099,592	(147,260)
Street Lights	131,000	181,000	150,925	30,075
Facilities Maintenance	1,191,039	1,283,603	1,230,728	52,875
Subtotal Public Works	6,185,338	5,920,834	6,085,862	(165,028)
Capital Outlay	1,344,160	2,722,326	3,682,485	(960,159)
Debt Service:				
Principal	-	32,028	32,028	-
Interest	-	372	372	-
Subtotal Debt Service	-	32,400	32,400	-
Total Expenditures	68,150,010	75,156,707	72,853,503	2,303,204
Excess of Revenues Over Expenditures	6,075,117	16,437,618	27,138,755	10,701,137
OTHER FINANCING SOURCES (USES)				
Transfers In	307,010	2,028,927	8,805	(2,020,122)
Transfers Out	(8,248,351)	(11,507,207)	(5,371,264)	6,135,943
Capital Lease Proceeds	-	-	110,390	110,390
Sale of Capital Assets	(20,000)	-	21,566	21,566
Total Other Financing Sources (Uses)	(7,961,341)	(9,478,280)	(5,230,503)	4,247,777
NET CHANGE IN FUND BALANCES	(1,886,224)	6,959,338	21,908,252	14,948,914
Fund Balances, beginning of year	105,258,930	105,258,930	105,258,930	-
Fund Balances, end of year	\$ 103,372,706	\$ 112,218,268	\$ 127,167,182	\$ 14,948,914

City of Murrieta

**Budgetary Comparison Schedule – Fire District Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 12,798,588	\$ 13,002,082	\$ 15,319,706	\$ 2,317,624
Assessments	1,525,915	1,525,915	1,551,897	25,982
Licenses and permits	-	-	1,313	1,313
Intergovernmental	600,000	900,000	766,909	(133,091)
Charges for Services	469,405	391,655	452,381	60,726
Use of Money and Property	141,190	139,690	269,128	129,438
Fines and Forfeitures	30,000	30,000	251,205	221,205
Miscellaneous	21,000	19,804	57,646	37,842
Total Revenues	15,586,098	16,009,146	18,670,185	2,661,039
EXPENDITURES				
Current:				
Public Safety	20,943,899	22,420,791	21,790,922	629,869
Total Expenditures	20,943,899	22,420,791	21,790,922	629,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,357,801)	(6,411,645)	(3,120,737)	3,290,908
OTHER FINANCING USES				
Transfers In	5,658,251	6,313,333	2,863,920	(3,449,413)
Transfers Out	(300,450)	-	-	-
Total Other Financing Uses	5,357,801	6,313,333	2,863,920	(3,449,413)
NET CHANGE IN FUND BALANCES	-	(98,312)	(256,817)	(158,505)
Fund Balances, beginning of year	3,979,162	3,979,162	3,979,162	-
Fund Balances, end of year	\$ 3,979,162	\$ 3,880,850	\$ 3,722,345	\$ (158,505)

City of Murrieta

**Budgetary Comparison Schedule – Federal Grants Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 11,951,125	\$ 7,114,681	\$ (4,836,444)
Use of Money and Property	-	-	323,576	323,576
Total Revenues	-	11,951,125	7,438,257	(4,512,868)
EXPENDITURES				
Current:				
General Government	-	10,266,601	3,883,686	6,382,915
Public Safety	670,731	1,547,327	1,044,744	502,583
Parks and Recreation	-	-	14,583	(14,583)
Capital Outlay	-	-	39,200	(39,200)
Total Expenditures	670,731	11,813,928	4,982,213	6,831,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(670,731)</u>	<u>137,197</u>	<u>2,456,044</u>	<u>2,318,847</u>
OTHER FINANCING USES				
Transfers Out	-	(1,500,000)	(1,500,000)	-
Total Other Financing Uses	-	(1,500,000)	(1,500,000)	-
NET CHANGE IN FUND BALANCES	<u>(670,731)</u>	<u>(1,362,803)</u>	<u>956,044</u>	<u>2,318,847</u>
Fund Balances, beginning of year	<u>(1,189,116)</u>	<u>(1,189,116)</u>	<u>(1,189,116)</u>	<u>-</u>
Fund Balances, end of year	<u>\$ (1,859,847)</u>	<u>\$ (2,551,919)</u>	<u>\$ (233,072)</u>	<u>\$ 2,318,847</u>

NOTE 1 BUDGETARY DATA

General Budget Policies

The City Council approves the bi-annual budget submitted by the City Manager prior to the beginning of the new fiscal year. A workshop and public meetings are held prior to its adoption by Council. Supplemental appropriations, where required during the period, are also approved by the Council. There were several supplemental appropriations required during the year. At fiscal year-end, all operating budget appropriations lapse.

Expenditures are monitored at the departmental level for the general fund and the fund level for all other funds with a legally adopted budget. These levels are considered the legal level of control.

Department heads are authorized to transfer budgeted amounts within their departments, within the same fund, with the approval of the City Manager. Transfers of appropriations between departments may be made only by authority of the City Manager. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue and capital projects funds, which adopt project-length budgets.

Budgets were adopted for all funds except the Opioid Settlement special revenue fund, 2016B LARB and 2022A LARB debt service funds.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at year-end are reported as a committed fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

The Developer Agreement, Development Impact Fee, Other Grants, Reimbursement Agreement, TUMF, Federal Grants, Road Maintenance, and Rehabilitation Account Special Revenue funds and the Area Drainage Capital Projects Fund are appropriated on a project length capital improvement budget process.

SUPPLEMENTARY INFORMATION

City of Murrieta

Consolidating Schedule of Balance Sheet by Sub Fund – General Fund For the Year Ended June 30, 2023

	General	Measure T	Capital	Traffic Safety
ASSETS				
Pooled Cash and Investments	\$ 54,961,537	\$ 48,566,630	\$ 8,220,284	\$ 118,974
Receivables:				
Accounts	911,501	-	-	-
Taxes	6,528,622	5,042,175	-	-
Loans	3,399,683	149,077	-	-
Accrued Interest	1,306,466	-	-	-
Prepaid Costs and Other Assets	316,689	55,315	-	-
Inventories	15,842	-	-	-
Due from Other Governments	449,243	2,860	-	-
Due from Other Funds	1,783,021	-	-	-
Advance to Other Funds	245,000	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	73,267	-	-	-
Total Assets	<u>\$ 69,990,871</u>	<u>\$ 53,816,057</u>	<u>\$ 8,220,284</u>	<u>\$ 118,974</u>
LIABILITIES				
Accounts Payable	\$ 1,486,302	\$ 207,647	\$ 8,971	\$ 280
Accrued Liabilities	1,531,784	650,363	25,262	-
Deposits Payable	649,382	-	70,967	-
Unearned Revenue	200,000	-	-	-
Due to Other Governments	653	-	-	-
Due to other Funds	-	-	-	-
Total Liabilities	<u>3,868,121</u>	<u>858,010</u>	<u>105,200</u>	<u>280</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	195,428	-	-	-
Grants	-	-	-	-
Accrued Interest	1,034,128	-	-	-
Total Deferred Inflows of Resources	<u>1,229,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	3,977,214	204,392	-	-
Restricted	225,188	-	-	-
Committed	23,582,973	21,540,828	4,911,135	114,967
Assigned	52,482	-	-	-
Unassigned	37,055,337	31,212,827	3,203,949	3,727
Total Fund Balances (Deficits)	<u>64,893,194</u>	<u>52,958,047</u>	<u>8,115,084</u>	<u>118,694</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 69,990,871</u>	<u>\$ 53,816,057</u>	<u>\$ 8,220,284</u>	<u>\$ 118,974</u>

City of Murrieta

**Consolidating Schedule of Balance Sheet by Sub Fund – General Fund (Continued)
For the Year Ended June 30, 2023**

Crime Prevention	Vehicle Replacement	Deposits	Elimination	Total
\$ -	\$ 1,086,854	\$ 7,984,852	\$ -	\$ 120,939,131
107,700	-	614,997	-	1,634,198
-	-	-	-	11,570,797
-	-	-	-	3,548,760
-	-	-	-	1,306,466
-	-	-	-	372,004
-	-	-	-	15,842
-	-	-	-	452,103
-	-	-	(61,377)	1,721,644
-	-	-	-	245,000
-	-	-	-	73,267
<u>\$ 107,700</u>	<u>\$ 1,086,854</u>	<u>\$ 8,599,849</u>	<u>\$ (61,377)</u>	<u>\$ 141,879,212</u>
\$ -	\$ 39	\$ 74,091	\$ -	\$ 1,777,330
5,126	-	-	-	2,212,535
-	-	8,525,758	-	9,246,107
-	-	-	-	200,000
-	-	-	-	653
61,377	-	-	(61,377)	-
<u>66,503</u>	<u>39</u>	<u>8,599,849</u>	<u>(61,377)</u>	<u>13,436,625</u>
45,850	-	-	-	241,278
-	-	-	-	-
-	-	-	-	1,034,128
<u>45,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275,406</u>
-	-	-	-	4,181,606
-	-	-	-	225,188
63,852	1,015,909	-	-	51,229,664
4,560	-	-	-	57,042
(73,065)	70,906	-	-	71,473,681
<u>(4,653)</u>	<u>1,086,815</u>	<u>-</u>	<u>-</u>	<u>127,167,181</u>
<u>\$ 107,700</u>	<u>\$ 1,086,854</u>	<u>\$ 8,599,849</u>	<u>\$ (61,377)</u>	<u>\$ 141,879,212</u>

City of Murrieta

Consolidating Schedule of Revenues, Expenditures, and Changes in Fund Balance by Sub Fund – General Fund For the Year Ended June 30, 2023

	General	Measure T	Capital	Traffic Safety
REVENUES				
Taxes	\$ 55,118,687	\$ 28,538,253	\$ -	\$ -
Licenses and Permits	3,396,566	-	-	-
Intergovernmental	5,241,204	-	-	-
Charges for Services	5,631,508	-	-	-
Use of Money and Property	1,291,098	-	-	2,782
Fines and Forfeitures	267,947	-	-	10,117
Miscellaneous	418,238	-	-	-
Total Revenues	<u>71,365,248</u>	<u>28,538,253</u>	<u>-</u>	<u>12,899</u>
EXPENDITURES				
Current:				
General Government	11,131,538	754,684	-	-
Public Safety	34,401,286	8,196,177	-	11,040
Community Development	7,017,920	513,055	-	-
Parks and Recreation	328,449	562,221	-	-
Public Works	5,275,873	809,989	-	-
Capital Outlay	875,612	2,285,341	521,532	-
Debt Service:				
Principal Retirement	25,087	6,942	-	-
Interest and Fiscal Charges	372	-	-	-
Total Expenditures	<u>59,056,137</u>	<u>13,128,409</u>	<u>521,532</u>	<u>11,040</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,309,111</u>	<u>15,409,844</u>	<u>(521,532)</u>	<u>1,859</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	41,532	-	1,996,200	-
Transfers Out	(1,306,275)	(6,032,272)	(61,644)	-
SBITA Acquisition	75,246	35,144	-	-
Sale of Capital Assets	21,566	-	-	-
Total Other Financing Sources (Uses)	<u>(1,167,931)</u>	<u>(5,997,128)</u>	<u>1,934,556</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>11,141,180</u>	<u>9,412,716</u>	<u>1,413,024</u>	<u>1,859</u>
Fund Balances, beginning of year, as restated (Note 19)	53,752,014	43,545,331	6,702,060	116,835
Fund Balances, end of year	<u>\$ 64,893,194</u>	<u>\$ 52,958,047</u>	<u>\$ 8,115,084</u>	<u>\$ 118,694</u>

City of Murrieta

**Consolidating Schedule of Revenues, Expenditures, and
Changes in Balances by Sub Fund – General Fund (Continued)
For the Year Ended June 30, 2023**

Crime Prevention	Vehicle Replacement	Deposits	Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ 83,656,940
-	-	-	-	3,396,566
-	-	-	-	5,241,204
-	-	-	-	5,631,508
-	24,658	-	-	1,318,538
51,200	-	-	-	329,264
-	-	-	-	418,238
<u>51,200</u>	<u>24,658</u>	<u>-</u>	<u>-</u>	<u>99,992,258</u>
-	489	-	-	11,886,711
135,897	-	-	-	42,744,400
-	-	-	-	7,530,975
-	-	-	-	890,670
-	-	-	-	6,085,862
-	-	-	-	3,682,485
-	-	-	-	32,029
-	-	-	-	372
<u>135,897</u>	<u>489</u>	<u>-</u>	<u>-</u>	<u>72,853,504</u>
<u>(84,697)</u>	<u>24,169</u>	<u>-</u>	<u>-</u>	<u>27,138,754</u>
-	-	-	(2,028,927)	8,805
-	-	-	2,028,927	(5,371,264)
-	-	-	-	110,390
-	-	-	-	21,566
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,230,503)</u>
(84,697)	24,169	-	-	21,908,251
80,044	1,062,646	-	-	105,258,930
<u>\$ (4,653)</u>	<u>\$ 1,086,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,167,181</u>



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NONMAJOR GOVERNMENTAL FUNDS

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

	Special Revenue			
	State Gas Tax	Measure A	Air Quality Management District	Block Grants
ASSETS				
Pooled Cash and Investments	\$ 10,521,641	\$ 11,034,469	\$ 850,542	\$ -
Receivables:				
Accounts	2,157	-	504	12,146
Taxes	246,971	-	-	-
Loans	-	-	-	-
Accrued Interest	-	-	-	-
Leases	-	-	-	-
Prepaid Costs	-	-	-	-
Due from Other Governments	2,236	657,214	37,081	244,870
Land Held for Resale	-	-	-	-
Restricted Assets:				
Investment in Local Agency Bonds	-	-	-	-
Cash and Investments with Fiscal Agents	-	-	-	-
	<u>\$ 10,773,005</u>	<u>\$ 11,691,683</u>	<u>\$ 888,127</u>	<u>\$ 257,016</u>
LIABILITIES				
Accounts Payable	\$ 32,203	\$ 14,111	\$ 59,120	\$ 6,933
Accrued Liabilities	253,942	121,996	-	-
Deposits Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Funds	-	-	-	222,347
	<u>286,145</u>	<u>136,107</u>	<u>59,120</u>	<u>229,280</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	2,236	321,009	37,081	-
Grants	-	-	-	163,201
Deferred Inflows Related to Leases	-	-	-	-
	<u>2,236</u>	<u>321,009</u>	<u>37,081</u>	<u>163,201</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	10,484,624	11,234,567	791,926	-
Unassigned	-	-	-	(135,465)
	<u>10,484,624</u>	<u>11,234,567</u>	<u>791,926</u>	<u>(135,465)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 10,773,005</u>	<u>\$ 11,691,683</u>	<u>\$ 888,127</u>	<u>\$ 257,016</u>

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

Special Revenue (Continued)						
Seized Assets Forfeitures	SLESF	Murrieta Public Library	NPDES	Reimbursement Agreement Fund	TUMF	Housing Authority
\$ 963,196	\$ 183,250	\$ 1,505,331	\$ 1,023,852	\$ -	\$ -	\$ 2,917,457
-	-	721	92,993	-	-	48,272
-	-	115,909	-	-	-	-
-	-	-	-	-	-	8,953,917
-	-	-	-	-	-	488,976
-	-	-	-	-	-	-
1,000	430	4,263	-	-	-	171
8,350	-	-	242,463	-	393,378	-
-	-	-	-	-	-	3,515,665
-	-	-	-	-	-	-
280,232	-	-	-	-	-	-
\$ 1,252,778	\$ 183,680	\$ 1,626,224	\$ 1,359,308	\$ -	\$ 393,378	\$ 15,924,458
\$ 2,729	\$ 17	\$ 137,325	\$ 11,173	\$ -	\$ 147,803	\$ 2,514
778	42,841	99,763	15,361	-	-	-
137	-	1,000	-	19,450	-	-
-	-	-	-	-	-	-
251,633	-	-	-	-	233,460	-
255,277	42,858	238,088	26,534	19,450	381,263	2,514
-	-	-	335,456	-	393,378	706,722
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	335,456	-	393,378	706,722
1,000	430	4,263	-	-	-	171
996,501	140,392	1,383,873	997,318	-	-	15,215,051
-	-	-	-	(19,450)	(381,263)	-
997,501	140,822	1,388,136	997,318	(19,450)	(381,263)	15,215,222
\$ 1,252,778	\$ 183,680	\$ 1,626,224	\$ 1,359,308	\$ -	\$ 393,378	\$ 15,924,458

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

	Special Revenue (Continued)			
	Community Services District	Road Maintenance and Rehabilitation Account	Other Grants	Developer Agreement
ASSETS				
Pooled Cash and Investments	\$ 7,442,440	\$ 4,567,520	\$ 1,064,519	\$ 4,393,972
Receivables:				
Accounts	12,838	-	-	-
Taxes	138,810	-	-	-
Loans	-	-	-	-
Accrued Interest	-	-	-	-
Leases	676,922	-	-	-
Prepaid Costs	5,674	-	-	-
Due from Other Governments	-	434,803	309,219	-
Land Held for Resale	-	-	-	-
Restricted Assets:				
Investment in Local Agency Bonds	-	-	-	-
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	\$ 8,276,684	\$ 5,002,323	\$ 1,373,738	\$ 4,393,972
LIABILITIES				
Accounts Payable	\$ 724,349	\$ 9,630	\$ 52,961	\$ 141
Accrued Liabilities	180,578	139,940	14,465	6,590
Deposits Payable	58,451	-	-	2,301,000
Unearned Revenue	-	-	1,064,594	-
Due to Other Funds	-	-	195,360	-
Total Liabilities	963,378	149,570	1,327,380	2,307,731
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	2,315	-	-	-
Grants	-	-	216,960	-
Deferred Inflows Related to Leases	647,897	-	-	-
Total Deferred Inflows of Resources	650,212	-	216,960	-
FUND BALANCES (DEFICITS)				
Nonspendable	5,674	-	-	-
Restricted	6,657,420	4,852,753	-	2,086,241
Unassigned	-	-	(170,602)	-
Total Fund Balances (Deficits)	6,663,094	4,852,753	(170,602)	2,086,241
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 8,276,684	\$ 5,002,323	\$ 1,373,738	\$ 4,393,972

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

Special Revenue Fund	Capital Projects			Debt Service		
	Opioid Settlement	Community Facilities District	Area Drainage	South West Road and Bridge	Citywide	2016B LARB
\$ 96,189	\$ -	\$ 5,875,150	\$ 267,461	\$ 6,487	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	757,290	-	-	-
-	-	-	-	-	-	-
-	1,631,638	-	-	4,014	329,994	1,509,695
\$ 96,189	\$ 1,631,638	\$ 5,875,150	\$ 1,024,751	\$ 10,501	\$ 329,994	\$ 1,509,695
\$ -	\$ 10,548	\$ 27,995	\$ 8	\$ 5	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
89,608	-	-	-	-	-	-
-	-	-	-	-	-	-
89,608	10,548	27,995	8	5	-	-
-	-	-	757,290	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	757,290	-	-	-
-	-	-	-	-	-	-
6,581	1,621,090	5,847,155	267,453	10,496	329,994	1,509,695
-	-	-	-	-	-	-
6,581	1,621,090	5,847,155	267,453	10,496	329,994	1,509,695
\$ 96,189	\$ 1,631,638	\$ 5,875,150	\$ 1,024,751	\$ 10,501	\$ 329,994	\$ 1,509,695



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City of Murrieta

Combining Balance Sheet – Nonmajor Governmental Funds (Concluded) For the Year Ended June 30, 2023

	Permanent	
	Town Hall Association	Total Other Governmental Funds
ASSETS		
Pooled Cash and Investments	\$ 509,749	\$ 53,223,225
Receivables:		
Accounts	-	169,631
Taxes	-	501,690
Loans	-	8,953,917
Accrued Interest	-	488,976
Leases	-	676,922
Prepaid Costs	-	11,538
Due from Other Governments	-	3,086,904
Land Held for Resale	-	3,515,665
Restricted Assets:		
Investment in Local Agency Bonds	-	-
Cash and Investments with Fiscal Agents	-	3,755,573
	<u>509,749</u>	<u>53,223,225</u>
Total Assets	<u>\$ 509,749</u>	<u>\$ 74,384,041</u>
LIABILITIES		
Accounts Payable	\$ 19	\$ 1,239,584
Accrued Liabilities	-	876,254
Deposits Payable	-	2,380,038
Unearned Revenue	-	1,154,202
Due to Other Funds	-	902,800
	<u>19</u>	<u>6,552,878</u>
Total Liabilities	<u>19</u>	<u>6,552,878</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues:		
Accounts	-	2,555,487
Grants	-	380,161
Deferred Inflows Related to Leases	-	647,897
	<u>-</u>	<u>3,583,545</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>3,583,545</u>
FUND BALANCES (DEFICITS)		
Nonspendable	500,000	511,538
Restricted	9,730	64,442,860
Unassigned	-	(706,780)
	<u>509,730</u>	<u>64,247,618</u>
Total Fund Balances (Deficits)	<u>509,730</u>	<u>64,247,618</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 509,749</u>	<u>\$ 74,384,041</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

	Special Revenue			
	State Gas Tax	Measure A	Air Quality Management District	Block Grants
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	2,815,689	3,419,266	147,566	75,713
Charges for Services	-	-	-	-
Use of Money and Property	248,385	229,471	17,633	-
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	316,088	-	-
Total Revenues	<u>3,064,074</u>	<u>3,964,825</u>	<u>165,199</u>	<u>75,713</u>
EXPENDITURES				
Current:				
General Government	-	-	-	64,199
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Works	2,373,838	5,015	257	-
Capital Outlay	634,094	877,315	65,989	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,007,932</u>	<u>882,330</u>	<u>66,246</u>	<u>64,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>56,142</u>	<u>3,082,495</u>	<u>98,953</u>	<u>11,514</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	34,668
Transfers Out	-	(730,600)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(730,600)</u>	<u>-</u>	<u>34,668</u>
NET CHANGE IN FUND BALANCES	<u>56,142</u>	<u>2,351,895</u>	<u>98,953</u>	<u>46,182</u>
Fund Balances (Deficits), beginning of year, as restated (Note 19)	<u>10,428,482</u>	<u>8,882,672</u>	<u>692,973</u>	<u>(181,647)</u>
Fund Balances (Deficits), end of year	<u>\$ 10,484,624</u>	<u>\$ 11,234,567</u>	<u>\$ 791,926</u>	<u>\$ (135,465)</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

Special Revenue						
Seized Assets Forfeitures	SLESF	Murrieta Public Library	NPDES	Reimbursement Agreement Fund	TUMF	Housing Authority
\$ -	\$ -	\$ 2,654,456	\$ -	\$ -	\$ -	\$ -
-	-	-	147,682	-	-	-
905	286,885	-	-	-	-	-
-	-	4,693	-	-	-	-
24,822	4,296	45,862	30,990	-	-	177,929
-	-	20,735	-	-	-	-
-	-	-	-	-	-	-
2,500	-	24,664	-	-	-	6,500
<u>28,227</u>	<u>291,181</u>	<u>2,750,410</u>	<u>178,672</u>	<u>-</u>	<u>-</u>	<u>184,429</u>
-	-	-	-	-	-	-
56,895	374,665	-	-	-	-	-
-	-	-	-	-	-	43,742
-	-	2,829,028	-	-	-	-
-	-	-	872,291	-	-	-
37,657	-	-	-	-	393,377	-
157,883	-	-	-	-	-	-
8,933	-	-	-	-	-	-
<u>261,368</u>	<u>374,665</u>	<u>2,829,028</u>	<u>872,291</u>	<u>-</u>	<u>393,377</u>	<u>43,742</u>
<u>(233,141)</u>	<u>(83,484)</u>	<u>(78,618)</u>	<u>(693,619)</u>	<u>-</u>	<u>(393,377)</u>	<u>140,687</u>
83,696	-	61,541	300,000	-	-	1,500,000
-	-	-	-	-	-	-
<u>83,696</u>	<u>-</u>	<u>61,541</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
(149,445)	(83,484)	(17,077)	(393,619)	-	(393,377)	1,640,687
<u>1,146,946</u>	<u>224,306</u>	<u>1,405,213</u>	<u>1,390,937</u>	<u>(19,450)</u>	<u>12,114</u>	<u>13,574,535</u>
<u>\$ 997,501</u>	<u>\$ 140,822</u>	<u>\$ 1,388,136</u>	<u>\$ 997,318</u>	<u>\$ (19,450)</u>	<u>\$ (381,263)</u>	<u>\$ 15,215,222</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

	Special Revenue			
	Community Services District	Road Maintenance and Rehabilitation Account	Other Grants	Developer Agreement
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	9,418,868	-	-	-
Intergovernmental	-	2,481,328	528,834	-
Charges for Services	605,491	-	-	-
Use of Money and Property	280,680	120,190	6,192	99,892
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	29,000
Miscellaneous	26,876	-	-	-
Total Revenues	<u>10,331,915</u>	<u>2,601,518</u>	<u>535,026</u>	<u>128,892</u>
EXPENDITURES				
Current:				
General Government	-	-	191,835	-
Public Safety	-	-	143,276	-
Community Development	-	-	-	-
Parks and Recreation	12,113,399	-	55,038	-
Public Works	-	42,956	-	1,746
Capital Outlay	45,958	2,835,028	415,292	91,500
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>12,159,357</u>	<u>2,877,984</u>	<u>805,441</u>	<u>93,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,827,442)</u>	<u>(276,466)</u>	<u>(270,415)</u>	<u>35,646</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,881,225	-	-	-
Transfers Out	(425,846)	-	(8,805)	-
Total Other Financing Sources (Uses)	<u>1,455,379</u>	<u>-</u>	<u>(8,805)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(372,063)</u>	<u>(276,466)</u>	<u>(279,220)</u>	<u>35,646</u>
Fund Balances (Deficits), beginning of year, as restated (Note 19)	7,035,157	5,129,219	108,618	2,050,595
Fund Balances (Deficits), end of year	<u>\$ 6,663,094</u>	<u>\$ 4,852,753</u>	<u>\$ (170,602)</u>	<u>\$ 2,086,241</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023**

Special Revenue Fund	Capital Projects			Debt Service		
Opioid Settlement	Community Facilities District	Area Drainage	South West Road and Bridge	Citywide	2016B LARB	2022A LARB
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	628,588	2,655,855
-	-	-	69,611	-	-	-
-	-	-	-	-	-	-
371	47,964	132,338	5,277	6,235	9,210	17,935
-	-	-	-	-	-	-
-	-	114,420	-	-	-	-
6,210	-	-	-	-	-	3,272
<u>6,581</u>	<u>47,964</u>	<u>246,758</u>	<u>74,888</u>	<u>6,235</u>	<u>637,798</u>	<u>2,677,062</u>
-	-	-	-	6	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,670	94	-	-	-
-	10,548	19,858	-	-	-	-
-	-	-	-	997,003	420,000	1,655,000
-	-	-	-	309,087	208,588	1,000,855
-	10,548	22,528	94	1,306,096	628,588	2,655,855
<u>6,581</u>	<u>37,416</u>	<u>224,230</u>	<u>74,794</u>	<u>(1,299,861)</u>	<u>9,210</u>	<u>21,207</u>
-	-	-	-	1,308,411	-	-
-	-	-	-	-	-	-
-	-	-	-	1,308,411	-	-
6,581	37,416	224,230	74,794	8,550	9,210	21,207
-	1,583,674	5,622,925	192,659	1,946	320,784	1,488,488
<u>\$ 6,581</u>	<u>\$ 1,621,090</u>	<u>\$ 5,847,155</u>	<u>\$ 267,453</u>	<u>\$ 10,496</u>	<u>\$ 329,994</u>	<u>\$ 1,509,695</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Concluded)
For the Year Ended June 30, 2023**

	<u>Permanent</u>	
	Town Hall Association	Total Other Governmental Funds
REVENUES		
Taxes	\$ -	\$ 2,654,456
Assessments	-	12,850,993
Intergovernmental	-	9,825,797
Charges for Services	-	610,184
Use of Money and Property	11,614	1,517,286
Fines and Forfeitures	-	20,735
Developer Participation	-	143,420
Miscellaneous	-	386,110
Total Revenues	<u>11,614</u>	<u>28,008,981</u>
EXPENDITURES		
Current:		
General Government	-	256,040
Public Safety	-	574,836
Community Development	-	43,742
Parks and Recreation	4,583	15,002,048
Public Works	-	3,298,867
Capital Outlay	-	5,426,616
Debt Service:		
Principal Retirement	-	3,229,886
Interest and Fiscal Charges	-	1,527,463
Total Expenditures	<u>4,583</u>	<u>29,359,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,031</u>	<u>(1,350,517)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	5,169,541
Transfers Out	-	(1,165,251)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,004,290</u>
NET CHANGE IN FUND BALANCES	7,031	2,653,773
Fund Balances (Deficits), beginning of year, as restated (Note 19)	502,699	61,593,845
Fund Balances (Deficits), end of year	<u>\$ 509,730</u>	<u>\$ 64,247,618</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
State Gas Tax
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,955,663	\$ 2,955,663	\$ 2,815,689	\$ (139,974)
Use of Money and Property	70,000	70,000	248,385	178,385
Total Revenues	<u>3,025,663</u>	<u>3,025,663</u>	<u>3,064,074</u>	<u>38,411</u>
EXPENDITURES				
Current:				
Public Works	2,605,456	2,784,087	2,373,838	410,249
Capital Outlay	-	118,153	634,094	(515,941)
Total Expenditures	<u>2,605,456</u>	<u>2,902,240</u>	<u>3,007,932</u>	<u>(105,692)</u>
NET CHANGE IN FUND BALANCES	420,207	123,423	56,142	(67,281)
Fund Balance, beginning of year	<u>10,428,482</u>	<u>10,428,482</u>	<u>10,428,482</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 10,848,689</u>	<u>\$ 10,551,905</u>	<u>\$ 10,484,624</u>	<u>\$ (67,281)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Measure A
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,635,000	\$ 2,635,000	\$ 3,419,266	\$ 784,266
Use of Money and Property	10,000	80,000	229,471	149,471
Miscellaneous	-	-	316,088	316,088
Total Revenues	2,645,000	2,715,000	3,964,825	1,249,825
EXPENDITURES				
Current:				
Public Works	41,300	41,300	5,015	36,285
Capital Outlay	-	110,798	877,315	(766,517)
Total Expenditures	41,300	152,098	882,330	(730,232)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,603,700	2,562,902	3,082,495	519,593
OTHER FINANCING SOURCES (USES)				
Transfers out	(730,600)	(730,600)	(730,600)	-
NET CHANGE IN FUND BALANCE	1,873,100	1,832,302	2,351,895	519,593
Fund Balance, beginning of year	8,882,672	8,882,672	8,882,672	-
Fund Balance, end of year	\$ 10,755,772	\$ 10,714,974	\$ 11,234,567	\$ 519,593

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Air Quality Management District
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 147,566	\$ 4,566
Use of Money and Property	4,000	4,000	17,633	13,633
Miscellaneous	-	-	-	-
Total Revenues	<u>147,000</u>	<u>147,000</u>	<u>165,199</u>	<u>18,199</u>
EXPENDITURES				
Current:				
Public Works	250	250	257	(7)
Capital Outlay	-	-	65,989	(65,989)
Total Expenditures	<u>250</u>	<u>250</u>	<u>66,246</u>	<u>(65,996)</u>
NET CHANGE IN FUND BALANCE	146,750	146,750	98,953	(47,797)
Fund Balance, beginning of year	<u>692,973</u>	<u>692,973</u>	<u>692,973</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 839,723</u>	<u>\$ 839,723</u>	<u>\$ 791,926</u>	<u>\$ (47,797)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Block Grants
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 590,000	\$ 1,137,170	\$ 75,713	\$ (1,061,457)
Total Revenues	590,000	1,137,170	75,713	(1,061,457)
EXPENDITURES				
Current:				
General Government	69,000	616,170	64,199	551,971
Total Expenditures	69,000	616,170	64,199	551,971
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	521,000	521,000	11,514	(1,613,428)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	34,668	34,668	-
NET CHANGE IN FUND BALANCE	521,000	555,668	46,182	(509,486)
Fund Balance (Deficit), beginning of year	(181,647)	(181,647)	(181,647)	-
Fund Balance (Deficit), end of year	\$ 339,353	\$ 374,021	\$ (135,465)	\$ (509,486)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Seized Assets Forfeitures
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 905	\$ (7,095)
Use of Money and Property	1,070	1,070	24,822	23,752
Miscellaneous	-	-	2,500	2,500
Total Revenues	9,070	9,070	28,227	19,157
EXPENDITURES				
Current:				
Public Safety	4,000	146,365	56,895	89,470
Capital Outlay	-	42,145	37,657	4,488
Debt Service:				
Principal	11,174	11,174	157,883	(146,709)
Interest	197,490	197,490	8,933	188,557
Total Expenditures	212,664	397,174	261,368	135,806
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(203,594)	(388,104)	(233,141)	(116,649)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	83,696	83,696	-
NET CHANGE IN FUND BALANCE	(203,594)	(304,408)	(149,445)	154,963
Fund Balance, beginning of year	1,146,946	1,146,946	1,146,946	-
Fund Balance, end of year	\$ 943,352	\$ 842,538	\$ 997,501	\$ 154,963

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Supplemental Law Enforcement Services Fund (SLESF)
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 178,000	\$ 280,561	\$ 286,885	\$ 6,324
Use of Money and Property	-	4,131	4,296	165
Total Revenues	178,000	284,692	291,181	6,489
EXPENDITURES				
Current:				
Public Safety	260,837	385,277	374,665	10,612
Total Expenditures	260,837	385,277	374,665	10,612
NET CHANGE IN FUND BALANCE	(82,837)	(100,585)	(83,484)	17,101
Fund Balance, beginning of year, as restated	224,306	224,306	224,306	-
Fund Balance, end of year	\$ 141,469	\$ 123,721	\$ 140,822	\$ 17,101

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Murrieta Public Library
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ 2,215,614	\$ 2,215,614	\$ 2,654,456	\$ 438,842
Charges for services	8,850	8,850	4,693	(4,157)
Use of Money and Property	18,600	18,600	45,862	27,262
Fines and Forfeitures	48,000	48,000	20,735	(27,265)
Miscellaneous	46,700	51,887	24,664	(27,223)
Total Revenues	<u>2,337,764</u>	<u>2,342,951</u>	<u>2,750,410</u>	<u>407,459</u>
EXPENDITURES				
Current:				
Parks and Recreation	2,800,790	2,823,799	2,829,028	(5,229)
Total Expenditures	<u>2,800,790</u>	<u>2,823,799</u>	<u>2,829,028</u>	<u>(5,229)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(463,026)</u>	<u>(480,848)</u>	<u>(78,618)</u>	<u>402,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	463,025	463,025	61,541	(401,484)
NET CHANGE IN FUND BALANCE	(1)	(17,823)	(17,077)	746
Fund Balance, beginning of year	1,405,213	1,405,213	1,405,213	-
Fund Balance, end of year	<u>\$ 1,405,212</u>	<u>\$ 1,387,390</u>	<u>\$ 1,388,136</u>	<u>\$ 746</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
National Pollutant Discharge Elimination System (NPDES)
For the Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Assessments	\$ 488,000	\$ 488,000	\$ 147,682	\$ (340,318)
Use of Money and Property	4,700	4,700	30,990	26,290
Total Revenues	<u>492,700</u>	<u>492,700</u>	<u>178,672</u>	<u>(314,028)</u>
EXPENDITURES				
Current:				
Public Works	<u>1,122,756</u>	<u>1,097,285</u>	<u>872,291</u>	<u>224,994</u>
Total Expenditures	<u>1,122,756</u>	<u>1,097,285</u>	<u>872,291</u>	<u>224,994</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(630,056)</u>	<u>(604,585)</u>	<u>(693,619)</u>	<u>(89,034)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(330,056)</u>	<u>(304,585)</u>	<u>(393,619)</u>	<u>(89,034)</u>
Fund Balance, beginning of year	<u>1,390,937</u>	<u>1,390,937</u>	<u>1,390,937</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 1,060,881</u>	<u>\$ 1,086,352</u>	<u>\$ 997,318</u>	<u>\$ (89,034)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Reimbursement Agreement Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 154,020	\$ -	\$ (154,020)
Total Revenues	-	154,020	-	(154,020)
EXPENDITURES				
Capital Outlay	-	154,020	-	154,020
Total Expenditures	-	154,020	-	154,020
NET CHANGE IN FUND BALANCE				
Fund Balance (Deficit), beginning of year	(19,450)	(19,450)	(19,450)	-

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
TUMF
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital Outlay	-	2,157,768	393,377	1,764,391
Total Expenditures	-	2,157,768	393,377	1,764,391
NET CHANGE IN FUND BALANCE	-	(2,157,768)	(393,377)	1,764,391
Fund Balance, beginning of year	12,114	12,114	12,114	-

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Housing Authority
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 44,000	\$ 44,000	\$ 177,929	\$ 133,929
Miscellaneous	-	-	6,500	6,500
Total Revenues	<u>44,000</u>	<u>44,000</u>	<u>184,429</u>	<u>140,429</u>
EXPENDITURES				
Current:				
Community Development	<u>108,700</u>	<u>264,262</u>	<u>43,742</u>	<u>220,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(64,700)</u>	<u>(220,262)</u>	<u>140,687</u>	<u>360,949</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(64,700)</u>	<u>1,279,738</u>	<u>1,640,687</u>	<u>360,949</u>
Fund Balance, beginning of year	<u>12,807,511</u>	<u>12,807,511</u>	<u>13,574,535</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 12,742,811</u>	<u>\$ 14,087,249</u>	<u>\$ 15,215,222</u>	<u>\$ 360,949</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Community Services District
For the Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Assessments	\$ 9,215,830	\$ 9,215,830	\$ 9,418,868	\$ 203,038
Charges for Services	622,000	562,000	605,491	43,491
Use of Money and Property	145,805	145,805	280,680	134,875
Miscellaneous	1,000	1,000	26,876	25,876
Total Revenues	<u>9,984,635</u>	<u>9,924,635</u>	<u>10,331,915</u>	<u>407,280</u>
EXPENDITURES				
Current:				
Parks and Recreation	12,142,773	12,429,623	12,113,399	316,224
Capital Outlay	-	40,000	45,958	(5,958)
Total Expenditures	<u>12,142,773</u>	<u>12,469,623</u>	<u>12,159,357</u>	<u>310,266</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,158,138)</u>	<u>(2,544,988)</u>	<u>(1,827,442)</u>	<u>717,546</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,675,111	2,137,344	1,881,225	(256,119)
Transfers Out	(432,406)	(425,846)	(425,846)	-
Total Other Financing Sources (Uses)	<u>1,242,705</u>	<u>1,711,498</u>	<u>1,455,379</u>	<u>(256,119)</u>
NET CHANGE IN FUND BALANCE	<u>(915,433)</u>	<u>(833,490)</u>	<u>(372,063)</u>	<u>461,427</u>
Fund Balances, beginning of year	<u>7,035,157</u>	<u>7,035,157</u>	<u>7,035,157</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 6,119,724</u>	<u>\$ 6,201,667</u>	<u>\$ 6,663,094</u>	<u>\$ 461,427</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Road Maintenance and Rehabilitation Account
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,107,697	\$ 2,107,697	\$ 2,481,328	\$ 373,631
Use of Money and Property	-	-	120,190	120,190
Total Revenues	<u>2,107,697</u>	<u>2,107,697</u>	<u>2,601,518</u>	<u>493,821</u>
EXPENDITURES				
Current:				
Public Works	-	-	42,956	(42,956)
Capital Outlay	-	6,097	2,835,028	(2,828,931)
Total Expenditures	<u>-</u>	<u>6,097</u>	<u>2,877,984</u>	<u>(2,871,887)</u>
NET CHANGE IN FUND BALANCE	2,107,697	2,101,600	(276,466)	(2,378,066)
Fund Balance, beginning of year	<u>5,129,219</u>	<u>5,129,219</u>	<u>5,129,219</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 7,236,916</u>	<u>\$ 7,230,819</u>	<u>\$ 4,852,753</u>	<u>\$ (2,378,066)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Other Grants
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 29,840	\$ 1,888,153	\$ 528,834	\$ (1,359,319)
Use of Money and Property	22,650	22,650	6,192	(16,458)
Total Revenues	<u>52,490</u>	<u>1,910,803</u>	<u>535,026</u>	<u>(1,375,777)</u>
EXPENDITURES				
Current:				
General Government	-	700	191,835	(191,135)
Public Safety	30	157,069	143,276	13,793
Parks and Recreation	25,050	1,668,125	55,038	1,613,087
Capital Outlay	-	355,960	415,292	(59,332)
Total Expenditures	<u>25,080</u>	<u>2,181,854</u>	<u>805,441</u>	<u>1,376,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,410</u>	<u>(271,051)</u>	<u>(270,415)</u>	<u>636</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(8,805)	(8,805)
NET CHANGE IN FUND BALANCE	<u>27,410</u>	<u>(271,051)</u>	<u>(279,220)</u>	<u>(8,169)</u>
Fund Balance (Deficit), beginning of year	108,618	108,618	108,618	-
Fund Balance (Deficit), end of year	<u>\$ 136,028</u>	<u>\$ (162,433)</u>	<u>\$ (170,602)</u>	<u>\$ (8,169)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Developer Agreement
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 27,000	\$ 27,000	\$ 99,892	\$ 72,892
Developer Participation	-	29,000	29,000	-
Total Revenues	27,000	56,000	128,892	72,892
EXPENDITURES				
Current:				
Public Works	2,250	2,250	1,746	504
Capital Outlay	-	144,630	91,500	53,130
Total Expenditures	2,250	146,880	93,246	53,634
NET CHANGE IN FUND BALANCE	24,750	(90,880)	35,646	126,526
Fund Balance, beginning of year	2,050,595	2,050,595	2,050,595	-
Fund Balance, end of year	\$ 2,075,345	\$ 1,959,715	\$ 2,086,241	\$ 126,526

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
Community Facilities District
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 16,000	\$ 16,000	\$ 47,964	\$ 31,964
Total Revenues	16,000	16,000	47,964	31,964
EXPENDITURES				
Capital Outlay	-	-	10,548	(10,548)
Total Expenditures	-	-	10,548	(10,548)
NET CHANGE IN FUND BALANCE	16,000	16,000	37,416	21,416
Fund Balance, beginning of year	1,583,674	1,583,674	1,583,674	-
Fund Balance, end of year	\$ 1,599,674	\$ 1,599,674	\$ 1,621,090	\$ 21,416

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
Area Drainage
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 60,000	\$ 60,000	\$ 132,338	\$ 72,338
Developer Participation	110,000	110,000	114,420	4,420
Total Revenues	170,000	170,000	246,758	76,758
EXPENDITURES				
Current:				
Public Works	4,200	4,200	2,670	1,530
Capital Outlay	-	43,109	19,858	23,251
Total Expenditures	4,200	47,309	22,528	24,781
NET CHANGE IN FUND BALANCE	165,800	122,691	224,230	101,539
Fund Balance, beginning of year	5,622,925	5,622,925	5,622,925	-
Fund Balance, end of year	\$ 5,788,725	\$ 5,745,616	\$ 5,847,155	\$ 101,539

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
South West Road and Bridge
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 69,611	\$ 69,611
Use of Money and Property	1,000	1,000	5,277	4,277
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>74,888</u>	<u>73,888</u>
EXPENDITURES				
Current:				
Public Works	60	60	94	(34)
Total Expenditures	<u>60</u>	<u>60</u>	<u>94</u>	<u>(34)</u>
NET CHANGE IN FUND BALANCE	940	940	74,794	73,854
Fund Balance, beginning of year	192,659	192,659	192,659	-
Fund Balance, end of year	<u>\$ 193,599</u>	<u>\$ 193,599</u>	<u>\$ 267,453</u>	<u>\$ 73,854</u>

City of Murrieta

**Budgetary Comparison Schedule – Debt Service Fund –
Citywide
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Current				
Use of Money and Property	\$ 50	\$ 50	\$ 6,235	\$ 6,185
EXPENDITURES				
Current:				
General Government	-	-	6	(6)
Debt service:				
Principal Retirement	928,196	928,196	997,003	(68,807)
Interest and Fiscal Charges	486,961	486,961	309,087	177,874
Total Expenditures	1,415,157	1,415,157	1,306,096	109,061
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,415,107)	(1,415,107)	(1,299,861)	115,246
OTHER FINANCING SOURCES (USES)				
Transfers In	1,308,410	1,308,410	1,308,411	1
NET CHANGE IN FUND BALANCE	(106,697)	(106,697)	8,550	115,247
Fund Balance, beginning of year	1,946	1,946	1,946	-
Fund Balance, end of year	\$ (104,751)	\$ (104,751)	\$ 10,496	\$ 115,247



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INTERNAL SERVICE FUNDS



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City of Murrieta

**Combining Statement of Fund Net Position – Internal Service Funds
For the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,688,307	\$ 1,652,531	\$ 4,340,838
Accounts Receivable	10,446	-	10,446
Prepaid Costs	788,769	114,427	903,196
Inventory	-	16,977	16,977
Deposits Held with Others	-	4,836,312	4,836,312
Total Current Assets	<u>3,487,522</u>	<u>6,620,247</u>	<u>10,107,769</u>
Noncurrent:			
Capital Assets, net	1,518,933	-	1,518,933
Total Assets	<u>5,006,455</u>	<u>6,620,247</u>	<u>11,626,702</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	139,921	19,922	159,843
Accrued Liabilities	77,674	15,881	93,555
Unearned Revenues	15	-	15
Accrued Compensated Absences	25,437	1,195	26,632
Accrued Claims and Judgments	-	1,285,286	1,285,286
Lease and Subscription Liabilities	168,818	-	168,818
Total Current Liabilities	<u>411,865</u>	<u>1,322,284</u>	<u>1,734,149</u>
Noncurrent:			
Accrued Compensated Absences	101,747	4,782	106,529
Accrued Claims and Judgments	-	12,021,085	12,021,085
Lease and Subscription Liabilities	263,919	-	263,919
Total Noncurrent Liabilities	<u>365,666</u>	<u>12,025,867</u>	<u>12,391,533</u>
Total Liabilities	<u>777,531</u>	<u>13,348,151</u>	<u>14,125,682</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	1,086,196	-	1,086,196
Restricted for PEG	421,778	-	421,778
Unrestricted	2,720,950	(6,727,904)	(4,006,954)
Total Net Position (Deficit)	<u>\$ 4,228,924</u>	<u>\$ (6,727,904)</u>	<u>\$ (2,498,980)</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position –
Internal Service Funds
For the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
OPERATING REVENUES			
Interdepartmental Charges	\$ 3,743,146	\$ 8,017,594	\$ 11,760,740
Franchise Taxes	44,679	-	44,679
Miscellaneous	1,721	470	2,191
Total Operating Revenues	<u>3,789,546</u>	<u>8,018,064</u>	<u>11,807,610</u>
OPERATING EXPENSES			
Administration and General	3,769,590	4,239,268	8,008,858
Claims	-	6,515,003	6,515,003
Depreciation and Amortization	526,512	-	526,512
Total Operating Expenses	<u>4,296,102</u>	<u>10,754,271</u>	<u>15,050,373</u>
OPERATING INCOME (LOSS)	(506,556)	(2,736,207)	(3,242,763)
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	66,164	62,310	128,474
Interest Expense	(1,001)	-	(1,001)
Total Nonoperating Revenues (Expenses)	<u>65,163</u>	<u>62,310</u>	<u>127,473</u>
CHANGES IN NET POSITION	(441,393)	(2,673,897)	(3,115,290)
Net Position (Deficit), beginning of year	<u>4,670,317</u>	<u>(4,054,007)</u>	<u>616,310</u>
Net Position (Deficit), end of year	<u>\$ 4,228,924</u>	<u>\$ (6,727,904)</u>	<u>\$ (2,498,980)</u>

City of Murrieta

Combining Statement of Cash Flows – Internal Service Funds June 30, 2023

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Interfund Service Provided	\$ 3,792,344	\$ 8,018,064	\$ 11,810,408
Cash Paid to Suppliers for Goods and Services	(2,242,084)	(4,208,699)	(6,450,783)
Cash Paid to Employees for Services	(1,317,337)	(164,048)	(1,481,385)
Claims Paid	-	(3,465,691)	(3,465,691)
Net Cash Provided by Operating Activities	<u>232,923</u>	<u>179,626</u>	<u>412,549</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on subscription-based liability	(179,364)		(179,364)
Principal payments on note	(39,102)	-	(39,102)
Interest payments on note	(1,001)	-	(1,001)
Net Cash Used by Noncapital Financing Activities	<u>(219,467)</u>	<u>-</u>	<u>(219,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	66,164	62,310	128,474
Net Cash Used by Investing Activities	<u>66,164</u>	<u>62,310</u>	<u>128,474</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	79,620	241,936	321,556
Cash and Cash Equivalents, beginning of year *	2,608,687	1,410,595	4,019,282
Cash and Cash Equivalents, end of year	<u>\$ 2,688,307</u>	<u>\$ 1,652,531</u>	<u>\$ 4,340,838</u>

*Deposits held with others was classified as part of cash and cash equivalents in prior year for the Risk Management Fund. The beginning cash balance has been adjusted to reclass the asset.

RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating (Loss)	\$ (506,556)	\$ (2,736,207)	\$ (3,242,763)
Adjustments to Reconcile (Loss) Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	526,512	-	526,512
(Increase) Decrease in Accounts Receivable	2,798	-	2,798
(Increase) Decrease in Prepaid Costs	87,623	(9,852)	77,771
(Increase) Decrease in Inventory	-	(16,977)	(16,977)
(Increase) Decrease in Deposits Held with Others	-	(265,333)	(265,333)
(Increase) Decrease in Accounts Payable	95,650	(108,174)	(12,524)
Increase (Decrease) in Accrued Liabilities	7,821	2,299	10,120
Increase (Decrease) in Claims and Judgments	-	3,314,645	3,314,645
Increase (Decrease) in Compensated Absences	19,075	(775)	18,300
Total Adjustments	<u>739,479</u>	<u>2,915,833</u>	<u>3,655,312</u>
Net Cash Provided by Operating Activities	<u>\$ 232,923</u>	<u>\$ 179,626</u>	<u>\$ 412,549</u>



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STATISTICAL SECTION



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City of Murrieta

Statistical Section For the Year Ended June 30, 2023

Statistical Section

This part of the City of Murrieta's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City'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.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

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.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information

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 and help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers

City of Murrieta

Statistical Section For the Year Ended June 30, 2023

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the size and scope of its operations.

- Full-Time Equivalent City Government Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Assets Statistics by Function/Program

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

City of Murrieta

**Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$484,691,786	\$ 484,398,241	\$ 474,770,950	\$ 471,916,723	\$473,090,324	\$ 470,821,893	\$ 465,074,857	\$453,497,550	\$ 442,591,027	\$ 436,191,370
Restricted	81,040,723	79,838,599	87,273,906	89,929,796	105,088,044	111,079,503	103,136,669	94,056,151	186,274,667	123,733,392
Unrestricted	7,211,301	(16,592,998)	(14,653,798)	(13,848,839)	(41,046,353)	(31,457,063)	(9,829,207)	23,522,302	(25,236,928)	(840,095)
Total Governmental Activities Net Position	\$572,943,810	\$ 547,643,842	\$ 547,391,058	\$ 547,997,680	\$537,132,015	\$ 550,444,333	\$ 558,382,319	\$571,076,003	\$ 603,628,766	\$ 559,084,667
Business-type Activities										
Invested in Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Government										
Net Investment in Capital Assets	\$484,691,786	\$ 484,398,241	\$ 474,770,950	\$ 471,916,723	\$473,090,324	\$ 470,821,893	\$ 465,074,857	\$453,497,550	\$ 442,591,027	\$ 436,191,370
Restricted	81,040,723	79,838,599	87,273,906	89,929,796	105,088,044	111,079,503	103,136,669	94,056,151	186,274,667	123,733,392
Unrestricted	7,211,301	(16,592,998)	(14,653,798)	(13,848,839)	(41,046,353)	(31,457,063)	(9,829,207)	23,522,302	(25,236,928)	(840,095)
Total Primary Government Activities Net Position	\$572,943,810	\$ 547,643,842	\$ 547,391,058	\$ 547,997,680	\$537,132,015	\$ 550,444,333	\$ 558,382,319	\$571,076,003	\$ 603,628,766	\$ 559,084,667

City of Murrieta

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 6,318,278	\$ 10,272,032	\$ 7,147,019	\$ 6,897,851	\$ 8,792,429	\$ 9,946,480	\$ 9,585,480	\$ 10,584,605	\$ 9,948,145	\$ 17,679,910
Public Safety	36,928,765	37,185,694	36,159,079	39,540,555	46,256,080	45,498,308	49,295,183	58,821,008	55,338,998	72,862,928
Community development	2,637,132	4,620,996	3,785,546	3,583,540	4,520,971	4,238,848	5,758,019	5,440,727	5,385,148	8,202,449
Parks and recreation	13,911,513	14,018,797	13,285,200	14,036,956	15,937,895	14,346,304	12,702,695	15,090,578	16,246,798	19,336,947
Public works	24,140,175	11,854,445	16,499,024	15,479,683	14,632,165	16,196,832	7,014,041	24,720,807	21,449,510	19,808,063
Interest on Long-term debt	378,161	408,261	378,892	337,616	320,046	613,581	705,260	323,746	4,278,037	2,462,044
Principal retirement	-	-	-	-	-	-	1,111,972	-	-	-
Cost Issuance	-	-	-	-	-	-	37,395	-	-	-
Total Governmental Activities Expenses	\$ 84,314,024	\$ 78,360,225	\$ 77,254,760	\$ 79,876,201	\$ 90,459,586	\$ 90,840,353	\$ 86,210,045	\$ 114,981,471	\$ 112,646,636	\$ 140,352,341
Total Primary Government Expenses	\$ 84,314,024	\$ 78,360,225	\$ 77,254,760	\$ 79,876,201	\$ 90,459,586	\$ 90,840,353	\$ 86,210,045	\$ 114,981,471	\$ 112,646,636	\$ 140,352,341
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 323,067	\$ 344,956	\$ 393,066	\$ 380,150	\$ 339,285	\$ 506,317	\$ 358,992	\$ 407,393	\$ 766,593	\$ 1,846,704
Public Safety	2,711,686	3,372,277	3,173,165	3,054,659	2,835,262	2,531,423	2,302,332	2,127,808	2,216,612	3,458,096
Community development	1,152,281	1,593,650	1,619,494	1,543,461	1,801,558	2,161,102	2,105,244	2,436,099	2,736,683	5,025,514
Parks and recreation	8,950,391	9,011,424	9,210,859	9,228,886	9,789,417	10,110,756	9,720,311	9,575,095	10,139,229	10,222,700
Public works	1,546,400	1,735,377	2,519,618	2,372,120	2,181,995	3,711,312	1,536,320	2,705,445	2,878,347	5,805,023
Operating Contributions:										
General Government	-	-	-	-	-	-	28	100,213	52,631	4,201,413
Public Safety	1,856,699	1,771,525	1,912,293	2,125,732	2,846,717	2,193,855	3,048,607	6,307,152	5,412,566	3,261,229
Community development	17,000	127,269	-	87	978,185	357,434	192,013	393,691	67,755	122,061
Parks and recreation	12,017	561	-	-	7,210	6,551	565,563	8,252	1,619	73,554
Public works	4,546	11,536	-	-	-	-	-	-	-	-
Capital Contributions and Grants:										
Public Safety	-	934,577	702,382	286,376	478,295	684,204	449,730	-	-	100,744
Community development	2,806	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	126,167	439,480	284,038	34,897	22,845	17,233	44,605	23,785
Public works	14,471,513	12,800,355	11,082,791	13,934,929	16,346,203	13,726,110	10,418,244	11,867,320	18,048,160	27,296,307
Total Governmental Activities Revenues	\$ 31,048,406	\$ 31,703,507	\$ 30,739,835	\$ 33,365,880	\$ 37,888,165	\$ 36,023,961	\$ 30,720,229	\$ 35,945,701	\$ 42,364,800	\$ 61,437,130
Total Primary Government Revenues	\$ 31,048,406	\$ 31,703,507	\$ 30,739,835	\$ 33,365,880	\$ 37,888,165	\$ 36,023,961	\$ 30,720,229	\$ 35,945,701	\$ 42,364,800	\$ 61,437,130
Net (Expense)/Revenue										
Government Activities	(53,265,618)	(46,656,718)	(46,514,925)	(46,510,321)	(52,571,421)	(54,816,392)	(55,489,816)	(79,035,770)	(70,281,836)	(78,915,211)
Total Primary Government Net Expenses	\$ (53,265,618)	\$ (46,656,718)	\$ (46,514,925)	\$ (46,510,321)	\$ (52,571,421)	\$ (54,816,392)	\$ (55,489,816)	\$ (79,035,770)	\$ (70,281,836)	\$ (78,915,211)

City of Murrieta

**Changes in Net Position (Continued)
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 22,877,110	\$ 25,375,863	\$ 26,976,510	\$ 27,365,716	\$ 18,318,390	\$ 19,249,637	\$ 20,426,934	\$ 21,298,548	\$ 21,804,948	\$ 24,419,742
Property taxes, levied for Fire Safety	-	-	-	-	10,638,490	11,130,640	11,474,940	12,322,314	12,828,976	14,125,562
Property transfer tax	465,828	599,789	570,417	587,705	688,336	604,380	605,043	958,733	1,224,304	576,080
Transient occupancy taxes	152,266	180,655	406,402	588,862	1,034,918	1,377,892	1,275,998	1,388,646	2,111,609	1,907,457
Sales taxes	13,293,897	13,869,833	14,827,391	15,633,644	17,813,627	23,410,479	36,672,600	47,903,495	54,788,375	55,580,286
Franchise tax	3,690,452	3,698,577	3,645,115	3,557,828	3,648,879	3,609,689	4,027,797	4,692,590	4,644,997	4,915,332
Business licenses taxes	594,633	653,483	690,342	752,963	769,637	779,147	780,905	797,738	920,357	928,285
Intergovernmental, unrestricted:										
Motor Vehicle in Lieu	-	-	-	-	60,489	54,500	93,491	84,757	133,053	113,965
Investment income	1,111,918	1,032,747	1,835,084	444,274	783,865	3,844,936	5,304,590	(80,196)	2,168,412	4,579,089
Use of money and property	-	-	-	456,254	14,615	808,656	87,574	1,370,549	-	21,566
Gain on sale of asset	1,083,894	200,084	310,880	269,945	366,363	3,258,754	838,135	925,222	1,067,693	1,082,009
Other	43,269,998	45,611,031	49,262,141	49,657,191	54,137,609	68,128,710	81,588,007	91,662,396	101,692,724	108,249,373
Total Governmental Activities	\$ 43,269,998	\$ 45,611,031	\$ 49,262,141	\$ 49,657,191	\$ 54,137,609	\$ 68,128,710	\$ 81,588,007	\$ 91,662,396	\$ 101,692,724	\$ 108,249,373
Total Primary Government	\$ (9,995,620)	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 31,410,888	\$ 29,334,162
Changes in Net Position	\$ (9,995,620)	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 31,410,888	\$ 29,334,162
Governmental Activities	\$ (9,995,620)	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 31,410,888	\$ 29,334,162
Total Primary Government	\$ (9,995,620)	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 31,410,888	\$ 29,334,162

City of Murrieta

**Fund Balances of Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

General Fund	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Nonspendable	\$ 7,500	\$ 4,830,894	\$ 4,823,933	\$ 3,331,733	\$ 2,557,690	\$ 1,732,505	\$ 3,102,003	\$ 1,388,443	\$ 4,480,717	\$ 4,181,606
Restricted					6,760,566	1,102,039	1,102,039	795,242	203,435	225,188
Committed	4,421,985	4,441,271	4,778,387	4,521,921	16,212,641	22,506,936	22,504,590	39,848,266	59,624,816	51,229,664
Assigned	266,968	132,292	147,482	57,042	57,042	57,042	57,042	52,482	52,482	57,042
Unassigned	17,240,595	15,381,707	18,048,951	16,562,140	10,218,675	16,573,369	34,261,832	40,804,323	40,602,221	71,473,681
Total General Fund	\$ 21,937,038	\$ 24,786,164	\$ 27,798,753	\$ 24,472,836	\$ 35,806,614	\$ 41,971,891	\$ 61,027,466	\$ 82,888,756	\$ 104,963,671	\$ 127,167,181
All other Governmental Funds										
Nonspendable	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 506,158	\$ 528,501	\$ 531,288	\$ 536,360	\$ 556,728
Restricted	70,678,124	68,942,318	76,089,575	79,129,454	94,839,481	100,524,128	96,978,550	98,428,363	181,919,349	123,008,204
Committed	8,421,761	8,489,144	8,856,754	8,306,021	-	-	-	-	-	-
Assigned	97,320	97,452	90,042	90,042	-	-	-	-	-	-
Unassigned	(1,287,916)	(940,294)	(695,719)	(1,112,972)	(2,575,834)	(1,276,679)	(1,442,029)	(301,651)	(1,481,934)	(939,852)
Total all other Governmental Funds	\$ 78,409,289	\$ 77,088,620	\$ 84,840,652	\$ 86,912,545	\$ 92,763,647	\$ 99,753,607	\$ 96,065,022	\$ 98,658,000	\$ 180,973,775	\$ 122,625,080

City of Murrieta

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes and Assessments	\$ 51,772,910	\$ 54,468,411	\$ 57,904,070	\$ 59,007,161	\$ 62,790,280	\$ 70,126,890	\$ 85,350,816	\$ 100,053,513	\$ 109,123,680	\$ 119,646,012
Licenses and permits	787,401	1,154,123	1,105,445	1,023,259	2,040,716	2,399,579	2,080,504	2,439,357	2,772,424	3,397,879
Intergovernmental	16,367,936	10,820,666	8,495,466	12,731,256	16,225,261	12,342,123	12,668,577	14,115,138	13,431,231	22,948,591
Charges for services	3,058,939	4,222,987	4,844,048	4,468,015	4,581,800	5,510,046	3,518,657	3,924,451	4,955,346	6,694,073
Use of money and property	1,009,793	962,986	1,691,970	263,706	927,905	3,725,701	5,083,461	180,913	1,581,529	4,578,267
Fines and Forfeitures	615,917	663,543	597,323	577,938	523,318	363,662	437,562	291,770	445,223	601,204
Developer participation	563,361	4,884,976	6,018,530	3,866,587	4,246,835	5,640,778	2,895,414	3,647,776	6,564,016	12,363,259
Miscellaneous	1,065,274	250,547	310,884	269,949	655,483	3,259,352	885,465	577,356	2,145,070	861,994
Total Revenues	75,241,531	77,428,239	80,967,736	81,727,871	91,991,598	103,368,131	112,920,456	125,230,274	141,018,519	171,091,279
Expenditures:										
General Government	5,018,031	5,648,042	6,588,183	8,453,497	6,980,621	9,218,519	9,585,480	8,884,662	9,601,609	16,026,437
Public Safety	35,661,325	36,495,257	37,201,869	38,655,871	39,811,607	44,155,921	49,295,183	54,706,927	61,449,186	66,154,902
Community development culture and recreation	2,634,365	4,620,996	3,785,540	3,583,540	3,842,370	4,383,037	5,758,019	5,376,799	6,100,867	7,574,717
Public works	12,140,712	12,155,071	11,292,830	11,984,108	12,914,472	12,547,690	12,702,695	13,018,592	14,619,911	15,907,301
Public utility	4,663,970	4,693,407	5,290,180	5,322,975	5,675,492	13,065,711	7,014,041	8,628,873	7,621,552	9,737,147
Capital outlay	21,564,512	12,774,705	4,759,269	12,060,890	11,485,200	5,387,355	11,581,057	13,565,571	10,044,523	9,687,885
Debt service:										
Principal retirement	680,000	700,000	929,396	964,320	1,366,431	1,381,616	1,111,972	7,560,798	6,456,648	5,571,915
Interest	422,852	399,412	391,209	358,887	329,372	503,045	705,260	440,514	4,463,883	2,829,855
Debt issuance costs	-	-	-	-	-	-	37,395	161,468	488,630	-
Total Expenditures	82,785,767	77,486,890	70,238,482	81,383,998	82,405,565	90,642,894	97,791,102	112,339,204	120,846,809	133,490,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,544,236)	(58,651)	10,729,254	343,873	9,586,033	12,725,237	15,129,354	12,891,070	20,171,710	37,601,120
Other Financing Sources (uses):										
Transfers in	1,671,445	3,311,249	2,691,218	3,296,696	2,313,376	4,368,720	2,441,067	5,429,618	6,503,052	8,071,183
Transfers out	(1,671,445)	(3,303,293)	(2,691,218)	(3,886,696)	(2,913,376)	(4,968,720)	(2,441,067)	(5,429,618)	(6,503,052)	(8,071,183)
Long-term debt issued	-	827,621	-	-	-	-	4,319,919	6,343,000	-	-
Bond Proceeds	-	-	-	668,975	8,184,232	-	-	-	29,075,000	-
Bonds Premium	-	-	-	-	-	-	(4,889,733)	-	2,612,562	-
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	(37,788,065)	-
Proceeds from sale of capital assets	43,563	1,063,802	35,367	863,376	14,615	1,030,000	87,574	4,908,825	65,866	21,566
Capital lease proceeds	-	-	-	-	-	-	578,545	452,704	-	-
Lease/SBTA acquisition	-	-	-	-	-	-	-	-	825,604	110,390
Total Other Financing Sources (uses)	43,563	1,899,379	35,367	942,351	7,598,847	430,000	96,305	11,704,529	(5,209,033)	131,956
Net change in fund balances	\$ (7,500,673)	\$ 1,840,728	\$ 10,764,621	\$ 1,286,224	\$ 17,184,880	\$ 13,155,237	\$ 15,225,659	\$ 24,595,599	\$ 14,962,677	\$ 37,733,076
Debt services as a percentage of noncapital expenditures	1.80%	1.70%	2.00%	1.90%	2.40%	2.20%	2.10%	8.10%	9.90%	6.79%

City of Murrieta

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (Dollars in Thousands)**

Fiscal Year	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Effective Tax Rate	Estimated Actual Value Taxable Property*	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	\$ 7,843,786	\$ 1,304,769	\$ 1,029,690	\$ (36,483)	\$ 10,141,762	0.0769%	N/A	N/A
2015	8,692,355	1,339,531	1,060,177	(37,160)	11,054,903	0.0769%	N/A	N/A
2016	9,110,367	1,429,009	1,086,358	(37,924)	11,587,810	0.0770%	N/A	N/A
2017	9,562,560	1,285,780	1,124,523	(39,773)	11,933,090	0.0770%	N/A	N/A
2018	10,094,631	1,439,680	1,116,132	(39,528)	12,610,915	0.0771%	N/A	N/A
2019	10,630,537	1,603,699	1,178,540	(40,317)	13,372,459	0.0772%	N/A	N/A
2020	11,201,218	1,666,691	1,156,797	(391)	14,024,315	0.0772%	N/A	N/A
2021	11,738,707	1,775,724	1,182,204	-	14,696,635	0.0773%	N/A	N/A
2022	12,322,242	1,841,340	1,220,136	-	15,383,718	0.0774%	N/A	N/A
2023	13,297,795	1,940,273	1,328,166	-	16,566,234	0.0773%	N/A	N/A

N/A - Data Not Available

*In 1978 the voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. 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.

Source:
The HdL Companies
City of Murrieta Finance Department

City of Murrieta

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Rate Per \$100 of Taxable Value)

Agency	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Rate										
City of Murrieta Library	0.03117	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850
County Free Library	-	-	-	-	-	-	-	-	-	-
Riverside County General	0.24390	0.22270	0.22270	0.22270	0.22270	0.22270	0.11130	0.11130	0.11130	0.11130
Elsinore Area Elementary School Fund	0.08280	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560
Flood Control Administration	0.00306	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279
Flood Control Zone 7	0.01884	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720
Mt. San Jacinto Junior College	0.04530	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140
Murrieta Cemetery	0.00326	0.00298	0.00298	0.00298	0.00298	0.00298	0.00298	0.00298	0.00298	0.00298
ERAF Share of Murrieta Fire Protection District-Only	-	-	-	-	-	-	-	-	-	-
Murrieta Fire Protection-County	0.06710	0.06130	0.06130	0.06130	0.06130	0.06129	0.05530	0.05530	0.05530	0.05530
ERAF Share of Murrieta Fire Protection District-City	-	-	-	-	-	-	-	-	-	-
Murrieta Fire Protection-City	0.00000	0.05310	0.05310	0.05310	0.05310	0.05311	0.05160	0.05160	0.05160	0.05160
ERAF Share of Murrieta General Fund	-	-	-	-	-	-	-	-	-	-
Murrieta General Fund	0.07798	0.07108	0.07108	0.07108	0.07108	0.07117	0.05870	0.05870	0.05870	0.05870
Murrieta Unified School District	0.36550	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370
Riverside County Office of Education	0.04810	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390
Riverside County Reg Park & Open Space	0.00487	0.00445	0.00445	0.00445	0.00445	0.00445	0.00445	0.00445	0.00445	0.00445
Eastern Municipal Water District	-	0.04130	0.04130	0.04130	0.04130	0.04130	0.04130	0.04130	0.04130	0.04130
Western Municipal Water 9th Fringe	0.00812	-	-	-	-	-	-	-	-	-
ERAF Share of County General	-	-	-	-	-	-	-	-	-	-
Total Direct Rate(1)	1.00000	1.00000	1.00000	1.00000	1.00012	1.00013	1.00013	1.00013	1.00013	1.00013
Overlapping Rates:										
Eastern Municipal Water District	0.08100	0.05400	0.02400	0.02400	0.01900	0.01900	0.01900	0.01900	0.01900	0.00860
Metropolitan Water District (original area)	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Junior College	-	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
Menifee School District	0.03421	0.03275	0.03010	0.03269	0.06800	0.06303	0.06277	0.06111	0.06319	0.06201
Murrieta Unified School District	0.12272	0.11699	0.13703	0.13294	0.12587	0.11946	0.11945	0.11945	0.11955	0.11955
Parris Union High School District	0.06970	0.06303	0.06236	0.06992	0.05675	0.05243	0.05244	0.05659	0.08859	0.08859
Rancho California Water District	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000
Temecula Unified School District	0.03696	0.03019	0.02741	0.03164	0.03287	0.03061	0.02938	0.02389	0.02389	0.02389
Total Overlapping Rates(2)	1.14809	1.10046	1.09834	1.09889	1.11199	1.10123	1.12974	1.12584	1.13092	1.11934
Combined Total	2.14809	2.10046	2.09834	2.09889	2.11211	2.10136	2.12987	2.12597	2.13105	2.11947
City's Share of 1% Levy Per Prop 13(3)	0.08070	0.07369	0.07369	0.07369	0.07369	0.07369	0.07369	0.07369	0.07369	0.07369
Redevelopment Rate(4)	-	-	-	-	-	-	-	-	-	-
Total Effective Rate(5)	0.07690	0.07692	0.07702	0.07706	0.07714	0.07718	0.07720	0.07726	0.07741	0.07733
Source: The HDL Companies										

Notes:

- (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. In addition to the 1.00% fixed amount, property owners are charged taxes as a % of assessed property values for the payment of any voter approved bonds.
- (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.
- (3) The 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 general fund tax shifts may not be included in tax ratio figures.
- (4) The RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California state statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all indirect rates applied by the City/Agency preparing the statistical section information 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/Agency in the same proportions as general fund revenue.

City of Murrieta

Principal Property Taxpayers Current Year and Ten Years Ago

Taxpayer	2023		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sreit Waterstone at Murrieta Apartments	\$ 156,678,991	1	0.95%
MG Mitchell Place Apartments LLC	79,815,000	2	0.48%
Universal Health Services of Rancho Springs	78,991,704	3	0.48%
Pacific Landing	70,272,009	4	0.42%
Murrieta Town Center Retail Owner LP	70,268,267	5	0.42%
Murrieta 492	67,338,903	6	0.41%
Arbors at California Oaks Properties	61,831,131	7	0.37%
CH Realty IX MF San Diego Eagle Glen	57,202,201	8	0.35%
FG Murrieta SR Apartments	54,001,038	9	0.33%
WalMart Realty Company	51,207,051	10	0.31%
Total	\$ 747,606,295		4.51%

Taxpayer	2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Health Care REIT	\$ 182,144,087	1	1.79%
Universal Health Services	58,661,685	2	0.58%
Murrieta 492	58,033,217	3	0.57%
Arbors of CA Oaks Prop	53,256,092	8	0.52%
Hancock Avenue LLC	50,728,204	4	0.50%
Target Corporation	47,814,197	5	0.47%
FG Murrieta Senior Apts	46,410,000	6	0.46%
Eagle Glen Apartments	43,498,108	10	0.43%
Wal Mart Realty Co.	41,408,905	7	0.41%
Physicians Hospital	38,663,537	9	0.38%
Total	\$ 620,618,032		6.11%

Source: The HdL Companies and Riverside County Assessor
Source: 2014, prior published ACFR

City of Murrieta

Principal 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(1)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 14,149,731	\$ 13,199,883	93%	\$ 329,293	\$ 13,529,176	96%
2015	15,585,958	14,639,096	94%	388,565	15,027,661	96%
2016	16,391,822	15,415,384	94%	405,410	15,820,794	97%
2017	17,158,388	16,281,633	95%	430,059	16,711,692	97%
2018	17,710,620	15,519,448	88%	116,863	15,636,311	88%
2019*	20,136,391	19,619,766	97%	600,825	20,220,591	100%
2020	21,320,104	20,359,445	95%	586,840	20,946,285	98%
2021	21,415,972	20,577,475	96%	775,040	21,352,515	100%
2022	22,395,811	21,515,766	96%	826,078	22,341,844	100%
2023	24,180,725	23,239,106	96%	660,030	23,899,136	99%

Source:

City of Murrieta Finance Department
Office of Auditor-Controller, Riverside County

*Restatement

(1) The City of Murrieta participates in the Riverside County Teeter program which allows for a 30% advance, one settlement payment for the first installment, a 10% advance and a settlement payment for the second installment, all of which are remitted within the year of levy. One additional settlement payment is made during the subsequent year. After that, data provided by the Riverside County Office of Auditor-Controller for collection of prior year taxes, does not segregate payment information by fiscal year. Therefore, the City is not able to report any additional prior year remittances by specific year of levy.

City of Murrieta

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	General Bonded Certificates of Participation		Unamortized Premium ^a		GASB 87 Leases		Subscriptions		Other Leases		Murrieta Financing Authority Debt		Unamortized Premium ^b		Murrieta Financing Authority Debt		Percentage of Personal Income ^c		Per Capita ^d		
2014	\$	8,960,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	8,960,000	-	0.30%	84		
2015		8,260,000		-		-		-		827,621		-		-		9,087,621		0.30%	80		
2016		7,530,000		-		-		-		628,225		-		-		8,158,225		0.26%	71		
2017		6,770,000		-		-		-		1,092,880		-		-		7,862,880		0.25%	68		
2018		5,970,000		-		-		-		8,710,681		-		-		14,680,681		0.44%	124		
2019		5,145,000		-		-		-		7,883,717		-		-		13,028,717		0.37%	113		
2020		3,790,000		505,272		-		-		7,375,563		-		-		11,670,855		0.33%	101		
2021		3,790,000		431,330		-		-		6,491,619		-		-		10,712,949		0.29%	93		
2022		3,215,000		357,388		1,354,046		-		6,032,183		76,787,562		2,612,562		87,746,179		2.17%	789		
2023		2,620,000		283,446		1,492,303		428,506		5,393,589		72,184,849		2,394,849		82,402,693		1.95%	749		

N/A - Data Not Available

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements. In fiscal year 2017-18, presentation has been modified to exclude non-general bonded debt and include net position restricted for debt service. In fiscal year 2022-23, presentation has been modified to remove Tax Allocations Bonds that the City has not had for the last ten years.

^a The 2007 Certificates of Participation Bonds were refunded in 2020 into Lease Revenue Refunding Bonds, Series 2020A, which included a Premium of \$529,919.10.

^b The FY22 Financial Statements were restated to include the previous Community Facilities Districts Debt that was refunded by the Murrieta Financing Authority Local Agency Revenue Bonds, Series 2022 included a Premium of \$2,612,562.

^c See Demographic and Economic Statistics schedule for personal income and population data.

Source: City of Murrieta Finance Department

City of Murrieta

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Bonded Debt by Type			Amount Restricted for Debt Services	Total	Percentage of Assessed Value (1)	Per Capita ^b
	Tax Allocation Bonds	Certificates of Participation	Unamortized Premium ^a				
2014	-	\$ 8,960,000	\$ -	\$ (405,000)	\$ 8,555,000	0.08%	80
2015	-	8,260,000	-	(415,000)	7,845,000	0.07%	69
2016	-	7,530,000	-	(435,000)	7,095,000	0.06%	62
2017	-	6,770,000	-	(450,000)	6,320,000	0.05%	55
2018	-	5,970,000	-	(475,000)	5,495,000	0.04%	47
2019	-	5,145,000	-	(490,000)	4,655,000	0.03%	40
2020	-	3,790,000	505,272	(26,951)	3,763,049	0.03%	33
2021	-	3,790,000	431,330	(151,600)	3,638,400	0.02%	32
2022	-	3,215,000	357,388	(726,600)	2,488,400	0.02%	22
2023	-	2,620,000	283,446	(723,600)	1,896,400	0.01%	17

N/A - Data Not Available

Notes:

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California. See Assessed Value and Estimated Actual Value of Taxable Property schedule for assessed values. In fiscal year 2017-18, presentation has been modified to exclude non-general bonded debt and include net position restricted for debt service.

^a The 2007 Certificates of Participation Bonds were refunded in 2020 into Lease Revenue Refunding Bonds, Series 2020A, which included a Premium of \$529,919.10.

^b See Demographic and Economic Statistics schedule for population data.

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Source: City of Murrieta Finance Department

City of Murrieta

Direct and Overlapping Governmental Activities Debt For the Year Ended June 30, 2023

2022-23 Assessed Valuation:	<u>\$16,580,810,893</u>		
	Gross Bonded Debt Balance	Gross Non-Bonded Debt Balance	% Applicable to City (1)
Overlapping Tax and Assessment Debt:			City's Share of Debt
City of Murrieta 1915 Act Bonds	\$ 1,715,000		100.000% \$ 1,715,000
City of Murrieta Community Facilities Districts	88,880,000		100.000% \$ 88,880,000
Total Direct Tax and Assessment Debt			<u>\$ 90,595,000</u>
Other Overlapping Tax and Assessment Debt:			
Metropolitan Water District	\$ 19,215,000		0.453% 87,044
Riverside County Flood Control and Water Conservation District, Zone 4	5,380,000		0.821% 44,170
Mt. San Jacinto Community College District	247,850,000		13.918% 34,495,763
Murrieta Valley Unified School District	164,958,801		83.349% 137,491,511
Murrieta Valley Unified School District Community Facilities Districts	81,220,315		100.000% 81,220,315
Temecula Valley Unified School District	162,247,782		0.017% 27,582
Perris Union High School District	298,735,042		5.448% 16,275,085
Perris Union High School District Community Facilities District No. 92-1	31,050,000		13.206% 4,100,463
Menifee Union School District	120,934,720		8.701% 10,522,530
Eastern Municipal Water District Improvement Districts	13,660,000		0.953-99.897% 2,277,623
Rancho California Water District Community Facilities Districts	13,315,000		100.000% 13,315,000
Eastern Municipal Water District Community Facilities Districts	4,455,000		100.000% 4,455,000
Elsinore Valley Municipal Water District Community Facilities Districts	3,145,000		100.000% 3,145,000
Western Municipal Water District Community Facilities Districts	1,774,303		100.000% 1,774,303
Riverside County Community Facilities Districts	1,550,000		100.000% 1,550,000
California Statewide Community Development Authority Assessment District No. 2018-01	1,960,000		100.000% 1,960,000
Eastern Municipal Water District 1915 Act Bonds	2,080,000		2.949% 61,339
Total Other Overlapping Tax and Assessment Debt			<u>312,802,728</u>
Combined Total Overlapping Tax and Assessment Debt			<u>403,397,728</u>
Ratios to 2022-23 Assessed Valuations:			
Total City Overlapping Tax and Assessment Debt	0.55%		
Combined Total Overlapping Tax and Assessment Debt	2.43%		
Direct Debt:			
City of Murrieta General Fund Obligations	\$ 2,620,000		100.000% 2,620,000
Premium	283,446		100.000% 283,446
Lease Liabilities		1,492,303	100.000% 1,492,303
Subscription Liabilities		428,506	100.000% 428,506
Other Leases		5,393,589	100.000% 5,393,589
Murrieta Financing Authority Debt	72,184,849		100.000% 72,184,849
Premium	2,394,849		100.000% 2,394,849
Total Direct General Fund Debt			<u>84,797,542</u>
Overlapping General Fund Debt:			
Riverside County General Fund Obligations	\$ 686,776,829		4.579% 31,447,511
Riverside County Pension Obligations	748,540,000		4.579% 34,275,647
Murrieta Valley Unified School District Certificates of Participation	21,005,000		83.349% 17,507,457
Other School District Certificates of Participation	85,740,017		Various 6,143,363
Western Municipal Water District General Fund Obligations	4,075,058		1.957% 79,749
Total Gross Overlapping General Fund Debt			<u>89,453,727</u>
Less: Riverside County self-supporting obligations			-
Total Net Overlapping General Fund Debt			<u>\$ 89,453,727</u>
Overlapping Tax Increment Debt (successor Agencies):	\$ 218,717,321		0.565-100% \$ 35,257,188
Total Direct Debt			\$ 84,797,542
Total Gross Overlapping Debt			\$ 528,108,643
Total Net Overlapping Debt			\$ 528,108,643
Grand Total Gross Direct and Overlapping Debt			\$ 612,906,185
Grand Total Net Direct and Overlapping Debt			\$ 612,906,185

Notes:

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

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

Ratios to 2022-23 Assessed Valuation:

Total Direct Debt (\$84,797,542)	0.51%
Grand Total Gross Direct and Overlapping Debt	3.70%
Grand Total Net Direct and Overlapping Debt	3.70%

Ratios to Redevelopment Incremental Valuation (\$1,411,476,236):

Total Overlapping Tax Increment Debt	2.50%
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Source:

Avenu Insights & Analytics
California Municipal Statistics, Inc.

City of Murrieta

**Legal Debt Margin Information
Last Ten Fiscal Years (Dollars in Thousands)**

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 16,580,810,893
Conversion percentage	25%
Adjusted assessed valuation	<u>4,145,202,723</u>
Debt limit (15% of assessed value)	621,780,408
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 621,780,408</u>

Fiscal Year	Debt Limit	Total net debt Applicable to Limit	Legal Debt Limit	Legal Debt Margin as a Percentage of Debt limit
2014	\$ 381,684,202	-	\$ 381,684,202	100%
2015	415,952,346	-	415,952,346	100%
2016	435,965,052	-	435,965,052	100%
2017	448,982,354	-	448,982,354	100%
2018	474,580,891	-	474,580,891	100%
2019	503,136,609	-	503,136,609	100%
2020	525,930,240	-	525,930,240	100%
2021	551,096,877	-	551,096,877	100%
2022	576,758,166	-	576,758,166	100%
2023	621,780,408	-	621,780,408	100%

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation, however; this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the state.

City of Murrieta

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1) (3)	Personal Income* (In Thousands) (1)	Per Capita Personal Income (1)	Unemployment Rate (1) (2)
2014	106,393	\$ 2,975,599	\$ 27,968	6.60%
2015	113,795	3,053,592	26,834	5.40%
2016	114,914	3,091,951	26,906	4.80%
2017	114,904	3,178,810	27,662	5.00%
2018	118,125	3,350,224	28,361	3.50%
2019	115,561	3,568,992	30,884	3.30%
2020	115,172	3,731,498	32,399	8.80%
2021	111,183	4,047,908	36,408	5.80%
2022	109,998	4,220,667	38,470	3.30%
2023	109,998	N/A	N/A	N/A

N/A-Data not available

Source: (1) The HdL Companies

(2) State of California Economic Development Department

(3) State of California Department of Finance

City of Murrieta

**Principal Employers
Current Year and Ten Years Ago**

Employer	2023		
	Employees	Rank	Percentage of Total City Employment
Murrieta Valley Unified School District	2,518	1	4.35%
Rancho Springs Medical Center -SHS	1,550	2	2.68%
Loma Linda University Medical Center	1,158	3	2.00%
County of Riverside	907	4	1.57%
City of Murrieta	432	5	0.75%
Target (2 locations)	410	6	0.71%
Oak Grove Center	329	7	0.57%
Walmart	304	8	0.53%
Encompass Health Rehabilitation Hospital	193	9	0.33%
Murrieta Health and Rehabilitation Center	184	10	0.32%
	<u>7,985</u>		<u>13.79%</u>

Employer	2014		
	Employees	Rank	Percentage of Total City Employment
Murrieta Valley Unified School District	2,044	1	7.74%
Loma Linda University Medical Center	900	2	3.41%
County of Riverside	889	3	3.37%
Southwest Healthcare Systems	692	4	2.62%
Target	500	5	1.89%
Walmart	350	6	1.33%
Oak Grove Center	347	7	1.31%
City of Murrieta	331	8	1.25%
Home Depot	295	9	1.12%
Sam's Club	220	10	0.83%
	<u>6,568</u>		<u>24.87%</u>

Source: Muniservices,LLC/Avenu Insights & Analytics
 Source: 2014, prior published ACFR
 Results based on direct correspondence with city's local businesses.
 Note: Amazon Fresh has not responded to our employee headcount inquiries.

City of Murrieta

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration ²	34.64	38.25	38.70	39.00	40.00	41.38	41.00	50.50	51.00	51.00
Community Development										
Economic Development	3.00	4.00	4.00	4.00	3.00	3.00	2.00	3.00	3.00	3.00
Planning	5.90	9.10	9.10	9.00	9.00	11.00	11.00	12.00	12.00	12.00
Building and Safety	7.20	8.20	8.20	8.00	9.00	9.00	9.00	14.00	12.00	12.00
Housing Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Code Enforcement ¹	4.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	7.00
Redevelopment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	2.00
Operations	62.00	66.00	66.00	64.00	64.00	61.00	60.00	80.00	89.50	90.50
PD Support	62.00	62.00	63.00	65.00	65.00	71.77	82.50	73.50	81.00	81.00
Fire										
Administration (including Maintenance)	7.00	7.00	8.00	8.00	8.50	12.47	10.75	10.75	10.75	10.75
Fire Suppression (including Paramedics)	48.00	49.00	49.00	48.00	48.00	54.00	50.00	61.00	61.00	61.00
Fire Prevention/Inspection	1.00	1.00	1.00	4.00	4.00	5.00	4.00	6.00	7.00	7.00
Public Works										
Admin/Engineering	9.95	8.80	8.80	13.00	13.00	11.00	11.00	25.00	29.00	29.00
Maintenance ³	12.75	15.80	15.80	13.00	13.00	21.00	20.00	21.00	21.00	21.00
Recreation & Community Services										
Administration	11.70	12.65	12.65	12.00	12.00	10.00	12.00	1.00	2.00	2.00
Recreation	9.00	9.00	9.00	9.00	9.00	7.42	12.25	17.25	19.25	19.25
Library	12.20	12.20	12.20	12.00	12.00	16.41	16.59	18.59	18.59	18.59
Total Authorized Personnel*	297.34	315.00	317.45	320.00	321.50	346.45	355.09	406.59	431.09	432.09

* Excludes part-time Crossing Guards.

¹ Code Enforcement Division was moved to Development Services Department in FY 2018/19

² City Manager, City Clerk, and Administrative Services departments

³ Community Services Support staff were moved to the Public Works & Engineering Department in FY 2018/19, and this division was not reported on prior years.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City of Murrieta Annual Budget

City of Murrieta

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community development										
Number of:										
Business licenses (A)	4,621	4,631	5,051	4,442	4,796	4,744	5,054	4,992	4,434	4,543
Plan checks (B)	210	225	322	410	410	478	301	262	234	350
Permits issued ³	N/A	2,379	2,933	2,395	2,815	2,869	2,603	3,128	3,434	3,700
NPDES inspections	57	101	293	349	403	445	568	247	69	655
Code violations (calendar basis)	4,318	4,313	5,898	6,946	5,378	4,072	2,447	1,940	1,700	1,737
Police										
Number of:										
Part 1 Crimes ⁴	2,137	1,802	1,695	1,673	1,499	1,579	1,472	1,095	3,777	3,634
Crimes Against Persons									711	695
Crimes Against Property									2,143	2,249
Crimes Against Society									923	690
Parking violations	1,089	1,156	1,121	1,048	1,098	1,014	495	210	314	486
Traffic (moving) violations	4,593	5,208	4,994	3,703	3,439	3,332	3,532	3,917	3,768	2,701
Traffic Collision Reports	622	762	760	813	843	815	685	715	834	766
Crime reports	7,976	8,121	7,917	8,409	7,826	8,189	7,487	8,492	5,869	5,715
Arrests	3,031	3,077	2,445	2,134	2,216	2,031	1,911	2,221	1,895	1,632
Public works										
Miles of:										
Slurry Seal ⁵	-	-	-	-	-	-	94.6	-	51	-
Street resurfacing/repair	2	46	1.3	2.8	-	0.5	3.3	1.9	-	2.20
Street sweeping	11,946	11,952	11,952	11,952	11,952	12,027	12,132	12,132	12,552	12,552
Number of:										
Traffic signals maintained	92	93	93	92	96	96	99	100	101	105
Trees pruned per year	2,473	2,879	4,074	2,467	3,774	5,735	4,418	4,574	4,296	4,469
Trees/stumps removed ³	N/A	135	143	184	152	154	247	261	168	231
Greenwaste to Mulch (tons) ³	N/A	893	901	720	406	557	972	1,030	977	1,232
Recreation & community services										
Number of enrollees/attendees:										
Aquatics ¹	6,350	6,450	6,600	6,750	7,638	3,888	2,197	-	628	3,282
Community services/seniors ¹	26,250	28,000	18,000	18,791	18,683	24,762	18,038	174	13,043	17,992
Day camp ¹	720	415	450	637	826	810	508	88	473	473
Park programs ¹	1,723	1,825	1,208	1,115	1,375	972	1,895	1,423	2,719	2,719
Classes ¹	24,236	25,368	17,274	26,311	23,487	12,213	10,033	1,493	6,565	8,137
Special events ¹	21,000	25,000	58,000	58,900	55,500	64,193	43,741	18,449	66,740	62,900
Skate park ²	6,285	6,452	1,098	2,521	3,178	2,545	2,857	-	-	-
Youth center ¹	17,001	22,308	21,042	20,360	18,900	20,270	16,444	4,991	8,645	16,789

N/A - Data not available

(A) - Includes new & renewal licenses, excludes temporary licenses

(B) - Excludes temporary plan checks.

¹FY2021 Drop in numbers due to closures in Mid March 2020 for COVID19; Pool closed for second season in a row; pool reopened mid June 2022

²FY2021 No longer manned to count attendance per Council direction March 16, 2020

³Data unavailable prior to 2014

⁴FY2021 Information reported is for July March due to move to NIBRS (National Incident Based Reporting System); FY2022 Increase in numbers due to reporting according to NIBRS standards which includes over 50 types of crimes as compared to 8 types in previous reporting

⁵ FY2021 Data unavailable prior to 2020

Sources: Various city departments.

City of Murrieta

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Civic Center	1	1	1	1	1	1	1	1	1	1
Innovation Center	1	1	1	1	1	1	1	1	1	1
Vehicles	7	8	10	10	14	10	5	5	11	11
Equipment	51	43	41	47	56	57	65	75	50	52
Community Development										
Vehicles	7	7	7	7	8	9	7	9	2	2
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	96	107	120	120	127	127	145	160	125	140
Police Equipment	106	111	308	308	347	347	353	353	334	339
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Vehicles	32	33	32	37	35	37	42	48	36	36
Fire Equipment	104	106	110	112	112	112	115	115	91	93
Public Works										
Vehicles	22	22	27	27	29	27	19	20	30	30
Equipment	25	26	26	26	26	26	26	26	29	30
Culture and recreation										
Park Sites	50	50	50	50	51	52	52	52	53	53
Senior Centers	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Youth Centers	1	1	1	1	1	1	1	1	1	1
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Municipal Pools	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
Vehicles	24	23	23	25	26	23	25	13	10	11
Equipment	31	30	32	34	31	31	31	31	36	36

N/A Information prior to FY 2011 is not available

Sources:
Various city departments.