

**CITY OF MURRIETA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**



CITY COUNCIL

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

CITY MANAGER

Justin Clifton

City of Murrieta

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2025**

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INTRODUCTORY SECTION



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CITY OF MURRIETA

*1 Town Square
Murrieta, CA 92562*

December 15, 2025

Honorable Mayor, Members of the City Council, and Citizens of the City of Murrieta:

The City of Murrieta (City) is pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2025. 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 city's various funds and account groups. All disclosures necessary to enable the reader to understand 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 35.5 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 was previously one of the fastest-growing areas in California. With a population of approximately 2,500 in 1980, Murrieta is now home to an estimated 111,789 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 offers parks and recreation services to the city's residents, as well as street lighting, 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 across 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 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 a welcoming space for all, dedicated to providing free and equitable access to information, services, and technology. The Library is committed to empowering individuals and promoting resilience and a sense of belonging by providing informational, recreational, and educational resources and programs for all ages.

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. 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. The City Manager appoints all other staff positions. 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

Approximately 53% of citywide revenues are derived from two sources: Sales tax and Property Tax. Sales Tax revenue is more sensitive to changes in economic conditions. Property Tax revenue remains relatively stable, primarily due to Proposition 13, which limits annual increases in assessed valuation to two percent.

The economic outlook was uncertain, as the economy faced the impact of unprecedentedly high inflationary levels. The Federal Reserve took swift action to combat the rise in inflation by increasing interest rate targets. During periods of high inflation, consumers' disposable income and personal savings decreased, which impacted sales tax revenue in the preceding fiscal years, resulting in slightly lower collections.

As we entered into Fiscal Year 2024/25, interest rates had not been lowered in more than four years. While the City benefited from the higher interest rates through opportunities to reinvest at higher-yield investments, these same higher interest rates negatively impacted consumer spending because the cost of financing homes, cars, and other high-ticketed purchases increased. Overall, the sales tax collections were steady when compared to the prior fiscal year. The higher interest earnings helped to offset the lack of growth in our sales tax receipts.

On September 18, 2024, the Federal Reserve lowered interest rates by 50 basis points. Since then, it has implemented four additional rate cuts, most recently in October 2025, lowering interest rates by an additional 100 basis points. The Fed initiated these interest rate reductions in response to the decline in inflation, with the goal of supporting economic growth and stabilizing the labor market. These lower interest rates are expected to encourage an increase in consumer spending on homes, automobiles, and other significant purchases.

The City's property tax revenue remains relatively strong, primarily due to new developments. However, the high-interest-rate period has impacted the sales of both new and existing homes, which in turn affects the City's property tax revenue.

Murrieta's unemployment rate of 5.2% as of August 2025 was lower than the County of Riverside's and the State's rates of 6.3% and 5.8%, respectively. These rates are higher than the rates stated in our report from last year, which reaffirms the Fed's decision to lower interest rates to help manage unemployment. The City of Murrieta's recruiting efforts have improved, with most positions seeing more qualified candidates for each role we are recruiting for.

Bond Rating

In recent years, S&P Global Ratings has 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 an effective way to maximize our local financial resources to provide more support and services for our residents. Staff actively pursue grant opportunities for capital purchases and expand programs provided to residents and employees. Over \$4 million in external grant funding was secured. Below is a non-inclusive list of grants the City was awarded during Fiscal Year 2024/25. Many more previously awarded grants were utilized during the fiscal year.

PUBLIC WORKS

Total Funding: \$3,145,720

RCTC MARA Grant — \$3,000,000

Supports the Murrieta Hot Springs Widening from Margarita Road to SR-79.

Rubberized Pavement Grant (FY24) — \$145,720

Funds pavement rehabilitation on major corridors, including Murrieta Hot Springs Rd, Los Alamos Rd, Antelope Rd, Elm St, and Cherry St.

POLICE DEPARTMENT

Total Funding: \$345,156

Bulletproof Vest Partnership (FY23) — \$1,095

Reimburses the cost of protective vests for police officers.

OTS Traffic Safety Grant — \$210,000

Enhances enforcement and educational strategies to reduce traffic-related injuries and fatalities.

Cal DOJ Tobacco Grant — \$134,061
Supports enforcement and education to prevent illegal tobacco sales to minors.

LIBRARY SERVICES

Total Funding: \$57,600

LSTA “Library for All” Grant — \$20,000
Improves access to library services and information for diverse communities.

Lunch at the Library — \$11,700
Provides summer outreach and programming in partnership with MVUSD.

ZipBooks — \$31,627
Provides library users with access to books that are not yet available at the library.
Community Improvement Designation Grant — \$25,900
Supports the Library expansion initiative.

HOMELESSNESS SERVICES

Total Funding: \$225,716

Housing & Homelessness Incentive Program (HHIP) — \$225,716
Improves access to whole-person care and addresses housing insecurity among Medi-Cal participants.

FIRE DEPARTMENT

Total Funding: \$40,658

Emergency Management Performance Grant (FY23) — \$24,680
Strengthens preparedness, mitigation, and recovery capabilities.

State Homeland Security Program (FY23) — \$15,978
Supports state-aligned efforts to improve roadway safety and emergency coordination.

Wildfire Prevention State Grant — \$2,653,344
Improves public health and safety by reducing wildfire risk.

CITY MANAGER'S OFFICE

Total Funding: \$320,732

SB 1383 Organic Waste Recycling Grant — \$292,904
Reduces landfill-bound organic waste and enhances food rescue and recycling programs.

Beverage Container Recycling Grant — \$27,828
Supports reduction of litter from beverage containers.

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

Murrieta Fire & Rescue recently renewed its accreditation 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, only 23 accredited agencies are in California, and only 333 are worldwide.



ECONOMIC CONDITION AND OUTLOOK

The City of Murrieta continues to experience relatively strong and sustainable economic growth entering FY 2024/25, reflecting strong community investment, business expansion, and development activity. Murrieta's diverse industry base and collaborative business environment continue to foster economic stability and optimism for the years ahead.

Located at the confluence of the I-15 and I-215 freeways, Murrieta's prime position in Southern California—within proximity to San Diego, Los Angeles, and Orange Counties—remains a key driver of its competitive edge. This connectivity continues to attract businesses and residents seeking accessibility, safety, and a high quality of life.

Since its incorporation in 1991, Murrieta has transformed from a small community into a thriving city with one of the region's most desirable living environments. Excellent schools, affordable housing options, a low crime rate, and a strong sense of community identity continue to make Murrieta a preferred destination for families and entrepreneurs alike. The City's investment in open space and recreation—featuring 53 parks and extensive community programs—reinforces its reputation as a place where residents truly want to live, work, and play.

In 2025, Murrieta's development pipeline remains robust, with submittals ranging from hotels and retail to multiple housing types and entertainment destinations. The City currently has eight (8) hotels, two (2) commercial centers, and over 1,500 housing units in our pipeline, signaling continued confidence in Murrieta's housing market and regional job growth potential.

Murrieta's unemployment rate consistently remains below the county and state averages, highlighting a resilient local economy. Workforce development remains a top priority for the City, led by the Murrieta Innovation Center (MIC), a hub for biotechnology, medical technology, and entrepreneurship. The MIC's \$4.2 million expansion, supported by the U.S. Department of Commerce and the County of Riverside, is underway and includes a new wet lab and creative office space. The center now hosts more than a dozen innovative companies, including six international firms attracted through the City's participation in SelectUSA, the nation's premier investment summit. Businesses at the MIC continue to secure venture capital, grants, and seed funding, reinforcing Murrieta's growing reputation as a life sciences hub.

Partnerships remain central to the City's economic strategy. The Economic Development Department collaborates closely with the Murrieta/Wildomar Chamber of Commerce, local educational institutions, and regional partners to host workforce training programs, job fairs, and small business workshops that strengthen the local economy and foster entrepreneurship.

The City experienced significant development milestones throughout 2025, welcoming new commercial and hospitality projects, including:

- Talia's Kitchen at Murrieta Hot Springs Resort
- Da Boyz Pizza & Pasta
- Urban Air
- The Meeting Spot
- Wann's Bar & Grill

- Lynn's Grand Buffet

Many Murrieta retailers have experienced significantly greater foot traffic than national brand averages. Further expansions are on the horizon from Nikkiso Cryoquip, CarMax, Walmart, and the next phase of the Makena Medical Center, which includes a new Ambulatory Surgery Center. A second Surgery Center is nearing completion on Hancock Avenue, and a mixed-use retail/residential development is underway in the downtown entryway at Washington and Kalmia Ave. The Murrieta Auto Mall is also experiencing renewed momentum, with the addition of new dealerships and investments enhancing its position as a premier automotive destination.

Murrieta's thriving healthcare and life sciences sectors remain vital economic engines, with multiple medical projects advancing in 2025, including:

- Ambulatory Surgery Centers at the Makena Medical site and on Hancock Avenue, west of Rancho Springs Medical Center.
- A new Medical Office Building to the north of Loma Linda University Medical Center
- A new Medical Office Building on Murrieta Hot Springs Road
- An Expansion of United Nursing

Public safety continues to be a cornerstone of Murrieta's success. For more than a decade, the City has ranked among the safest cities in the nation (for cities over 100,000 residents) based on FBI crime statistics. For cities with a population greater than 100,000, the City of Murrieta is ranked #3 in California in 2025. This record reflects the dedication of Murrieta's Police Department, Fire & Rescue team, and strong community partnerships. Murrieta Fire & Rescue remains one of only 23 accredited fire departments in California, an achievement that underscores the City's commitment to excellence in public safety.

As Murrieta enters 2026, the City remains focused on fostering a balanced, family-oriented community supported by economic opportunities, safety, and a strong sense of belonging. With a growing business ecosystem, an educated workforce, and an outstanding quality of life, Murrieta's economic outlook remains bright, sustainable, and full of promise.

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 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, which 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 long-term financial plan is not a budget; rather, it represents a point-in-time projection of future revenues and expenditures that will evolve as new information becomes available. Even so, it remains a critical tool for bringing a long-range financial perspective to the annual budget development process.

The two-year budget, five-year CIP plan, and long-term financial plan are processes designed to bring continued transparency to the City's finances, operations, and strategic goals internally with the City Council, City Manager, employees, and departments, and externally with residents and businesses.

For Fiscal Years 2025/26 and 2026/27, the City Council adopted a balanced biennial operating budget of \$182,131,287 and \$191,293,967, respectively. As part of the City's budget framework, the City Manager delivers quarterly reports and recommends providing 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 fostering quality of life for the residents 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. 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 the establishment of new sustainability funds. As of June 30, 2025, the district sales tax (Measure T) proceeds were approximately \$28.3 million.

Budget Authority

The City Council approves a two-year operating budget and an annual five-year CIP, with public meetings/hearings conducted before the budget and CIP adoption. When required during the year, supplemental appropriations 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.

The City's five-year CIP provides a financial plan to fund the City's critical and essential infrastructure projects. Over five years (FY 2025/26 through FY 2029/30), the City anticipates investing \$113,526,177 in essential assets. Various funding sources provide funding for these projects, including the General Fund, Measure T Fund, Development Impact Fees, transportation, grants, and reimbursement agreements. The following table summarizes the various funding sources:

CIP SUMMARY BY FUNDING SOURCES		
Development Impact Fee Funds	\$	42,139,214
Transportation Funds		30,502,455
Grant Funds		17,597,064
Measure T		9,545,175
General Fund & Gen. Fund Capital		6,718,614
Drainage Funds		3,759,524
Other Funds		1,512,840
Redevelopment Agency Bond Proceeds		904,358
Reimbursement Agreements		846,933
TOTAL BY FUNDING SOURCES	\$	113,526,177

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:

CIP SUMMARY BY INFRASTRUCTURE		
Streets & Highways	\$	53,454,674
Bridges		20,835,483
Buildings		19,665,199
Other Improvements		6,787,495
Storm Drains		6,411,843
Traffic Signals		3,235,865
Parks		3,135,618
TOTAL BY INFRASTRUCTURE	\$	113,526,177

The CIP document places equal emphasis on planning for new projects and improving and preserving existing capital assets. The City's CIP document includes a list of Capital Improvement Projects by funding source and 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.

The city's website has an electronic copy of its adopted two-year budget and five-year CIP plan, which can be found [here](#).

The CIP plan addresses the City's critical and essential infrastructure projects. During the Fiscal Year 2024/25, the City substantially completed the following CIP projects:

10041: Town Square Park Parking Lot and Monument Sign \$2,514,089

The project includes the construction of a paved parking lot for vehicles using the nearby Town Square Park, a monument sign, and a lighted walking path around Town Square. The final project cost will be reported in the next capital improvement budget update.

13048: FY2023/24 Citywide Slurry Seal \$946,036

The slurry seal project covered approximately 25% of local residential streets citywide. The full final project cost will be reported in the next capital improvement budget update.

CIP 21016: Police Building Exterior Paint \$90,275

The exterior painting project has successfully restored the over 30-year-old building, addressing visible cracks, damage, defects, and fading caused by age.

CIP : Sykes Ranch Park Windmill and Historical Society Landmarks \$446,924

The project consisted of the construction of a commemorative monument windmill that would acknowledge the historic value of the Sykes Ranch property. The windmill was engineered and installed in February 2023, and the historical markers and site furnishings were completed in the Summer of 2024.

CIP 51031 Library Pollinator Garden Project \$54,770

The project is a collaboration of the Murrieta Public Library, California State Library, the Western Municipal Water District, and Riverside County. The project will help educate the patrons on sustainability, mitigate the growing threats to diminishing pollinator populations, and encourage sustainable landscaping in the community. The Library held a ribbon-cutting in August 2024, attended by City Council and members of the public, to open the Pollinator demonstration garden.

CIP 21035: Police Department Locker Room Project \$81,985

The project successfully transformed the men's and women's locker rooms at the Police Department to accommodate approximately 150 lockers, enhancing the overall functionality and accommodating staff growth.

CIP 21040: City Hall Annex Project \$473,180

The project was substantially completed in August 2024. The annex houses the Community Services and Administrative Services Departments. The City Hall Annex had a ribbon-cutting ceremony in March 2024.

CIP 22026,22035,22036,22038 (Phase 1) CIP 22029,22030,22031,22032,22040 (Phase 2): Tot Lot Equipment Installation/Replacement \$3,244,698

The total expenditures paid since the project inception is \$3,637,200. The Tot Lots Phase 2 projects were substantially completed in October 2024, and Phase 1 was substantially completed in June 2025. The full final project costs will be reported at the next capital improvement budget update.

MAJOR ACCOMPLISHMENTS AND INITIATIVES

The City accomplished various projects and programs that support the 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. The following are the significant initiatives completed this year:

- Received the Distinguished Budget Award from the Government Finance Officer Association for the Fiscal Years (FY) 2023/24 and FY 2024/25 Biennial Budget Report.
- Received the Capital Budget Excellence Award from the California Society of Municipal Finance Officers for the Capital Improvement Plan & Budget for FY 2024/25.
- Received Excellence in Financial Reporting from the Government Finance Officer Association for FY 2023/24 Annual Comprehensive Financial Report.
- Received Award for Outstanding Achievement from the Government Finance Officer Association for FY 2023/24 Popular Annual Financial Report.
- Maintained bond rating upgrade to A+
- Secured \$2.3M through Cal-Fire's Wildfire Prevention (WP) Grants Program for vegetation clearing.
- Implemented the negotiated medical reimbursement trust (MERP) for the City's firefighter labor groups.
- Risk Management assisted the Community Services Department to begin utilizing our special event insurance carrier, Alliant, to provide third-party instructors with the ability to purchase insurance coverage that meets the City's minimum insurance requirements for the use of City facilities.
- Deployed the Tablet Command – Telestaff integration, optimizing incident management capabilities for first responders and streamlining staffing for MFR.

- Transitioned the Police Department's vehicles to the Cradlepoint system, ensuring reliable mobile data connections for officers.
- City Clerk Coordinated with the Riverside Registrar of Voters to hold ballot drop-off locations at City Hall, Fire Station No. 4, and the Murrieta Public Library. In addition, Fire Station No. 4 and the Murrieta Public Library were in-person voting centers.
- City Clerk updated the public records request portal to better meet and address the needs of constituents.
- Library received \$31,627 in state Zip Books funding for patron-driven collection development. Patrons can request books/audiobooks not currently in the Library's circulation and receive them directly from Amazon. When finished, patrons return the material to the Library to be added to the collection.
- Library implemented program Food for Fines: Annual program allows Library patrons to donate food items to waive \$1.50 of accrued fines per item, up to \$15. This reduces the financial barrier for patrons to access the Library while providing donations to assist individuals experiencing food insecurity.
- Library reached the final stages of design for the Children's Area Expansion and Storytime Room. Construction starts in FY 2026.
- Community Services partnered with a volunteer community group for the second year in a row to assist with the Santa Stops program. In total, 119 stops were made, while continuing the toy and food drive for seven nights in December.
- The Community Service Department has 33 recreation instructors who teach 814 different contract classes, providing approximately 6,034 adults and children with a variety of programming throughout the year.
- Completed design and construction (including safety fencing) for Tot Lot Replacement Project Phase 1 at Northstar, Palomar, Monte Vista, and Oak Terrace Parks.
- Completed design and construction for Tot Lot Replacement Project Phase 2, which replaced tot lot equipment and play surfaces at Alta Murrieta Park, Firefighters Park, Eastgate Park, Rancho Acacias Park, and Sycamore Park.
- Completed design and construction for the Town Square Park Amphitheater Parking Lot and Entryway Monument project, which included the construction of a new parking lot, a monument with high-resolution video boards for communicating information to the public, and the installation of extensive landscaping along Kalmia Street from Jefferson Avenue to Adams Avenue.
- Received funding from the Substance Abuse and Mental Health Services Administration (SAMHSA), Homeless Housing, Assistance, and Prevention (HHAP), and the Riverside County Continuum of Care to support Homeless Services.

- Murrieta partnered with affordable housing developers to prioritize households experiencing homelessness - particularly those connected to Murrieta Unified School District and the Murrieta Emergency Shelter. City staff collaborated with McKinney-Vento school district representatives and shelter personnel to facilitate smooth housing transitions for affected families.
- Completed permitting for significant projects, including Home Depot, Monamos affordable housing, The Max multi-family project, The Bridges (Canopy) multi-family project, and Willow Springs single-family project.
- Configured the City's permit software (EP&L) to include a Code Enforcement module, resulting in the creation of a seamless land management software platform with information sharing between Building, Planning, and Code Enforcement.
- Initiated amendments to the General Plan to comply with state law and make other improvements to achieve City planning goals.
- Completed the entitlement process for the Triangle.
- Completed an amendment process for the Murrieta Marketplace for over 500,000 square feet of new retail and restaurant space at Clinton Keith and Winchester Road.
- Obtained a \$4.1 million grant for the City's Housing Agency to support housing goals.
- Assisted CarMax, Nikkiso Cryoquip, and Walmart in the expansion of their existing sites.
- Completed the design phase of the new Wet Lab, Dry Lab, and Office Space at the Murrieta Innovation Center.
- Recruited additional new restaurants and businesses to the city, including Better Buzz, Philz Coffee, Black Rock Coffee, and WSS Shoes.
- The Fire Department implemented EMS supply management software.
- Established a regional fire investigation team with Hemet, Pechanga, Canyon Lake, and Cal Fire to serve Southwest Riverside County.
- The Fire Department developed Evacuation Planning for the entire city by implementing Genasys Protect.
- The Police Department implemented the Flock Cameras - Enhanced License Plate Reader Upgrade.
- The Police Department purchased and certified the department's first "Firearms Detection" K9.
- Public Works completed the City's Local Road Safety Plan (LRSP) to identify safety issues on city streets and submitted it to Caltrans.
- Completed the Draft Environmental Document/Environmental Impact Report for I-215/Keller Road Interchange with Caltrans; working with Regional Conservation Authority and Wildlife agencies (State and Federal) to facilitate a wildlife corridor in the area of the interchange project.

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

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 ACFR for the fiscal year ending June 30, 2024. A government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report to be awarded a Certificate of Achievement. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The City strives to develop an ACFR that 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 are the results of the cooperation and dedication of all City staff, as well as the diligent work of the entire Finance Department, particularly Jennifer Terry, Finance Manager, and Ashley Lopez, Accounting Supervisor. I also appreciate the professionalism of the staff of Rogers, Anderson, Malody, and Scott, LLP, who audited this financial report. 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,



Justin Clifton
City Manager



Javier Carcamo
Director of Finance

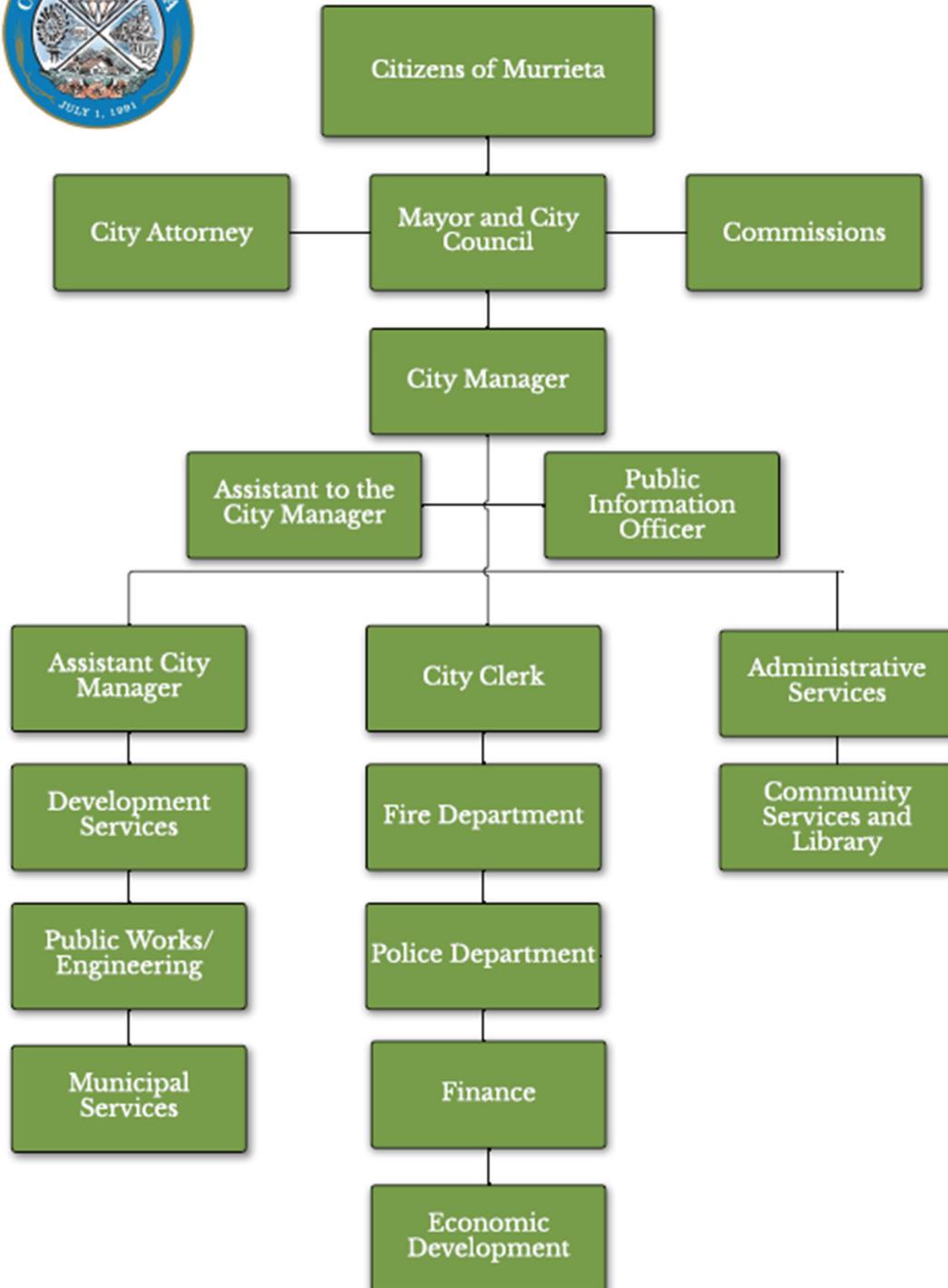


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City of Murrieta
List of Principal Officers

City Manager	Justin Clifton
Assistant City Manager	Kristen Crane
Administrative Services Director	Diego Chavez
City Attorney	Tiffany Israel
City Clerk	Cristal McDonald
Community Services Director	Brian Ambrose
Development Services Director	David Chantarangsu
Economic Development Director	Scott Agajanian
Director of Finance	Javier Carcamo
Director of Public Works/City Engineer	Bob Moehling
Fire Chief	Bernard Molloy
Police Chief	Matthew Henry





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, 2024

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



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Independent Auditor's Report

Honorable City Council
City of Murrieta, California

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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, 2025, the City adopted new accounting guidance under Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. 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 GAAS, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying 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 December 15, 2025 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,
December 15, 2025



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City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

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, 2025. We encourage readers to consider the information presented here in conjunction with the enclosed letter of transmittal and basic financial statements.

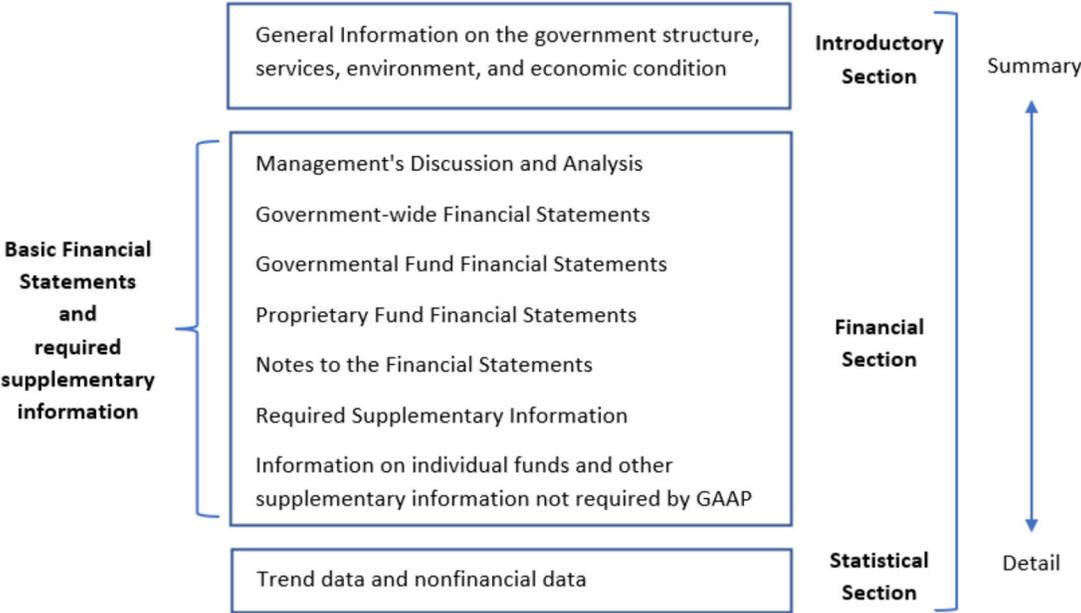
FINANCIAL HIGHLIGHTS

Programs and general revenues	\$ 185,966,448
Cost of governmental activities	<u>(166,926,788)</u>
Net revenues over expenditures	19,039,660
Net Position at Beginning of Year, as Restated	<u>575,101,386</u>
Net Position at End of Year	<u><u>\$ 594,141,046</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, 2025

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 City of Murrieta's financial position 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 between the functions of the City of Murrieta that are principally supported by taxes and intergovernmental revenues (government activities) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Murrieta's governmental activities encompass 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. The City of Murrieta's funds 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 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, 2025

The City of Murrieta maintains 29 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 Other Grants Special Revenue Fund, and the Development Impact Capital Project Fund, all of which are considered to be major funds. Data from the other 25 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 two of the three other major funds. To demonstrate compliance with the budget, a budgetary comparison statement has been provided for the General Fund, the Fire District Fund, and the Other Grants Special Revenue Fund.

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 activities of the internal service funds 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 because 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 a complete understanding of the data presented 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 in the Management's Discussion and Analysis focuses on the net position (Table 1) of the City's governmental activities reported in the government-wide statements.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

**TABLE 1
NET POSITION
For the years ended June 30, 2025 and 2024**

	Governmental Activities		
	2025	2024	Change
Current and Other Assets	\$ 341,246,978	\$ 327,141,523	\$ 14,105,455
Capital Assets, Net	445,132,400	442,471,511	2,660,889
TOTAL ASSETS	786,379,378	769,613,034	16,766,344
Deferred Outflows of Resources	42,462,140	52,618,734	(10,156,594)
Current and Other Liabilities	47,119,463	49,081,383	(1,961,920)
Long-term Liabilities	178,686,428	187,549,732	(8,863,304)
TOTAL LIABILITIES	225,805,891	236,631,115	(10,825,224)
Deferred Inflows of Resources	8,894,581	10,499,267	(1,604,686)
Net Position:			
Net Investment			
In Capital Assets	435,270,854	432,409,678	2,861,176
Restricted	132,206,782	133,963,316	(1,756,534)
Unrestricted	26,663,410	8,728,392	17,935,018
TOTAL NET POSITION	\$ 594,141,046	\$ 575,101,386	\$ 19,039,660

The City’s combined net position as of June 30, 2025, as shown in Table 1, was \$594,141,046. The City’s net position increased by \$19,039,660 compared to the prior fiscal year. The increase in the City’s net position is primarily due to a rise of \$6,609,750 in total assets, net of deferred outflows of resources, and a decrease of \$12,429,910 in total liabilities, net of deferred inflows of resources. The most substantial growth was seen in the unrestricted net position, which rose by \$17,935,018. The restricted net position decreased by \$1,756,534.

Current assets increased by \$14,105,455, or 4.3%, compared to the prior year's balance. The increase is primarily attributable to an increase in cash and investments of \$18,050,123, resulting from funds being held in interest-bearing accounts with favorable interest rates and revenues exceeding expenditures during the fiscal year. This increase was offset by a decrease in the sum of all receivables totaling \$4,218,017, mainly due to a timing difference in receiving an Educational Revenue Augmentation Fund (ERAF) tax payment compared to the prior year.

The capital assets net of accumulated depreciation have increased by \$2,660,889. The increase 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 6 – Capital Assets).

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2025

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 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 \$10,156,594, while the deferred inflows of resources decreased by \$1,604,686.

Current liabilities decreased by \$1,961,920 or 4.0%. The decrease is primarily attributable to a decrease of \$4,937,540 in unearned revenue, resulting from the recognition of grant revenue from the American Rescue Plan Act. A reduction of \$63,276 in accrued interest and an increase of \$24,122 in long-term liabilities due within one year contributed to the overall decrease in current liabilities, as higher portions of debt payments were applied to principal. This decrease was offset by an increase in accounts payable and accrued liabilities of \$2,046,724 and \$649,543, respectively. Another contributing factor to offsetting the decrease was a \$376,892 increase in deposit payables, which is due to an increase in development services projects requiring a refundable cash deposit.

Long-term liabilities, including outstanding debt, leases, employee benefit accruals, claims and judgments, and OPEB liability, decreased by \$8,921,689, representing a decrease of 4.8% from the prior year. The most significant decrease is attributable to the principal payments made towards bonded debt of \$6,131,955. Net pension liability, claims and judgements, and OPEB liability decreased by \$1,463,160, \$732,888, and \$944,164, respectively. Some notable offsetting increases were from additions of public safety-related software licenses and leases for public safety radios and equipment, totaling \$1,696,776. Compensated absences had a net increase of \$565,219. The remaining decrease of \$1,911,517 is due to principal payments made during the year for notes payable, leases, and subscriptions. 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 7 – Long-Term Debt).

Approximately 73.3% of the City's net position consists of a net investment in capital assets (i.e., land, construction in progress, buildings, land & building improvements, parkland improvements, 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.

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, 2025**

**TABLE 2
CHANGES IN NET POSITION
For the years ended June 30, 2025 and 2024**

	Governmental Activities		
	2025	2024	Change
REVENUES:			
Program Revenues:			
Charges for Services	\$ 27,205,036	\$ 28,113,801	\$ (908,765)
Operating Grants and Contributions	11,599,792	9,317,753	2,282,039
Capital Grants and Contributions	21,797,320	15,917,682	5,879,638
Total Program Revenues	<u>60,602,148</u>	<u>53,349,236</u>	<u>7,252,912</u>
General Revenues:			
Taxes:			
Property Taxes	43,361,855	41,557,398	1,804,457
Sales Taxes	54,372,479	53,880,062	492,417
Franchise Taxes	5,163,531	5,156,401	7,130
Business License Tax	1,160,648	1,185,824	(25,176)
Transient Occupancy Taxes	2,824,281	1,989,170	835,111
Property Transfer Tax	607,266	686,263	(78,997)
Motor Vehicle License	174,551	136,741	37,810
Investment Income	15,238,348	14,329,611	908,737
Gain on Sale of Capital Assets	71,134	46,631	24,503
Miscellaneous	2,390,207	1,037,269	1,352,938
Total General Revenues	<u>125,364,300</u>	<u>120,005,370</u>	<u>5,358,930</u>
TOTAL REVENUES	<u>185,966,448</u>	<u>173,354,606</u>	<u>12,611,842</u>
EXPENSES:			
General Government	21,935,557	20,331,417	1,604,140
Public Safety	88,850,978	84,583,049	4,267,929
Community Development	8,442,616	8,168,208	274,408
Parks & Recreation	21,689,066	20,377,781	1,311,285
Public Works	23,434,899	20,239,187	3,195,712
Interest on Long-term Debt	2,573,672	3,234,953	(661,281)
TOTAL EXPENSES	<u>166,926,788</u>	<u>156,934,595</u>	<u>9,992,193</u>
CHANGE IN NET POSITION	<u>19,039,660</u>	<u>16,420,011</u>	<u>2,619,649</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	575,101,386	558,681,375	16,420,011
NET POSITION, END OF YEAR	<u>\$ 594,141,046</u>	<u>\$ 575,101,386</u>	<u>\$ 19,039,660</u>

The City’s combined net position as of June 30, 2025, as shown above in Table 2, is \$594,141,046. The City’s net position increased by \$19,039,660 or approximately 3.3% compared to the prior fiscal year. An increase in net position occurs when spending is less than the revenues received. Several factors contributed to the increase in net position, including improved property taxes, investment earnings, and operating and grant revenues.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

When combining general and program revenues, sales and property taxes make up approximately 52.6% of total revenues, which are the City’s two most significant revenue sources. As of June 30, 2025, program revenues totaled \$60,602,148, while general revenues totaled \$125,364,300. Total revenue for the year totaled \$185,996,448, an increase of \$12,611,842 compared to the prior fiscal year. The most noteworthy changes are as follows:

Program revenues increased by \$7,252,912 to \$60,602,148, representing a 13.6% increase from the previous year.

- Charges for services decreased slightly by \$908,768 or 3.2%. A notable decrease included a decrease of \$614,295 in special assessment rates and charges under the NPDES program. This was a 75% decrease from the prior year. Plan check charges for services also decreased for both the engineering and building and safety divisions by \$310,386 and \$210,830, respectively.
- Operating contributions and grant revenue increased in total by \$2,282,039. That represents an increase of approximately 24.5% as compared to last year. The most significant increase occurred in the Fire Department’s revenue from reimbursements received from the state’s CAL OES for City personnel responding to fire incidents. These reimbursements increased \$1,406,948 due to increased responses to incidents, such as the Airport and Mountain fire. Another increase in operating contributions and grant revenues is due to an \$888,779 increase in reimbursements received from the City of Menifee for the agreement to utilize the City of Murrieta’s dispatch services. Menifee’s share of the dispatch division’s costs increased due to additional services being eligible for reimbursement.
- Capital contributions and grants increased by \$5,879,638, an increase of 36.9% compared to the prior year. This is primarily due to recognizing revenues under the American Rescue Plan Act for capital projects, including the Madison Avenue Water, Amphitheater Parking Lot, and Homeless Sheltering projects. The amount of revenue recognized in Fiscal Year 2025 is \$8,246,478, which is an increase of \$6,098,221 compared to the prior year.

General revenues increased by \$5,358,930 to \$125,364,300 in the current year.

- The most significant increases in general revenues were property taxes by \$1,804,457, miscellaneous revenue by \$1,352,938, and transient occupancy tax (TOT) by \$835,111. This represents an increase of approximately 4.3% in property tax revenues, 130.4% in miscellaneous revenue, and 42% in TOT.
 - The increase in property tax revenue was from new residential and commercial developments and changes in valuation due to existing home sales.
 - The increase in miscellaneous revenue is partially due to lawsuit settlement funds, with the main source being the opioid settlement. Other increases to miscellaneous revenue come from sources such as donations and prior year revenues.
 - The increase in transient occupancy tax is due to the addition of the Murrieta Hot Springs Resort that opened in February 2024. Fiscal Year 2025 is the first full year of collecting TOT from the resort, which has experienced increasing revenues since its opening.
- Investment income increased \$908,737 due to the higher investment yields in the City’s investment portfolio, Local Agency Investment Fund, and Cash Sweep investment program. This was a 6.3% increase compared to the prior year.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

- Sales tax slightly increased by \$492,417 or 0.9% from the prior year. Inflation had a negative impact on sales tax generation in fiscal year 2024, particularly in the auto sales, building and construction, and fuel and service station industries. The Federal Reserve lowered interest rates during fiscal year 2025, which positively impacted sales tax revenue.

Total governmental activities expenses increased by \$9,992,193 from \$156,934,595 to \$166,926,788, or approximately 6.4% compared to the prior year. The highest dollar increase was in Public Safety expenses, at \$4,267,929, or 5%, primarily due to higher personnel costs, workers’ compensation costs, and an increase in their allocation of risk management general liability insurance charges. The highest percentage increase in expenditure was for Public Works, at \$3,195,712 or 15.8%, due to increased construction activity on capital improvement projects, including the Murrieta Hot Springs Road Widening, Glen Arbor Dog Park, North Amphitheater Parking Lot, and Citywide Slurry Seal Project.

General government expenses increased by \$1,604,140, or 7.9%, partially due to general election costs occurring in even years and higher risk management general liability insurance charges. Parks and recreation expenses increased \$1,311,285 or 6.4%. More than half of this increase was due to increased water costs, maintained parks, and lighting and landscape districts. The only decrease in expenses was in interest on long-term debt, which declined by \$661,281 due to a greater share of payments being applied to principal as the debt matures.

The General Government, Public Safety, Public Works, and Parks and Recreation expense categories experienced an increase in expenditures associated with personnel-related salary and benefits as a result of new labor agreements and increases in operating-related expenses such as legal, contract services, landscape maintenance, and animal control services.

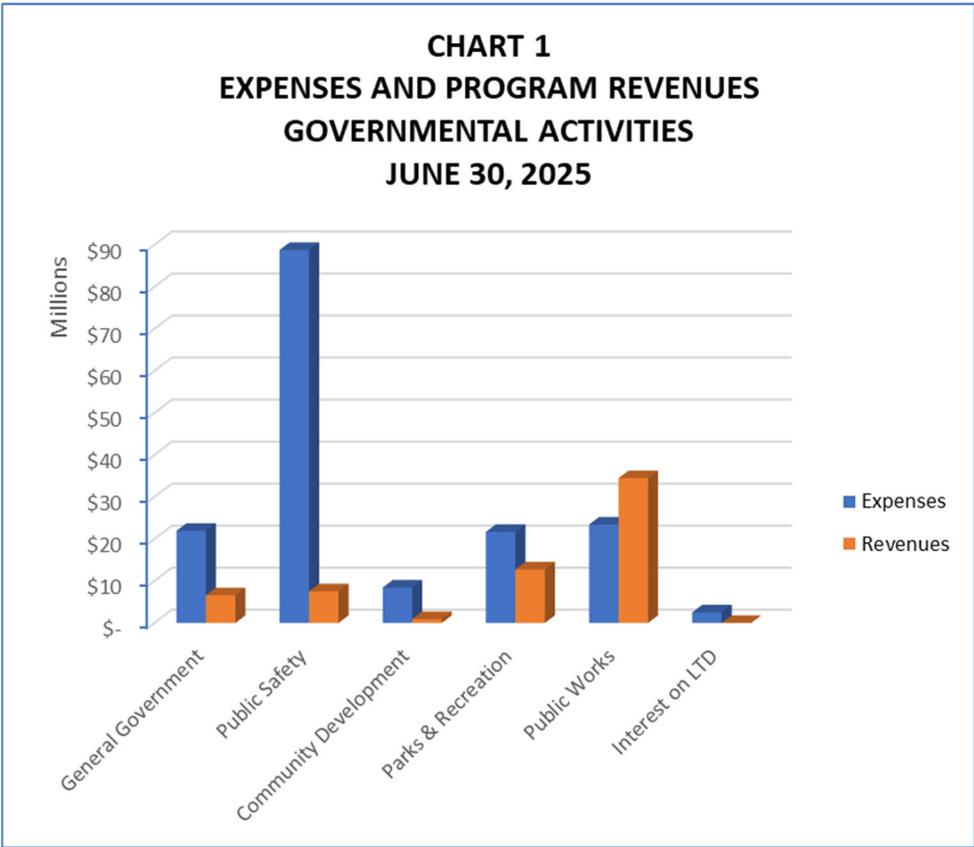
Chart 1 – Expenses & Program Revenues

The chart below highlights the costs for each of the City’s five largest programs, as well as the revenue generated by each program (fees generated by the activities, contributions, and intergovernmental funding). The net cost (the difference between adjoining bars in the graph) shows the financial burden that was placed on the city’s taxpayers by each of these programs (costs covered by the program’s revenues). The chart indicates that the overall cost of the government exceeds the program revenues generated to support it.

General Government, Public Safety, and Community Development are mostly funded with general revenues, including taxes and other sources. The chart indicates that the overall cost of the government exceeds the revenues generated to support it.

The operating expenditures for Parks & Recreation are primarily funded by program revenue such as assessments and charges for services, with general revenues providing additional financial support as needed. The Public Works program includes both staffing and the construction of large-scale capital projects. Public Works operations are primarily funded by general revenue, and large-scale capital projects are primarily funded by program revenues, including charges for services, DIF, capital grants, and contributions. Funds needed to construct large-scale capital projects are collected over several years until there is sufficient funding to support the project. This is evident in the chart below, which shows higher revenues collected than expenditures.

Management’s Discussion and Analysis
 For the Year Ended June 30, 2025



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 helps assess 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 \$283,501,861, an increase of \$7,402,179 or approximately 2.68% compared to last year’s governmental funds balance. The change in fund balance for the General Fund column totaled \$10,931,816, broken down by fund as follows.

Fund Title	Change in Fund Balance
General Fund	\$ 8,493,784
Transaction Sales Tax (Measure T)	2,793,340
General Capital Fund	(292,709)
Traffic Safety Fund	6,450
Crime Prevention Fund	(123,649)
Vehicle Replacement Fund	54,600
Total Net Changes in Fund Balance	\$ 10,931,816

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

Additional information can be found in the consolidating schedule on pages 97-100 of this report.

The other net changes in fund balances in the governmental funds include a decrease of \$865,529 for the Fire District fund, an increase of \$411,662 for the Other Grants fund (which was reclassified this fiscal year to a Major Fund), an increase of \$1,876,208 in the Development Impact Fee fund, and a reduction of \$4,951,978 for the Non-Major Governmental Funds. The Non-Major Governmental Fund includes the Federal Grants fund, reported in prior fiscal years as a Major fund.

In accordance with GASB Statement No. 54 (thoroughly discussed in the notes to the financial statements, Note 9 - Fund Balance), the combined ending fund balance of \$283,501,861 is broken down as follows:

Governmental Funds

Fund Balance Classification	2025	2024	Change
Non-Spendable	\$ 3,851,118	\$ 4,310,607	\$ (459,489)
Restricted	131,706,782	133,463,316	(1,756,534)
Committed	85,771,421	86,200,190	(428,769)
Assigned	42,753	52,482	(9,729)
Unassigned	62,129,787	52,073,087	10,056,700
Total Fund Balance	<u>\$ 283,501,861</u>	<u>\$ 276,099,682</u>	<u>\$ 7,402,179</u>

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, and deposits. At the end of the fiscal year, the General Fund’s revenues exceeded expenditures, including other financing sources (uses) by \$10,931,816, thereby increasing the General Fund balance at the end of June 30, 2025, to \$153,861,121.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2025

General Fund revenues increased by \$5,004,275 to \$111,593,957, including transfers, when compared to the prior year. The increase is primarily attributable to a \$2,352,131 increase in Taxes, a \$877,833 increase in Intergovernmental Revenues, a \$634,458 increase in Miscellaneous Revenues, a \$421,509 increase in the Use of Money and Property, and a \$34,941 increase in Sales of Capital Assets. Conversely, other revenue types decreased compared to the prior year: Charges for Services decreased by \$476,600, License and Permits decreased by \$263,026, Transfers In decreased by \$225,012, and Fines & Forfeitures decreased by \$96,444. Capital lease proceeds increased by \$1,744,485.

The increase in the Use of Money & Property is due to two factors. The first is 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 \$834,973. The other component is related to the accounting required by GASB 31 to recognize unrealized gain or loss of securities that weren't sold or matured at year-end. The change in recognition of unrealized gain or loss of securities accounts over the prior year is a decrease of \$459,322. While the recognition of unrealized gain was less than in the preceding year, it still represented a gain of approximately \$3.28 million, indicating that the value of our securities has increased.

General Fund expenditures increased by \$10,213,241 to \$100,662,141, which included transfers out and other financing uses. Public Safety operations and services accounted for 57.5% of the expenditure increase, amounting to \$5,872,125. Of the \$5,872,125 increase, personnel-related expenditures accounted for \$4,656,807, while the remaining \$1,215,318 is related to operating costs.

The Capital Outlay increased by \$1,630,985. This increase is due to a reclassification of a prior year subscription \$1,744,485. Had this reclassification not occurred, Capital Outlay would have been \$113,500 less than the preceding year. Transfers Out had a net increase of \$1,312,983. The category provides funding to special revenue funds that have operating shortfalls. The Fire Fund required \$1,359,312 more financial support than the prior year due to higher workers' compensation costs. The balance of the Transfers Out totaled a decrease of \$46,328. Community Development and Public Works increased by \$701,090 and \$418,233, respectively. All other expenditure categories had a net increase of \$277,828.

The total fund balance includes funds classified as non-spendable in the amount of \$3,250,243, primarily comprising long-term note receivables, long-term advances to other funds, inventory, and prepaid costs, which are not in a spendable form. A non-spendable classification means the funds are set aside, as those resources cannot be accounted for as City funds until they are collected or, in the case of inventory and prepaid expenses, until they are used or goods/services are received.

The restricted fund balance of \$208,240 represents cash in an escrow account for the streetlight retrofit project, and a partial annual debt service obligation by the General Fund. Additional information regarding the capital lease can be found on Note 7 - Capital Lease Liability of this report.

Committed funds totaled \$85,771,421. 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 \$21,250,000 from the General Fund and \$9,774,334 from the Measure T fund, of which \$4,498,550 is set aside to fund the Fire District, Community Services District, and Library operating reserves at an average level of 29% of the amended budget.

City of Murrieta

Management's Discussion and Analysis For the Year Ended June 30, 2025

The combined operating reserve of \$31,024,334 is approximately 29% of the final operating expenditures. The operating reserve is established by a City Council Policy No. 100-11 *Fund Balance and Reserve Policy* to provide sufficient cash flow and resources to pay the yearly 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 on the City's financial position. The current operating reserve policy requires a 25% reserve. The committed fund balance includes a \$8,382,884 economic contingency reserve, \$9,000,000 in pension and other post-employment benefit trust reserves, \$8,135,258 for fleet replacement, \$9,807,850 for facilities and equipment reserve, \$6,025,000 for continuing operations, and \$1,000,000 for an information technology reserve. The balance of the committed reserves, \$12,396,095, is set aside for land acquisition, encumbrances (open purchase orders at the end of the fiscal year that will be utilized in the following year), public safety, and capital improvement projects.

The assigned fund balance totaling \$42,753 is set aside for City programs. The second most significant portion of the fund balance is the unassigned fund balance in the amount of \$64,588,466. 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 Budgetary Highlights

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

The revised revenue budget for FY 2024/25 totaled \$103,478,168, while actual revenues totaled \$111,593,957, outperforming revenue projections by \$8,115,789. The most significant budgetary variance is in the use of money and property (interest earnings), taxes, intergovernmental revenue, and miscellaneous revenue categories. Sales of capital assets increased slightly compared to the amended budget. However, charges for services, fines & forfeitures, licenses and permits, underperformed when compared to the amended budget.

The General Fund Sales & Use tax and Transaction tax outperformed the amended budget by \$908,519 (or two percent). During the third-quarter budget update, staff evaluated year-to-date revenues and sought approval from the City Council to decrease the sales tax budget. The budget reduction coincided with the general economy's downturn, which was caused by an extended period of high interest rates. This affected sales of both new and used automobiles, as well as sales of general consumer goods. Had the budget not been adjusted, sales tax would have been short approximately \$5.8 million (or ten percent). The higher interest rates also impacted property transfer taxes, which were down 16% or \$113,310, coming in under budget.

Property tax revenue, on the other hand, outperformed the budget by \$254,832, primarily due to conservative budgeting and new residential and commercial development. Additionally, franchise taxes outperformed the budget by \$418,731.

The increase in the use of money and property is primarily due to extended periods of high interest rates, which have yielded positive outcomes with higher interest earnings. The General Fund's portion of interest earnings from the investment portfolio was \$5,650,631, which exceeded the amended budget by \$600,931. As required by GASB Statement 31 - *Accounting and Financial Reporting for Investments*, a non-cash accounting adjustment is made to record gains or losses in investments that are either not yet sold or matured. The positive change in the valuation of investment at year-end was \$3,279,938. The value of fixed-income securities can fluctuate in response to changes in interest rates.

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

As interest rates rise, the fair value of securities may decrease, and vice versa; when interest rates fall, the fair value of securities may increase. The difference between book value and fair value is considered an unrealized gain or loss.

The Intergovernmental revenue category was \$876,246 higher than the budget, primarily due to additional services eligible for reimbursement associated with the intergovernmental agreement for dispatch services, reimbursements for federal task force participation, and reimbursements from the state for SB90 claims. Alternatively, other accounts were less than expected for the share of cost payments for school resource officers, riverbed cleanup, and homeless services due to a delay in payment from other agencies.

Licenses and permits, as well as charges for services, underperformed the budget by \$82,924 and \$331,302, respectively. The net budget shortage for licenses and permits resulted from fewer Planning-issued temporary and conditional use permits, pre-application reviews, and addressing fees, as well as Building & Safety-issued permits for electrical, air conditioning/furnace replacements, patio, garage, solar, and swimming pool installations. Conversely, Building & Safety-issued permits for single-family and multifamily residential buildings, new commercial buildings, tenant improvements, certificates of occupancy, trash enclosures, wall signs, and monument signs exceeded their budgets, which helped offset the budgetary shortfall.

Charges for services were lower than expected for several reasons. Revenue collected for police security requested at private events and school district functions was lower than expected by \$29,510. Plan check and inspection services were down a combined \$302,525. However, fees for police records requests, special events, and records retention exceeded the budget by \$59,135. The negative balance of approximately \$58,400 resulted from a combination of several accounts being over or under budget.

GENERAL FUND BUDGET TO ACTUAL			
General Fund	Budget	Actuals	Variance
Revenues			
Taxes	\$ 84,739,592	\$ 86,519,222	\$ 1,779,630
Licenses and permits	2,930,589	2,847,665	(82,924)
Intergovernmental	4,463,695	5,339,941	876,246
Charges for services	4,475,543	4,144,241	(331,302)
Use of money and property	5,333,700	9,359,729	4,026,029
Fines & forfeiture	344,400	249,473	(94,927)
Miscellaneous revenues	847,455	1,032,749	185,294
Transfers in	275,490	281,680	6,190
Capital lease proceeds	-	1,744,485	1,744,485
Sales of capital assets	67,704	74,772	7,068
Total Revenues	103,478,168	111,593,957	8,115,789
Expenses			
General government	14,374,569	13,553,001	(821,568)
Public safety	56,513,510	55,302,709	(1,210,801)
Community development	10,018,481	8,468,784	(1,549,697)
Parks and recreation	2,059,188	1,505,155	(554,033)
Public works	7,488,838	6,928,281	(560,557)
Capital outlay	3,154,671	5,482,951	2,328,280
Debt service	25,699	1,192,508	1,166,809
Transfers out	7,515,269	8,228,752	713,483
Total Expenses	101,150,225	100,662,141	(488,084)
Net Revenues over Expenses	\$ 2,327,943	\$ 10,931,816	\$ 8,603,873

City of Murrieta

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

The total amended General Fund operating expenditure budget in FY 2024/25 totaled \$101,150,225, while actual expenses at year-end totaled \$100,662,145. The actual operating expenses were \$488,084 lower than the budgeted figures. This negative variance (or budgetary savings) is comprised of Personnel, Operations & Maintenance, and Allocations (or Internal Service Charges). Transfers Out and Capital Outlay were over budget, which offset the budgetary savings.

General Government was under budget by \$821,568. There were savings from personnel vacancies and contract services for anticipated but unused services. Public Safety was \$1,210,801 under budget, primarily due to conservative personnel costs and operations & maintenance budget approach. Salaries and benefits were under budget due to a conservative personnel budget approach and several vacant positions; however, overtime was higher to backfill the vacant positions. Operations & maintenance costs were lower in building and vehicle maintenance, as well as contract services. Community Development was under budget by \$1,549,697, primarily due to a conservative personnel budget approach, temporary vacancies, and contract services that were anticipated for plan check but weren’t ultimately needed.

Expenditures for Capital Outlay exceeded the amended budget by \$2,328,280. The bulk of the overage is a result of a reclassification of a prior year subscription \$1,744,485. The remaining variance is due to the capital improvement budget being budgeted in a sub-ledger that is carried over from year to year. When capital improvement projects expend funds, they are recorded in the general ledger, which ultimately shows as unbudgeted expenses.

Debt Service appears to be over budget by \$1,071,358; however, the expenses related to SBITAs (Subscription-Based Information Technology Arrangement) and other lease agreements were reclassified from other operating accounts for presentation purposes. This reclassification results in budgetary savings in the areas of public safety, public works, parks and recreation, general government, and community development.

The Transfers Out category had a variance of \$713,483 over budget, reflecting a combination of overages and budgetary savings related to funds that are financially subsidized by the General Fund. The Fire Fund required an additional \$1.3 million in operating transfers to balance its shortfall, primarily due to increased workers’ compensation costs. The Community Services District (CSD) came in under budget and required a lower operating transfer of \$731k than expected. The remaining amounts are from unanticipated transfers to special revenue funds for project overruns and to ensure that certain Lettered CSD Zones and the Lighting & Landscape District Fund were made whole.

Capital assets

At the end of FY 2024/25, the City had capital assets (net of accumulated depreciation) of \$445,132,400, including land, construction in progress (CIP), buildings and improvements, improvements to land, parkland improvements, equipment (including vehicles), infrastructure, lease assets, and right-to-use subscriptions. Current year’s additions to all asset categories totaled \$18,354,557, while deletions totaled \$2,872,158. The accumulated depreciation increased by \$16,337,175 net of deletions. Capital assets with the most significant increase were those in Parkland Improvements, at \$4,763,029. The asset class with the next most significant increase was Construction in Progress with \$3,809,020. The capital asset category with the most significant decrease net of depreciation was Infrastructure, at \$8,723,980, followed by Building & Improvements, at \$635,961, and then Equipment, at \$280,229. The remaining categories had an overall increase of \$3,729,010. The increases were primarily due to the completion of multiple tot lot replacement projects and the reclassification of a piece of land that was previously held for resale.

Note 6, Capital Assets, on page 54 of this report provides additional information on the city's capital assets.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2025	2024
Land	\$ 182,076,919	\$ 178,561,254
Construction in Progress	16,547,286	12,738,266
Buildings & Improvements	29,931,886	30,567,847
Improvements to Land	1,491,066	1,605,958
Parkland Improvements	20,028,905	15,265,876
Equipment	13,196,241	13,476,470
Infrastructure	177,758,542	186,482,522
Lease Assets	2,486,853	1,884,022
Right-to-use Subscriptions	1,614,702	1,889,296
Total Capital Assets	\$ 445,132,400	\$ 442,471,511

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

Long-Term Debt

At the end of the current fiscal year, the City of Murrieta had outstanding bonded debt and leases, along with liability for claims and judgments, an obligation for employee post-employment benefits (OPEB), compensated absences payable, and Net Pension liabilities totaling \$194,216,335. The total outstanding debt decreased by approximately 4.4% or \$8,897,567 during FY 2024/25. The most significant decrease is related to the CFD debt, resulting from principal payments made against the bonded debt.

The pension (CalPERS) liability decreased by \$1,463,160 due to changes in assumptions, differences between expected and actual experiences, differences between projected and actual investment earnings, differences between employer’s contributions and proportionate share of contributions, and changes in the employer’s proportion of costs.

The decrease in Other Post Employment Benefits (OPEB) liability of approximately \$944,164 is attributed to an increase in the discount rate from 5.06% to 5.34%, changes in assumptions, and differences between expected and actual experiences. Claims and Judgments related to the City’s general liability and Workers’ Compensation decreased by \$732,888 due to the actuarial valuation of future liability. Compensated absences increased by \$565,219 due to an increase in the number of employees and increases in the salary and compensation schedules. The remaining outstanding debt items, including notes payable, leases, and subscriptions, decreased due to principal payments made against each debt, with no significant additions to the debt.

**Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

OUTSTANDING DEBT

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
City Related Debt		
Lease Revenue Bond Series 2020A	\$ 1,500,562	\$ 2,214,504
Leases, Subscriptions & Notes Payable	8,161,041	8,351,960
Net Pension Liability	68,946,994	70,410,154
Claims and Judgments	12,462,425	13,195,313
OPEB Liability	33,677,284	34,621,448
Compensated Absences	7,928,606	7,363,387
Total City Related Debt	<u>132,676,912</u>	<u>136,156,766</u>
CFD Related Debt		
Local Agency Revenue Bond, Series 2022	24,889,423	27,407,136
Local Agency Revenue Bond, Series 2016A	31,045,000	33,510,000
Local Agency Revenue Bond, Series 2016B	5,605,000	6,040,000
Total CFD Related Debt	<u>61,539,423</u>	<u>66,957,136</u>
Total Outstanding Debt	<u>\$ 194,216,335</u>	<u>\$ 203,113,902</u>

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

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

FINANCIAL STATEMENTS



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City of Murrieta

Statement of Net Position June 30, 2025

	Governmental Activities
ASSETS	
Cash and Investments	\$ 290,654,513
Receivables, net:	
Accounts	3,051,750
Taxes	11,931,528
Loans	11,756,396
Accrued interest	2,718,292
Leases	3,039,374
Prepaid Costs	1,212,361
Inventories	66,536
Deposits Held with Others	3,031,228
Due from Other Governments	8,204,796
Restricted Assets:	
Cash and Investments with Fiscal Agents	5,580,204
Capital Assets, Not Depreciable	198,624,205
Capital Assets, Net of Accumulated Depreciation	246,508,195
Total Assets	<u>786,379,378</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding	284,796
Deferred Pension-Related Items	28,917,512
Deferred OPEB-Related Items	13,259,832
Total Deferred Outflows of Resources	<u>42,462,140</u>
 LIABILITIES	
Accounts Payable	7,218,842
Accrued Liabilities	6,300,115
Accrued Interest	831,255
Due to Other Governments	5,517
Deposits Payable	12,224,648
Unearned Revenues	5,009,179
Long-term Liabilities, Due Within One Year	15,529,907
Due in More Than One Year:	
Long-term Liabilities	76,062,150
Net Pension Liability	68,946,994
Net OPEB Liability	33,677,284
Total Liabilities	<u>225,805,891</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension-Related Items	943,733
Deferred OPEB-Related Items	5,211,074
Deferred Amounts Related to Leases	2,739,774
Total Deferred Inflows of Resources	<u>8,894,581</u>
 NET POSITION	
Net Investment in Capital Assets	435,270,854
Restricted for:	
Community Development:	
Nonexpendable	500,000
Expendable	18,002,306
Public Safety	4,552,490
Public Works	100,504,572
Capital Projects	3,454,875
Public Education and Government	1,118,507
Debt Service	4,074,032
Unrestricted	26,663,410
Total Net Position	<u>\$ 594,141,046</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, 2025

Functions/Programs	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 21,935,557	\$ 738,356	\$ 4,209,866	\$ -	\$ (16,987,335)
Public Safety	88,850,978	2,607,931	6,409,159	-	(79,833,888)
Community Development	8,442,616	10,474,600	307,645	-	2,339,629
Parks and Recreation	21,689,066	10,991,429	673,122	37,960	(9,986,555)
Public Works	23,434,899	2,392,720	-	21,759,360	717,181
Interest on Long-Term Debt	2,573,672	-	-	-	(2,573,672)
Total Governmental Activities	<u>\$ 166,926,788</u>	<u>\$ 27,205,036</u>	<u>\$ 11,599,792</u>	<u>\$ 21,797,320</u>	<u>(106,324,640)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	26,333,601
Property Taxes, Levied for Fire Safety	17,028,254
Property Transfer Taxes	607,266
Transient Occupancy Taxes	2,824,281
Sales and Use Taxes	54,372,479
Franchise Taxes	5,163,531
Business Licenses Taxes	1,160,648
Motor Vehicle License	174,551
Investment Income	15,238,348
Sale of Assets	71,134
Miscellaneous	2,390,207
Total General Revenues	<u>125,364,300</u>

Change in Net Position	19,039,660
Net Position - Beginning of Year	<u>575,101,386</u>
Net Position - End of Year	<u>\$ 594,141,046</u>

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

City of Murrieta

Balance Sheet – Governmental Funds June 30, 2025

	General	Special Revenue		Capital Projects
		Fire District	Other Grants (formerly nonmajor)	Development Impact
ASSETS				
Pooled Cash and Investments	\$ 148,427,671	\$ 4,279,797	\$ 4,795,470	\$ 59,544,041
Receivables:				
Accounts	1,243,689	72,475	-	100,000
Taxes	10,925,527	546,943	-	-
Loans	2,844,733	-	-	-
Accrued Interest	1,618,085	-	-	-
Leases	-	2,508,962	-	-
Prepaid Costs and Other Assets	323,609	42,767	-	-
Inventories	33,642	7,568	-	-
Due from Other Governments	3,356,270	131,787	230,651	-
Due from Other Funds	3,674,749	-	-	-
Land Held for Resale	-	-	-	-
Advance to Other Funds	62,941	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	56,229	-	-	-
Total Assets	\$ 172,567,145	\$ 7,590,299	\$ 5,026,121	\$ 59,644,041
LIABILITIES				
Accounts Payable	\$ 2,880,117	\$ 148,688	\$ 97,762	\$ 418,179
Accrued Liabilities	3,854,130	1,272,446	15,495	22,610
Deposits Payable	9,584,611	2,300	-	-
Unearned Revenue	200,055	5,264	4,467,929	-
Due to Other Governments	701	-	-	4,816
Due to Other Funds	-	-	327,761	-
Advances from Other Funds	-	-	-	62,941
Total Liabilities	16,519,614	1,428,698	4,908,947	508,546
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	2,186,410	128,310	73,340	100,000
Deferred Inflows Related to Leases	-	2,258,471	-	-
Total Deferred Inflows of Resources	2,186,410	2,386,781	73,340	100,000
FUND BALANCES (DEFICITS):				
Nonspendable	3,264,925	50,335	-	-
Restricted	208,240	3,724,485	43,834	59,035,495
Committed	85,771,421	-	-	-
Assigned	42,753	-	-	-
Unassigned	64,573,782	-	-	-
Total Fund Balances (Deficits)	153,861,121	3,774,820	43,834	59,035,495
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 172,567,145	\$ 7,590,299	\$ 5,026,121	\$ 59,644,041

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

City of Murrieta

Balance Sheet – Governmental Funds (Continued)
June 30, 2025

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 59,563,302	\$ 276,610,281
1,624,029	3,040,193
459,058	11,931,528
8,911,663	11,756,396
1,100,207	2,718,292
530,412	3,039,374
15,038	381,414
20,820	62,030
4,409,516	8,128,224
-	3,674,749
-	-
-	62,941
<u>5,523,975</u>	<u>5,580,204</u>
<u>\$ 82,158,020</u>	<u>\$ 326,985,626</u>
\$ 3,270,408	\$ 6,815,154
997,874	6,162,555
2,637,737	12,224,648
334,783	5,008,031
-	5,517
3,346,988	3,674,749
-	62,941
<u>10,587,790</u>	<u>33,953,595</u>
4,302,336	6,790,396
481,303	2,739,774
<u>4,783,639</u>	<u>9,530,170</u>
535,858	3,851,118
68,694,728	131,706,782
-	85,771,421
-	42,753
<u>(2,443,995)</u>	<u>62,129,787</u>
<u>66,786,591</u>	<u>283,501,861</u>
<u>\$ 82,158,020</u>	<u>\$ 326,985,626</u>



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City of Murrieta

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2025

Fund Balances - Total Governmental Funds		\$ 283,501,861
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.		
		444,908,210
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	\$ (1,365,000)	
Local Agency Revenue Bonds	(59,580,000)	
Premium	(2,094,985)	
Notes, Leases and Subscription Liabilities	(8,157,708)	
Loss on Refunding	284,796	
Compensated Absences	<u>(7,836,186)</u>	(78,749,083)
Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds.		
		(831,255)
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	28,917,512	
Deferred Inflows of Resources	(943,733)	
Pension Liability	<u>(68,946,994)</u>	(40,973,215)
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	13,259,832	
Deferred Inflows of Resources	(5,211,074)	
Net OPEB Liability	<u>(33,677,284)</u>	(25,628,526)
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.		
		6,790,396
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.		
		<u>5,122,658</u>
Net Position of Governmental Activities		<u>\$ 594,141,046</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, 2025

	General	Special Revenue Funds		
		Fire District	Other Grants (formerly nonmajor)	Federal Grants (formerly major)
REVENUES				
Taxes	\$ 86,519,222	\$ 17,028,254	\$ -	
Assessments	-	1,587,906	-	
Licenses and Permits	2,847,665	28,065	-	
Intergovernmental	5,339,941	2,411,709	1,129,204	
Charges for Services	4,144,241	628,595	-	
Use of Money and Property	9,359,729	261,523	20,471	
Fines and Forfeitures	249,473	139,317	-	
Developer Participation	-	-	-	
Miscellaneous	1,032,749	112,440	56	
Total Revenues	109,493,020	22,197,809	1,149,731	
EXPENDITURES				
Current:				
General Government	13,553,001	-	3,541	
Public Safety	55,302,709	28,030,605	244,789	
Community Development	8,468,784	-	-	
Parks and Recreation	1,505,155	-	205,122	
Public Works	6,928,281	-	-	
Capital Outlay	5,482,951	-	201,702	
Debt Service:				
Principal Retirement	1,097,054	151,005	-	
Interest and Fiscal Charges	95,454	24,945	-	
Total Expenditures	92,433,389	28,206,555	655,154	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,059,631	(6,008,746)	494,577	
OTHER FINANCING SOURCES (USES)				
Transfers In	281,680	5,143,217	10,898	
Transfers Out	(8,228,752)	-	(93,813)	
Lease Acquisition	1,744,485	-	-	
Proceeds from Sale of Capital Assets	74,772	-	-	
Transfer of land held for resale	-	-	-	
Total Other Financing Sources (Uses)	(6,127,815)	5,143,217	(82,915)	
NET CHANGE IN FUND BALANCES	10,931,816	(865,529)	411,662	
Fund Balances (Deficit), beginning of year	142,929,305	4,640,349	-	(206,361)
Adjustment - change from major to nonmajor fund	-	-	(367,828)	206,361
Fund Balances (Deficit), beginning of year, as restated (Note 19)	142,929,305	4,640,349	(367,828)	-
Fund Balances (Deficit), end of year	\$ 153,861,121	\$ 3,774,820	\$ 43,834	\$ -

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, 2025**

Capital Projects		
Development Impact	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,961,054	\$ 106,508,530
-	17,914,950	19,502,856
-	-	2,875,730
-	19,526,618	28,407,472
-	950,914	5,723,750
2,432,289	3,021,310	15,095,322
-	14,344	403,134
2,858,983	195,782	3,054,765
-	421,668	1,566,913
<u>5,291,272</u>	<u>45,006,640</u>	<u>183,138,472</u>
-	6,811,239	20,367,781
-	1,102,428	84,680,531
-	33,453	8,502,237
-	17,437,209	19,147,486
79,029	3,586,210	10,593,520
3,338,485	11,296,706	20,319,844
-	6,283,978	7,532,037
-	2,776,050	2,896,449
<u>3,417,514</u>	<u>49,327,273</u>	<u>174,039,885</u>
<u>1,873,758</u>	<u>(4,320,633)</u>	<u>9,098,587</u>
2,450	4,309,668	9,747,913
-	(1,425,348)	(9,747,913)
-	-	1,744,485
-	-	74,772
-	(3,515,665)	(3,515,665)
<u>2,450</u>	<u>(631,345)</u>	<u>(1,696,408)</u>
<u>1,876,208</u>	<u>(4,951,978)</u>	<u>7,402,179</u>
57,159,287	71,577,102	276,099,682
-	161,467	-
<u>57,159,287</u>	<u>71,738,569</u>	<u>276,099,682</u>
<u>\$ 59,035,495</u>	<u>\$ 66,786,591</u>	<u>\$ 283,501,861</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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 7,402,179

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	\$ 20,273,641	
Depreciation and amortization	<u>(18,923,129)</u>	1,350,512

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	7,532,037	
Amortization of Premium	291,655	
Amortization on Loss on Refunding	<u>(31,644)</u>	7,792,048

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 63,276

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. (594,309)

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. (4,560,089)

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. (1,750,250)

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. 2,343,379

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. 6,992,914

Change in Net Position of Governmental Activities \$ 19,039,660

City of Murrieta

**Statement of Fund Net Position – Proprietary Funds
June 30, 2025**

	Internal Service Funds
ASSETS	
Current Assets:	
Cash and Investments	\$ 14,044,232
Accounts Receivable	11,557
Prepaid Costs	830,947
Inventory	4,506
Due From Other Governments	76,572
Deposits Held with Others	3,031,228
Total Current Assets	<u>17,999,042</u>
Noncurrent:	
Capital Assets, Net of Accumulated Depreciation	224,190
Total Assets	<u>18,223,232</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	403,688
Accrued Liabilities	137,560
Unearned Revenue	1,148
Compensated Absences	67,323
Claims and Judgments	5,775,525
Note Payable	3,333
Total Current Liabilities	<u>6,388,577</u>
Noncurrent:	
Compensated Absences	25,097
Claims and Judgments	6,686,900
Total Noncurrent Liabilities	<u>6,711,997</u>
Total Liabilities	<u>13,100,574</u>
NET POSITION	
Net Investment in Capital Assets	220,857
Restricted for Public, Education, Government	462,216
Unrestricted	4,439,585
Total Net Position	<u>\$ 5,122,658</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, 2025**

	Internal Service Funds
OPERATING REVENUES	
Interdepartmental Charges	\$ 18,281,485
Franchise Taxes	30,723
Miscellaneous	19,523
Total Operating Revenues	<u>18,331,731</u>
OPERATING EXPENSES	
Administration and General	9,807,856
Claims Expense	1,506,168
Depreciation Expense	434,108
Total Operating Expenses	<u>11,748,132</u>
OPERATING INCOME	<u>6,583,599</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	409,825
Interest Expense	(510)
Total Nonoperating Revenues (Expenses)	<u>409,315</u>
CHANGES IN NET POSITION	6,992,914
Net Position (Deficit), beginning of year	<u>(1,870,256)</u>
Net Position, end of year	<u>\$ 5,122,658</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, 2025**

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Interfund Service Provided	\$ 18,256,328
Cash Paid to Suppliers for Goods and Services	(7,485,982)
Cash Paid to Employees for Services	(2,020,655)
Claims Paid	(3,188,572)
Net Cash Provided by Operating Activities	<u>5,561,119</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on subscription-based liability	(203,561)
Principal payments on note	(39,806)
Interest payments on note	(510)
Net Cash Used by Capital and Related Financing Activities	<u>(243,877)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	409,825
Net Cash Provided by Investing Activities	<u>409,825</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,727,067
Cash and Cash Equivalents, beginning of year	<u>8,317,165</u>
Cash and Cash Equivalents, end of year	<u>\$ 14,044,232</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	<u>\$ 6,583,599</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	434,108
(Increase) Decrease in Accounts Receivable	(1,831)
(Increase) Decrease in Prepaid Costs	15,216
(Increase) Decrease in Inventory	7,091
(Increase) Decrease in Due From Other Governments	(73,572)
(Increase) Decrease in Deposits Held with Others	(949,516)
Increase (Decrease) in Accounts Payable	291,985
Increase (Decrease) in Accrued Liabilities	16,017
Increase (Decrease) in Claims and Judgments	(732,888)
Increase (Decrease) in Compensated Absences	(29,090)
Total Adjustments	<u>(1,022,480)</u>
Net Cash Provided by Operating Activities	<u>\$ 5,561,119</u>

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

City of Murrieta

**Statement of Fiduciary Net Position
June 30, 2025**

	Custodial Fund	Successor Agency Private- Purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Pooled Cash and Investments	\$ 214,837	\$ 2,442,581
Receivables, net:		
Accounts	25,802	-
Taxes	80,221	-
Prepaid Costs	-	405
Restricted Assets:		
Cash and Investments with Fiscal Agents	11,435,176	2,298,973
Total Assets	<u>11,756,036</u>	<u>4,741,959</u>
LIABILITIES		
Accounts Payable	18,520	12,323
Accrued Liabilities	-	20,021
Deposits Payable	12,848	-
Interest Payable	-	445,507
Long-Term Liabilities:		
Due in One Year	-	1,819,978
Due in More than One Year	-	27,036,491
Total Liabilities	<u>31,368</u>	<u>29,334,320</u>
NET POSITION (DEFICIT)		
Restricted for Other Organizations	11,724,668	-
Unrestricted for Successor Agency	-	(24,592,358)
Total Net Position (Deficit)	<u>\$ 11,724,668</u>	<u>\$ (24,592,358)</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, 2025**

	<u>Custodial Fund</u>	<u>Successor Agency Private- Purpose Trust Fund</u>
ADDITIONS		
Taxes	\$ 1,817,673	\$ 2,835,322
Interest Income	557,496	120,971
Total Additions	<u>2,375,169</u>	<u>2,956,293</u>
DEDUCTIONS		
Administrative Costs	303,298	47,792
Residual Commitments of the Agency	508,453	141,379
Interest on Bonds	854,356	1,024,018
Total Deductions	<u>1,666,107</u>	<u>1,213,189</u>
CHANGES IN NET POSITION	709,062	1,743,104
Net Position (Deficit), beginning of year	<u>11,015,606</u>	<u>(26,335,462)</u>
Adjustment - correction of error	-	
Net Position (Deficit), beginning of year, as restated	<u>11,015,606</u>	<u>(26,335,462)</u>
Net Position (Deficit), end of year	<u>\$ 11,724,668</u>	<u>\$ (24,592,358)</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, 2025**

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 *Other Grants Special Revenue Fund* accounts for revenues and expenditure made under state and local 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 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.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry. These funds are a type of governmental fund and are typically used to account for endowments.

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

The City adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard provides a unified approach for recognizing and measuring all types of compensated absences, such as vacation and sick leave. The related disclosures required by this standard are included in Note 7.

The City adopted the Governmental Accounting Standards Board (GASB) Statement No 102, *Certain Risk Disclosures*. This statement requires governments to evaluate whether any events related to significant concentrations or constraints have occurred, are occurring or likely to occur within 12 months of issuing the financial statements. As part of this evaluation, the City reviewed potential risks and did not identify any events or conditions that meet this criteria for disclosure under GASB Statement No. 102.

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, 2025**

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 Lease Assets

Capital assets, which include property, plant, equipment, right-to-use lease and subscription 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/subscription assets, which include equipment and vehicles, follow the same capitalization thresholds as capital assets. Right-to-use lease/subscription assets are recorded at the amount of the initial measurement of the lease/subscription liabilities and modified by any lease/subscription 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
Lease and subscription assets	Life of associated contract

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:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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

- 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.
- 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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

- 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.
- 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

M) Compensated Absences, (Continued)

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

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

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.

Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

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, 2025:

	Deficits
Nonmajor Governmental Funds:	
Federal Grants	\$ (1,774,118)
Block Grants	(364,325)
SLESF	(31,321)
Reimbursement Agreement Fund	(26,604)

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, 2025

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Expenditures in Excess of Appropriations

The following departments/funds reported expenditures in excess of appropriations at June 30, 2025:

	Final Budget	Actual	Variance with Final Budget
General Fund			
Animal Control	\$ 522,982	\$ 523,587	\$ (605)
Emergency Services	-	32,412	(32,412)
Human Resources	1,807,861	1,845,690	(37,829)
City Clerk	1,558,343	1,729,560	(171,217)
Police Communications	5,963,240	6,320,133	(356,893)
Fire Operations	5,166,959	5,607,264	(440,305)
Facilities Maintenance	1,622,167	1,669,260	(47,093)
Debt Service - Principal	-	1,097,054	(1,097,054)
Debt Service - Interest	25,699	95,454	(69,755)
State Gas Tax			
Capital Outlay	180,000	739,233	(559,233)
Measure A			
Capital Outlay	-	3,192,463	(3,192,463)
AQMD			
Public Works	327	23,338	(23,011)
Block Grants			
General Government	101,500	389,028	(287,528)
Seized Assets Forfeiture			
Capital Outlay	42,145	86,619	(44,474)
SLESF			
Public Safety	319,786	377,793	(58,007)
Debt Service - Principal	-	14,978	(14,978)
TUMF			
Capital Outlay	10	59,011	(59,001)
Community Service District			
Parks and Recreation	14,018,113	14,074,057	(55,944)
Capital Outlay	-	374,044	(374,044)
RMRA			
Public Works	1,920	6,091	(4,171)
Capital Outlay	-	1,981,421	(1,981,421)
Other Grants			
Public Safety	221,677	244,789	(23,112)
Parks and Recreation	56,433	205,122	(148,689)
Capital Outlay	7,975	201,702	(193,727)
Developer Agreement			
Parks and Recreation	-	2,802	(2,802)
Capital Outlay	-	212,722	(212,722)
Opioid Settlement			
General Government	3	197,263	(197,260)
Prop 68			
General Government	-	562	(562)
Capital Outlay	-	247,065	(247,065)
Community Facilities District			
Capital Outlay	-	761,474	(761,474)
Area Drainage			
Capital Outlay	-	97,918	(97,918)
2022 A LARB			
Debt Service - principal	2,290,000	2,300,000	(10,000)
Debt Service - interest	1,204,250	1,204,555	(305)

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

3) CASH AND INVESTMENTS

As of June 30, 2025, cash and investments were reported in the accompanying financial statements:

Statement of Net Position	
Cash and Investments	\$ 290,654,513
Restricted:	
Cash and Investments with Fiscal Agent	5,580,204
Statement of Net Position Fiduciary Funds	
Cash and Investments	2,657,418
Restricted:	
Cash and Investments with Fiscal Agent	13,734,149
Total	<u>\$ 312,626,284</u>

Cash and investments as of June 30, 2025, consisted of the following:

Cash on hand	\$ 7,700
Deposits with Financial Institutions	(488,904)
Investments	<u>313,107,488</u>
Total	<u>\$ 312,626,284</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.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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, 2025, the City had the following investments and original maturities:

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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	\$ 12,683,440	\$ 4,461,064	\$ 19,932,865	\$ 16,122,502	\$ 53,199,871
Federal Agency Securities	2,335,489	3,018,635	29,505,577	10,675,019	45,534,720
Money Market Mutual Fund	138,410,560	-	-	-	138,410,560
LAIF	2,002,077	-	-	-	2,002,077
Asset-Backed Securities	-	70,709	3,393,620	10,142,307	13,606,636
Commercial Paper	-	-	-	-	-
Medium-Term Notes	3,796,816	4,746,416	27,740,931	1,524,289	37,808,452
Negotiable Certificates of Deposit	-	-	-	-	-
Supranational	-	-	1,827,225	-	1,827,225
Cash with Fiscal Agent:					
Money Market Mutual Fund	20,717,947	-	-	-	20,717,947
Total	\$ 179,946,329	\$ 12,296,824	\$ 82,400,218	\$ 38,464,117	\$ 313,107,488

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	\$ 53,199,871	N/A	\$ -	\$ 53,199,871	\$ -	\$ -
Federal Agency Securities	45,534,720	N/A	-	-	-	45,534,720
Money Market Mutual Fund	138,410,560	AAA	-	-	1,393,264	137,017,296
LAIF	2,002,077	N/A	-	-	-	2,002,077
Asset-Backed Securities	13,606,636	AA	11,059,209	-	-	2,547,427
Commercial Paper	-	A	-	-	-	-
Medium-Term Notes	37,808,452	A	-	-	36,289,098	1,519,354
Negotiable Certificates of Deposit	-	A	-	-	-	-
Supranational	1,827,225	AA	1,827,225	-	-	-
Cash with Fiscal Agent:						
Money Market Mutual Funds	20,717,947	AAA	20,717,947	-	-	-
Total	\$313,107,488		\$ 33,604,381	\$ 53,199,871	\$ 37,682,362	\$ 188,620,874

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

	A	A+/AA+	A-	AA-	AA	Total
Medium-Term Notes	\$ 13,064,630	\$ 14,408,386	\$ 2,524,134	\$ 4,882,534	\$ 1,409,414	\$ 36,289,098
Money Market Mutual Fund	AAAm	Total				
	\$ 1,393,264	\$ 1,393,264				

Notes to the Financial Statements
For the Year Ended June 30, 2025

3) CASH AND INVESTMENTS, (Continued)

Credit Risk (continued)

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, 2025, the City had investments in Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Farm Credit System in excess of 5% of total investments.

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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, 2025:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
U.S. Treasury Securities	\$ -	\$ 53,199,871	\$ -	\$ 53,199,871
Federal Agency Securities	-	45,534,720	-	45,534,720
Asset-backed Securities	-	13,606,636	-	13,606,636
Commercial Paper	-	-	-	-
Medium-Term Notes	-	37,808,452	-	37,808,452
Supranational	-	1,827,225	-	1,827,225
Total Leveled Investments	\$ -	\$ 151,976,904	\$ -	151,976,904
LAIF*				2,002,077
Money Market Mutual Funds*				159,128,507
Total Investment Portfolio				\$ 313,107,488

*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, 2025, is \$2,844,732.

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%).

4) LOANS RECEIVABLE (Continued)

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, 2025 was \$512,420. 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.

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, 2025 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 was funded on June 17, 2025. 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, 2025, the principal balance of the loan outstanding is \$7,642,807.

Housing loans receivable of \$20,000 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, 2025**

5) LEASE RECEIVABLE

As of June 30, 2025, the City had 7 active land leases. The leases have receipts that range from \$7,481 to \$54,915 and interest rates that range from 0.8927% to 2.5833%. As of June 30, 2025, the total combined value of the lease receivable is \$3,039,374, the total combined value of the short-term lease receivable is \$117,598, and the combined value of the deferred inflow of resources is \$2,739,774.

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
2026	\$ 117,598	\$ 70,985	\$ 188,583
2027	101,468	68,740	170,208
2028	109,227	66,427	175,654
2029	117,350	63,937	181,287
2030	125,854	61,259	187,113
2031 - 2035	709,850	260,037	969,887
2036 - 2040	679,937	177,190	857,127
2041 - 2045	447,492	103,047	550,539
2046 - 2050	292,712	63,655	356,367
2051 - 2055	337,886	21,077	358,963
Totals	<u>\$ 3,039,374</u>	<u>\$ 956,354</u>	<u>\$ 3,995,728</u>

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City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2025

6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities					
Capital Assets, not being- depreciated:					
Land	\$ 178,561,254	\$ -	\$ -	\$ 3,515,665	\$ 182,076,919
Construction in progress	12,738,266	15,212,474	-	(11,403,454)	16,547,286
Total capital assets, not being depreciated	191,299,520	15,212,474	-	(7,887,789)	198,624,205
Capital assets being depreciated/amortized:					
Buildings and improvements	59,609,884	45,872	(113,718)	924,956	60,466,994
Improvements to land	3,328,592	-	-	-	3,328,592
Parkland improvements	37,833,109	-	-	6,913,079	44,746,188
Equipment	37,849,268	1,156,004	(1,647,417)	1,419,506	38,777,361
Infrastructure	412,729,265	-	-	2,145,913	414,875,178
Right-to-use leases	2,988,333	1,245,623	(392,191)	-	3,841,765
Right-to-use subscriptions	2,756,655	694,584	(718,832)	-	2,732,407
Total capital assets being depreciated/amortized	557,095,106	3,142,083	(2,872,158)	11,403,454	568,768,485
Less: accumulated depreciation:					
Buildings and improvements	29,042,037	1,504,443	(11,372)	-	30,535,108
Improvements to land	1,722,634	114,892	-	-	1,837,526
Parkland improvements	22,567,233	2,150,050	-	-	24,717,283
Equipment	24,372,798	2,766,318	(1,557,996)	-	25,581,120
Infrastructure	226,246,743	10,869,893	-	-	237,116,636
Less: accumulated amortization:					
Right-to-use leases	1,104,311	642,792	(392,191)	-	1,354,912
Right-to-use subscriptions	867,359	874,741	(624,395)	-	1,117,705
Total accumulated depreciation and amortization	305,923,115	18,923,129	(2,585,954)	-	322,260,290
Total capital assets being depreciated/amortized, net	251,171,991	(15,781,046)	(286,204)	11,403,454	246,508,195
Government activities capital assets, net	\$ 442,471,511	\$ (568,572)	\$ (286,204)	\$ 3,515,665	\$ 445,132,400

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

Governmental Activities:	
General Government	\$ 1,160,717
Public Safety	3,449,292
Community Development	116,056
Parks and Recreation	2,575,578
Public Works	11,187,379
Internal Service Fund	434,107
Total Depreciation and Amortization Expense	<u>\$ 18,923,129</u>

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2025

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, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Other Debt:					
Lease Revenue Refunding					
Bonds, Series 2020A	\$ 2,005,000	\$ -	\$ (640,000)	\$ 1,365,000	\$ 670,000
Premium	209,504	-	(73,942)	135,562	73,942
Local Agency Revenue					
Bonds, Series 2016B	6,040,000	-	(435,000)	5,605,000	445,000
Local Agency Revenue					
Bonds, Series 2022	25,230,000	-	(2,300,000)	22,930,000	2,405,000
Premium	2,177,136	-	(217,713)	1,959,423	217,713
Private Placement:					
Local Agency Revenue					
Bonds, Series 2016A	33,510,000	-	(2,465,000)	31,045,000	2,555,000
Direct Borrowings					
Note payable	4,736,137	-	(468,804)	4,267,333	446,333
Lease Liability	1,864,052	1,245,843	(716,603)	2,393,292	586,242
Subscription Liability	1,751,771	498,642	(749,997)	1,500,416	485,788
Other Long-Term Liabilities:					
Claims and Judgments	13,195,313	1,296,957	(2,029,845)	12,462,425	1,869,364
Compensated Absences	7,363,387	565,219	-	7,928,606	5,775,525
Total Long-Term Debt	<u>\$ 98,082,300</u>	<u>\$ 3,606,661</u>	<u>\$ (10,096,904)</u>	<u>\$ 91,592,057</u>	<u>\$ 15,529,907</u>

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, 2025 was \$1,365,000.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 670,000	\$ 54,600	\$ 724,600
2027	695,000	27,800	722,800
Totals	<u>\$ 1,365,000</u>	<u>\$ 82,400</u>	<u>\$ 1,447,400</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 445,000	\$ 182,637	\$ 627,637
2027	455,000	166,813	621,813
2028	475,000	143,562	618,562
2029	500,000	125,437	625,437
2030	515,000	112,750	627,750
2031 - 2035	2,825,000	302,656	3,127,656
2036	390,000	5,850	395,850
Totals	<u>\$ 5,605,000</u>	<u>\$ 1,039,705</u>	<u>\$ 6,644,705</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,770,000	699,250	3,469,250
2030	2,915,000	557,125	3,472,125
2031 - 2035	9,675,000	1,017,125	10,692,125
Totals	<u>\$ 22,930,000</u>	<u>\$ 5,158,750</u>	<u>\$ 28,088,750</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,795,000	800,492	3,595,492
2030	2,900,000	695,704	3,595,704
2031 - 2035	16,170,000	1,766,952	17,936,952
2036	1,285,000	23,644	1,308,644
Totals	<u>\$ 31,045,000</u>	<u>\$ 6,227,884</u>	<u>\$ 37,272,884</u>

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

7) LONG-TERM LIABILITIES, (Continued)

Notes Payable

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, 2025, was \$4,264,000. The following is a schedule by years of future minimum debt service requirements as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 443,000	\$ 134,989	\$ 577,989
2027	458,000	120,461	578,461
2028	473,000	105,437	578,437
2029	488,000	89,961	577,961
2030	504,000	73,970	577,970
2031 - 2034	1,898,000	125,205	2,023,205
Totals	<u>\$ 4,264,000</u>	<u>\$ 650,023</u>	<u>\$ 4,914,023</u>

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, 2025, was \$3,333. The following is a schedule by years of future minimum debt service requirements as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,333	\$ 3	\$ 3,336
Totals	<u>\$ 3,333</u>	<u>\$ 3</u>	<u>\$ 3,336</u>

Lease Liability

As of June 30, 2025, the City had 3 active equipment leases. The leases have payments that range from \$23,578 to \$1,449,740 and interest rates that range from 1.6063% to 3.8650%. As of June 30, 2025, the total combined value of the lease liability is \$1,449,740, the total combined value of the short-term lease liability is \$311,029. The combined value of the right to use asset and accumulated amortization as of June 30, 2025 is included within the Lease Class activities table found below.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

7) LONG-TERM LIABILITIES, (Continued)

Lease Liability (continued)

As of June 30, 2025, the City had 1 active other lease. The lease has payments of \$111,823 and an interest rate of 2.7520%. As of June 30, 2025, the total combined value of the lease liability is \$550,433, the total combined value of the short-term lease liability is \$101,292. The combined value of the right to use asset and accumulated amortization as of June 30, 2025 is included within the Lease Class activities table found below.

As of June 30, 2025, the City had 45 active vehicle leases. The leases have payments that range from \$789 to \$19,894 and interest rates that range from 3.6100% to 8.1396%. As of June 30, 2025, the total combined value of the lease liability is \$393,117, the total combined value of the short-term lease liability is \$173,921. The combined value of the right to use asset and accumulated amortization as of June 30, 2025 is included within the Lease Class activities table found below.

Asset Class	Lease Asset Value	Accumulated Amortization
Vehicles	\$ 1,125,263	\$ 760,660
Equipment	2,049,811	461,651
Other	666,691	132,601
Total Leases	\$ 3,841,765	\$ 1,354,912

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 586,242	\$ 72,959	\$ 659,201
2027	571,335	50,977	622,312
2028	502,310	30,411	532,721
2029	448,602	16,251	464,853
2030	194,788	4,216	199,004
2031	90,015	1,446	91,461
Totals	\$ 2,393,292	\$ 176,260	\$ 2,569,552

Subscription Liability

As of June 30, 2025, the City had 12 active subscriptions. The subscriptions have payments that range from \$1,657 to \$391,416 and interest rates that range from 0.0% to 3.480%. As of June 30, 2025, the total combined value of the subscription liability is \$1,500,416, and the total combined value of the short-term subscription liability is \$485,788. The combined value of the right to use asset, as of June 30, 2025 of \$2,732,407 with accumulated amortization of \$1,117,705 is included within the right to use subscriptions class of capital assets, found in Note 6.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

7) LONG-TERM LIABILITIES, (Continued)

Subscription Liability (continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 485,788	\$ 52,954	\$ 538,742
2027	502,648	34,407	537,055
2028	511,980	21,691	533,671
Totals	\$ 1,500,416	\$ 109,052	\$ 1,609,468

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

Fiduciary Fund

As of June 30, 2025, 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, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due Beyond One Year</u>
Other Debt:						
2017 Series A	\$ 10,135,000	\$ -	\$ (785,000)	\$ 9,350,000	\$ 815,000	\$ 8,535,000
Premium	851,098	-	(76,218)	774,880	76,218	698,662
2017 Series B	19,920,000	-	(930,000)	18,990,000	950,000	18,040,000
Discount	(279,651)	-	21,240	(258,411)	(21,240)	(237,171)
Total	\$ 30,626,447	\$ -	\$ (1,769,978)	\$ 28,856,469	\$ 1,819,978	\$ 27,036,491

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, 2025, this reserve requirement was met.

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

7) LONG-TERM LIABILITIES, (Continued)

Fiduciary Fund (continued)

The following is a schedule by years of future minimum debt service requirements as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	935,000	229,481	1,164,481
2030	985,000	187,240	1,172,240
2031 - 2035	4,285,000	403,600	4,688,600
2036	580,000	9,063	589,063
Totals	<u>\$ 9,350,000</u>	<u>\$ 1,784,327</u>	<u>\$ 11,134,327</u>

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, 2025, this reserve requirement was met.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,045,000	576,102	1,621,102
2030	1,080,000	537,587	1,617,587
2031 - 2035	7,060,000	2,017,786	9,077,786
2036 - 2038	6,870,000	410,999	7,280,999
Totals	<u>\$ 18,990,000</u>	<u>\$ 5,469,622</u>	<u>\$ 24,459,622</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

8) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The following represents the composition of interfund balances as of June 30, 2025:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Other Grants	\$ 327,761
	Nonmajor Governmental Funds	3,346,988
Total		<u>\$ 3,674,749</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.

Advances To/From Other Funds

The General Fund has advanced \$62,941 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.

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**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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

Interfund Transfers

Transfers In	Transfers Out			Total
	General Fund	Other Grants	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 6,190	\$ 275,490	\$ 281,680
Fire District	5,143,217	-	-	5,143,217
Development Impact	-	-	2,450	2,450
Other Grants	10,898	-	-	10,898
Nonmajor Governmental Funds	3,074,637	87,623	1,147,408	4,309,668
Total	<u>\$ 8,228,752</u>	<u>\$ 93,813</u>	<u>\$ 1,425,348</u>	<u>\$ 9,747,913</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:

- The Other Grants Fund transferred \$6,190 to General Fund for prior year reclass of grant eligible expenses. Nonmajor Governmental Funds transferred \$275,490 to the General Fund for The Federal American Rescue Plan Act (ARPA) capital project costs.
- The General Fund transferred \$5,143,217 to the Fire District Fund for the purpose of augmenting the Fire District Fund budget to support the district's programs and services. Transfer was trued up at the end of the year based on the actual expenditures for the district.
- Nonmajor Governmental Fund transferred \$2,450 to DIF Fund to cover prior year expenses paid out of the incorrect fund.
- The General Fund transferred \$10,898 to Other Grants for grant-eligible expenses.
- The Other Grants transferred \$87,623 to Nonmajor Governmental Funds to cover design costs that were not eligible for grant funds.
- The General Fund transferred \$87,622 to Nonmajor Governmental Funds to cover design costs that were not eligible for federal grant funds.
- The General Fund transferred \$1,752,491 to the Community Services District Fund budget to support the district's programs and services. The transfer was trued up at the end of the year based on the actual expenditures for the district.
- The General Fund transferred \$300,000 to Nonmajor Governmental Fund NPDES to control pollutant discharges into surface waters.
- The General Fund transferred \$782,497 to Nonmajor Governmental Funds to support operations and maintenance of Local Zones and Lighting and Landscape Districts.
- The General Fund transferred \$152,027 to Nonmajor Governmental Fund to support debt service.
- Nonmajor Governmental Funds- Measure A transferred \$721,381 to Nonmajor Governmental Funds - 2020A LRB for Debt Service.
- Nonmajor Governmental Funds transferred \$426,027 to Nonmajor Governmental Funds to cover Debt Service for Streetlights.

City of Murrieta

Notes to the Financial Statements For the Year Ended June 30, 2025

9) FUND BALANCE

Details of the City's governmental fund balances at June 30, 2025, are presented below:

	General Fund	Fire District	Other Grants	Development Impact	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Costs and Other Assets	\$ 323,609	\$ 42,767	\$ -	\$ -	\$ 15,038	\$ 381,414
Inventories	33,642	7,568	-	-	20,820	62,030
Long-Term Advances and Loans	2,907,674	-	-	-	-	2,907,674
Endowments	-	-	-	-	500,000	500,000
Restricted:						
Infrastructure Development	-	-	-	-	1,228,789	1,228,789
Fire Protection	-	3,724,485	-	-	-	3,724,485
Public Safety	-	-	-	-	771,776	771,776
Public Library Services	-	-	-	-	1,098,803	1,098,803
Regional Transportation Improvement Projects	-	-	-	59,035,495	2,226,086	61,261,581
Grants	-	-	43,834	-	-	43,834
Housing	-	-	-	-	11,948,644	11,948,644
Street Maintenance	-	-	-	-	32,803,117	32,803,117
Area Drainage	-	-	-	-	6,434,745	6,434,745
Air Pollution Reduction Measures Storm Drain Pollution Reduction Measures	-	-	-	-	1,112,121	1,112,121
Community Service Programs	-	-	-	-	1,119,094	1,119,094
Historic Preservation	-	-	-	-	6,009,828	6,009,828
Cash Escrow - Street Lights	56,229	-	-	-	19,704	56,229
Debt Service	152,011	-	-	-	3,922,021	4,074,032
Committed to:						
Public Safety	123,110	-	-	-	-	123,110
Capital Improvement Projects	9,716,457	-	-	-	-	9,716,457
Continuing Appropriations	790,281	-	-	-	-	790,281
Land Acquisitions	1,766,247	-	-	-	-	1,766,247
Economic Contingency Reserve	8,382,884	-	-	-	-	8,382,884
Operating Reserve	31,024,334	-	-	-	-	31,024,334
Pension Rate Stabilization Reserve	7,000,000	-	-	-	-	7,000,000
OPEB 115 Trust (CERBT)	2,000,000	-	-	-	-	2,000,000
Fire Fleet Replacement Reserve	3,815,443	-	-	-	-	3,815,443
Fleet Replacement Reserve	4,319,815	-	-	-	-	4,319,815
Facility Repairs Reserve	1,167,000	-	-	-	-	1,167,000
CSD Facility Repair Reserve	7,605,850	-	-	-	-	7,605,850
Fire Facility Repair Reserve	1,035,000	-	-	-	-	1,035,000
Information Technology Reserve	1,000,000	-	-	-	-	1,000,000
Continuing Operations	6,025,000	-	-	-	-	6,025,000
Assigned:						
General Plan	11,452	-	-	-	-	11,452
Repairs and Equipment	22,920	-	-	-	-	22,920
Produce for People	8,381	-	-	-	-	8,381
Unassigned	64,573,782	-	-	-	(2,443,995)	62,129,787
Total Fund Balance (Deficit)	<u>\$ 153,861,121</u>	<u>\$ 3,774,820</u>	<u>\$ 43,834</u>	<u>\$ 59,035,495</u>	<u>\$ 66,786,591</u>	<u>\$ 283,501,861</u>

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 \$790,281. 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 \$200 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 \$1 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 \$18 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 a coverage limit of \$500,000 per occurrence and \$2.5 million in the aggregate with a \$10,000 deductible. This coverage is 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, 2025**

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, 2025, the amount of these liabilities was \$12,462,425. The amount represents an estimate of \$7,172,094 for June 30, 2025, and \$5,290,330 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
2025	\$ 13,195,313	\$ 1,296,957	\$ 2,029,845	\$ 12,462,425
2024	13,306,371	34,349	145,407	13,195,313
2023	9,991,726	3,372,569	57,924	13,306,371

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.

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City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

11) PENSION PLANS, (Continued)

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

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	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			
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	16.31%	10.43%	7.94%
Payment of Unfunded Liability	\$ 1,633,732	\$ 38,981	\$ 22,027

	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			
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	27.32%	23.00%	13.76%
Payment of Unfunded Liability	\$ 2,273,205	\$ 78,416	\$ 12,854

	Safety - Fire	
	Tier I Prior to January 1, 2013	TIER III - PEPRA On or After January 1, 2013
Hire Date		
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	27.32%	13.76%
Payment of Unfunded Liability	\$ 1,283,927	\$ 10,461

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, 2025 were \$13,047,439.

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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2025

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study 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, 2025**

11) PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

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

Asset Class	Assumed Asset Allocation	Real Return^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

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.

Subsequent Events

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

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

11) PENSION PLANS, (Continued)

B) Net Pension Liability, (Continued)

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.

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.

	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Pension Liability	Proportionate Share of Net Pension Liability
<u>Miscellaneous Plan:</u>			
Balance at 6/30/2023 (VD)	\$ 101,041,972	\$ 78,080,515	\$ 22,961,457
Balance at 6/30/2024 (MD)	110,883,472	88,529,119	22,354,353
Net Changes during 2023-24	<u>\$ (9,841,500)</u>	<u>\$ (10,448,604)</u>	<u>\$ 607,104</u>
<u>Safety Plan:</u>			
Balance at 6/30/2023 (VD)	\$ 202,469,462	\$ 155,020,765	\$ 47,448,697
Balance at 6/30/2024 (MD)	220,107,445	173,514,804	46,592,641
Net Changes during 2023-24	<u>\$ (17,637,983)</u>	<u>\$ (18,494,039)</u>	<u>\$ 856,056</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, 2023 and 2024 measurement dates was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.44785%	0.46975%
Proportion - June 30, 2024	0.44732%	0.60775%
Change - Increase (Decrease)	-0.00053%	0.13800%

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	\$ 37,317,012	\$ 76,659,107
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 22,354,353	\$ 46,592,641
One Percent Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ 10,037,882	\$ 22,002,499

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

11) PENSION PLANS, (Continued)

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

As of the start of the measurement period (July 1, 2023), the City’s net pension liability was \$70,410,154. For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense of \$17,607,527. As of June 30, 2025, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 1,722,501	\$ -
Differences between expected and actual experience	5,735,113	199,046
Differences between projected and actual investment earnings	3,538,988	-
Differences between employer's contributions and proportionate share of contributions	2,516,943	713,087
Change in employer's proportion	2,356,528	31,600
Pension contributions made subsequent to the measurement date	13,047,439	-
	<u>\$ 28,917,512</u>	<u>\$ 943,733</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$13,047,439 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:

<u>Year Ending June 30,</u>	Deferred Outflows/(Inflows) of Resources
2026	\$ 5,970,047
2027	9,499,393
2028	668,469
2029	(1,211,569)
2030	-
Thereafter	-
Total	<u>\$ 14,926,340</u>

11) PENSION PLANS, (Continued)

E) Payable to the Pension Plan

At June 30, 2025, the City reported a payable of \$699,994 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), a single-employer defined benefit post-employment 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, 2025

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, 2023 valuation date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	167
Inactive Employees or Beneficiaries Entitled to but not yet Receiving Benefits	30
Active Employees	403
Total	<u>600</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, 2025, the City’s cash contributions were \$1,577,817 in premium payments and the estimated implied subsidy was \$751,171 resulting in total contributions of \$2,328,988.

B) Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

12) OPEB PLANS, (Continued)

B) Net OPEB Liability, (Continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	5.34%
Inflation	2.30%
Projected Salary Increase	2.80% Per Annum, in Aggregate
Expected Long-Term Investment Rate of Return	5.34%
Healthcare Cost Trend Rates	6.80%, trending down to 4.14% over 51 years
Pre-Retirement Turnover	Derived from CalPERS Pension Plan
Mortality	Derived from CalPERS Pension Plan Updated to Reflect Most Recent Experience Study

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, 2024, are summarized in the following table:

Asset Class	Strategy I Allocation	Long-Term Expected Real Rate of Return
CEBRT:		
Global Equity	49.00%	6.90%
Fixed Income	23.00%	4.10%
REITs	20.00%	6.30%
TIPs	5.00%	3.90%
Commodities	3.00%	4.60%
Total	100.00%	

City of Murrieta

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

12) OPEB PLANS, (Continued)

B) Net OPEB Liability, (Continued)

Discount Rate

The discount rate of 5.34% 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 5.06% to 5.34%.

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, 2023 (Measurement Date)	\$ 40,721,803	\$ 6,100,355	\$ 34,621,448
Changes in the Year:			
Service Cost	1,097,599	-	1,097,599
Interest on the Total OPEB Liability	2,057,138	-	2,057,138
Differences Between Actual and Expected Experience	53,103	-	53,103
Changes in Assumptions	(1,154,991)	-	(1,154,991)
Contribution - Employer	-	1,577,817	(1,577,817)
Contribution - Implicit Subsidy	-	751,171	(751,171)
Net Investment Income	-	670,014	(670,014)
Administrative Expenses	-	(1,989)	1,989
Benefit Payments	(1,577,817)	(1,577,817)	-
Implicit Subsidy	(751,171)	(751,171)	-
Net Changes	(276,139)	668,025	(944,164)
Balance - June 30, 2024 (Measurement Date)	\$ 40,445,664	\$ 6,768,380	\$ 33,677,284

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

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 (4.06%) or one percentage point higher (6.06%) than the current discount rate:

	One Percent Decrease (4.34%)	Discount Rate (5.34%)	One Percent Increase (6.34%)
Net OPEB Liability	\$ 38,061,082	\$ 33,677,284	\$ 29,950,777

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	One Percent Increase
Net OPEB Liability	\$ 32,528,652	\$ 33,677,284	\$ 34,978,980

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$4,388,223. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 2,372,832	\$ -
Differences Between Actual and Expected Experience	3,673,386	(164,458)
Change in Assumptions	7,188,314	(5,046,616)
Differences Between Projected and Actual Earnings	25,300	-
Total	<u>\$ 13,259,832</u>	<u>\$ (5,211,074)</u>

Notes to the Financial Statements
For the Year Ended June 30, 2025

12) OPEB PLANS, (Continued)

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

Deferred outflows of resources related to contributions subsequent to the measurement date of \$2,372,832 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:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 1,507,776
2027	1,200,345
2028	930,377
2029	189,721
2030	261,507
Thereafter	1,586,200

At June 30, 2025, the City had no outstanding amount of contributions to the OPEB plans required for the year ended June 30, 2025.

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.

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, 2025, the remaining balance on the bonds was \$59,580,000.

15) JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with six 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, 2025, the City’s share of the payments was \$98,648 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 remaining labor groups.

The estimated amount of remaining construction contract commitments at year-end is \$7,329,235.

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.

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, 2025, the City abated local sales tax totaling \$195,924.

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

19) PRIOR PERIOD RESTATEMENT

The Federal Grants fund was previously reported as a major fund and qualified as nonmajor for the year ending June 30, 2025. The Other Grants fund was previously reported as nonmajor and qualified as major for the year ending June 30, 2025. This qualifies as a change to or within the financial reporting entity under the guidance of GASB 100. The reclassification of these funds did not result in any changes to the government-wide financial statements' net position. Changes in fund balance as of June 30, 2024, were as follows:

	<u>Nonmajor Governmental Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Federal Grants</u>	<u>Other Grants</u>	
Fund balance, beginning of year, as previously reported	\$ -	\$ (367,828)	\$ 71,577,102
Adjustment - change from major to nonmajor fund	<u>(206,361)</u>	<u>367,828</u>	<u>161,467</u>
Fund balance, beginning of year, as restated	<u>\$ (206,361)</u>	<u>\$ -</u>	<u>\$ 71,738,569</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
6/30/2015	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%
6/30/2023	0.45920%	22,961,457	18,443,881	124.49%	77.28%
6/30/2024	0.46219%	22,354,353	22,222,171	100.59%	79.84%

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
6/30/2016	\$ 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%
6/30/2024	4,024,435	(4,024,435)	-	22,222,171	18.11%
6/30/2025	4,096,731	(4,096,731)	-	23,156,545	17.69%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

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
6/30/2015	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%
6/30/2023	0.63477%	47,448,697	19,277,127	246.14%	76.57%
6/30/2024	0.63906%	46,592,641	23,158,170	201.19%	78.83%

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.



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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
6/30/2016	\$ 3,536,719	\$ (3,536,719)	\$ -	\$ 16,124,346	21.93%
6/30/2017	3,418,924	(3,418,924)	-	15,382,210	22.23%
6/30/2018	4,565,327	(4,565,327)	-	15,967,350	28.59%
6/30/2019	4,164,182	(4,164,182)	-	15,990,879	26.04%
6/30/2020	6,002,858	(6,002,858)	-	19,219,826	31.23%
6/30/2021	6,946,768	(6,946,768)	-	19,879,940	34.94%
6/30/2022	5,738,839	(5,738,839)	-	21,489,931	26.70%
6/30/2023	7,167,644	(7,167,644)	-	19,277,127	37.18%
6/30/2024	8,230,766	(8,230,766)	-	23,158,170	35.54%
6/30/2025	8,950,708	(8,950,708)	-	23,446,805	38.17%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

City of Murrieta

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

Fiscal Year End	6/30/2025	6/30/2024	6/30/2023
Measurement Date	6/30/2024	6/30/2023	6/30/2022
Total OPEB Liability:			
Service Cost	\$ 1,097,599	\$ 811,752	\$ 608,999
Interest on Total OPEB Liability	2,057,138	1,916,190	2,008,234
Change in Assumptions	(1,154,991)	2,344,073	4,100,386
Differences Between Expected and Actual Experience	53,103	3,833,913	(56,650)
Benefit Payments	(2,328,988)	(1,979,518)	(1,859,804)
Net Change in Total OPEB Liability	(276,139)	6,926,410	4,801,165
Total OPEB Liability - Beginning of Year	40,721,803	33,795,393	28,994,228
Total OPEB Liability - End of Year (a)	40,445,664	40,721,803	33,795,393
Plan Fiduciary Net Position:			
Contributions - Employer	2,328,988	1,979,518	1,859,804
Net Investment Income	670,014	368,209	(886,356)
Administrative Expenses	(1,989)	(1,666)	(1,677)
Benefit Payments	(2,328,988)	(1,979,518)	(1,859,804)
Net Change in Plan Fiduciary Net Position	668,025	366,543	(888,033)
Plan Fiduciary Net Position - Beginning of Year	6,100,355	5,733,812	6,621,845
Plan Fiduciary Net Position - End of Year (b)	6,768,380	6,100,355	5,733,812
Net OPEB Liability - Ending (a)-(b)	\$ 33,677,284	\$ 34,621,448	\$ 28,061,581
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	16.73%	14.98%	16.97%
Covered - Employee Payroll	\$ 42,549,902	\$ 41,390,955	\$ 37,293,730
Net OPEB Liability as Percentage of Covered - Employee Payroll	79.15%	83.64%	75.20%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2024 to June 30, 2025,
the discount rate was changed from 5.06% to 5.34%

* Fiscal year 2018 was the first year of implementation; additional years will be presented as information is available.

City of Murrieta

**Schedule of Changes in the Net OPEB Liability and Related Ratios (continued)
Last Ten Fiscal Years***

6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
\$ 951,994	\$ 624,020	\$ 665,335	\$ 1,134,456	\$ 1,096,570
1,802,951	1,921,683	1,611,799	1,284,754	1,189,368
(7,228,470)	6,301,882	1,760,802	(8,713,953)	(46,095)
625,952	(337,835)	1,881,782	-	-
(1,734,698)	(1,498,358)	(1,429,954)	(1,357,606)	(1,052,317)
(5,582,271)	7,011,392	4,489,764	(7,652,349)	1,187,526
34,576,499	27,565,107	23,075,343	30,727,692	29,540,166
28,994,228	34,576,499	27,565,107	23,075,343	30,727,692
1,734,698	1,498,358	1,429,954	1,357,606	1,052,317
1,428,310	177,392	291,907	349,279	419,455
(1,966)	(2,453)	(1,013)	(8,145)	(2,129)
(1,734,698)	(1,498,358)	(1,429,954)	(1,357,606)	(1,052,317)
1,426,344	174,939	290,894	341,134	417,326
5,195,501	5,020,562	4,729,668	4,388,534	3,971,208
6,621,845	5,195,501	5,020,562	4,729,668	4,388,534
<u>\$ 22,372,383</u>	<u>\$ 29,380,998</u>	<u>\$ 22,544,545</u>	<u>\$ 18,345,675</u>	<u>\$ 26,339,158</u>
22.84%	15.03%	18.21%	20.50%	14.28%
<u>\$ 32,857,278</u>	<u>\$ 28,448,165</u>	<u>\$ 27,686,736</u>	<u>\$ 26,037,530</u>	<u>\$ 25,344,468</u>
68.09%	103.28%	81.43%	70.46%	103.92%

City of Murrieta

Schedule of Contributions - OPEB Last Ten Fiscal Years

	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>
Actuarially Determined Contribution	\$ 4,947,079	\$ 3,805,686	\$ 3,277,322
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,372,832)</u>	<u>(2,328,988)</u>	<u>(1,979,518)</u>
Contribution Deficiency (Excess)	<u>\$ 2,574,247</u>	<u>\$ 1,476,698</u>	<u>\$ 1,297,804</u>
Covered - Employee Payroll	<u>\$ 43,741,299</u>	<u>\$ 42,549,902</u>	<u>\$ 41,390,955</u>
Contributions as a Percentage of Covered - Employee Payroll	5.42%	5.47%	4.78%

Assumptions and Methods:

Actuarial cost method:	Entry-age normal, level percent of pay
Amortization method:	Closed period, level dollar
Amortization period:	21 years
Inflation:	2.30%
Assumed payroll growth:	2.80%
Healthcare trend rates:	7.40%, trending down to 4.14%
Rate of return on assets:	6.40%
Mortality rate:	CalPERS Rates
Retirement rates:	CalPERS Rates

* Fiscal year 2018 was the first year of implementation; additional years will be presented as information is available.

City of Murrieta

**Schedule of Contributions - OPEB (continued)
Last Ten Fiscal Years**

<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
\$ 3,019,917	\$ 3,043,480	\$ 2,953,121	\$ 2,396,299	\$ 2,375,564
(1,859,804)	(1,734,698)	(1,498,358)	(1,429,954)	(1,357,606)
<u>\$ 1,160,113</u>	<u>\$ 1,308,782</u>	<u>\$ 1,454,763</u>	<u>\$ 966,345</u>	<u>\$ 1,017,958</u>
<u>\$ 37,293,730</u>	<u>\$ 32,857,278</u>	<u>\$ 28,448,165</u>	<u>\$ 27,686,736</u>	<u>\$ 26,037,530</u>
4.99%	5.28%	5.27%	5.16%	5.21%

City of Murrieta

Budgetary Comparison Schedule – General Fund For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 91,288,900	\$ 84,739,592	\$ 86,519,222	\$ 1,779,630
Licenses and Permits	3,062,475	2,930,589	2,847,665	(82,924)
Intergovernmental	3,655,772	4,463,695	5,339,941	876,246
Charges for Services	4,870,960	4,475,543	4,144,241	(331,302)
Use of Money and Property	488,111	5,333,700	9,359,729	4,026,029
Fines and Forfeitures	391,750	344,400	249,473	(94,927)
Miscellaneous	151,870	847,455	1,032,749	185,294
Total Revenues	103,909,838	103,134,974	109,493,020	6,358,046
EXPENDITURES				
Current:				
General Government:				
City Council	197,758	195,490	182,065	13,425
City Attorney	180,000	300,000	252,566	47,434
General Administration	2,667,925	2,776,419	2,628,405	148,014
Animal Control	433,830	522,982	523,587	(605)
Emergency Services	-	-	32,412	(32,412)
Administrative Services	856,509	861,842	825,080	36,762
Human Resources	1,793,344	1,807,861	1,845,690	(37,829)
City Clerk	1,569,354	1,558,343	1,729,560	(171,217)
Finance	3,449,211	3,191,172	2,798,065	393,107
Nondepartmental	2,291,058	3,160,460	2,735,571	424,889
Subtotal General Government	13,438,989	14,374,569	13,553,001	821,568
Public Safety:				
Police Administration	4,666,583	4,388,400	4,132,262	256,138
Police Operations	20,685,537	22,779,124	21,794,564	984,560
Police Support	15,732,562	17,556,870	16,863,462	693,408
Police Communications	6,263,468	5,963,240	6,320,133	(356,893)
Fire Administration	822,222	658,917	585,024	73,893
Fire Operations	5,110,334	5,166,959	5,607,264	(440,305)
Subtotal Public Safety	53,280,706	56,513,510	55,302,709	1,210,801
Community Development:				
Economic Development	1,277,329	1,247,097	1,138,505	108,592
Planning	3,698,826	4,385,059	3,473,786	911,273
Building and Safety	3,157,441	2,847,195	2,344,704	502,491
Code Enforcement	1,552,808	1,539,130	1,511,789	27,341
Subtotal Community Development	9,686,404	10,018,481	8,468,784	1,549,697
Parks and Recreation	2,197,864	2,059,188	1,505,155	554,033
Public Works:				
Public Works Nondepartmental	-	5,000	28	4,972
Engineering	4,633,060	4,395,102	4,246,915	148,187
Maintenance	1,417,953	1,285,569	879,002	406,567
Street Lights	181,000	181,000	133,076	47,924
Facilities Maintenance	1,698,523	1,622,167	1,669,260	(47,093)
Subtotal Public Works	7,930,536	7,488,838	6,928,281	560,557
Capital Outlay	2,021,991	3,154,671	5,482,951	(2,328,280)
Debt Service:				
Principal	-	-	1,097,054	(1,097,054)
Interest	12,699	25,699	95,454	(69,755)
Subtotal Debt Service	12,699	25,699	1,192,508	(1,166,809)
Total Expenditures	88,569,189	93,634,956	92,433,389	1,201,567
Excess of Revenues Over Expenditures	15,340,649	9,500,018	17,059,631	7,559,613
OTHER FINANCING SOURCES (USES)				
Transfers In	-	275,490	281,680	6,190
Transfers Out	(12,155,459)	(7,515,269)	(8,228,752)	(713,483)
Capital Lease Proceeds	-	-	1,744,485	1,744,485
Proceeds from Sale of Capital Assets	-	67,704	74,772	7,068
Total Other Financing Sources (Uses)	(12,155,459)	(7,172,075)	(6,127,815)	1,044,260
NET CHANGE IN FUND BALANCES	3,185,190	2,327,943	10,931,816	8,603,873
Fund Balances, beginning of year	142,929,305	142,929,305	142,929,305	-
Fund Balances, end of year	\$ 146,114,495	\$ 145,257,248	\$ 153,861,121	\$ 8,603,873

City of Murrieta

**Budgetary Comparison Schedule – Fire District Special Revenue Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 14,293,353	\$ 17,214,099	\$ 17,028,254	\$ (185,845)
Assessments	1,577,711	1,577,711	1,587,906	10,195
Licenses and permits	10,500	10,500	28,065	17,565
Intergovernmental	715,000	2,198,892	2,411,709	212,817
Charges for Services	538,826	520,201	628,595	108,394
Use of Money and Property	192,654	201,054	261,523	60,469
Fines and Forfeitures	30,000	180,000	139,317	(40,683)
Miscellaneous	23,771	55,500	112,440	56,940
Total Revenues	<u>17,381,815</u>	<u>21,957,957</u>	<u>22,197,809</u>	<u>239,852</u>
EXPENDITURES				
Current:				
Public Safety	24,737,048	26,638,985	28,030,605	(1,391,620)
Debt Service:				
Principal Retirement	-	-	151,005	(151,005)
Total Expenditures	<u>24,750,080</u>	<u>26,654,517</u>	<u>28,206,555</u>	<u>(1,552,038)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,368,265)</u>	<u>(4,696,560)</u>	<u>(6,008,746)</u>	<u>(1,312,186)</u>
OTHER FINANCING USES				
Transfers In	7,368,265	3,828,780	5,143,217	1,314,437
Total Other Financing Uses	<u>7,368,265</u>	<u>3,828,780</u>	<u>5,143,217</u>	<u>1,314,437</u>
NET CHANGE IN FUND BALANCES	-	(867,780)	(865,529)	2,251
Fund Balances, beginning of year	4,640,349	4,640,349	4,640,349	-
Fund Balances, end of year	<u>\$ 4,640,349</u>	<u>\$ 3,772,569</u>	<u>\$ 3,774,820</u>	<u>\$ 2,251</u>

City of Murrieta

**Budgetary Comparison Schedule – Other Grants Special Revenue Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 29,840	\$ 1,182,842	\$ 1,129,204	\$ (53,638)
Use of Money and Property	22,650	39,400	20,471	(18,929)
Miscellaneous	-	-	56	56
Total Revenues	<u>52,490</u>	<u>1,222,242</u>	<u>1,149,731</u>	<u>(72,511)</u>
EXPENDITURES				
Current:				
General Government	119,504	651,278	3,541	647,737
Public Safety	30	221,677	244,789	(23,112)
Parks and Recreation	25,050	56,433	205,122	(148,689)
Capital Outlay	-	7,975	201,702	(193,727)
Total Expenditures	<u>144,584</u>	<u>937,363</u>	<u>655,154</u>	<u>282,209</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(92,094)</u>	<u>284,879</u>	<u>494,577</u>	<u>209,698</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	10,898	10,898
Transfers Out	-	-	(93,813)	(93,813)
NET CHANGE IN FUND BALANCE	<u>(92,094)</u>	<u>284,879</u>	<u>411,662</u>	<u>126,783</u>
Fund Balance (Deficit), beginning of year	-	-	-	-
Fund Balance (Deficit), end of year	<u>\$ (92,094)</u>	<u>\$ 284,879</u>	<u>\$ 411,662</u>	<u>\$ 126,783</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.

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.



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SUPPLEMENTARY INFORMATION

City of Murrieta

**Consolidating Schedule of Balance Sheet by Sub Fund – General Fund
June 30, 2025**

	General	Measure T	Capital	Traffic Safety
ASSETS				
Pooled Cash and Investments	\$ 73,484,860	\$ 57,285,496	\$ 8,148,937	\$ 123,116
Receivables:				
Accounts	514,055	-	-	-
Taxes	6,113,125	4,812,402	-	-
Loans	2,722,862	121,871	-	-
Accrued Interest	1,618,085	-	-	-
Prepaid Costs and Other Assets	294,282	29,327	-	-
Inventories	31,209	2,433	-	-
Due from Other Governments	3,348,009	-	-	-
Due from Other Funds	3,845,259	-	-	-
Advance to Other Funds	62,941	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	56,229	-	-	-
Total Assets	<u>\$ 92,090,916</u>	<u>\$ 62,251,529</u>	<u>\$ 8,148,937</u>	<u>\$ 123,116</u>
LIABILITIES				
Accounts Payable	\$ 2,297,911	\$ 360,931	\$ 194,927	\$ 6
Accrued Liabilities	2,829,246	1,006,224	12,869	-
Deposits Payable	749,339	-	4,074	-
Unearned Revenue	200,055	-	-	-
Due to Other Governments	701	-	-	-
Due to other Funds	-	-	-	-
Total Liabilities	<u>6,077,252</u>	<u>1,367,155</u>	<u>211,870</u>	<u>6</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	2,111,990	-	-	-
Total Deferred Inflows of Resources	<u>2,111,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	3,111,294	153,631	-	-
Restricted	208,240	-	-	-
Committed	39,571,376	40,201,343	4,788,777	123,110
Assigned	42,753	-	-	-
Unassigned	40,968,011	20,529,400	3,148,290	-
Total Fund Balances (Deficits)	<u>83,901,674</u>	<u>60,884,374</u>	<u>7,937,067</u>	<u>123,110</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 92,090,916</u>	<u>\$ 62,251,529</u>	<u>\$ 8,148,937</u>	<u>\$ 123,116</u>

City of Murrieta

**Consolidating Schedule of Balance Sheet by Sub Fund – General Fund (Continued)
June 30, 2025**

Crime Prevention	Vehicle Replacement	Deposits	Elimination	Total
\$ -	\$ 1,181,760	\$ 8,203,502	\$ -	\$ 148,427,671
77,570	372	651,692	-	1,243,689
-	-	-	-	10,925,527
-	-	-	-	2,844,733
-	-	-	-	1,618,085
-	-	-	-	323,609
-	-	-	-	33,642
6,091	-	2,170	-	3,356,270
-	-	-	(170,510)	3,674,749
-	-	-	-	62,941
-	-	-	-	56,229
<u>\$ 83,661</u>	<u>\$ 1,182,132</u>	<u>\$ 8,857,364</u>	<u>\$ (170,510)</u>	<u>\$ 172,567,145</u>
\$ 141	\$ 35	\$ 26,166	\$ -	\$ 2,880,117
5,791	-	-	-	3,854,130
-	-	8,831,198	-	9,584,611
-	-	-	-	200,055
-	-	-	-	701
170,510	-	-	(170,510)	-
<u>176,442</u>	<u>35</u>	<u>8,857,364</u>	<u>(170,510)</u>	<u>16,519,614</u>
74,420	-	-	-	2,186,410
<u>74,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,186,410</u>
-	-	-	-	3,264,925
-	-	-	-	208,240
-	1,086,815	-	-	85,771,421
-	-	-	-	42,753
(167,201)	95,282	-	-	64,573,782
<u>(167,201)</u>	<u>1,182,097</u>	<u>-</u>	<u>-</u>	<u>153,861,121</u>
<u>\$ 83,661</u>	<u>\$ 1,182,132</u>	<u>\$ 8,857,364</u>	<u>\$ (170,510)</u>	<u>\$ 172,567,145</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, 2025

	General	Measure T	Capital	Traffic Safety
REVENUES				
Taxes	\$ 58,210,987	\$ 28,308,235	\$ -	\$ -
Licenses and Permits	2,847,665	-	-	-
Intergovernmental	5,339,941	-	-	-
Charges for Services	4,144,241	-	-	-
Use of Money and Property	9,306,716	-	-	5,001
Fines and Forfeitures	201,703	-	-	11,029
Miscellaneous	896,149	-	136,600	-
Total Revenues	<u>80,947,402</u>	<u>28,308,235</u>	<u>136,600</u>	<u>16,030</u>
EXPENDITURES				
Current:				
General Government	12,688,172	864,349	-	-
Public Safety	41,902,945	13,229,794	-	9,580
Community Development	7,607,298	861,486	-	-
Parks and Recreation	1,046,246	458,909	-	-
Public Works	6,109,302	818,979	-	-
Capital Outlay	3,229,578	1,643,596	609,777	-
Debt Service:				
Principal Retirement	425,342	671,712	-	-
Interest and Fiscal Charges	17,692	77,762	-	-
Total Expenditures	<u>73,026,575</u>	<u>18,626,587</u>	<u>609,777</u>	<u>9,580</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,920,827</u>	<u>9,681,648</u>	<u>(473,177)</u>	<u>6,450</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,190	7,400	275,490	-
Transfers Out	(1,245,422)	(6,895,708)	(95,022)	-
Lease Acquisition	1,744,485	-	-	-
Sale of Capital Assets	67,704	-	-	-
Total Other Financing Sources (Uses)	<u>572,957</u>	<u>(6,888,308)</u>	<u>180,468</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>8,493,784</u>	<u>2,793,340</u>	<u>(292,709)</u>	<u>6,450</u>
Fund Balances, beginning of year	75,407,890	58,091,034	8,229,776	116,660
Fund Balances, end of year	<u>\$ 83,901,674</u>	<u>\$ 60,884,374</u>	<u>\$ 7,937,067</u>	<u>\$ 123,110</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, 2025**

Crime Prevention	Vehicle Replacement	Deposits	Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ 86,519,222
-	-	-	-	2,847,665
-	-	-	-	5,339,941
-	-	-	-	4,144,241
-	48,012	-	-	9,359,729
36,741	-	-	-	249,473
-	-	-	-	1,032,749
<u>36,741</u>	<u>48,012</u>	<u>-</u>	<u>-</u>	<u>109,493,020</u>
-	480	-	-	13,553,001
160,390	-	-	-	55,302,709
-	-	-	-	8,468,784
-	-	-	-	1,505,155
-	-	-	-	6,928,281
-	-	-	-	5,482,951
-	-	-	-	1,097,054
-	-	-	-	95,454
<u>160,390</u>	<u>480</u>	<u>-</u>	<u>-</u>	<u>92,433,389</u>
(123,649)	47,532	-	-	17,059,631
-	-	-	(7,400)	281,680
-	-	-	7,400	(8,228,752)
-	-	-	-	1,744,485
-	7,068	-	-	74,772
-	7,068	-	-	(6,127,815)
<u>(123,649)</u>	<u>54,600</u>	<u>-</u>	<u>-</u>	<u>10,931,816</u>
(43,552)	1,127,497	-	-	142,929,305
<u>\$ (167,201)</u>	<u>\$ 1,182,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,861,121</u>



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NONMAJOR GOVERNMENTAL FUNDS

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025**

	Special Revenue Funds			
	State Gas Tax	Measure A	Air Quality Management District	Block Grants
ASSETS				
Pooled Cash and Investments	\$ 10,959,242	\$ 14,513,380	\$ 1,111,641	\$ -
Receivables:				
Accounts	-	-	504	-
Taxes	265,481	-	-	-
Loans	-	-	-	-
Accrued Interest	-	-	-	-
Leases	-	-	-	-
Prepaid Costs	-	-	-	-
Inventory	20,820	-	-	-
Due from Other Governments	-	615,950	38,002	126,737
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	\$ 11,245,543	\$ 15,129,330	\$ 1,150,147	\$ 126,737
LIABILITIES				
Accounts Payable	\$ 96,452	\$ 646,352	\$ 24	\$ 322,742
Accrued Liabilities	279,496	143,555	-	16,967
Deposits Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Funds	-	-	-	72,718
Total Liabilities	375,948	789,907	24	412,427
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	-	-	38,002	78,635
Deferred Inflows Related to Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	38,002	78,635
FUND BALANCES (DEFICITS)				
Nonspendable	20,820	-	-	-
Restricted	10,848,775	14,339,423	1,112,121	-
Unassigned	-	-	-	(364,325)
Total Fund Balances (Deficits)	10,869,595	14,339,423	1,112,121	(364,325)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 11,245,543	\$ 15,129,330	\$ 1,150,147	\$ 126,737

City of Murrieta

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
June 30, 2025

Special Revenue Funds					
Seized Assets Forfeitures	SLESF	Murrieta Public Library	NPDES	Reimbursement Agreement Fund	TUMF
\$ 630,574	\$ 29,217	\$ 1,300,046	\$ 1,153,635	\$ 6,097	\$ 815,318
-	-	680	-	-	-
-	-	93,410	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,052	3,780	-	-
-	-	-	-	-	-
50,519	-	-	485,807	55,000	59,011
-	-	-	-	-	-
<u>\$ 681,093</u>	<u>\$ 29,217</u>	<u>\$ 1,399,188</u>	<u>\$ 1,643,222</u>	<u>\$ 61,097</u>	<u>\$ 874,329</u>
\$ 3	\$ 5	\$ 152,057	\$ 23,558	\$ 28,408	\$ -
777	60,533	141,976	10,983	4,293	-
20	-	1,300	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
800	60,538	295,333	34,541	32,701	-
30,844	-	-	485,807	55,000	59,011
-	-	-	-	-	-
30,844	-	-	485,807	55,000	59,011
-	-	5,052	3,780	-	-
649,449	-	1,098,803	1,119,094	-	815,318
-	(31,321)	-	-	(26,604)	-
649,449	(31,321)	1,103,855	1,122,874	(26,604)	815,318
<u>\$ 681,093</u>	<u>\$ 29,217</u>	<u>\$ 1,399,188</u>	<u>\$ 1,643,222</u>	<u>\$ 61,097</u>	<u>\$ 874,329</u>

City of Murrieta

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds			
	Housing Authority	Community Services District	Road Maintenance and Rehabilitation Account	Federal Grants (formerly major)
ASSETS				
Pooled Cash and Investments	\$ 1,497,343	\$ 7,318,810	\$ 7,207,715	\$ 517,765
Receivables:				
Accounts	1,572,729	17,739	1,760	-
Taxes	-	100,167	-	-
Loans	8,911,663	-	-	-
Accrued Interest	1,100,207	-	-	-
Leases	-	530,412	-	-
Prepaid Costs	169	6,037	-	-
Inventory	-	-	-	-
Due from Other Governments	-	-	532,374	1,755,480
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	\$ 13,082,111	\$ 7,973,165	\$ 7,741,849	\$ 2,273,245
LIABILITIES				
Accounts Payable	\$ 3,086	\$ 1,173,727	\$ 34,298	\$ 589,560
Accrued Liabilities	-	244,647	92,632	-
Deposits Payable	-	54,234	-	-
Unearned Revenue	-	-	-	334,783
Due to Other Funds	-	-	-	1,392,220
Total Liabilities	3,086	1,472,608	126,930	2,316,563
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	1,130,212	3,389	-	1,730,800
Deferred Inflows Related to Leases	-	481,303	-	-
Total Deferred Inflows of Resources	1,130,212	484,692	-	1,730,800
FUND BALANCES (DEFICITS)				
Nonspendable	169	6,037	-	-
Restricted	11,948,644	6,009,828	7,614,919	-
Unassigned	-	-	-	(1,774,118)
Total Fund Balances (Deficits)	11,948,813	6,015,865	7,614,919	(1,774,118)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 13,082,111	\$ 7,973,165	\$ 7,741,849	\$ 2,273,245

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
June 30, 2025**

Special Revenue Funds			Capital Projects Funds		
Developer Agreement	Opioid Settlement	Prop 68 Grant	Community Facilities District	Area Drainage	South West Road and Bridge
\$ 4,907,257	\$ 91,714	\$ -	\$ -	\$ 6,449,067	\$ 356,298
-	30,617	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	690,636
-	-	-	1,780,417	-	-
<u>\$ 4,907,257</u>	<u>\$ 122,331</u>	<u>\$ -</u>	<u>\$ 1,780,417</u>	<u>\$ 6,449,067</u>	<u>\$ 1,046,934</u>
\$ 96,973	\$ 4	\$ 30,526	\$ 58,287	\$ 14,322	\$ 8
2,015	-	-	-	-	-
2,582,183	-	-	-	-	-
-	-	-	-	-	-
-	-	217,101	1,664,949	-	-
<u>2,681,171</u>	<u>4</u>	<u>247,627</u>	<u>1,723,236</u>	<u>14,322</u>	<u>8</u>
-	-	-	-	-	690,636
-	-	-	-	-	-
-	-	-	-	-	690,636
-	-	-	-	-	-
2,226,086	122,327	-	57,181	6,434,745	356,290
-	-	(247,627)	-	-	-
<u>2,226,086</u>	<u>122,327</u>	<u>(247,627)</u>	<u>57,181</u>	<u>6,434,745</u>	<u>356,290</u>
<u>\$ 4,907,257</u>	<u>\$ 122,331</u>	<u>\$ -</u>	<u>\$ 1,780,417</u>	<u>\$ 6,449,067</u>	<u>\$ 1,046,934</u>

City of Murrieta

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
June 30, 2025

	Debt Service			
	Citywide Debt Service	2016A LARB	2016B LARB	2022A LARB
ASSETS				
Pooled Cash and Investments	\$ 6,738	\$ 75,458	\$ 14,296	\$ 81,971
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Loans	-	-	-	-
Accrued Interest	-	-	-	-
Leases	-	-	-	-
Prepaid Costs	-	-	-	-
Inventory	-	-	-	-
Due from Other Governments	-	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	3,767	1,896,525	332,266	1,511,000
Total Assets	\$ 10,505	\$ 1,971,983	\$ 346,562	\$ 1,592,971
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Deposits Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues:				
Accounts	-	-	-	-
Deferred Inflows Related to Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	10,505	1,971,983	346,562	1,592,971
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	10,505	1,971,983	346,562	1,592,971
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 10,505	\$ 1,971,983	\$ 346,562	\$ 1,592,971

City of Murrieta

**Combining Balance Sheet – Nonmajor Governmental Funds (Concluded)
June 30, 2025**

<u>Permanent</u>		
<u>Town Hall Association</u>	<u>Total Other Governmental Funds</u>	
\$ 519,720	\$ 59,563,302	
-	1,624,029	
-	459,058	
-	8,911,663	
-	1,100,207	
-	530,412	
-	15,038	
-	20,820	
-	4,409,516	
-	5,523,975	
<u>\$ 519,720</u>	<u>\$ 82,158,020</u>	
\$ 16	\$ 3,270,408	
-	997,874	
-	2,637,737	
-	334,783	
-	3,346,988	
<u>16</u>	<u>10,587,790</u>	
-	4,302,336	
-	481,303	
-	4,783,639	
500,000	535,858	
19,704	68,694,728	
-	(2,443,995)	
<u>519,704</u>	<u>66,786,591</u>	
<u>\$ 519,720</u>	<u>\$ 82,158,020</u>	

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2025**

	Special Revenue Funds			
	State Gas Tax	Measure A	Air Quality Management District	Block Grants
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	3,113,177	3,885,627	144,530	170,837
Charges for Services	-	-	-	-
Use of Money and Property	462,832	608,574	42,501	-
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	862	-	-	-
Total Revenues	<u>3,576,871</u>	<u>4,494,201</u>	<u>187,031</u>	<u>170,837</u>
EXPENDITURES				
Current:				
General Government	-	-	-	389,028
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Works	2,807,191	24,787	23,338	-
Capital Outlay	739,233	3,192,463	20,655	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,546,424</u>	<u>3,217,250</u>	<u>43,993</u>	<u>389,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>30,447</u>	<u>1,276,951</u>	<u>143,038</u>	<u>(218,191)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(721,381)	-	-
Transfer of land held for resale	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(721,381)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>30,447</u>	<u>555,570</u>	<u>143,038</u>	<u>(218,191)</u>
Fund Balances (Deficits), beginning of year, previously reported	10,839,148	13,783,853	969,083	(146,134)
Adjustment - change from major to nonmajor fund	-	-	-	-
Fund Balances (Deficits), beginning of year, as restated (Note 19)	<u>10,839,148</u>	<u>13,783,853</u>	<u>969,083</u>	<u>(146,134)</u>
Fund Balances (Deficits), end of year	<u>\$ 10,869,595</u>	<u>\$ 14,339,423</u>	<u>\$ 1,112,121</u>	<u>\$ (364,325)</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2025**

Special Revenue Funds					
Seized Assets Forfeitures	SLESF	Murrieta Public Library	NPDES	Reimbursement Agreement Fund	TUMF
\$ -	\$ -	\$ 2,961,054	\$ -	\$ -	\$ -
-	-	-	208,170	-	-
204,833	330,498	-	-	57,000	-
-	-	26,242	-	-	-
18,156	4,535	88,981	52,219	62	38,295
-	-	14,344	-	-	-
-	-	-	-	-	-
117	48	72,291	-	-	-
<u>223,106</u>	<u>335,081</u>	<u>3,162,912</u>	<u>260,389</u>	<u>57,062</u>	<u>38,295</u>
-	-	-	-	-	-
44	377,793	-	-	-	-
-	-	-	-	-	-
-	-	3,324,574	-	-	-
-	-	-	720,160	-	-
86,619	67,897	-	-	85,859	59,011
-	14,978	-	-	-	-
-	-	-	-	-	-
<u>86,663</u>	<u>460,668</u>	<u>3,324,574</u>	<u>720,160</u>	<u>85,859</u>	<u>59,011</u>
<u>136,443</u>	<u>(125,587)</u>	<u>(161,662)</u>	<u>(459,771)</u>	<u>(28,797)</u>	<u>(20,716)</u>
-	-	-	300,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
<u>136,443</u>	<u>(125,587)</u>	<u>(161,662)</u>	<u>(159,771)</u>	<u>(28,797)</u>	<u>(20,716)</u>
513,006	94,266	1,265,517	1,282,645	2,193	836,034
-	-	-	-	-	-
<u>513,006</u>	<u>94,266</u>	<u>1,265,517</u>	<u>1,282,645</u>	<u>2,193</u>	<u>836,034</u>
<u>\$ 649,449</u>	<u>\$ (31,321)</u>	<u>\$ 1,103,855</u>	<u>\$ 1,122,874</u>	<u>\$ (26,604)</u>	<u>\$ 815,318</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2025**

	Special Revenue Funds			Other Grants (formerly nonmajor)
	Housing Authority	Community Services District	Road Maintenance and Rehabilitation Account	
REVENUES				
Taxes	\$ -	\$ -	\$ -	
Assessments	-	9,964,905	-	
Intergovernmental	-	-	3,022,827	
Charges for Services	-	924,672	-	
Use of Money and Property	143,948	398,579	272,253	
Fines and Forfeitures	-	-	-	
Developer Participation	-	-	-	
Miscellaneous	6,500	21,824	-	
Total Revenues	150,448	11,309,980	3,295,080	
EXPENDITURES				
Current:				
General Government	-	3,263	-	
Public Safety	-	-	-	
Community Development	33,453	-	-	
Parks and Recreation	-	14,074,057	-	
Public Works	-	-	6,091	
Capital Outlay	-	374,044	1,981,421	
Debt Service:				
Principal Retirement	-	-	-	
Interest and Fiscal Charges	-	-	-	
Total Expenditures	33,453	14,451,364	1,987,512	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	116,995	(3,141,384)	1,307,568	
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,534,988	-	
Transfers Out	-	(428,477)	-	
Transfer of land held for resale	(3,515,665)	-	-	
Total Other Financing Sources (Uses)	(3,515,665)	2,106,511	-	
NET CHANGE IN FUND BALANCES	(3,398,670)	(1,034,873)	1,307,568	
Fund Balances (Deficits), beginning of year, previously reported	15,347,483	7,050,738	6,307,351	(367,828)
Adjustment - change from major to nonmajor fund	-	-	-	367,828
Fund Balances (Deficits), beginning of year, as restated (Note 19)	15,347,483	7,050,738	6,307,351	-
Fund Balances (Deficits), end of year	\$ 11,948,813	\$ 6,015,865	\$ 7,614,919	\$ -

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2025**

Special Revenue Funds				Capital Projects Funds	
Federal Grants (formerly major)	Developer Agreement	Opioid Settlement	Prop 68 Grant	Community Facilities District	Area Drainage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,530,635	-	-	-	-	-
-	-	-	-	-	-
334,549	195,550	2,839	-	71,238	265,393
-	-	-	-	-	-
-	-	-	-	-	195,782
-	-	320,026	-	-	-
<u>8,865,184</u>	<u>195,550</u>	<u>322,865</u>	<u>-</u>	<u>71,238</u>	<u>461,175</u>
6,221,123	-	197,263	562	-	-
724,591	-	-	-	-	-
-	-	-	-	-	-
16,657	2,802	-	-	-	-
-	1,951	-	-	-	2,575
3,370,325	212,722	-	247,065	761,474	97,918
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,332,696</u>	<u>217,475</u>	<u>197,263</u>	<u>247,627</u>	<u>761,474</u>	<u>100,493</u>
<u>(1,467,512)</u>	<u>(21,925)</u>	<u>125,602</u>	<u>(247,627)</u>	<u>(690,236)</u>	<u>360,682</u>
175,245	-	-	-	-	-
(275,490)	-	-	-	-	-
-	-	-	-	-	-
<u>(100,245)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,567,757)</u>	<u>(21,925)</u>	<u>125,602</u>	<u>(247,627)</u>	<u>(690,236)</u>	<u>360,682</u>
-	2,248,011	(3,275)	-	747,417	6,074,063
<u>(206,361)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(206,361)</u>	<u>2,248,011</u>	<u>(3,275)</u>	<u>-</u>	<u>747,417</u>	<u>6,074,063</u>
<u>\$ (1,774,118)</u>	<u>\$ 2,226,086</u>	<u>\$ 122,327</u>	<u>\$ (247,627)</u>	<u>\$ 57,181</u>	<u>\$ 6,434,745</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2025**

	Capital Projects Funds	Debt Service Funds		
	South West Road and Bridge	Citywide Debt Service	2016A LARB	2016B LARB
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	3,610,887	626,438
Intergovernmental	66,654	-	-	-
Charges for Services	-	-	-	-
Use of Money and Property	12,266	3,744	(11,210)	(1,964)
Fines and Forfeitures	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>78,920</u>	<u>3,744</u>	<u>3,599,677</u>	<u>624,474</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Works	117	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	1,069,000	2,465,000	435,000
Interest and Fiscal Charges	-	234,170	1,145,887	191,438
Total Expenditures	<u>117</u>	<u>1,303,170</u>	<u>3,610,887</u>	<u>626,438</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>78,803</u>	<u>(1,299,426)</u>	<u>(11,210)</u>	<u>(1,964)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,299,435	-	-
Transfers Out	-	-	-	-
Transfer of land held for resale	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,299,435</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>78,803</u>	<u>9</u>	<u>(11,210)</u>	<u>(1,964)</u>
Fund Balances (Deficits), beginning of year, previously reported	277,487	10,496	1,983,193	348,526
Adjustment - change from major to nonmajor fund	-	-	-	-
Fund Balances (Deficits), beginning of year, as restated (Note 19)	<u>277,487</u>	<u>10,496</u>	<u>1,983,193</u>	<u>348,526</u>
Fund Balances (Deficits), end of year	<u>\$ 356,290</u>	<u>\$ 10,505</u>	<u>\$ 1,971,983</u>	<u>\$ 346,562</u>

City of Murrieta

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds (Concluded)
For the Year Ended June 30, 2025**

Debt Service Funds	Permanent	Total Other Governmental Funds
2022A LARB	Town Hall Association	
\$ -	\$ -	\$ 2,961,054
3,504,550	-	17,914,950
-	-	19,526,618
-	-	950,914
(3,842)	21,812	3,021,310
-	-	14,344
-	-	195,782
-	-	421,668
<u>3,500,708</u>	<u>21,812</u>	<u>45,006,640</u>
-	-	6,811,239
-	-	1,102,428
-	-	33,453
-	19,119	17,437,209
-	-	3,586,210
-	-	11,296,706
2,300,000	-	6,283,978
1,204,555	-	2,776,050
<u>3,504,555</u>	<u>19,119</u>	<u>49,327,273</u>
<u>(3,847)</u>	<u>2,693</u>	<u>(4,320,633)</u>
-	-	4,309,668
-	-	(1,425,348)
<u>-</u>	<u>-</u>	<u>(3,515,665)</u>
<u>-</u>	<u>-</u>	<u>(631,345)</u>
<u>(3,847)</u>	<u>2,693</u>	<u>(4,951,978)</u>
1,596,818	517,011	71,577,102
-	-	161,467
<u>1,596,818</u>	<u>517,011</u>	<u>71,738,569</u>
<u>\$ 1,592,971</u>	<u>\$ 519,704</u>	<u>\$ 66,786,591</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
State Gas Tax
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,386,600	\$ 3,128,646	\$ 3,113,177	\$ (15,469)
Use of Money and Property	70,000	446,000	462,832	16,832
Miscellaneous	-	-	862	862
Total Revenues	<u>3,456,600</u>	<u>3,574,646</u>	<u>3,576,871</u>	<u>2,225</u>
EXPENDITURES				
Current:				
Public Works	2,791,569	3,036,352	2,807,191	229,161
Capital Outlay	-	180,000	739,233	(559,233)
Total Expenditures	<u>2,791,569</u>	<u>3,216,352</u>	<u>3,546,424</u>	<u>(330,072)</u>
NET CHANGE IN FUND BALANCE	665,031	358,294	30,447	(327,847)
Fund Balance, beginning of year	<u>10,839,148</u>	<u>10,839,148</u>	<u>10,839,148</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 11,504,179</u>	<u>\$ 11,197,442</u>	<u>\$ 10,869,595</u>	<u>\$ (327,847)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Measure A
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,635,000	\$ 3,388,000	\$ 3,885,627	\$ 497,627
Use of Money and Property	10,000	585,000	608,574	23,574
Total Revenues	<u>2,645,000</u>	<u>3,973,000</u>	<u>4,494,201</u>	<u>521,201</u>
EXPENDITURES				
Current:				
Public Works	41,300	75,245	24,787	50,458
Capital Outlay	-	-	3,192,463	(3,192,463)
Total Expenditures	<u>41,300</u>	<u>75,245</u>	<u>3,217,250</u>	<u>(3,142,005)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,603,700	3,897,755	1,276,951	(2,620,804)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(727,300)</u>	<u>(727,300)</u>	<u>(721,381)</u>	<u>5,919</u>
NET CHANGE IN FUND BALANCE	1,876,400	3,170,455	555,570	(2,614,885)
Fund Balance, beginning of year	<u>13,783,853</u>	<u>13,783,853</u>	<u>13,783,853</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 15,660,253</u>	<u>\$ 16,954,308</u>	<u>\$ 14,339,423</u>	<u>\$ (2,614,885)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Air Quality Management District
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 144,530	\$ 1,530
Use of Money and Property	4,000	46,935	42,501	(4,434)
Total Revenues	<u>147,000</u>	<u>189,935</u>	<u>187,031</u>	<u>(2,904)</u>
EXPENDITURES				
Current:				
Public Works	250	327	23,338	(23,011)
Capital Outlay	-	20,655	20,655	-
Total Expenditures	<u>250</u>	<u>20,982</u>	<u>43,993</u>	<u>(23,011)</u>
NET CHANGE IN FUND BALANCE	146,750	168,953	143,038	(25,915)
Fund Balance, beginning of year	<u>969,083</u>	<u>969,083</u>	<u>969,083</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 1,115,833</u>	<u>\$ 1,138,036</u>	<u>\$ 1,112,121</u>	<u>\$ (25,915)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Block Grants
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 590,000	\$ 590,000	\$ 170,837	\$ (419,163)
Total Revenues	<u>590,000</u>	<u>590,000</u>	<u>170,837</u>	<u>(419,163)</u>
EXPENDITURES				
Current:				
General Government	100,000	101,500	389,028	(287,528)
Total Expenditures	<u>100,000</u>	<u>101,500</u>	<u>389,028</u>	<u>(287,528)</u>
NET CHANGE IN FUND BALANCE	490,000	488,500	(218,191)	(706,691)
Fund Balance (Deficit), beginning of year	(146,134)	(146,134)	(146,134)	-
Fund Balance (Deficit), end of year	<u>\$ 343,866</u>	<u>\$ 342,366</u>	<u>\$ (364,325)</u>	<u>\$ (706,691)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Seized Assets Forfeitures
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 204,833	\$ 196,833
Use of Money and Property	1,070	13,320	18,156	4,836
Miscellaneous	-	-	117	117
Total Revenues	<u>9,070</u>	<u>21,320</u>	<u>223,106</u>	<u>201,786</u>
EXPENDITURES				
Current:				
Public Safety	4,000	4,097	44	4,053
Capital Outlay	-	42,145	86,619	(44,474)
Total Expenditures	<u>4,000</u>	<u>46,242</u>	<u>86,663</u>	<u>(40,421)</u>
NET CHANGE IN FUND BALANCE	5,070	(24,922)	136,443	161,365
Fund Balance, beginning of year	513,006	513,006	513,006	-
Fund Balance, end of year	<u>\$ 518,076</u>	<u>\$ 488,084</u>	<u>\$ 649,449</u>	<u>\$ 161,365</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Supplemental Law Enforcement Services Fund (SLESF)
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 280,561	\$ 280,561	\$ 330,498	\$ 49,937
Use of Money and Property	1,000	4,180	4,535	355
Miscellaneous	-	-	48	48
Total Revenues	<u>281,561</u>	<u>284,741</u>	<u>335,081</u>	<u>50,340</u>
EXPENDITURES				
Current:				
General Government	-	36,500	-	36,500
Public Safety	265,299	319,786	377,793	(58,007)
Capital Outlay	-	86,134	67,897	18,237
Debt Service:				
Principal Retirement	-	-	14,978	(14,978)
Total Expenditures	<u>265,299</u>	<u>442,420</u>	<u>460,668</u>	<u>(18,248)</u>
NET CHANGE IN FUND BALANCE	16,262	(157,679)	(125,587)	32,092
Fund Balance, beginning of year, as restated	<u>94,266</u>	<u>94,266</u>	<u>94,266</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 110,528</u>	<u>\$ (63,413)</u>	<u>\$ (31,321)</u>	<u>\$ 32,092</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Murrieta Public Library
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Assessments	\$ 2,467,294	\$ 2,990,979	\$ 2,961,054	\$ (29,925)
Charges for services	20,300	20,900	26,242	5,342
Use of Money and Property	18,600	60,990	88,981	27,991
Fines and Forfeitures	30,000	20,000	14,344	(5,656)
Miscellaneous	46,600	66,100	72,291	6,191
Total Revenues	<u>2,582,794</u>	<u>3,158,969</u>	<u>3,162,912</u>	<u>3,943</u>
EXPENDITURES				
Current:				
Parks and Recreation	3,389,290	3,623,921	3,324,574	299,347
Total Expenditures	<u>3,389,290</u>	<u>3,623,921</u>	<u>3,324,574</u>	<u>299,347</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(806,496)	(464,952)	(161,662)	303,290
OTHER FINANCING SOURCES (USES)				
Transfers in	806,496	52,773	-	(52,773)
NET CHANGE IN FUND BALANCE	-	(412,179)	(161,662)	250,517
Fund Balance, beginning of year	1,265,517	1,265,517	1,265,517	-
Fund Balance, end of year	<u>\$ 1,265,517</u>	<u>\$ 853,338</u>	<u>\$ 1,103,855</u>	<u>\$ 250,517</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
National Pollutant Discharge Elimination System (NPDES)
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ 488,000	\$ 512,000	\$ 208,170	\$ (303,830)
Use of Money and Property	4,700	50,000	52,219	2,219
Total Revenues	<u>492,700</u>	<u>562,000</u>	<u>260,389</u>	<u>(301,611)</u>
EXPENDITURES				
Current:				
Public Works	1,357,800	1,136,343	720,160	416,183
Total Expenditures	<u>1,357,800</u>	<u>1,136,343</u>	<u>720,160</u>	<u>416,183</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(865,100)	(574,343)	(459,771)	114,572
OTHER FINANCING SOURCES (USES)				
Transfers In	300,000	(300,000)	300,000	600,000
NET CHANGE IN FUND BALANCES	(565,100)	(874,343)	(159,771)	714,572
Fund Balance, beginning of year	1,282,645	1,282,645	1,282,645	-
Fund Balance, end of year	<u>\$ 717,545</u>	<u>\$ 408,302</u>	<u>\$ 1,122,874</u>	<u>\$ 714,572</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Reimbursement Agreement Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 212,614	\$ 57,000	\$ (155,614)
Use of Money and Property	-	100	62	(38)
Total Revenues	-	212,714	57,062	(155,652)
EXPENDITURES				
Capital Outlay	-	104,764	85,859	18,905
Total Expenditures	-	104,764	85,859	18,905
NET CHANGE IN FUND BALANCE	-	107,950	(28,797)	(136,747)
Fund Balance (Deficit), beginning of year	2,193	2,193	2,193	-
Fund Balance (Deficit), end of year	\$ 2,193	\$ 110,143	\$ (26,604)	\$ (136,747)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
TUMF
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	-	29,060	38,295	9,235
Total Revenues	\$ -	\$ 29,060	\$ 38,295	\$ 9,235
EXPENDITURES				
Current:				
Public Safety	-	10	-	10
Capital Outlay	-	10	59,011	(59,001)
Total Expenditures	-	20	59,011	(58,991)
NET CHANGE IN FUND BALANCE	-	29,040	(20,716)	(49,756)
Fund Balance, beginning of year	836,034	836,034	836,034	-
Fund Balance (Deficit), end of year	\$ 836,034	\$ 865,074	\$ 815,318	\$ (49,756)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Housing Authority
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 44,000	\$ 155,000	\$ 143,948	\$ (11,052)
Miscellaneous	6,500	6,500	6,500	-
Total Revenues	<u>50,500</u>	<u>161,500</u>	<u>150,448</u>	<u>(11,052)</u>
EXPENDITURES				
Current:				
Community Development	82,120	114,293	33,453	80,840
Total Expenditures	<u>82,120</u>	<u>114,293</u>	<u>33,453</u>	<u>80,840</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,620)	47,207	116,995	69,788
OTHER FINANCING SOURCES (USES)				
Transfer of land held for resale	-	-	(3,515,665)	(3,515,665)
NET CHANGE IN FUND BALANCE	(31,620)	47,207	(3,398,670)	(3,445,877)
Fund Balance, beginning of year, as restated	15,347,483	15,347,483	15,347,483	-
Fund Balance, end of year	<u>\$ 15,315,863</u>	<u>\$ 15,394,690</u>	<u>\$ 11,948,813</u>	<u>\$ (3,445,877)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Community Services District
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ 9,720,630	\$ 9,732,022	\$ 9,964,905	\$ 232,883
Charges for Services	531,775	653,478	924,672	271,194
Use of Money and Property	156,805	288,584	398,579	109,995
Miscellaneous	22,000	22,100	21,824	(276)
Total Revenues	10,431,210	10,696,184	11,309,980	613,796
EXPENDITURES				
Current:				
General Government	-	48,667	3,263	45,404
Parks and Recreation	13,902,163	14,018,113	14,074,057	(55,944)
Capital Outlay	-	-	374,044	(374,044)
Total Expenditures	13,902,163	14,066,780	14,451,364	(384,584)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,470,953)	(3,370,596)	(3,141,384)	229,212
OTHER FINANCING SOURCES (USES)				
Transfers In	3,528,671	3,181,689	2,534,988	(646,701)
Transfers Out	(426,027)	(426,027)	(428,477)	(2,450)
Total Other Financing Sources (Uses)	3,102,644	2,755,662	2,106,511	(649,151)
NET CHANGE IN FUND BALANCE	(368,309)	(614,934)	(1,034,873)	(419,939)
Fund Balances, beginning of year	7,050,738	7,050,738	7,050,738	-
Fund Balances, end of year	\$ 6,682,429	\$ 6,435,804	\$ 6,015,865	\$ (419,939)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Road Maintenance and Rehabilitation Account
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,107,697	\$ 2,904,570	\$ 3,022,827	\$ 118,257
Use of Money and Property	-	261,000	272,253	11,253
Total Revenues	<u>2,107,697</u>	<u>3,165,570</u>	<u>3,295,080</u>	<u>129,510</u>
EXPENDITURES				
Current:				
Public Works	-	1,920	6,091	(4,171)
Capital Outlay	-	-	1,981,421	(1,981,421)
Total Expenditures	<u>-</u>	<u>1,920</u>	<u>1,987,512</u>	<u>(1,985,592)</u>
NET CHANGE IN FUND BALANCE	2,107,697	3,163,650	1,307,568	(1,856,082)
Fund Balance, beginning of year	<u>6,307,351</u>	<u>6,307,351</u>	<u>6,307,351</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 8,415,048</u>	<u>\$ 9,471,001</u>	<u>\$ 7,614,919</u>	<u>\$ (1,856,082)</u>

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Federal Grants
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 4,084,501	\$ 8,530,635	\$ 4,446,134
Use of Money and Property	-	346,440	334,549	(11,891)
Total Revenues	-	4,430,941	8,865,184	4,434,243
EXPENDITURES				
Current:				
General Government	23,014	156,209	6,221,123	(6,064,914)
Public Safety	-	3,172,495	724,591	2,447,904
Parks and Recreation	-	-	16,657	(16,657)
Capital Outlay	-	912,006	3,370,325	(2,458,319)
Total Expenditures	23,014	4,240,710	10,332,696	(6,091,986)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(23,014)	190,231	(1,467,512)	(1,657,743)
OTHER FINANCING USES				
Transfers In	-	-	175,245	175,245
Transfers Out	-	(275,490)	(275,490)	-
Total Other Financing Uses	-	(275,490)	(100,245)	175,245
NET CHANGE IN FUND BALANCES				
Fund Balances, beginning of year	(206,361)	(85,259)	(1,567,757)	(1,482,498)
Fund Balances, end of year	(206,361)	(206,361)	(206,361)	-
	\$ (229,375)	\$ (291,620)	\$ (1,774,118)	\$ (1,482,498)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Developer Agreement
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 27,000	\$ 184,650	\$ 195,550	\$ 10,900
Total Revenues	27,000	184,650	195,550	10,900
EXPENDITURES				
Current:				
Parks and Recreation	-	-	2,802	(2,802)
Public Works	2,250	2,134	1,951	183
Capital Outlay	-	-	212,722	(212,722)
Total Expenditures	2,250	2,134	217,475	(215,341)
NET CHANGE IN FUND BALANCE	24,750	182,516	(21,925)	(204,441)
Fund Balance, beginning of year	2,248,011	2,248,011	2,248,011	-
Fund Balance, end of year	\$ 2,272,761	\$ 2,430,527	\$ 2,226,086	\$ (204,441)

City of Murrieta

**Budgetary Comparison Schedule – Special Revenue Fund –
Opioid Settlement
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ 2,500	\$ 2,839	\$ 339
Miscellaneous	-	31,658	320,026	288,368
Total Revenues	-	34,158	322,865	288,707
EXPENDITURES				
Current:				
General Government	-	3	197,263	(197,260)
Total Expenditures	-	3	197,263	(197,260)
NET CHANGE IN FUND BALANCE	-	34,155	125,602	91,447
Fund Balances, beginning of year	(3,275)	(3,275)	(3,275)	-
Fund Balances, end of year	\$ (3,275)	\$ 30,880	\$ 122,327	\$ 91,447

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
Community Facilities District
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ 66,000	\$ 71,238	\$ 5,238
Total Revenues	-	66,000	71,238	5,238
EXPENDITURES				
Capital Outlay	-	-	761,474	(761,474)
Total Expenditures	-	-	761,474	(761,474)
NET CHANGE IN FUND BALANCE	-	66,000	(690,236)	(756,236)
Fund Balance, beginning of year	747,417	747,417	747,417	-
Fund Balance, end of year	\$ 747,417	\$ 813,417	\$ 57,181	\$ (756,236)

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
Area Drainage
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 60,000	\$ 255,000	\$ 265,393	\$ 10,393
Developer Participation	110,000	484,139	195,782	(288,357)
Total Revenues	<u>170,000</u>	<u>739,139</u>	<u>461,175</u>	<u>(277,964)</u>
EXPENDITURES				
Current:				
Public Works	4,200	2,814	2,575	239
Capital Outlay	-	-	97,918	(97,918)
Total Expenditures	<u>4,200</u>	<u>2,814</u>	<u>100,493</u>	<u>(97,679)</u>
NET CHANGE IN FUND BALANCE	165,800	736,325	360,682	(375,643)
Fund Balance, beginning of year	<u>6,074,063</u>	<u>6,074,063</u>	<u>6,074,063</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 6,239,863</u>	<u>\$ 6,810,388</u>	<u>\$ 6,434,745</u>	<u>\$ (375,643)</u>

City of Murrieta

**Budgetary Comparison Schedule – Capital Projects Fund –
South West Road and Bridge
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 66,654	\$ 66,654
Use of Money and Property	1,000	8,665	12,266	3,601
Total Revenues	1,000	8,665	78,920	70,255
EXPENDITURES				
Current:				
Public Works	60	126	117	9
Total Expenditures	60	126	117	9
NET CHANGE IN FUND BALANCE	940	8,539	78,803	70,264
Fund Balance, beginning of year	277,487	277,487	277,487	-
Fund Balance, end of year	\$ 278,427	\$ 286,026	\$ 356,290	\$ 70,264

City of Murrieta

**Budgetary Comparison Schedule – Debt Service Fund –
Citywide Debt Service
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Current				
Use of Money and Property	\$ 50	\$ 450	\$ 3,744	\$ 3,294
EXPENDITURES				
Current:				
General Government	-	10	-	10
Debt service:				
Principal Retirement	1,069,000	1,069,000	1,069,000	-
Interest and Fiscal Charges	236,400	236,325	234,170	2,155
Total Expenditures	1,305,400	1,305,335	1,303,170	2,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,305,350)	(1,304,885)	(1,299,426)	5,459
OTHER FINANCING SOURCES (USES)				
Transfers In	1,305,354	(1,305,354)	1,299,435	2,604,789
NET CHANGE IN FUND BALANCE	4	(2,610,239)	9	2,610,248
Fund Balance, beginning of year	10,496	10,496	10,496	-
Fund Balance, end of year	\$ 10,500	\$ (2,599,743)	\$ 10,505	\$ 2,610,248

City of Murrieta

**Budgetary Comparison Schedule – Debt Service Fund –
2016A LARB
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 3,610,887	\$ 3,610,887	\$ -
Use of Money and Property	-	47,000	(11,210)	(58,210)
Total Revenues	-	3,657,887	3,599,677	(58,210)
EXPENDITURES				
Debt Service:				
Principal Retirement	2,465,000	2,465,000	2,465,000	-
Interest and Fiscal Charges	1,145,887	1,145,887	1,145,887	-
Total Expenditures	3,610,887	3,610,887	3,610,887	-
NET CHANGE IN FUND BALANCE	(3,610,887)	47,000	(11,210)	(58,210)
Fund Balances, beginning of year, as restated	1,983,193	1,983,193	1,983,193	-
Fund Balances, end of year	\$ (1,627,694)	\$ 2,030,193	\$ 1,971,983	\$ (58,210)

City of Murrieta

**Budgetary Comparison Schedule – Debt Service Fund –
2016B LARB
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 626,438	\$ 626,438	\$ -
Use of Money and Property	-	9,300	(1,964)	(11,264)
Miscellaneous	-	-	-	-
Total Revenues	-	635,738	624,474	(11,264)
EXPENDITURES				
Debt Service:				
Principal Retirement	435,000	435,000	435,000	-
Interest and Fiscal Charges	191,438	191,438	191,438	-
Total Expenditures	626,438	626,438	626,438	-
NET CHANGE IN FUND BALANCE	(626,438)	9,300	(1,964)	(11,264)
Fund Balances, beginning of year	348,526	348,526	348,526	-
Fund Balances, end of year	\$ (277,912)	\$ 357,826	\$ 346,562	\$ (11,264)

City of Murrieta

**Budgetary Comparison Schedule – Debt Service Fund –
2022A LARB
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 3,494,250	\$ 3,504,550	\$ 10,300
Use of Money and Property	-	18,000	(3,842)	(21,842)
Total Revenues	-	3,512,250	3,500,708	(11,542)
EXPENDITURES				
Debt Service:				
Principal Retirement	2,290,000	2,290,000	2,300,000	(10,000)
Interest and Fiscal Charges	1,204,250	1,204,250	1,204,555	(305)
Total Expenditures	3,494,250	3,494,250	3,504,555	(10,305)
NET CHANGE IN FUND BALANCE	(3,494,250)	18,000	(3,847)	(21,847)
Fund Balances, beginning of year	1,596,818	1,596,818	1,596,818	-
Fund Balances, end of year	\$ (1,897,432)	\$ 1,614,818	\$ 1,592,971	\$ (21,847)

City of Murrieta

**Budgetary Comparison Schedule – Permanent Fund –
Town Hall Association
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 5,000	\$ 15,000	\$ 21,812	\$ 6,812
Total Revenues	<u>5,000</u>	<u>15,000</u>	<u>21,812</u>	<u>6,812</u>
EXPENDITURES				
Current:				
Parks and recreation	5,000	19,156	19,119	37
Total Expenditures	<u>5,000</u>	<u>19,156</u>	<u>19,119</u>	<u>37</u>
NET CHANGE IN FUND BALANCE	-	(4,156)	2,693	6,849
Fund Balances, beginning of year	517,011	517,011	517,011	-
Fund Balances, end of year	<u>\$ 517,011</u>	<u>\$ 512,855</u>	<u>\$ 519,704</u>	<u>\$ 6,849</u>



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INTERNAL SERVICE FUNDS



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City of Murrieta

**Combining Statement of Fund Net Position – Internal Service Funds
June 30, 2025**

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,414,491	\$ 10,629,741	\$ 14,044,232
Accounts Receivable	7,424	4,133	11,557
Prepaid Costs	715,883	115,064	830,947
Inventory	-	4,506	4,506
Due From Other Governments	-	76,572	76,572
Deposits Held with Others	-	3,031,228	3,031,228
Total Current Assets	<u>4,137,798</u>	<u>13,861,244</u>	<u>17,999,042</u>
Noncurrent:			
Capital Assets, net	224,190	-	224,190
Total Assets	<u>4,361,988</u>	<u>13,861,244</u>	<u>18,223,232</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	340,239	63,449	403,688
Accrued Liabilities	99,732	37,828	137,560
Unearned Revenues	15	1,133	1,148
Accrued Compensated Absences	61,183	6,140	67,323
Accrued Claims and Judgments	-	5,775,525	5,775,525
Note Payable	3,333	-	3,333
Total Current Liabilities	<u>504,502</u>	<u>5,884,075</u>	<u>6,388,577</u>
Noncurrent:			
Accrued Compensated Absences	22,808	2,289	25,097
Accrued Claims and Judgments	-	6,686,900	6,686,900
Total Noncurrent Liabilities	<u>22,808</u>	<u>6,689,189</u>	<u>6,711,997</u>
Total Liabilities	<u>527,310</u>	<u>12,573,264</u>	<u>13,100,574</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	220,857	-	220,857
Restricted for PEG	462,216	-	462,216
Unrestricted	3,151,605	1,287,980	4,439,585
Total Net Position (Deficit)	<u>\$ 3,834,678</u>	<u>\$ 1,287,980</u>	<u>\$ 5,122,658</u>

City of Murrieta

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position –
Internal Service Funds
For the Year Ended June 30, 2025**

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
OPERATING REVENUES			
Interdepartmental Charges	\$ 3,712,068	\$ 14,569,417	\$ 18,281,485
Franchise Taxes	30,723	-	30,723
Miscellaneous	857	18,666	19,523
Total Operating Revenues	<u>3,743,648</u>	<u>14,588,083</u>	<u>18,331,731</u>
OPERATING EXPENSES			
Administration and General	3,869,485	5,938,371	9,807,856
Claims	-	1,506,168	1,506,168
Depreciation and Amortization	434,108	-	434,108
Total Operating Expenses	<u>4,303,593</u>	<u>7,444,539</u>	<u>11,748,132</u>
OPERATING INCOME (LOSS)	<u>(559,945)</u>	<u>7,143,544</u>	<u>6,583,599</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	149,791	260,034	409,825
Interest Expense	(510)	-	(510)
Gain (loss) on sale of equipment	-	-	-
Total Nonoperating Revenues (Expenses)	<u>149,281</u>	<u>260,034</u>	<u>409,315</u>
CHANGES IN NET POSITION	<u>(410,664)</u>	<u>7,403,578</u>	<u>6,992,914</u>
Net Position (Deficit), beginning of year	<u>4,245,342</u>	<u>(6,115,598)</u>	<u>(1,870,256)</u>
Net Position (Deficit), end of year	<u>\$ 3,834,678</u>	<u>\$ 1,287,980</u>	<u>\$ 5,122,658</u>

City of Murrieta

**Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2025**

	Governmental Activities - Internal Service Funds		
	Information Technology	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Interfund Service Provided	\$ 3,744,817	\$ 14,511,511	\$ 18,256,328
Cash Paid to Suppliers for Goods and Services	(1,921,324)	(5,564,658)	(7,485,982)
Cash Paid to Employees for Services	(1,636,862)	(383,793)	(2,020,655)
Claims Paid	-	(3,188,572)	(3,188,572)
Net Cash Provided by Operating Activities	<u>186,631</u>	<u>5,374,488</u>	<u>5,561,119</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on subscription-based liability	(203,561)		(203,561)
Principal payments on note	(39,806)	-	(39,806)
Interest payments on note	(510)	-	(510)
Net Cash Provided by, (used or) Noncapital Financing Activities	<u>(243,877)</u>	<u>-</u>	<u>(243,877)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	149,791	260,034	409,825
Net Cash Provided by Investing Activities	<u>149,791</u>	<u>260,034</u>	<u>409,825</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	92,545	5,634,522	5,727,067
Cash and Cash Equivalents, beginning of year	3,321,946	4,995,219	8,317,165
Cash and Cash Equivalents, end of year	<u>\$ 3,414,491</u>	<u>\$ 10,629,741</u>	<u>\$ 14,044,232</u>
RECONCILIATION OF OPERATING (INCOME) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (559,945)	\$ 7,143,544	\$ 6,583,599
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	434,108	-	434,108
(Increase) Decrease in Accounts Receivable	1,169	(3,000)	(1,831)
(Increase) Decrease in Prepaid Costs	14,767	449	15,216
(Increase) Decrease in Inventory	-	7,091	7,091
(Increase) Decrease in Due From Other Governments	-	(73,572)	(73,572)
(Increase) Decrease in Deposits Held with Others	-	(949,516)	(949,516)
(Increase) Decrease in Accounts Payable	317,771	(25,786)	291,985
Increase (Decrease) in Accrued Liabilities	2,271	13,746	16,017
Increase (Decrease) in Claims and Judgments	-	(732,888)	(732,888)
Increase (Decrease) in Compensated Absences	(23,510)	(5,580)	(29,090)
Total Adjustments	<u>746,576</u>	<u>(1,769,056)</u>	<u>(1,022,480)</u>
Net Cash Provided by Operating Activities	<u>\$ 186,631</u>	<u>\$ 5,374,488</u>	<u>\$ 5,561,119</u>



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STATISTICAL SECTION



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City of Murrieta

Statistical Section For the Year Ended June 30, 2025

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, 2025

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 annual comprehensive financial reports for the relevant year.*

City of Murrieta

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 474,770,950	\$ 471,916,723	\$ 473,090,324	\$470,821,893	\$ 465,074,857	\$ 453,497,550	\$442,591,027	\$ 436,191,370	\$ 432,409,678	\$ 435,270,854
Restricted	87,273,906	89,929,796	105,088,044	111,079,503	103,136,669	94,056,151	186,274,667	123,733,392	133,963,316	132,206,782
Unrestricted	(14,653,798)	(13,848,839)	(41,046,353)	(31,457,063)	(9,829,207)	23,522,302	(25,236,928)	(840,095)	8,728,392	26,663,410
Total Governmental Activities Net Position	\$ 547,391,058	\$ 547,997,680	\$ 537,132,015	\$550,444,333	\$ 558,382,319	\$ 571,076,003	\$603,628,766	\$ 559,084,667	\$ 575,101,386	\$ 594,141,046
Primary Government										
Net Investment in Capital Assets	\$ 474,770,950	\$ 471,916,723	\$ 473,090,324	\$470,821,893	\$ 465,074,857	\$ 453,497,550	\$442,591,027	\$ 436,191,370	\$ 432,409,678	\$ 435,270,854
Restricted	87,273,906	89,929,796	105,088,044	111,079,503	103,136,669	94,056,151	186,274,667	123,733,392	133,963,316	132,206,782
Unrestricted	(14,653,798)	(13,848,839)	(41,046,353)	(31,457,063)	(9,829,207)	23,522,302	(25,236,928)	(840,095)	8,728,392	26,663,410
Total Primary Government Activities Net Position	\$ 547,391,058	\$ 547,997,680	\$ 537,132,015	\$550,444,333	\$ 558,382,319	\$ 571,076,003	\$603,628,766	\$ 559,084,667	\$ 575,101,386	\$ 594,141,046

City of Murrieta

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	\$ 7,147,019	\$ 6,897,851	\$ 8,792,429	\$ 9,946,480	\$ 9,585,480	\$ 10,584,605	\$ 9,948,145	\$ 17,679,910	\$ 20,331,417	\$ 21,935,557
Public Safety	36,159,079	39,540,555	46,256,080	45,498,308	49,295,183	58,821,008	55,338,998	72,862,928	84,583,049	88,850,978
Community development	3,785,546	3,583,540	4,520,971	4,238,848	5,758,019	5,440,727	5,385,148	8,202,449	8,168,208	8,442,616
Parks and recreation	13,285,200	14,036,956	15,937,895	14,346,304	12,702,695	15,090,578	16,246,798	19,336,947	20,377,781	21,689,066
Public works	16,499,024	15,479,683	14,632,165	16,196,832	7,014,041	24,720,807	21,449,510	19,808,063	20,239,187	23,434,899
Interest on Long-term debt	378,892	337,616	320,046	613,581	705,260	323,746	4,278,037	2,462,044	3,234,953	2,573,672
Principal retirement	-	-	-	-	1,111,972	-	-	-	-	-
Cost Issuance	-	-	-	-	37,395	-	-	-	-	-
Total Governmental Activities Expenses	<u>77,254,760</u>	<u>79,876,201</u>	<u>90,459,586</u>	<u>90,840,353</u>	<u>86,210,045</u>	<u>114,981,471</u>	<u>112,646,636</u>	<u>140,352,341</u>	<u>156,934,595</u>	<u>166,926,788</u>
Total Primary Government Expenses	<u>\$ 77,254,760</u>	<u>\$ 79,876,201</u>	<u>\$ 90,459,586</u>	<u>\$ 90,840,353</u>	<u>\$ 86,210,045</u>	<u>\$ 114,981,471</u>	<u>\$ 112,646,636</u>	<u>\$ 140,352,341</u>	<u>\$ 156,934,595</u>	<u>\$ 166,926,788</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 393,066	\$ 380,150	\$ 339,285	\$ 506,317	\$ 358,992	\$ 407,393	\$ 766,593	\$ 1,846,704	\$ 737,081	\$ 738,356
Public Safety	3,173,165	3,054,659	2,835,262	2,531,423	2,302,332	2,127,808	2,216,612	3,458,096	2,600,341	2,607,931
Community development	1,619,494	1,543,461	1,801,558	2,161,102	2,105,244	2,436,099	2,736,683	5,025,514	10,981,702	10,474,600
Parks and recreation	9,210,859	9,228,886	9,789,417	10,110,756	9,720,311	9,575,095	10,139,229	10,222,700	10,463,663	10,991,429
Public works	2,519,618	2,372,120	2,181,995	3,711,312	1,536,320	2,705,445	2,878,347	5,805,023	3,331,014	2,392,720
Operating Contributions:										
General Government	-	-	-	-	28.00	100213	52,631	4,201,413	2,407,204	4,209,866
Public Safety	1,912,293	2,125,732	2,846,717	2,193,855	3,048,607	6,307,152	5,412,566	3,261,229	4,010,312	6,409,159
Community development	-	87.00	978185	357,434	192,013	393,691	67,755	122,061	435,336	307,645
Parks and recreation	-	-	7,210.00	6,551	565,563	8,252	1,619	73,554	2,464,901	673,122
Public works	-	-	-	-	-	-	-	-	-	-
Capital Contributions and Grants:										
Public Safety	702,382	286,376	478,295	684,204	449,730	-	-	100,744.00	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Parks and recreation	126,167.00	439,480	284,038	34,897	22,845	17,233	44,605	23,785	28,734	37,960
Public works	11,082,791	13,934,929	16,346,203	13,726,110	10,418,244	11,867,320	18,048,160	27,296,307	15,888,948	21,759,360
Total Governmental Activities Revenues	<u>30,739,835</u>	<u>33,365,880</u>	<u>37,888,165</u>	<u>36,023,961</u>	<u>30,720,229</u>	<u>35,945,701</u>	<u>42,364,800</u>	<u>61,437,130</u>	<u>53,349,236</u>	<u>60,602,148</u>
Total Primary Government Revenues	<u>\$ 30,739,835</u>	<u>\$ 33,365,880</u>	<u>\$ 37,888,165</u>	<u>\$ 36,023,961</u>	<u>\$ 30,720,229</u>	<u>\$ 35,945,701</u>	<u>\$ 42,364,800</u>	<u>\$ 61,437,130</u>	<u>\$ 53,349,236</u>	<u>60,602,148</u>
Net (Expense)/Revenue										
Government Activities	(46,514,925)	(46,510,321)	(52,571,421)	(54,816,392)	(55,489,816)	(79,035,770)	(70,281,836)	(78,915,211)	(103,585,359)	(106,324,640)
Total Primary Government Net Expenses	<u>\$(46,514,925)</u>	<u>\$(46,510,321)</u>	<u>\$(52,571,421)</u>	<u>\$(54,816,392)</u>	<u>\$(55,489,816)</u>	<u>\$(79,035,770)</u>	<u>\$(70,281,836)</u>	<u>\$(78,915,211)</u>	<u>\$(103,585,359)</u>	<u>\$(106,324,640)</u>

City of Murrieta

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 26,976,510	\$ 27,365,716	\$ 18,318,390	\$ 19,249,637	\$ 20,426,934	\$ 21,298,548	\$ 21,804,948	\$ 24,419,742	\$ 25,165,760	\$ 26,333,601
Property taxes, levied for Fire Safety	-	-	10,638,490.00	11,130,640	11,474,940	12,322,314	12,828,976	14,125,562	16,391,638	17,028,254
Property transfer tax	570,417	587,705	688,336	604,380	605,043	958,733	1,224,304	576,080	686,263	607,266
Transient occupancy taxes	406,402	588,862	1,034,918	1,377,892	1,275,998	1,388,646	2,111,609	1,907,457	1,989,170	2,824,281
Sales taxes	14,827,391	15,633,644	17,813,627	23,410,479	36,672,600	47,903,495	54,788,375	55,580,286	53,880,062	54,372,479
Franchise tax	3,645,115	3,557,828	3,648,879	3,609,689	4,027,797	4,692,590	4,644,997	4,915,332	5,156,401	5,163,531
Business licenses taxes	690,342	752,963	769,637	779,147	780,905	797,738	920,357	928,285	1,185,824	1,160,648
Intergovernmental, unrestricted:										
Motor Vehicle in Lieu	-	-	60,489.00	54,500	93,491	84,757	133,053	113,965	136,741	174,551
Investment Income	-	-	783,865.00	3,844,936	5,304,590	(80,196)	2,168,412	4,579,089	14,329,611	15,238,348
Use of money and property	1,835,084	444,274	-	-	-	-	-	-	-	-
Gain on sale of asset	-	456,254.00	14,615	808,656	87,574	1,370,549	-	21,566.00	46,631.00	71,134
Other	310,880	269,945	366,363	3,258,754	838,135	925,222	1,067,693	1,082,009	1,037,269	2,390,207
Total Governmental Activities	<u>49,262,141</u>	<u>49,657,191</u>	<u>54,137,609</u>	<u>68,128,710</u>	<u>81,588,007</u>	<u>91,662,396</u>	<u>101,692,724</u>	<u>108,249,373</u>	<u>120,005,370</u>	<u>125,364,300</u>
Total Primary Government	\$ 49,262,141	\$ 49,657,191	\$ 54,137,609	\$ 68,128,710	\$ 81,588,007	\$ 91,662,396	\$ 101,692,724	\$ 108,249,373	\$ 120,005,370	\$ 125,364,300
Changes in Net Position										
Governmental Activities	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 29,334,162	\$ 16,420,011	\$ 19,039,660
Total Primary Government	\$ (1,045,687)	\$ 2,747,216	\$ 3,146,870	\$ 1,566,188	\$ 13,312,318	\$ 26,098,191	\$ 12,626,626	\$ 29,334,162	\$ 16,420,011	\$ 19,039,660

City of Murrieta

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 4,823,933	\$ 3,331,733	\$ 2,557,690	\$ 1,732,505	\$ 3,102,003	\$ 1,388,443	\$ 4,480,717	\$ 4,181,606	\$ 3,742,577	\$ 3,264,925
Restricted	-	-	6,760,566.00	1,102,039	1,102,039	795,242	203,435	225,188	137,371	208,240
Committed	4,778,387	4,521,921	16,212,641	22,506,936	22,504,550	39,848,266	59,624,816	51,229,664	83,200,190	85,771,421
Assigned	147,482	57,042	57,042	57,042	57,042	52,482	52,482	57,042	52,482	42,753
Unassigned	18,048,951	16,562,140	10,218,675	16,573,369	34,261,832	40,804,323	40,602,221	71,473,681	55,796,685	64,573,782
Total General Fund	\$ 27,798,753	\$ 24,472,836	\$ 35,806,614	\$ 41,971,891	\$ 61,027,466	\$ 82,888,756	\$ 104,963,671	\$ 127,167,181	\$ 142,929,305	\$ 153,861,121
All other Governmental Funds										
Nonspendable	\$ 500,000	\$ 500,000	\$ 500,000	\$ 506,158	\$ 528,501	\$ 531,288	\$ 536,360	\$ 556,728	\$ 568,030	\$ 586,193
Restricted	76,089,575	79,129,454	94,839,481	100,524,128	96,978,550	98,428,363	181,919,349	123,008,204	133,326,695	131,498,542
Committed	8,856,754	8,306,021	-	-	-	-	-	-	-	-
Assigned	90,042	90,042	-	-	-	-	-	-	-	-
Unassigned	(695,719)	(1,112,972)	(2,575,834)	(1,276,679)	(1,442,029)	(301,651)	(1,481,934)	(939,852)	(723,598)	(2,443,995)
Total all other Governmental Funds	\$ 84,840,652	\$ 86,912,545	\$ 92,763,647	\$ 99,753,607	\$ 96,065,022	\$ 98,658,000	\$ 180,973,775	\$ 122,625,080	\$ 133,171,127	\$ 129,640,740

City of Murrieta

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes and Assessments	\$ 57,904,070	\$ 59,007,161	\$ 62,790,280	\$ 70,126,890	\$85,350,816	\$100,053,513	\$ 109,123,680	\$ 119,646,012	\$ 123,213,972	\$ 126,011,386
Licenses and permits	1,105,445	1,023,259	2,040,716	2,399,579	2,080,504	2,439,357	2,772,424	3,397,879	3,125,112	2,875,730
Intergovernmental	8,495,466	12,731,256	16,225,261	12,342,123	12,668,577	14,115,138	13,431,231	22,948,591	22,054,052	28,407,472
Charges for services	4,844,048	4,468,015	4,581,800	5,510,046	3,518,657	3,924,451	4,955,346	6,694,073	6,008,710	5,723,750
Use of money and property	1,691,970	263,706	927,905	3,725,701	5,083,461	180,913	1,581,529	4,578,267	14,215,797	15,095,322
Fines and Forfeitures	597,323	577,938	523,318	363,662	437,562	291,770	445,223	601,204	526,408	403,134
Developer participation	6,018,530	3,386,587	4,246,835	5,640,778	2,895,414	3,647,776	6,564,016	12,363,259	3,694,209	3,054,765
Miscellaneous	310,884	269,949	655,483	3,259,352	885,465	577,356	2,145,070	861,994	768,251	1,566,913
Total Revenues	80,967,736	81,727,871	91,991,598	103,368,131	112,920,456	125,230,274	141,018,519	171,091,279	173,606,511	183,138,472
Expenditures:										
General Government	6,588,183	8,453,497	6,980,621	9,218,519	9,585,480	8,884,662	9,601,609	16,026,437	16,904,616	20,367,781
Public Safety	37,201,869	38,655,871	39,811,607	44,155,921	49,295,183	54,706,927	61,449,186	66,154,902	73,855,905	84,680,531
Community development culture and recreation	3,785,546	3,583,540	3,842,370	4,383,037	5,758,019	5,373,799	6,100,867	7,574,717	7,799,638	8,502,237
Public works	11,292,830	11,984,108	12,914,472	12,547,690	12,702,695	13,018,592	14,619,911	15,907,301	17,332,491	19,147,486
Capital outlay	5,290,180	5,322,975	5,675,492	13,065,711	7,014,041	8,626,873	7,621,552	9,737,147	10,032,164	10,593,520
Debt service:										
Principal retirement	4,759,269	12,060,800	11,485,200	5,387,355	11,581,057	13,565,571	10,044,523	9,687,885	10,818,189	20,319,844
Interest	929,396	964,320	1,366,431	1,381,616	1,111,972	7,560,798	6,456,648	5,571,915	7,107,548	7,532,037
Debt issuance costs	391,209	358,887	329,372	503,045	705,260	440,514	4,463,883	2,829,855	3,091,878	2,896,449
	-	-	-	-	37,395.00	161,468	488,630	-	-	-
Total Expenditures	70,238,482	81,383,998	82,405,565	90,642,894	97,791,102	112,339,204	120,846,809	133,490,159	146,942,429	174,039,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,729,254	343,873	9,586,033	12,725,237	15,129,354	12,891,070	20,171,710	37,601,120	26,664,082	9,098,587
Other Financing Sources (uses):										
Transfers in	2,691,218	3,296,696	2,313,376	4,368,720	2,441,067	5,429,618	6,503,052	8,071,183	8,744,385	9,747,913
Transfers out	(2,691,218)	(3,886,696)	(2,913,376)	(4,968,720)	(2,441,067)	(5,429,618)	(6,503,052)	(8,071,183)	(8,744,385)	(9,747,913)
Long-term debt issued	-	-	-	-	4,319,919	6,343,000	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	29,075,000	-	-	-
Bonds Premium	-	668,975	8,184,232	-	-	-	2,612,562	-	-	-
Payment to refunding escrow agent	-	-	-	-	(4,889,733)	-	(37,788,065)	-	-	-
Proceeds from sale of capital assets	35,367	863,376	14,615	1,030,000	87,574	4,908,825	65,866	21,566	-	74,772
Capital lease proceeds	-	-	-	-	578,545	452,704	-	-	46,631	-
Lease/SBITA acquisition	-	-	-	-	-	-	825,604	110,390	-	1,744,485
Transfer of land held for resale	-	-	-	-	-	-	-	-	-	(3,515,665)
Total Other Financing Sources (uses)	35,367	942,351	7,598,847	430,000	96,305	11,704,529	(5,209,033)	131,956	46,631	(1,696,408)
Net change in fund balances	\$ 10,764,621	\$ 1,286,224	\$ 17,184,880	\$ 13,155,237	\$15,225,659	\$ 24,595,599	\$ 14,962,677	\$ 37,733,076	\$ 26,710,713	\$ 7,402,179
Debt services as a percentage of noncapital expenditures	1.70%	2.00%	1.90%	2.40%	2.20%	2.10%	8.10%	9.90%	7.49%	6.78%

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
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
2024	14,192,005	2,115,061	1,415,224	-	17,722,290	0.0776%	N/A	N/A
2025	14,845,869	2,279,083	1,547,875	-	18,672,827	0.0778%	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 show above represents the only data currently available with respect to the actual fair 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Direct Rate										
City of Murrieta Library	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850	0.02850
County Free Library	-	-	-	-	-	-	-	-	-	-
Riverside County General	0.22270	0.22270	0.22270	0.22274	0.11130	0.11130	0.11130	0.11130	0.11130	0.11130
Elsinore Area Elementary School Fund	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560	0.07560
Flood Control Administration	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279	0.00279
Flood Control Zone 7	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720	0.01720
Mt. San Jacinto Junior College	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140	0.04140
Murrieta Cemetery	0.00298	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-Cnty	-	-	-	-	0.00599	0.00599	0.00599	0.00599	0.00599	0.00599
Murrieta Fire Protection-County	0.06130	0.06130	0.06130	0.06129	0.05530	0.05530	0.05530	0.05530	0.05530	0.05530
ERAF Share of Murrieta Fire Protection District-City	-	-	-	-	0.00151	0.00151	0.00151	0.00151	0.00151	0.00151
Murrieta Fire Protection-City	0.05310	0.05310	0.05310	0.05311	0.05160	0.05160	0.05160	0.05160	0.05160	0.05160
ERAF Share of Murrieta General Fund	-	-	-	-	0.01247	0.01247	0.01247	0.01247	0.01247	0.01247
Murrieta General Fund	0.07108	0.07108	0.07120	0.07117	0.05870	0.05870	0.05870	0.05870	0.05870	0.05870
Murrieta Unified School District	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370	0.33370
Riverside County Office of Education	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390	0.04390
Riverside County Reg Park & Open Space	0.00445	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	0.04130
Western Municipal Water 9th Fringe	-	-	-	-	-	-	-	-	-	-
ERAF Share of County General	-	-	-	-	0.11144	0.11144	0.11144	0.11144	0.11144	0.11144
Total Direct Rate(1)	1.00000									
Overlapping Rates:										
Eastern Municipal Water District	0.02400	0.02400	0.01900	0.01900	0.01900	0.01900	0.01900	0.00860	0.00860	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	0.00700
Mt. San Jacinto Junior College	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.00268
Menifee School District	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111	0.06319	0.06201	0.06063	0.05080
Murrieta Unified School District	0.13703	0.13294	0.12587	0.11946	0.11945	0.11945	0.11955	0.11955	0.11955	0.08645
Perris Union High School District	0.06236	0.06092	0.05675	0.05243	0.08244	0.08569	0.08859	0.08859	0.08173	0.06850
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	0.02741	0.03164	0.03287	0.03061	0.02938	0.02389	0.02389	0.02389	0.02389	0.01924
Total Overlapping Rates(2)	1.09834	1.09889	1.11199	1.10123	1.12974	1.12584	1.13092	1.11934	1.11110	1.04327
Combined Total	2.09834	2.09889	2.11199	2.10123	2.12974	2.12584	2.13092	2.11934	2.11110	2.04327
City's Share of 1% Levy Per Prop 13(3)	0.07369	0.07367								
Redevelopment Rate(4)	-									
Total Effective Rate(5)	0.07702	0.07706	0.07714	0.07718	0.07720	0.07726	0.07741	0.07733	0.07756	0.07778

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 Nine Years Ago

<u>Taxpayer</u>	2025		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Sreit Waterstone at Murrieta Apartments	\$ 163,054,598	1	0.87%
CH Realty IX MF San Diego Eagle Glen	139,442,687	2	0.75%
Kaiser	126,051,566	3	0.68%
MG Mitchell Place Apartments LLC	83,039,525	4	0.44%
Universal Health Services of Rancho Springs	821,195,023	5	0.44%
Murrieta Town Centera Retail Owner LP	73,508,482	6	0.39%
Pacific Landing	73,110,996	7	0.39%
Arbors at California Oaks Properties	64,332,801	8	0.34%
Bridges Murrieta I Owner LLC	63,508,581	9	0.34%
ZL Murrieta	60,383,999	10	0.32%
Total	<u>\$ 1,667,628,258</u>		<u>4.96%</u>

<u>Taxpayer</u>	2016		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Loma Linda Univ Medical	\$ 247,364,753	1	2.13%
Universal Health Service	65,682,688	2	0.56%
Strata Waterstone LLC	59,679,259	3	0.51%
Murrieta 492	59,460,989	4	0.51%
Arbors at CA Oaks	54,613,817	5	0.47%
Eagle Glen Apartments	49,945,265	6	0.43%
FG Murrieta Senior Apts	47,552,179	7	0.41%
Wal Mart Realty Co	44,472,814	8	0.38%
Target Corporation	42,670,859	9	0.37%
Oleanders Capital Group	42,598,689	10	0.37%
Total	<u>\$ 714,041,312</u>		<u>6.14%</u>

Source: The HdL Companies and Riverside County Assessor

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
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%
2024	25,807,679	24,608,498	95%	951,385	25,559,883	99%
2025	26,938,485	25,739,981	96%	740,184	26,480,165	98%

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	Unamortized Premium ^a	GASB 87 Leases	Subscriptions	Other Leases	Murrieta Financing Authority Debt ^d	Unamortized Premium ^b	Total Debt	Percentage of Personal Income ^c	Per Capita ^c
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	-	-	7,375,583	-	-	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
2024	2,005,000	209,504	1,864,052	1,751,771	4,736,137	64,780,000	2,177,135	75,346,464	1.79%	685
2025	1,365,000	135,562	2,393,291	1,500,416	4,263,997	59,580,000	1,959,422	71,197,688	1.64%	619

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

^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.

^d Fiscal year 22 and 23 included the unamortized premium in both the Murrieta Financing Authority Debt column and the unamortized premium column, resulting in overreported debt. Fiscal year 24 is reported separately.

Source: City of Murrieta Finance Department

City of Murrieta

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Unamortized Premium ^a	Amount Restricted for Debt Service	Total	Percent of Assessed Value(1)	Per Capita ^b
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
2024	-	2,005,000	209,504	(719,800)	1,285,200	0.01%	12
2025	-	1,365,000	135,562	(724,600)	640,400	0.00%	6

N/A-Data not available

Note: (1) Assessed value has been used because the actual value of taxable property is not readily available in the State of

^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, 2025**

2024-25 Assessed Valuation:	\$ 18,748,456,861			
		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	\$ 1,105,000		100.000%	\$ 1,105,000
City of Murrieta Community Facilities Districts	78,020,000		100.000%	\$ 78,020,000
Total Direct Tax and Assessment Debt				79,125,000
Other Overlapping Tax and Assessment Debt:				
Metropolitan Water District	\$ 17,155,000		0.458%	78,570
Riverside County Flood Control and Water Conservation District, Zone 4				-
Mt. San Jacinto Community College District	237,330,000		13.414%	31,835,446
Murrieta Valley Unified School District	140,650,542		83.229%	117,062,040
Murrieta Valley Unified School District Community Facilities Districts	78,357,058		100.000%	78,357,058
Temecula Valley Unified School District	156,329,085		0.015%	23,449
Perris Union High School District	284,456,372		5.523%	15,710,525
Perris Union High School District Community Facilities District No. 92-1	29,055,000		12.500%	3,631,875
Menifee Union School District	184,411,292		8.959%	16,521,408
Eastern Municipal Water District Improvement Districts	12,405,000		0.866-99.906%	1,982,749
Rancho California Water District Community Facilities Districts	9,790,000		100.000%	9,790,000
Eastern Municipal Water District Community Facilities Districts	17,845,000		100.000%	17,845,000
Elsinore Valley Municipal Water District Community Facilities Districts	2,498,000		100.000%	2,498,000
Western Municipal Water District Community Facilities Districts	1,355,896		100.000%	1,355,896
Riverside County Community Facilities Districts	1,195,000		100.000%	1,195,000
California Statewide Community Development Authority Assessment District No. 2018-01	1,872,000		100.000%	1,872,000
Eastern Municipal Water District 1915 Act Bonds	1,090,000		2.917%	31,795
Total Other Overlapping Tax and Assessment Debt				299,790,811
Combined Total Overlapping Tax and Assessment Debt				378,915,811
Ratios to 2022-23 Assessed Valuations:				
Total City Overlapping Tax and Assessment Debt	0.42%			
Combined Total Overlapping Tax and Assessment Debt	2.02%			
Direct Debt:				
City of Murrieta General Fund Obligations	\$ 1,365,000		100.000%	1,365,000
Premium	135,562		100.000%	135,562
Lease Liabilities		2,393,291	100.000%	2,393,291
Subscription Liabilities		1,500,415	100.000%	1,500,415
Other Leases		4,263,997	100.000%	4,263,997
Murrieta Financing Authority Debt	59,580,000		100.000%	59,580,000
Premium	1,959,423		100.000%	1,959,423
Total Direct General Fund Debt				71,197,688
Overlapping General Fund Debt:				
Riverside County General Fund Obligations	\$ 1,134,209,783		4.417%	50,098,046
Riverside County Pension Obligations	603,055,000		4.417%	26,636,939
Murrieta Valley Unified School District Certificates of Participation	34,720,000		83.229%	28,897,109
Other School District Certificates of Participation	87,906,131		Various	6,510,712
Western Municipal Water District General Fund Obligations	1,377,594		1.955%	26,932
Total Gross Overlapping General Fund Debt				112,169,738
Less: Riverside County self-supporting obligations				-
Total Net Overlapping General Fund Debt				\$ 112,169,738
Overlapping Tax Increment Debt (Successor Agencies):	\$ 198,160,000		0.425-100%	\$ 30,525,763
Total Direct Debt				\$ 71,197,688
Total Gross Overlapping Debt				\$ 521,611,312
Total Net Overlapping Debt				\$ 521,611,312
Grand Total Gross Direct and Overlapping Debt				\$ 592,809,000 (2)
Grand Total Net Direct and Overlapping Debt				\$ 592,809,000

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 2024-25 Assessed Valuation:	
Total Direct Debt (\$)	0.01%
Grand Total Gross Direct and Overlapping Debt	2.79%
Grand Total Net Direct and Overlapping Debt	2.79%
Ratios to Redevelopment Incremental Valuation (\$):	
Total Overlapping Tax Increment Debt	1.79%

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 2025

Assessed value	\$ 18,748,456,861
Conversion percentage	<u>25%</u>
Adjusted assessed valuation	<u>4,687,114,215</u>
Debt limit (15% of assessed value)	703,067,132
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 703,067,132</u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt Applicable to Limit</u>	<u>Legal Debt Limit</u>	<u>Legal Debt Margin as a Percentage of Debt limit</u>
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%
2024	665,142,646	-	665,142,646	100%
2025	703,067,132	-	703,067,132	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 fair value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of fair 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)
2016	\$ 114,914	\$ 3,091,951	\$ 26,906	4.8%
2017	114,904	3,178,810	27,662	5.0%
2018	118,125	3,350,224	28,361	3.5%
2019	115,561	3,568,992	30,884	3.3%
2020	115,172	3,731,498	32,399	8.8%
2021	111,183	4,047,908	36,408	5.8%
2022	109,998	4,220,667	38,370	3.3%
2023	109,177	4,582,265	41,970	3.8%
2024	111,789	4,910,486	43,926	4.7%
2025	111,789	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 Nine Years Ago**

<u>Employer</u>	<u>2025</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Southwest Healthcare - Rancho Springs Medical Center	2,399	1	4.52%
Murrieta Valley Unified School District	2,138	2	4.03%
Loma Linda University Medical Center	1,514	3	2.85%
County of Riverside	941	4	1.77%
City of Murrieta	476	5	0.90%
Costco Wholesale	425	6	0.80%
Target Department Store (2 locations)	420	7	0.79%
Oak Grove Center	354	8	0.67%
The Springs Health and Rehabilitation Center	310	9	0.58%
Walmart Store	247	10	0.47%
	<u>9,224</u>		<u>17.38%</u>

<u>Employer</u>	<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Southwest Healthcare - Rancho Springs Medical Center	1,474	1	2.98%
Murrieta Valley Unified School District	2,355	2	4.76%
Loma Linda University Medical Center	929	3	1.88%
County of Riverside	547	4	1.11%
City of Murrieta	347	5	0.70%
Costco Wholesale		6	
Target Department Store (2 locations)	330	7	0.67%
Oak Grove Center	375	8	0.76%
The Springs Health and Rehabilitation Center		9	
Walmart Store	350		0.71%
Sam's Club	209		0.42%
The Home Depot	200	10	0.40%
	<u>7,116</u>		<u>14.39%</u>

Source:

Source: Muniservices, LLC / Avenu Insights & Analytics
 Source: 2016, 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

Fiscal Years:	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
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	38.70	39.00	40.00	41.38	41.00	50.50	51.00	51.00	61.00	60.00
Community Development										
Economic Development	4.00	4.00	3.00	3.00	2.00	3.00	3.00	3.00	4.50	4.00
Planning	9.10	9.00	9.00	11.00	11.00	12.00	12.00	12.00	15.00	15.00
Building and Safety	8.20	8.00	9.00	9.00	9.00	14.00	12.00	12.00	14.00	14.00
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	5.00	5.00	5.00	5.00	5.00	6.00	7.00	7.00	9.00	9.00
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	3.00	2.00	2.00	2.00	2.00	2.00
Operations	66.00	64.00	64.00	61.00	60.00	80.00	89.50	90.50	80.50	80.50
PD Support	63.00	65.00	65.00	71.77	82.50	73.50	81.00	81.00	99.50	100.00
Fire										
Administration (including Maintenance)	8.00	8.00	8.50	12.47	10.75	10.75	10.75	10.75	11.00	11.00
Fire Suppression (including Paramedics)	49.00	48.00	48.00	54.00	50.00	61.00	61.00	61.00	62.00	64.00
Fire Prevention/Inspection	1.00	4.00	4.00	5.00	4.00	6.00	7.00	7.00	7.00	7.00
Public Works										
Admin/Engineering	8.80	13.00	13.00	11.00	11.00	25.00	29.00	29.00	20.00	18.00
Maintenance ³	15.80	13.00	13.00	21.00	20.00	21.00	21.00	21.00	17.00	19.00
Recreation & Community Services										
Administration	12.65	12.00	12.00	10.00	12.00	1.00	2.00	2.00	3.00	3.00
Recreation	9.00	9.00	9.00	7.42	12.25	17.25	19.25	19.25	34.00	35.00
Library	12.20	12.00	12.00	16.41	16.59	18.59	18.59	18.59	21.59	22.59
Total Authorized Personnel *	<u>317.45</u>	<u>320.00</u>	<u>321.50</u>	<u>346.45</u>	<u>355.09</u>	<u>406.59</u>	<u>431.09</u>	<u>432.09</u>	<u>466.09</u>	<u>469.09</u>

* Excludes part-time Crossing Guards.

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

² City Manager, City Clerk, Finance, 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Community development										
Number of:										
Business licenses (A)	5,051	4,442	4,796	4,744	5,054	4,992	4,434	4,543	4,518	4,745
Plan checks (B)	322	410	410	478	301	262	234	350	N/A	425
Permits issued	2,933	2,395	2,815	2,869	2,603	3,128	3,434	3,700	3,600	2,672
NPDES inspections	293	349	403	445	568	247	69	655	655	763
Code violations (calendar basis)	5,898	6,946	5,378	4,072	2,447	1,940	1,700	1,737	1,777	1,763
Police										
Number of:										
Part 1 Crimes ³	1,695	1,673	1,499	1,579	1,472	1,095	3,777	3,634	3,475	3,442
Crimes Against Persons							711	695	789	850
Crimes Against Property							2,143	2,249	2,007	1,815
Crimes Against Society							923	690	679	777
Parking violations	1,121	1,048	1,098	1,014	495	210	314	486	152	51
Traffic (moving) violations	4,994	3,703	3,439	3,332	3,532	3,917	3,768	2,701	5,092	4,160
Traffic Collision Reports	760	813	843	815	685	715	834	766	753	635
Crime reports	7,917	8,409	7,826	8,189	7,487	8,492	5,869	5,715	5,997	5,818
Arrests	2,445	2,134	2,216	2,031	1,911	2,221	1,895	1,632	1,652	1,923
Public works										
Miles of:										
Slurry Seal ⁴					95	-	51	-	-	58
Street resurfacing/repair	1	2.8	-	0.5	3.3	1.9	-	2.20	1.54	1.00
Street sweeping	11,952	11,952	11,952	12,027	12,132	12,132	12,552	12,552	12,552	12,552
Number of:										
Traffic signals maintained	93	92	96	96	99	100	101	105	110	110
Trees pruned per year	4,074	2,467	3,774	5,735	4,418	4,574	4,296	4,469	4,277	4,597
Trees/stumps removed	143	184	152	154	247	261	168	231	156	123
Greenwaste to Mulch (tons)	901	720	406	557	972	1,030	977	1,232	1,047	1,039
Recreation & community services										
Number of enrollees/attendees:										
Aquatics ^{1,5}	6,600	6,750	7,638	3,888	2,197	-	628	3,282	493	2,336
Community services/seniors ¹	18,000	18,791	18,683	24,762	18,038	174	13,043	17,992	28,174	25,648
Small Recreation Centers ⁶									2	2
Day camp ¹	450	637	826	810	508	88	473	473	333	1,579
Park programs ¹	1,208	1,115	1,375	972	1,895	1,423	2,719	2,719	7,963	20,023
Classes ¹	17,274	26,311	23,487	12,213	10,033	1,493	6,565	8,137	8,013	7,859
Special events ¹	58,000	58,900	55,500	64,193	43,741	18,449	66,740	62,900	75,435	69,445
Skate park ²	1,098	2,521	3,178	2,545	2,857	-	-	-	-	-
Youth center ¹	21,042	20,360	18,900	20,270	16,444	4,991	8,645	16,789	20,655	18,956

N/A - Data not available

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

(B) - Excludes temporary plan checks; FY23 data provided through February 2023 and will no longer be reported due to a change in software

¹ FY2021 - Drop in numbers due to closures in Mid-March 2020 for COVID-19; Pool closed for second season in a row; pool reopened mid-June 2022; pool non-operational June 2023

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

³ FY2021 - 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

⁴ FY2021 - Data unavailable prior to 2020

⁵ FY2024 - The aquatics season for 2023 was closed for July and August, but the City rented a high school pool and the season that started in June 2024.

⁶ The City has had the Small Recreation Centers but did not start reporting them until 2024.

⁷ Increase in FY25 is from adding sessions during the summer and increasing the maximum participation limit. Winter and spring camps were also added during school breaks.

Sources: Various city departments.

City of Murrieta

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	10	10	14	10	5	5	11	11	10	12
Equipment	41	47	56	57	65	75	50	52	38	33
Community Development										
Vehicles	7	7	8	9	7	9	2	2	11	3
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	120	120	127	127	145	160	125	140	132	147
Police Equipment	308	308	347	347	353	353	334	339	310	273
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Vehicles	32	37	35	37	42	48	36	36	35	34
Fire Equipment	110	112	112	112	115	115	91	93	76	58
Public Works										
Vehicles	27	27	29	27	19	20	30	30	36	28
Equipment	26	26	26	26	26	26	29	30	29	28
Culture and recreation										
Park Sites	50	50	51	52	52	52	53	53	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	1
Public Library	1	1	1	1	1	1	1	1	1	1
Vehicles	23	25	26	23	25	13	10	11	7	9
Equipment	32	34	31	31	31	31	36	36	34	31

¹ - FY 24 The pool is closed until renovations can take place. Timeline is TBD.

Sources:

Various city departments.