



See what's possible.

# MURRIETA VALLEY UNIFIED SCHOOL DISTRICT

---

## **AUDIT REPORT**

Fiscal Year Ended June 30, 2024

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2024**

---

Independent Auditors' Report	1
Management's Discussion and Analysis	4

**FINANCIAL SECTION**

Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds - Balance Sheet	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Fiduciary Fund - Statement of Net Position	20
Fiduciary Fund - Statement of Changes in Net Position	21
Notes to Financial Statements	22

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund - Budgetary Comparison Schedule	70
Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	71
Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset) - MPP Program	73
Schedule of the Proportionate Share of the Net Pension Liability	74
Schedule of Contributions - Pensions	76
Notes to Required Supplementary Information	78

**SUPPLEMENTARY INFORMATION**

Local Education Agency Organization Structure	80
Schedule of Expenditures of Federal Awards	81
Schedule of Average Daily Attendance	82
Schedule of Instructional Time	83
Schedule of Financial Trends and Analysis	84
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	85
Schedule of Charter Schools	86
Combining Statements Non-Major Governmental Funds	
Non-Major Special Revenue Funds Combining Balance Sheet	87
Non-Major Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	88
Non-Major Capital Projects Funds Combining Balance Sheet	89
Non-Major Capital Projects Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	90
Non-Major Debt Service Funds Combining Balance Sheet	91
Non-Major Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	92
Non-Major Governmental Funds Combining Balance Sheet	93
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	94
Notes to Supplementary Information	95

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2024**

---

**OTHER INDEPENDENT AUDITORS' REPORTS**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	97
Independent Auditors' Report on Compliance For Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	99
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	102

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditors' Results	106
Financial Statement Findings	107
Federal Award Findings and Questioned Costs	108
State Award Findings and Questioned Costs	109
Summary Schedule of Prior Audit Findings	110



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Murrieta Valley Unified School District  
Murrieta, California

### Report on Audit of Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the Murrieta Valley Unified School District ("the District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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 and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents, which includes the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California  
October 25, 2024

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

This section of Murrieta Valleys Unified School District's ("the District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**The Financial Statements**

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34. The Government-wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets, right-of-use leased assets, and right-of-use subscription IT assets), deferred outflows, as well as all liabilities (including long-term liabilities) and deferred inflows. Additionally, certain eliminations have occurred as prescribed by the statement in regard to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the categories of activities: governmental and fiduciary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Fiduciary Fund* are prepared using the economic resources measurement focus and the accrual basis of accounting.

*Reconciliation of the Governmental Fund Financial Statements to the Government-wide Financial Statements* is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Murrieta Valley Unified School District.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

**REPORTING THE DISTRICT AS A WHOLE**

**The Statement of Net Position and the Statement of Activities**

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows, liabilities, and deferred inflows of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities. Further, net position will be impacted by conditions and assumptions of the CalSTRS and CalPERS pension systems, whose operations are outside of the direct control of the District.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools is an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

**Governmental Activities** - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve equipment and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS (continued)**

**Governmental Funds** - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statement.

**THE DISTRICT AS A TRUSTEE**

**Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or fiduciary, for funds held on behalf of others. The District's fiduciary activities are reported in the Statement of Net Position – Fiduciary Funds and Statement of Changes in Net Position – Fiduciary Funds. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**FINANCIAL HIGHLIGHTS OF THE PAST YEAR**

- Total net position increased by \$50.67 million over the prior year for a new net position of \$300,504,831.
- For 2023-2024 the General Fund's revenues and other financing sources totaled \$351.05 million and expenditures and other uses totaled \$340.16 million.
- The District filed a positive certification with the County Superintendent of Schools for both its First and Second Interim reports in 2023-2024.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's net position was \$300,540,831 and \$249,871,991 for the fiscal years ended June 30, 2024 and 2023, respectively. Of this amount, \$(215,222,400) was unrestricted net position/(deficit) at June 30, 2024. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use net position for day-to-day operations. The analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities		
	2024	2023	Net Change
<b>Assets</b>			
Current assets	\$ 263,257,314	\$ 237,778,427	\$ 25,478,887
Non-current assets	502,038,469	483,877,758	18,160,711
Total assets	765,295,783	721,656,185	43,639,598
Deferred outflows of resources	106,620,825	86,267,091	20,353,734
<b>Liabilities</b>			
Current liabilities	39,347,461	18,592,317	20,755,144
Non-current liabilities	515,533,156	511,102,902	4,430,254
Total liabilities	554,880,617	529,695,219	25,185,398
Deferred inflows of resources	16,495,160	28,356,066	(11,860,906)
<b>Net Position</b>			
Investment in capital assets, net	357,297,897	331,052,957	26,244,940
Restricted	158,465,334	104,352,743	54,112,591
Unrestricted	(215,222,400)	(185,533,709)	(29,688,691)
Total net position	\$ 300,540,831	\$ 249,871,991	\$ 50,668,840

The \$(215,222,400) in unrestricted net position/(deficit) of governmental activities represents the accumulated results of all past years' operations.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 14. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

	Governmental Activities		
	2024	2023	Net Change
Revenues			
Program revenues			
Charges for services	\$ 7,490,904	\$ 6,218,971	\$ 1,271,933
Operating grants and contributions	118,094,168	91,827,925	26,266,243
Capital grants and contributions	5,067,731	-	5,067,731
General revenues			
Federal and state aid not restricted for specific purposes	196,768,274	186,886,920	9,881,354
Property taxes	103,241,049	94,460,078	8,780,971
Other general revenues	13,309,435	39,369,265	(26,059,830)
Total revenues	443,971,561	418,763,159	25,208,402
Expenses			
Instruction	220,695,898	205,838,199	14,857,699
Instruction-related services	30,489,106	9,437,992	21,051,114
Pupil services	48,404,941	41,947,616	6,457,325
General administration	22,580,293	20,033,423	2,546,870
Plant services	28,643,137	31,752,646	(3,109,509)
Ancillary services	9,067,102	9,484,929	(417,827)
Community services	4,780,236	3,493,180	1,287,056
Enterprise services	245,005	251,926	(6,921)
Interest on long-term debt	8,831,568	8,602,814	228,754
Other outgo	227,431	89,328	138,103
Depreciation & amortization (unallocated)	19,146,842	17,972,166	1,174,676
Total expenses	393,111,559	348,904,219	44,207,340
Change in net position	50,860,002	69,858,940	(18,998,938)
Net Position - Beginning	249,871,991	180,013,051	69,858,940
Prior Period Adjustment (Note 16)	(191,162)	-	(191,162)
Net Position - Ending	\$ 300,540,831	\$ 249,871,991	\$ 50,668,840

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued**

**Governmental Activities**

As reported in the *Statement of Activities* on page 14, the cost of all of our governmental activities this year was \$393,111,559. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$103,241,049 because the cost was paid by those who benefited from the programs \$7,490,904 or by other governments and organizations who subsidized certain programs with grants and contributions of \$118,094,168. We paid for the remaining "public benefit" portion of our governmental activities, \$196,768,274 in Federal and State aid, and \$13,309,435 in other general revenues, like interest and investment earnings, interagency revenues, miscellaneous and special and extraordinary items.

In Table 3, we have presented the cost of each of the District's largest functions: instruction, instruction-related services, including, pupil services, general administration, plant services, and other governmental activities. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	220,695,898	205,838,199	(152,747,563)	(154,873,689)
Instruction-related services	30,489,106	9,437,992	(25,903,661)	(5,360,286)
Pupil services	48,404,941	41,947,616	(21,118,016)	(17,938,315)
General administration	22,580,293	20,033,423	(19,911,693)	(17,816,041)
Plant services	28,643,137	31,752,646	(18,483,045)	(30,402,194)
Ancillary services	9,067,102	9,484,929	(3,261,835)	(4,033,763)
Community services	4,780,236	3,493,180	(261,204)	1,145,921
Enterprise services	245,005	251,926	(236,682)	(249,216)
Interest on long-term debt	8,831,568	8,602,814	(8,831,568)	(8,602,814)
Other outgo	227,431	89,328	7,443,353	5,245,240
Depreciation & amortization (Unallocated)	19,146,842	17,972,166	(19,146,842)	(17,972,166)
Total	\$ 393,111,559	\$ 348,904,219	\$ (262,458,756)	\$ (250,857,323)

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**THE DISTRICT'S FUNDS**

As the District completed this year, our governmental funds reported a combined fund balance of \$244,142,423 (Table 4) in 2024, compared to \$221,118,485 in 2023.

**Table 4**

	Governmental Fund Balances and Activity			
	June 30, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General Fund	\$ 119,123,065	351,048,883	340,158,950	130,012,998
County School Facilities Fund	-	5,067,731	5,067,731	-
Bond Interest and Redemption Fund	29,010,356	25,754,615	21,728,431	33,036,540
Non-Major Governmental Funds	72,985,064	74,641,383	66,533,562	81,092,885
Total	\$ 221,118,485	\$ 456,512,612	\$ 433,488,674	\$ 244,142,423

**CAPITAL ASSETS, RIGHT-OF-USE ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets and Right-of-Use Assets**

At June 30, 2024, the District had \$502,038,469 in a broad range of capital assets and right-of-use assets (net of depreciation and amortization), including land, construction in progress, land improvements, buildings, furniture, and equipment, right-of-use leased assets, and right-of-use subscription IT assets. This amount represents a net increase (including additions, deductions, and depreciation) of \$18,160,711, or 3.75%, from last year (Table 5).

**Table 5**

	Governmental Activities		
	2024	2023	Net Change
Land and construction in progress	\$ 58,234,545	\$ 42,347,885	\$ 15,886,660
Land improvements, net	51,526,196	52,335,156	(808,960)
Buildings, net	368,220,696	377,169,254	(8,948,558)
Furniture and equipment, net	11,464,012	6,323,228	5,140,784
Right-of-use leased assets, net	10,489,655	5,207,499	5,282,156
Right-of-use subscription IT assets, net	2,103,365	494,736	1,608,629
Total	\$ 502,038,469	\$ 483,877,758	\$ 18,160,711

This year's additions of \$16,867,002 included several vehicles, cafeteria equipment and classroom equipment such as computers. The District presents more detailed information about our capital assets in Note 4 to financial statements.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

**CAPITAL ASSETS, RIGHT-OF-USE ASSETS AND LONG-TERM LIABILITIES, continued**

**Long-Term Liabilities**

At the end of this year, the District had \$533,907,220 in outstanding long-term liabilities. The long-term liabilities consisted of:

**Table 6**

	Governmental Activities		
	2024	2023	Net Change
Long-Term Liabilities			
General obligation bonds	\$ 182,218,137	\$ 195,145,952	\$ (12,927,815)
Certificates of participation	20,360,000	21,005,000	(645,000)
Unamortized debt premiums	8,744,997	10,003,790	(1,258,793)
Unamortized debt discounts	(239,581)	(253,674)	14,093
Leases	11,033,504	5,351,238	5,682,266
Subscription-based IT arrangements	2,209,716	478,543	1,731,173
Supplemental early retirement plan	-	2,031,227	(2,031,227)
Compensated absences	597,731	571,961	25,770
Net OPEB liability	26,828,997	18,703,033	8,125,964
Net pension liability	282,153,719	258,065,832	24,087,887
Total	\$ 533,907,220	\$ 511,102,902	\$ 22,804,318

The District presents more detailed information about long-term liabilities in Note 8 to financial statements.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

---

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

In considering the District budget for the 2024-25 fiscal year and beyond, the District Board of Education and management utilized the Governor's May Revise assumptions. Select criteria used at adoption were:

- Funded ADA projected at 21,020
- LCFF Cost of Living Adjustment of 1.07%
- CalSTRS contribution rate of 19.10%
- Increase of 0.37% to CalPERS contribution rate, 26.68% to 27.05%
- Negotiated salary increases for employee groups
- Step and column increases for employees

In the past few years, the District received significant amounts of one-time funding related to the COVID-19 pandemic from the federal and state government. This one-time funding related to COVID-19 was fully encumbered as of June 30, 2024. Due to the expiration of these funds and changing economic factors, the District will analyze and assess necessary programmatic changes. Going forward the District may implement new programs and make changes to existing programs in accordance with legislative changes. These changes impact the District's operations and have significant budget impacts.

The District will continue to update its budget projections at each reporting interval using the best information available at that time.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Chief Financial Officer, James L. Whittington, CPA, CFE at [jwhittington@murrieta.k12.ca.us](mailto:jwhittington@murrieta.k12.ca.us).

---

---

## **FINANCIAL SECTION**

---

---

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and equivalents	\$ 238,838,038
Accounts receivable	23,843,707
Prepaid expenditures	278,534
Inventory	297,035
Non-current assets:	
Capital assets not being depreciated	58,234,545
Capital assets being depreciated, net	
Right-of-use assets being amortized, net	443,803,924
Total Assets	765,295,783
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to debt refunding	5,339,805
Deferred outflows related to OPEB	8,711,700
Deferred outflows related to pensions	92,569,320
Total Deferred Outflows of Resources	106,620,825
<b>LIABILITIES</b>	
Current liabilities:	
Accrued liabilities	16,299,522
Unearned revenue	2,815,369
Interest payable	1,858,506
Long-term liabilities, current portion	18,374,064
Non-current liabilities:	
Net pension liability	282,153,719
Net OPEB liability	26,828,997
Long-term liabilities, non-current portion	206,550,440
Total Liabilities	554,880,617
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	13,660,297
Deferred inflows related to OPEB	2,834,863
Total Deferred Inflows of Resources	16,495,160
<b>NET POSITION</b>	
Net investment in capital assets	357,297,897
Restricted:	
Educational Programs	51,646,741
Debt service	33,065,085
Capital projects	53,237,692
Child nutrition	15,022,247
Student activity funds	2,469,502
Other restrictions	3,024,067
Unrestricted	(215,222,400)
Total Net Position	\$ 300,540,831

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

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Function/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Instruction	\$ 220,695,898	\$ 656,766	\$ 62,223,838	\$ 5,067,731	\$ (152,747,563)
Instruction-related services					
Instructional supervision and administration	8,238,556	69,581	2,666,086	-	(5,502,889)
Instructional library, media, and technology	2,472,073	-	418,856	-	(2,053,217)
School site administration	19,778,477	675	1,430,247	-	(18,347,555)
Pupil services					
Home-to-school transportation	7,269,487	-	385	-	(7,269,102)
Food services	15,084,629	584,989	19,533,658	-	5,034,018
All other pupil services	26,050,825	808	7,167,085	-	(18,882,932)
General administration					
Centralized data processing	4,627,955	-	-	-	(4,627,955)
All other general administration	17,952,338	213,305	2,455,295	-	(15,283,738)
Plant services	28,643,137	2,528,684	7,631,408	-	(18,483,045)
Ancillary services	9,067,102	-	5,805,267	-	(3,261,835)
Community services	4,780,236	1,497,827	3,021,205	-	(261,204)
Enterprise services	245,005	-	8,323	-	(236,682)
Interest on long-term debt	8,831,568	-	-	-	(8,831,568)
Other outgo	227,431	1,938,269	5,732,515	-	7,443,353
Depreciation (unallocated)	17,728,239	-	-	-	(17,728,239)
Amortization (unallocated)	1,418,603	-	-	-	(1,418,603)
Total Governmental Activities	\$ 393,111,559	\$ 7,490,904	\$ 118,094,168	\$ 5,067,731	(262,458,756)
<b>General revenues</b>					
Taxes and subventions					
Property taxes, levied for general purposes					77,281,652
Property taxes, levied for debt service					24,495,985
Property taxes, levied for other specific purposes					1,463,412
Federal and state aid not restricted for specific purposes					196,768,274
Interest and investment earnings					6,777,641
Interagency revenues					608,453
Miscellaneous					5,910,065
Special and extraordinary items					13,276
Subtotal, General Revenue					313,318,758
Change in Net Position					50,860,002
Net Position - Beginning					249,871,991
Prior Period Adjustment (Note 16)					(191,162)
Net Position - Ending					\$ 300,540,831

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

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2024**

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 135,115,178	\$ 5,131,268	\$ 33,036,540	\$ 65,555,052	\$ 238,838,038
Accounts receivable	15,393,666	58,638	-	8,391,403	23,843,707
Due from other funds	1,085,953	-	-	15,151,072	16,237,025
Inventory	-	-	-	297,035	297,035
Prepaid expenditures	241,154	-	-	37,380	278,534
Total Assets	\$ 151,835,951	\$ 5,189,906	\$ 33,036,540	\$ 89,431,942	\$ 279,494,339
<b>LIABILITIES</b>					
Accounts Payable	\$ 12,468,526	\$ -	\$ -	\$ 3,830,996	\$ 16,299,522
Due to other funds	7,172,716	5,189,906	-	3,874,403	16,237,025
Unearned revenue	2,181,711	-	-	633,658	2,815,369
Total Liabilities	21,822,953	5,189,906	-	8,339,057	35,351,916
<b>FUND BALANCES</b>					
Nonspendable	256,153	-	-	363,291	619,444
Restricted	50,022,732	-	33,036,540	75,406,062	158,465,334
Committed	32,000,000	-	-	3,530,171	35,530,171
Assigned	4,190,507	-	-	1,793,361	5,983,868
Unassigned	43,543,606	-	-	-	43,543,606
Total Fund Balances	130,012,998	-	33,036,540	81,092,885	244,142,423
Total Liabilities and Fund Balances	\$ 151,835,951	\$ 5,189,906	\$ 33,036,540	\$ 89,431,942	\$ 279,494,339

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

---

Total Fund Balances - Governmental Funds \$ 244,142,423

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation/amortization:

Capital assets not being depreciated and being depreciated, gross	\$ 755,063,708	
Right-of-use assets being amortized, gross	15,029,091	
Accumulated depreciation	(265,618,259)	
Accumulated amortization	(2,436,071)	502,038,469

Deferred outflows related to debt refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, where as this amount is deferred and amortized in the government-wide financial statements:

5,339,805

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was:

(1,858,506)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	182,218,137	
Certificates of participation	20,360,000	
Unamortized debt premiums	8,744,997	
Unamortized debt discounts	(239,581)	
Leases	11,033,504	
Subscription-based IT arrangements	2,209,716	
Net pension liability	282,153,719	
Net OPEB liability	26,828,997	
Compensated absences	597,731	(533,907,220)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, defered outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows related to pensions	92,569,320	
Deferred inflows related to pensions	(13,660,297)	78,909,023

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):

In governmental funds, defered outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows related to OPEB	8,711,700	
Deferred inflows related to OPEB	(2,834,863)	5,876,837

Total Net Position - Governmental Activities \$ 300,540,831

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
LCFF sources	\$ 261,182,668	\$ -	\$ -	\$ 3,530,171	\$ 264,712,839
Federal sources	20,987,124	-	-	9,814,127	30,801,251
Other state sources	33,411,023	5,067,731	120,469	27,366,366	65,965,589
Other local sources	35,468,068	-	25,633,594	22,566,995	83,668,657
Total Revenues	351,048,883	5,067,731	25,754,063	63,277,659	445,148,336
<b>EXPENDITURES</b>					
Current					
Instruction	212,289,184	-	-	7,543,823	219,833,007
Instruction-related services					
Instructional supervision and administration	7,782,797	-	-	516,957	8,299,754
Instructional library, media, and technology	2,429,818	-	-	-	2,429,818
School site administration	19,541,139	-	-	253,530	19,794,669
Pupil services					
Home-to-school transportation	7,129,873	-	-	-	7,129,873
Food services	-	-	-	14,933,108	14,933,108
All other pupil services	26,057,399	-	-	156,457	26,213,856
General administration					
Centralized data processing	4,528,682	-	-	-	4,528,682
All other general administration	15,742,258	-	-	1,948,505	17,690,763
Plant services	32,932,020	-	-	352,523	33,284,543
Facilities acquisition and maintenance	1,258,058	-	-	29,330,812	30,588,870
Ancillary services	3,985,102	-	-	5,114,387	9,099,489
Community services	159,827	-	-	4,547,578	4,707,405
Enterprise activities	-	-	-	246,953	246,953
Debt service					
Principal	315,000	-	1,107,000	330,000	1,752,000
Interest and other	46,266	-	20,621,431	710,163	21,377,860
Total Expenditures	334,258,950	-	21,728,431	66,150,700	422,138,081
Excess/(Deficiency) of Revenues					
Over Expenditures	16,789,933	5,067,731	4,025,632	(2,873,041)	23,010,255
<b>OTHER FINANCING SOURCES/(USES)</b>					
Other sources	-	-	552	13,131	13,683
Transfers in	-	-	-	11,350,593	11,350,593
Transfers out	(5,900,000)	(5,067,731)	-	(382,862)	(11,350,593)
Net Financing Sources/(Uses)	(5,900,000)	(5,067,731)	552	10,980,862	13,683
<b>NET CHANGES IN FUND BALANCE</b>					
Fund Balance - Beginning	119,123,065	-	4,026,184	8,107,821	23,023,938
Fund Balance - Ending	\$ 130,012,998	\$ -	\$ 33,036,540	\$ 81,092,885	\$ 244,142,423

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

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

---

Net Changes in Fund Balances - Governmental Funds \$ 23,023,938

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 28,998,572	
Depreciation expense:	(17,728,239)	
Amortization expense (leased assets):	(782,592)	
Amortization expense (subscription-based IT assets):	<u>(636,011)</u>	9,851,730

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

18,097,111

Deferred outflows related to debt refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amount on refunding during the period was:

(593,092)

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(407)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

73,869

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(3,437,185)

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

---

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (25,770)

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 1,460,867

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was: (866,986)

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: 2,031,227

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 1,244,700

Change in Net Position of Governmental Activities	\$ 50,860,002
---	---------------

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 FIDUCIARY FUND  
 STATEMENT OF NET POSITION  
 JUNE 30, 2024**

---

	Custodial Funds
ASSETS	
Cash and equivalents	\$ 25,227,280
Total Assets	<u>25,227,280</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	25,227,280
Total Net Position	<u>\$ 25,227,280</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 FIDUCIARY FUND  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2024**

---

	Custodial Funds
Additions	
Investment earnings	
Special tax assessment	\$ 21,873,411
Interest	(511,148)
Payments from other governments	779,655
Total Additions	<u>22,141,918</u>
Deductions	
Debt service - principal	6,091,187
Debt service - interest and other	4,101,781
Administrative expense	61,300
Payments to other governments	12,849,911
Total Deductions	<u>23,104,179</u>
Changes in Net Position	(962,261)
Net Position, Beginning of Year	27,184,496
Prior Period Adjustment (Note 16)	(994,955)
Net Position, End of Year	<u>\$ 25,227,280</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

Murrieta Valley Unified School District (the District) was organized on July 1, 1989, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District currently operates eleven elementary schools, four middle schools, three high schools, one continuation school, one independent study school, and one adult school.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Murrieta Valley Unified School District, this includes general operations, food service, and student related activities of the District.

**Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Murrieta Valley Unified School District Educational Facilities Corporation (the Corporation) financial activity is presented in the Governmental Funds financial statements as the Capital Projects Fund for Blended Component Units and the Educational Facilities Corporation Debt Service Fund. Certificates of participation issued by the Corporation are included in the long-term liabilities in the government-wide financial statements. Individually prepared financial statements are not prepared for Educational Facilities Corporation.

The Murrieta Valley Unified School District Community Facilities Districts (CFDs) and Public Financing Authorities (PFAs) financial activity is presented in the Fiduciary Fund financial statements as the Custodial Funds and in the Governmental Funds financial statements as the Capital Project Fund for Blended Component Units. Special Tax Bonds issued by the CFDs and Special Tax Revenue Bonds issued for the PFAs are not included in the long-term liabilities of the Statement of Net Position as they are not obligations of the District. Individually prepared financial statements are not prepared for each of the CFDs.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

**Major Governmental Funds**

**General Fund:** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

**County School Facilities Fund:** This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code Section 17070.10 et seq.*).

**Bond Interest and Redemption Fund:** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code Sections 15125-15262*).

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Non-Major Governmental Funds**

**Special Revenue Funds:** The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund:** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund:** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Child Development Fund:** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund:** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund:** This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Non-Major Governmental Funds, continued**

**Capital Project Funds:** The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by fiduciary funds and trust funds).

- **Building Fund:** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.
- **Capital Facilities Fund:** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620- 17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **Special Reserve Fund for Capital Outlay Projects:** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).
- **Capital Projects Fund for Blended Component Units:** The Capital Projects Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

**Debt Service Funds:** The Debt Service funds are used to account for the accumulation of resources for and the payment of principal and interest on general long-term liabilities.

- **Debt Service Fund:** The Debt Service Fund is used to account for the interest and redemption of principal of Certificates of Participation and Qualified Zone Academy Bonds.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's custodial funds account for the accumulation of resources for the payment of the principal and interest on the Special Tax Bonds issued by the Community Facilities Districts and funds held on behalf of other agencies. The District does not have any trust funds.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental and fiduciary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The custodial fund is presented in a single column on the face of the fiduciary fund statements.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Basis of Accounting - Measurement Focus, continued**

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

**Unearned Revenue** Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

**Cash and Equivalents**

The District's cash and equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, cash and equivalents also include cash in county treasury and state investment pools, which may have investments with original maturities greater one year. Fair values of cash in county treasury and state investment pools are determined by the program sponsor.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Accounts Receivable**

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2024 are deemed fully collectible.

**Prepaid Expenditures**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Inventory**

Inventory consists of expendable food and supplies held for consumption. Inventory is stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the fiduciary funds when consumed rather than when purchased.

**Capital Assets, Right-of-use Assets, Depreciation and Amortization**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$10,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-of-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-of-use asset is amortized each year for the term of the contract or useful life of the underlying asset.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Capital Assets, Right-of-use Assets, Depreciation and Amortization, continued**

The District records the value of right-of-use subscription-based IT assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-of-use subscription-based IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

**Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

**Accounts Payable, Accrued Liabilities and Long-term Liabilities**

All payables, accrued liabilities, interest payable and long-term liabilities are reported in the government-wide and fiduciary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Debt Issuance Costs, Premiums and Discounts**

In the government-wide financial statements and in the fiduciary fund type financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities or fiduciary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

**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 California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability/(asset) attributable to the governmental activities will be paid primarily by the General Fund.

**Leases**

The District recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

**Subscriptions**

The District recognizes a subscription liability and an intangible right-of-use subscription-based IT asset in the government-wide financial statements. The District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 5 years.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

**Spending Order Policy**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District 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.

**Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. For a District this size, the policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and deferred charges on refunding bonds that are attributable capital activity. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$158,465,334 of restricted net position, of which is restricted by enabling legislation.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Interfund transfers are eliminated in the governmental activities column of the statement of activities.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Riverside bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**Budgetary Data**

The budgetary process is prescribed by provisions of the *California Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Budgetary Data, continued**

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

**Adoption of New Accounting Standards**

The following GASB Pronouncements were adopted by the District during the year ending June 30, 2024:

**GASB Statement No. 100** – In June 2022, GASB issued GASB Statement No. 100 which focuses on accounting changes and error corrections, providing clarity and guidance on how these should be handled in financial statements. It aims to improve the consistency and transparency of reporting such changes. This statement is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**Upcoming GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

**GASB Statement No. 101** – In June 2022, GASB issued GASB Statement No. 101 which addresses compensated absences, revising the recognition and measurement of liabilities related to employee leave benefits. It aims to standardize how these liabilities are reported across different governmental entities. This statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

**GASB Statement No. 102** – In June 2022, GASB issued GASB Statement No. 102 which pertains to the disclosure of noncurrent liabilities, including guidance on how these liabilities should be presented in financial statements to enhance the relevance and comparability of the information. This statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

**GASB Statement No. 103** – In June 2022, GASB issued GASB Statement No. 103 which introduces changes to the presentation model for business-type activities (BTAs). It revises the required sections and subtotals in financial statements, particularly affecting the presentation of operating and nonoperating activities. One significant change is the separate identification of noncapital subsidies within nonoperating activities. This statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 2 – CASH AND EQUIVALENTS**

**Summary of Cash and Equivalents**

Cash and equivalents as of June 30, 2024, are classified in the accompanying financial statements and consist of the following:

	Governmental Activities	Fiduciary Funds	Total
Cash in county treasury	\$ 218,566,620	\$ -	\$ 218,566,620
FMV adjustment to cash in county	(2,455,033)	-	(2,455,033)
Cash on hand and in banks	9,226,088	-	9,226,088
Cash with fiscal agent	12,933,234	-	12,933,234
Cash in revolving fund	43,876	-	43,876
Cash awaiting deposit	523,253	-	523,253
Investments	-	25,227,280	25,227,280
Total	\$ 238,838,038	\$ 25,227,280	\$ 264,065,318

**Policies and Practices**

The District is authorized under Governing Board Policy 3430 to make direct investments in the County Investment Pool; local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; commercial paper, and certificates of deposit placed with commercial banks and/or savings and loan companies.

*Cash in County Treasury* - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District’s investment in the Pool is reported in the accounting financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 2 – CASH AND EQUIVALENTS, continued**

**General Authorizations**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**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. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by primarily investing in the Riverside County Treasury Investment Pool.

**Weighted Average Maturity**

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity
Money Market Mutual Funds	\$ 38,160,514	365 days
County Investment Pool	216,111,587	462 days
Total	\$ 254,272,101	

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 2 – CASH AND EQUIVALENTS, continued**

**Credit Risk**

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 the *California Government Code*, the District’s investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Rating	Rating Agency	Amount
Money Market Mutual Funds	Aaa-mf	Not Applicable	\$ 38,160,514
County Investment Pool	Aaa-bf	Not Applicable	216,111,587
			<u>\$ 254,272,101</u>

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, approximately \$10,293,231 of the District’s bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the District.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2024, consisted of inter-governmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government				
Categorical aid	\$ 9,539,196	\$ -	\$ 4,476,023	\$ 14,015,219
State Government				
Categorical aid	704,753	-	712,892	1,417,645
Lottery	1,457,388	-	-	1,457,388
LCFF	3,513	-	-	3,513
Local Government				
Interest	1,499,780	58,638	547,059	2,105,477
Other local sources	2,189,036	-	2,655,429	4,844,465
Total	<u>\$ 15,393,666</u>	<u>\$ 58,638</u>	<u>\$ 8,391,403</u>	<u>\$ 23,843,707</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 – CAPITAL ASSETS AND RIGHT-OF-USE ASSETS**

Capital assets and right-of-use assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Adjustments	Adjusted Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<i>Governmental Activities</i>						
Capital assets not being depreciated						
Land	\$ 36,041,932	\$ -	\$ 36,041,932	\$ -	\$ -	\$ 36,041,932
Construction in progress	6,305,953	-	6,305,953	16,199,143	312,483	22,192,613
Total Capital Assets not Being Depreciated	42,347,885	-	42,347,885	16,199,143	312,483	58,234,545
Capital assets being depreciated						
Land improvements	81,920,278	-	81,920,278	3,375,985	575	85,295,688
Buildings	583,280,803	-	583,280,803	3,399,579	-	586,680,382
Furniture and equipment	19,618,033	-	19,618,033	6,336,348	1,101,288	24,853,093
Total Capital Assets Being Depreciated	684,819,114	-	684,819,114	13,111,912	1,101,863	696,829,163
Total Capital Assets	727,166,999	-	727,166,999	29,311,055	1,414,346	755,063,708
Less Accumulated Depreciation						
Land improvements	29,585,122	-	29,585,122	4,184,538	168	33,769,492
Buildings	206,111,549	-	206,111,549	12,348,137	-	218,459,686
Furniture and equipment	13,294,805	-	13,294,805	1,195,564	1,101,288	13,389,081
Total Accumulated Depreciation	248,991,476	-	248,991,476	17,728,239	1,101,456	265,618,259
Capital Assets, net	478,175,523	-	478,175,523	11,582,816	312,890	489,445,449
Right-of-use assets being amortized						
Leased assets - buildings	6,997,158	755,402	7,752,560	3,769,453	-	11,522,013
Leased assets - equipment	-	-	-	688,696	-	688,696
Subscription-based IT assets	657,817	-	657,817	2,244,640	84,075	2,818,382
Right-of-use Assets Being Amortized	7,654,975	755,402	8,410,377	6,702,789	84,075	15,029,091
Less Accumulated Amortization						
Leased assets - buildings	1,789,659	(851,197)	938,462	667,809	-	1,606,271
Leased assets - equipment	-	-	-	114,783	-	114,783
Subscription-based IT assets	163,081	-	163,081	636,011	84,075	715,017
Total Accumulated Amortization	1,952,740	(851,197)	1,101,543	1,418,603	84,075	2,436,071
Right-of-use Assets, net	5,702,235	1,606,599	7,308,834	5,284,186	-	12,593,020
Capital Assets and Right-of-use Assets, net	\$ 483,877,758	\$ 1,606,599	\$ 485,484,357	\$ 16,867,002	\$ 312,890	\$ 502,038,469

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 5 – INTERFUND TRANSACTIONS**

**Interfund Receivables/(Payables) or Due To/(Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Due To	Due From		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 7,172,716	\$ 7,172,716
County School Facilities Fund	-	5,189,906	5,189,906
Non-Major Governmental Funds	1,085,953	2,788,450	3,874,403
Total	\$ 1,085,953	\$ 15,151,072	\$ 16,237,025

Due to the General Fund from the Adult Education for cal-card expenditures and indirect costs.	\$	21,635
Due to the General Fund from the Child Development Fund for payroll, inter-program charges, and indirect costs.		704,412
Due to the General Fund from the Cafeteria Special Revenue Fund for inter-program charges and indirect costs.		358,975
Due to the General Fund from the Capital Facilities Fund for cal-card expenses.		931
Due to the Adult Education Fund from the General Fund for payroll expenses.		48
Due to the Child Development Fund from the General Fund for payroll expenses.		11,161
Due to the Cafeteria Special Revenue Fund from the General Fund for payroll expenses.		2,015
Due to the Deferred Maintenance Fund from the General Fund for LCFF transfer for deferred maintenance.		3,530,171
Due to the Building Fund from the General Fund for capital projects.		16,499
Due to the Building Fund from the Capital Facilities Fund for capital projects.		2,786,700
Due to the Capital Facilities Fund from the General Fund for capital projects.		112,822
Due to the Capital Facilities Fund from the County School Facilities Fund for capital projects.		5,189,906
Due to the Special Reserve for Capital Outlay Projects Fund from the General Fund for capital purchases.		3,500,000
Due to the Special Reserve for Capital Outlay Projects Fund from the Capital Facilities Fund for capital projects.		1,750
Total	\$	16,237,025

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 5 – INTERFUND TRANSACTIONS, continued**

**Operating Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Interfund Transfer Out	Interfund Transfer In	
	Non-Major Governmental Funds	Total
General Fund	\$ 5,900,000	\$ 5,900,000
County School Facilities Fund	5,067,731	5,067,731
Non-Major Governmental Funds	382,862	382,862
Total	\$ 11,350,593	\$ 11,350,593

The Adult Education Fund transferred to the Student Activity Special Revenue Fund for summer athletic camps.	\$	33,262
The County School Facilities Fund transferred to the Capital Facilities Fund for state reimbursement project at Murrieta Mesa High School.		5,067,731
The General Fund transferred to the Special Reserve for Capital Outlay Projects Fund for furniture, infrastructure, and technology replacement programs.		5,900,000
The Capital Projects for Blended Component Units Fund transferred to the Capital Facilities Fund for reimbursement of construction costs.		349,600
Total	\$	11,350,593

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Government- Wide	Total Governmental Activities
Payroll and related	\$ 85,311	\$ 237,150	\$ 322,461	\$ -	\$ 322,461
Vendors payable	12,333,215	3,320,767	15,653,982	-	15,653,982
Due to grantor government	50,000	273,079	323,079	-	323,079
Unmatured interest	-	-	-	1,858,506	1,858,506
Total	\$ 12,468,526	\$ 3,830,996	\$ 16,299,522	\$ 1,858,506	\$ 18,158,028

**NOTE 7 – UNEARNED REVENUE**

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	\$ 42,964	\$ 189,467	\$ 232,431
State Government			
Other state sources	2,138,747	444,191	2,582,938
	\$ 2,181,711	\$ 633,658	\$ 2,815,369

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS**

**Summary**

The changes in the District’s long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance		Adjusted			Balance		Due in
	July 1, 2023	Adjustments	Balance July 1, 2023	Additions	Deductions	June 30, 2024	One Year	
Long-Term Liabilities								
General obligation bonds	\$ 195,145,952	\$ -	\$ 195,145,952	\$ 3,437,185	\$ 16,365,000	\$ 182,218,137	\$ 14,390,000	
Certificates of participation	21,005,000	-	21,005,000	-	645,000	20,360,000	640,000	
Unamortized debt premiums	10,003,790	-	10,003,790	-	1,258,793	8,744,997	1,221,063	
Unamortized debt discounts	(253,674)	-	(253,674)	-	(14,093)	(239,581)	(14,093)	
Leases	5,351,238	1,797,761	7,148,999	4,458,149	573,644	11,033,504	757,001	
Subscription-based IT arrangements	478,543	-	478,543	2,244,640	513,467	2,209,716	782,362	
Supplemental early retirement plan	2,031,227	-	2,031,227	-	2,031,227	-	-	
Compensated absences	571,961	-	571,961	25,770	-	597,731	597,731	
<b>Total</b>	<b>\$ 234,334,037</b>	<b>\$ 1,797,761</b>	<b>\$ 236,131,798</b>	<b>\$ 10,165,744</b>	<b>\$ 21,373,038</b>	<b>\$ 224,924,504</b>	<b>\$ 18,374,064</b>	

Payments for bonds associated with general obligation bonds are made in the Bond Interest and Redemption Fund. Payments on certificates of participations are made in the General Fund. Payments for capital leases are made in the Capital Facilities Fund. Payments for compensated absences are typically liquidated in the General Fund and Non-Major Governmental Funds. Payments for the supplemental employee retirement plan are made in the General Fund.

**General Obligation Bonds**

The outstanding general obligation bonded debts are as follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance			Balance June 30, 2024	Due in One Year
					July 1, 2023	Additions	Deductions		
1998 Series A	09/01/98	09/01/23	4.05%-5.30%	\$ 25,999,501	\$ 4,281,087	\$ 108,913	\$ 4,390,000	\$ -	\$ -
1998 Series B	08/29/01	09/01/23	2.25%-5.31%	11,499,326	738,207	21,793	760,000	-	-
Election of 2002, Series A	05/29/03	09/01/27	2.00%-5.12%	11,884,284	725,772	115,653	-	841,425	-
Election of 2006, Series 2008	09/10/08	09/01/33	3.50%-5.70%	24,996,844	46,425,886	3,190,826	1,055,000	48,561,712	3,695,000
Election of 2002, Series 2013*	06/20/13	09/01/29	2.00%-3.50%	15,640,000	1,080,000	-	1,080,000	-	-
Election of 2014, Series 2015 Series 2015*	07/30/15	09/01/44	1.50%-5.11%	38,401,818	5,700,000	-	1,160,000	4,540,000	1,265,000
Series 2016*	07/30/15	09/01/26	2.00%-5.00%	40,090,000	23,895,000	-	5,365,000	18,530,000	5,685,000
Series 2016*	04/27/16	09/01/30	2.00%-3.50%	32,945,000	30,145,000	-	-	30,145,000	-
Election 2014, Series 2017	06/22/17	09/01/46	2.00%-4.00%	6,755,000	1,625,000	-	-	1,625,000	-
Election 2014, Series 2020	01/30/20	09/01/49	2.50%-4.00%	12,000,000	10,610,000	-	1,015,000	9,595,000	60,000
Election 2014, Series 2021	07/28/21	09/01/50	3.01%-4.00%	12,000,000	11,695,000	-	375,000	11,320,000	1,410,000
Series 2021*	07/28/21	09/01/44	0.28%-2.93%	39,955,000	39,225,000	-	1,165,000	38,060,000	2,275,000
Election 2014, Series 2022	07/28/22	09/01/51	4.00%-5.25%	19,000,000	19,000,000	-	-	19,000,000	-
<b>Total</b>				<b>\$ 291,166,773</b>	<b>\$ 195,145,952</b>	<b>\$ 3,437,185</b>	<b>\$ 16,365,000</b>	<b>\$ 182,218,137</b>	<b>\$ 14,390,000</b>

\*Refunding

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued**

**General Obligation Bonds, continued**

**Debt Service Requirements of Maturity**

The general obligation bonds mature as follows:

Fiscal Year	Principal	Interest	Accreted		Total
			Interest		
2025	\$ 12,284,663	\$ 5,148,241	\$ 2,105,337	\$	19,538,241
2026	11,891,710	4,738,712	2,248,290		18,878,712
2027	12,083,661	4,314,100	2,396,339		18,794,100
2028	11,257,421	3,929,699	3,667,580		18,854,700
2029	11,643,884	3,546,374	2,921,116		18,111,374
2030-2034	34,648,866	12,426,146	35,891,134		82,966,146
2035-2039	7,915,000	10,403,247	-		18,318,247
2040-2044	15,425,000	8,833,479	-		24,258,479
2045-2049	19,955,000	6,059,079	-		26,014,079
2050-2052	15,830,000	1,566,523	-		17,396,523
Accreted Interest	29,282,932	-	(29,282,932)		-
<b>Total</b>	<b>\$ 182,218,137</b>	<b>\$ 60,965,600</b>	<b>\$ 19,946,864</b>	<b>\$</b>	<b>263,130,601</b>

**Certificates of Participation**

The outstanding certificates of participation are as follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance			Balance June 30, 2024	Due in One Year
					July 1, 2023	Additions	Deductions		
Series 2012	05/01/12	08/01/27	3.20%	\$ 7,495,000	\$ 2,770,000	\$ -	\$ 515,000	\$ 2,255,000	\$ 535,000
Series 2016*	11/10/16	05/01/41	2.00%-4.00%	19,405,000	18,235,000	-	130,000	18,105,000	105,000
<b>Total</b>				<b>\$ 26,900,000</b>	<b>\$ 21,005,000</b>	<b>\$ -</b>	<b>\$ 645,000</b>	<b>\$ 20,360,000</b>	<b>\$ 640,000</b>

\*Refunding

The annual requirement to amortize certificates of participation as June 30, 2024, are as follows:

*Certificate of Participation Series 2012*

Fiscal Year	Principal	Interest	Total
2025	\$ 535,000	\$ 73,140	\$ 608,140
2026	555,000	54,510	609,510
2027	570,000	35,276	605,276
2028	595,000	10,264	605,264
<b>Total</b>	<b>\$ 2,255,000</b>	<b>\$ 173,190</b>	<b>\$ 2,428,190</b>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued**

**Certificate of Participation, continued**

*Certificate of Participation Series 2016 Refunding*

Fiscal Year	Principal	Interest	Total
2025	\$ 105,000	\$ 660,063	\$ 765,063
2026	270,000	655,863	925,863
2027	280,000	645,063	925,063
2028	155,000	633,863	788,863
2029	135,000	627,663	762,663
2030-2034	2,680,000	3,048,144	5,728,144
2035-2039	10,355,000	2,062,388	12,417,388
2040-2041	4,125,000	231,000	4,356,000
Total	\$ 18,105,000	\$ 8,564,047	\$ 26,669,047

**Leases**

The District has entered into agreements to lease facilities. The District’s liability on lease agreements is summarized below:

Description	Balance		Adjusted			Balance
	July 1, 2023	Adjustments	Balance	Additions	Deductions	
Building - McAlby Unit A	\$ 3,238,769	\$ 1,234,069	\$ 4,472,838	\$ -	\$ 203,083	\$ 4,269,755
Building - McAlby Unit E	1,682,936	563,692	2,246,628	-	82,140	2,164,488
Building - 41840 McAlby Court LLC	-	-	-	3,769,453	51,879	3,717,574
Building - Jefferson Warehouse	429,533	-	429,533	-	124,043	305,490
Vehicle - School Buses	-	-	-	688,696	112,499	576,197
Total	\$ 5,351,238	\$ 1,797,761	\$ 7,148,999	\$ 4,458,149	\$ 573,644	\$ 11,033,504

The District entered an agreement to lease office space and warehouse facilities and vehicles. At June 30, 2024, the District has recognized right-of-use leased assets, net of accumulated amortization, of \$10,489,655 and lease liabilities of \$11,033,504 related to these agreements. During the fiscal year, the district recorded \$782,592 in amortization expense. The district is required to make annual principal and interest payments through June 2044. The District used a discount rate ranges from 2.426% to 3.314%, based on the District’s borrowing rate.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued**

**Leases, continued**

The leases have minimum lease payments as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 757,001	\$ 328,737	\$ 1,085,738
2026	800,018	306,920	1,106,938
2027	598,370	285,681	884,051
2028	488,599	270,301	758,900
2029	523,071	254,802	777,873
2030-2034	3,185,157	1,001,854	4,187,011
2035-2039	3,360,075	455,890	3,815,965
2040-2044	1,321,213	104,724	1,425,937
Total	\$ 11,033,504	\$ 3,008,909	\$ 14,042,413

**Supplemental Employee Retirement Plan (SERP)**

The District offered an early retirement incentive to qualified employees under a qualified plan of Section 401 A of the Internal Revenue Code. This benefit is paid out annually to the retiree in equal installments annually for a period up to five year. Currently, there are 170 employees participating in the plan and the District paid all obligations for those retirees as of June 30, 2024.

**Compensated Absences**

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2024, amounted to \$597,731.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued**

**Subscription-Based Information Technology Arrangements (SBITAs)**

The District entered into six SBITA contracts for the use of digital curriculum software, lease management, platform as a service, and safety software. At June 30, 2024, the District has recognized right-of-use subscription-based IT assets, net of accumulated amortization, of \$2,103,365 and SBITA liabilities of \$2,209,716 related to these agreements. During the fiscal year, the District recorded \$626,011 in amortization expense. The District is required to make annual principal and interest payments through June 2031. The subscriptions have an interest rate ranges from 2.024% to 3.238%, based on the District’s borrowing rate.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 782,362	\$ 58,039	\$ 840,401
2026	685,609	37,395	723,004
2027	519,763	19,047	538,810
2028	213,919	5,941	219,860
2029	3,979	217	4,196
2030-2031	4,084	110	4,194
<b>Total</b>	<b>\$ 2,209,716</b>	<b>\$ 120,749</b>	<b>\$ 2,330,465</b>

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB)**

For the fiscal year ended June 30, 2024, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 25,821,079	\$ 9,842,043	\$ 2,834,863	\$ (1,991,352)
Medicare Premium Payment (MPP) Program	1,007,918	-	-	75,429
<b>Total</b>	<b>\$ 26,828,997</b>	<b>\$ 9,842,043</b>	<b>\$ 2,834,863</b>	<b>\$ (1,915,923)</b>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The District’s governing board administers the OPEB Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Plan Membership**

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive employees receiving benefits	143
Participating active employees	2,202
	<u>2,345</u>

**Benefits Provided**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The District’s governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

	Classified	Certificated
Benefit types provided	Medical, Dental, & Vision	Medical, Dental, & Vision
Duration of benefits	To age 65	To age 65
Required services	15 years	15 years
Minimum age	55	5
Dependent coverage	Yes	Yes
District contribution	100%	100%
District cap	Lowest cost employee only HMO premium	Lowest cost employee only HMO premium

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**District Plan, continued**

**Contributions**

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Murrieta Educators Association (MEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, MEA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2024, the District paid \$1,114,050 in benefits.

**Total OPEB Liability of the District**

The District's total OPEB liability/(asset) of \$25,821,079 was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the total OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2024.

**Actuarial Assumptions**

The total OPEB liability/(asset) in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement, unless otherwise specified:

Valuation date	June 30, 2024
Measurement date	June 30, 2024
Census data	The census was provided by the District
Actuarial cost methods	Entry age
Inflation rate	2.50%
Discount rate	3.93%
Healthcare cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**District Plan, continued**

**Changes in the Net OPEB Liability/(Asset)**

	Increase/(Decrease)		
	Total OPEB Liability/(Asset)	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023	\$ 17,619,686	\$ -	\$ 17,619,686
Changes for the year:			
Service cost	923,265	-	923,265
Interest	639,637	-	639,637
Employer contributions	-	1,114,050	(1,114,050)
Difference between expected and actual experience	7,547,859	-	7,547,859
Changes of assumptions	204,682	-	204,682
Expected benefit payments	(1,114,050)	(1,114,050)	-
Net change	8,201,393	-	8,201,393
Balance June 30, 2024	\$ 25,821,079	\$ -	\$ 25,821,079

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate**

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	Current Discount Rate		
	1% Decrease (2.93%)	(3.93%)	1% Increase (4.93%)
Net OPEB liability/(asset)	\$ 27,598,995	\$ 25,821,079	\$ 24,136,865

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate**

The following presents the net OPEB liability/(asset) of the District, as well as what the District's total OPEB liability/(asset) would be if it were calculated using healthcare cost trend rate that are one percent lower or higher than the current healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease (3.00%)	(4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	\$ 23,213,886	\$ 25,821,079	\$ 28,857,272

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**District Plan, continued**

**OPEB Expense/(Benefit), Deferred Outflows of Resource, and Deferred Inflows of Resources Related to OPEB**

At June 30,2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,350,267	\$ -
Change in assumptions	361,433	2,834,863
Total	\$ 8,711,700	\$ 2,834,863

For the year ended June 30, 2024, the District recognized OPEB expense/(benefit) of \$(1,991,352). Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 493,563
2026	493,563
2027	493,563
2028	493,563
2029	493,563
Thereafter	3,409,022
Total	\$ 5,876,837

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**Medicare Premium Payment (MPP) Program**

**Plan Description**

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

**Contributions**

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with *California Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**Medicare Premium Payment (MPP) Program, continued**

**Net OPEB Liability/(Asset) and OPEB Expense/(Benefit)**

At June 30, 2024, the District reported a liability of \$1,007,918 for its proportionate share of the net OPEB liability/(asset) for the MPP Program. The net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB liability/(asset) was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3322 % and 0.3289%, resulting in a net increase in the proportionate share of 0.0033%.

For the year ended June 30, 2024, the District recognized OPEB expense/(benefit) of \$75,429.

**Actuarial Methods and Assumptions**

The June 30, 2024 net OPEB liability/(asset) was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the net OPEB liability/(asset) to June 30, 2023, using the assumptions listed in the following table:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.65%
Medicare Part A Premium	
Cost Trend Rate*	4.50%
Medicare Part B Premium	
Cost Trend Rate*	5.40%
Mortality Rate Table*	Derived Using CalSTRS’ Membership Data

\*The assumed increase in the Medicare Part A and Part B Cost Trend Rates vary by year; however, the increases are approximately equivalent to a 4.5% and 5.4% increase each year for Medicare Part A and Part B, respectively.

The discount rate was based on the Bond Buyer 20-Bond GO Index from Bondbuyer.com.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued**

**Medicare Premium Payment (MPP) Program, continued**

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net OPEB liability/(asset) calculated using the current discount rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB Liability/(Asset)	\$ 1,095,401	\$ 1,007,918	\$ 931,852

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Medicare Costs Trend Rates**

The following presents the District’s proportionate share of the net OPEB liability/(asset) calculated using the Medicare costs trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

	1% Decrease (3.50% Part A and 4.40% Part B)	Healthcare Cost Trend Rate (4.50% Part A and 5.40% Part B)	1% Increase (5.50% Part A and 6.40% Part B)
Net OPEB Liability/(Asset)	\$ 927,384	\$ 1,007,918	\$ 1,098,839

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 10 – NON-OBLIGATORY DEBT**

Non-obligatory debt relates to debt issuances by the Community Facilities Districts and the Public Financing Authorities, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District 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 District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bond holders, and may initiate foreclosure proceedings. Special assessment debt of \$99,705,000 as of June 30, 2024, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

Fiscal Year	Principal	Interest	Total
Ending June 30,			
2025	\$ 5,735,000	\$ 3,838,113	\$ 9,573,113
2026	5,720,000	3,607,134	9,327,134
2027	5,985,000	3,367,210	9,352,210
2028	6,215,000	3,115,896	9,330,896
2029	6,520,000	2,852,513	9,372,513
2030-2034	31,600,000	10,075,414	41,675,414
2035-2039	21,025,000	4,638,533	25,663,533
2040-2044	9,015,000	2,374,838	11,389,838
2045-2049	6,715,000	725,609	7,440,609
2050-2052	1,175,000	58,100	1,233,100
Total	\$ 99,705,000	\$ 34,653,360	\$ 134,358,360

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 – FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Revolving cash	\$ 15,000	\$ -	\$ 28,876	\$ 43,876
Stores inventory	-	-	297,035	297,035
Prepaid expenditures	241,153	-	37,380	278,533
Total non-spendable	256,153	-	363,291	619,444
<b>Restricted</b>				
Legally restricted programs	42,558,404	-	9,088,337	51,646,741
Debt service	-	33,036,540	28,545	33,065,085
Capital projects	3,393,208	-	49,844,484	53,237,692
Child nutrition	1,047,053	-	13,975,194	15,022,247
Student activity funds	-	-	2,469,502	2,469,502
Other restrictions	3,024,067	-	-	3,024,067
Total restricted	50,022,732	33,036,540	75,406,062	158,465,334
<b>Committed</b>				
Other commitments	32,000,000	-	3,530,171	35,530,171
Total committed	32,000,000	-	3,530,171	35,530,171
<b>Assigned</b>				
Medi-Cal Administrative Activities (MAA)	698,850	-	-	698,850
One-Time funds for outstanding mandates	215,995	-	-	215,995
Donations	937,780	-	-	937,780
Site discretionary program awards□	304,539	-	-	304,539
Attendance programs	84,913	-	-	84,913
Insurance claims	4,863	-	-	4,863
Site facilities use agreements	340,645	-	-	340,645
Athletics and band support	91,591	-	-	91,591
Other grants	19,652	-	-	19,652
Special projects	264,102	-	-	264,102
Community engagement initiative	98,729	-	-	98,729
Unified sports	20,049	-	-	20,049
Non-resident student fees	1,108,799	-	-	1,108,799
Other assignments	-	-	1,793,361	1,793,361
Total assigned	4,190,507	-	1,793,361	5,983,868
<b>Unassigned</b>				
Reserve for economic uncertainties	10,204,769	-	-	10,204,769
Remaining unassigned	33,338,837	-	-	33,338,837
Total unassigned	43,543,606	-	-	43,543,606
Total	\$ 130,012,998	\$ 33,036,540	\$ 81,092,885	\$ 244,142,423

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District is self-insured through a pooled joint powers authority (JPA) mechanism for Property damage with coverage up to a maximum of \$250 million and Liability coverage up to a maximum of \$50 million. The District is similarly self-insured through a pooled workers compensation JPA mechanism with coverage up to \$155 million. The District makes available health insurance benefits to all staff through a pooled JPA mechanism, contributing up to an annual cap per year per employee toward those benefits with the employee paying the balance, if any.

**Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with Riverside Schools Insurance Authority (RSIA) for property and liability insurance coverage. Currently the JPA pools for the first \$50,000 of liability coverage and the first \$25,000 of property coverage. RSIA provides hazardous materials inventories, public records request act direction and other services for its members. Southern California Regional Liability Excess Fund (SCR) provides property and liability coverage to schools, county offices of education and special educational agencies located in Southern California. SCR members pool for the first \$1,000,000 of liability coverage and then purchases/risk transfers coverage for \$50,000,000 excess of \$1,000,000 through the Schools Association For Excess Risk (SAFER). SCR members pool for the first \$250,000 of property coverage and risk transfers/purchases property coverage for \$250,000,000 excess of \$250,000 from the Schools Association For Excess Risk. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

For fiscal year 2024, the District participated in the Riverside Schools' Risk Management Authority (RSRMA), a workers' compensation coverage purchasing pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants. RSRMA, in turn, pools for workers' compensation coverage through their membership in the Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk sharing pool. Pooling in this manner allows the member districts and joint powers authorities to take advantage of increased purchasing power and greater spread of risk. As a member of PIPS, RSRMA is assigned a rate based on the JPA's overall payroll and loss experience compared to the other members within PIPS. Each participant in RSRMA pays its workers' compensation premium based on its individual rate which is weighted based on their payroll and loss experience within RSRMA. This arrangement insures that each participant shares equally in the overall performance of RSRMA. Participation in RSRMA is limited to districts that can meet the selection criteria. The District also participates in the RSRMA Safety Credit Program to mitigate its Workers' Compensation Claims experience. As of June 30, 2024, the District had a balance of \$2,580,751 available for use pursuant to RSRMA Safety Credit Program guidelines.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 12 – RISK MANAGEMENT, continued**

**Employee Medical Benefits**

The District is a member of the Regional Employer/Employee Partnership (REEP) to provide employee health benefits. REEP is a shared risk pool comprised of various school districts. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 171,034,436	\$ 53,011,980	\$ 11,279,055	\$ 25,305,040
CalPERS	111,119,283	39,557,340	2,381,242	18,307,764
Total	\$ 282,153,719	\$ 92,569,320	\$ 13,660,297	\$ 43,612,804

The details of each plan are as follows:

**California State Teachers’ Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the State Teachers Retirement Plan (STRP) administered by the CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California State Teachers’ Retirement System (CalSTRS), continued**

**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members’ final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

**Contributions**

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District’s total contributions were \$28,825,561.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California State Teachers’ Retirement System (CalSTRS), continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 171,034,436
State's proportionate share of the net pension liability associated with the District	81,948,889
Total	<u>\$ 252,983,325</u>

The net pension liability was measured as of June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.2246 percent and 0.2191 percent, resulting in a increase of 0.0055 percent in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of \$25,305,040. In addition, the District recognized pension expense and revenue of \$1,190,051 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 723,562	\$ -
Differences between expected and actual experience	13,441,452	9,148,965
Changes in assumptions	990,351	-
Net changes in proportionate share of net pension liability	9,031,054	2,130,090
District contributions subsequent to the measurement date	28,825,561	-
Total	<u>\$ 53,011,980</u>	<u>\$ 11,279,055</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California State Teachers’ Retirement System (CalSTRS), continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued**

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (3,368,586)
2026	(6,386,737)
2027	16,497,930
2028	2,220,994
2029	1,703,521
Thereafter	2,240,242
Total	<u>\$ 12,907,364</u>

**Actuarial Methods and Assumptions**

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount Rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California State Teachers’ Retirement System (CalSTRS), continued**

**Actuarial Methods and Assumptions, continued**

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	100%	

\*20-year average. Real rates of return of net of assumed 2.75% inflation.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California State Teachers’ Retirement System (CalSTRS), continued**

**Discount Rate, continued**

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 286,896,619	\$ 171,034,436	\$ 74,797,389

**California Public Employees Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**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 service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 55 (or 62 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California Public Employees Retirement System (CalPERS), continued**

**Benefits Provided, continued**

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$16,248,110.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$111,119,283. The net pension liability was measured as of June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.3070 percent and 0.3075 percent, resulting in a net decrease in the proportionate share of 0.0005 percent.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California Public Employees Retirement System (CalPERS), continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions, continued**

For the year ended June 30, 2024, the District recognized pension expense of \$18,307,764. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 11,869,127	\$ -
Differences between expected and actual experience	4,055,057	1,706,629
Changes in assumptions	5,119,221	-
Net changes in proportionate share of net pension liability	2,265,825	674,613
District contributions subsequent to the measurement date	16,248,110	-
Total	\$ 39,557,340	\$ 2,381,242

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 5,991,368
2026	4,921,956
2027	9,657,376
2028	357,288
Total	\$ 20,927,988

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California Public Employees Retirement System (CalPERS), continued**

**Actuarial Methods and Assumptions**

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount Rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table 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.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity Capital-weighted	30%	4.54%
Global Equity Noncapital-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

\*An expected inflation of 2.30% used for this period.

\*\*Figures are based on the 2021-22 Asset Liability Management study.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024**

---

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued**

**California Public Employees Retirement System (CalPERS), continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 160,649,760	\$ 111,119,283	\$ 70,183,470

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$13,107,606. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**Tax Deferred Annuity/Social Security**

As established by Federal law, all public sector employees who are not members of their employer’s existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee’s gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

The District also contributes to the 403(b) and 457(b) Tax Deferred Annuity Plans, which are defined contribution pension plans. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual’s account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant’s account, the returns earned on investments of those contributions, and forfeitures of other participants’ benefits that may be allocated to such participant’s account.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

**NOTE 15 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS**

The District is a member of the Riverside Schools Insurance Authority (RSIA), Riverside Schools Risk Management Authority (RSRMA), and Regional Employer/Employee Partnership (REEP) public entity risk pools. The District pays an annual premium to each entity for its property and liability, workers' compensation, medical, vision, dental, and life insurance coverage. The relationships between the District, the pools, and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2024, the District made payments of \$2,444,536, \$2,964,543, and \$26,715,111, to RSIA, RSRMA, and REEP, respectively, for its property liability, workers' compensation, and health coverage.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE 16 – PRIOR PERIOD ADJUSTMENTS**

The restatement in governmental activities was made to account for the McAlby Court Unit A & E lease terms, which include incremental increases based on the Consumer Price Index (CPI), in accordance with GASB 87. As a result, the lease liability was understated by \$1,797,761, and the right-of-use leased asset, net of accumulated amortization, was understated by \$1,606,599, leading to a net reduction in the beginning balance of \$191,162.

	Governmental	
	Activites	Custodial Funds
Net Position - Beginning, as previously reported at June 30, 2023	\$ 249,871,991	\$ 27,184,496
Prior Period Adjustments:		
Overstatement of investments held with custodian	-	(994,955)
Understatement of right-of-use leased assets	755,402	-
Overstatement of right-of-use leased assets accumulated amortization	851,197	-
Understatement of lease liability	(1,797,761)	-
Total Prior Period Adjustments	(191,162)	(994,955)
Net Position - Beginning, as restated at June 30, 2023	\$ 249,680,829	\$ 26,189,541

A detailed analysis of CFD and PFA activity. In the beginning balance analysis, it was determined that the following adjustments were required to properly state fiduciary investments held with custodian at June 30, 2023:

Reduction to 2014 PFA investment balance	\$ (994,693)
Reduction to 2021PFA investment balance	(266)
Increase in other investment balances due to rounding corrections	4
Total	<u>\$ (994,955)</u>

**NOTE 17 – SUBSEQUENT EVENTS**

On July 23, 2024, the board acted in closed session to authorize the purchase of 25664 Madison Ave, Murrieta CA 92562 ("Promise Church") for \$9,315,000. The district entered into a due diligence period of 120 days and made a \$100,000 deposit via wire transfer on July 30, 2024.

On October 10, 2024, a resolution of the board of directors on the Murrieta Valley Unified School District Public Financing Authority was approved authorizing the execution and delivery of a lease and sublease agreement and related documents and actions related to the purchase of 25664 Madison Ave, Murrieta CA 92562 ("Promise Church").

---

---

**REQUIRED SUPPLEMENTARY INFORMATION**

---

---

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
LCFF sources	\$ 263,800,988	\$ 261,184,241	\$ 261,182,668	\$ (1,573)
Federal sources	21,611,191	20,944,690	20,987,124	42,434
Other state sources	28,183,211	32,076,775	33,411,023	1,334,248
Other local sources	27,156,061	33,658,686	35,468,068	1,809,382
Total Revenues	340,751,451	347,864,392	351,048,883	3,184,491
<b>EXPENDITURES</b>				
Certificated salaries	155,304,098	151,579,572	151,780,584	(201,012)
Classified salaries	58,657,362	56,584,551	56,039,632	544,919
Employee benefits	87,307,044	83,866,784	83,243,850	622,934
Books and supplies	14,586,422	14,607,854	12,944,786	1,663,068
Services and other operating expenditures	31,687,614	30,067,691	28,707,987	1,359,704
Capital outlay	3,751,500	3,285,564	2,198,766	1,086,798
Other outgo				
Excluding transfers of indirect costs	506,201	456,201	422,793	33,408
Transfers of indirect costs	(1,183,096)	(1,081,256)	(1,079,448)	(1,808)
Total Expenditures	350,617,145	339,366,961	334,258,950	5,108,011
Excess/(Deficiency) of Revenues				
Over Expenditures	(9,865,694)	8,497,431	16,789,933	8,292,502
Other Financing Sources/(Uses):				
Transfers out	(2,400,000)	(5,900,000)	(5,900,000)	-
Net Financing Sources/(Uses)	(2,400,000)	(5,900,000)	(5,900,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(12,265,694)	2,597,431	10,889,933	8,292,502
Fund Balance - Beginning	119,123,065	119,123,065	119,123,065	-
Fund Balance - Ending	\$ 106,857,371	\$ 121,720,496	\$ 130,012,998	\$ 8,292,502

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023	2022	2021
Total OPEB liability/(asset)				
Service cost	\$ 923,265	\$ 914,743	\$ 1,147,765	\$ 1,110,326
Interest	639,637	610,087	373,320	382,421
Difference between expected and actual experience	7,547,859	-	1,143,341	-
Changes of assumptions	204,682	(132,994)	(1,513,259)	(448,341)
Benefit payments	(1,114,050)	(1,097,777)	(1,070,013)	(1,255,081)
Net change in total OPEB liability/(asset)	8,201,393	294,059	81,154	(210,675)
Total OPEB liability/(asset), beginning of year	17,619,686	17,325,627	17,244,473	17,455,148
Total OPEB liability/(asset), end of year (a)	\$ 25,821,079	\$ 17,619,686	\$ 17,325,627	\$ 17,244,473
Plan fiduciary net position				
Employer contributions	\$ 1,114,050	\$ 1,097,777	\$ 1,070,013	1,255,081
Benefit payments	(1,114,050)	(1,097,777)	(1,070,013)	(1,255,081)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 25,821,079	\$ 17,619,686	\$ 17,325,627	\$ 17,244,473
Covered payroll <sup>1</sup>	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability/(asset) <sup>1</sup>	N/A	N/A	N/A	N/A
Net OPEB liability/(asset) as a percentage of covered payroll <sup>1</sup>	N/A	N/A	N/A	N/A

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

*Note: In the future, as data becomes available, ten years of information will be presented.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2024**

	2020	2019	2018
Total OPEB liability/(asset)			
Service cost	\$ 1,439,321	\$ 1,331,568	\$ 1,295,930
Interest	616,498	556,093	553,258
Difference between expected and actual experience	958,747	-	-
Changes of assumptions	(2,155,332)	366,351	-
Benefit payments	(597,285)	(566,792)	(544,992)
Net change in total OPEB liability/(asset)	261,949	1,687,220	1,304,196
Total OPEB liability/(asset), beginning of year	17,193,199	15,505,979	14,201,783
Total OPEB liability/(asset), end of year (a)	\$ 17,455,148	\$ 17,193,199	\$ 15,505,979
Plan fiduciary net position			
Employer contributions	\$ 597,285	\$ 566,792	\$ 544,992
Benefit payments	(597,285)	(566,792)	(544,992)
Change in plan fiduciary net position	-	-	-
Fiduciary trust net position, beginning of year	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 17,455,148	\$ 17,193,199	\$ 15,505,979
Covered payroll <sup>1</sup>	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability/(asset) <sup>1</sup>	N/A	N/A	N/A
Net OPEB liability/(asset) as a percentage of covered payroll <sup>1</sup>	N/A	N/A	N/A

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

*Note: In the future, as data becomes available, ten years of information will be presented.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)**  
**– MPP PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

	June 30, 2024	June 30, 2023	June 30, 2022
District's proportion of the net OPEB liability/(asset)	0.3322%	0.3289%	0.3277%
District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 1,007,918	\$ 1,083,347	\$ 1,307,081
District's Covered-Employee Payroll	N/A	N/A	N/A
Plan's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	N/A	N/A	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability/(Asset)	-0.96%	-0.94%	-0.80%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalSTRS					
District's proportion of the net pension liability	0.2246%	0.2191%	0.2180%	0.2135%	0.2147%
District's proportionate share of the net pension liability	\$ 171,034,436	\$ 152,266,666	\$ 99,210,971	\$ 206,925,928	\$ 193,876,835
State's proportionate share of the net pension liability associated with the District	81,948,889	76,254,551	49,919,113	106,670,340	105,772,757
Total	\$ 252,983,325	\$ 228,521,217	\$ 149,130,084	\$ 313,596,268	\$ 299,649,592
District's covered-employee payroll	\$ 137,628,000	\$ 128,781,099	\$ 121,618,570	\$ 117,436,673	\$ 113,802,187
District's proportionate share of the net pension liability as percentage of covered-employee payroll	124%	118%	82%	176%	170%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalPERS					
District's proportion of the net pension liability	0.3070%	0.3075%	0.2985%	0.2917%	0.2936%
District's proportionate share of the net pension liability	\$ 111,119,283	\$ 105,799,166	\$ 60,698,495	\$ 89,511,451	\$ 85,566,262
District's covered-employee payroll	\$ 53,470,185	\$ 47,340,637	\$ 44,025,565	\$ 42,065,849	\$ 41,102,840
District's proportionate share of the net pension liability as percentage of covered-employee payroll	208%	223%	138%	213%	208%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS					
District's proportion of the net pension liability	0.201%	0.194%	0.198%	0.209%	0.189%
District's proportionate share of the net pension liability	\$ 184,263,020	\$ 179,531,862	\$ 160,424,204	\$ 140,719,047	\$ 110,308,530
State's proportionate share of the net pension liability associated with the District	105,499,197	106,209,533	91,326,638	74,424,863	66,609,053
Total	\$ 289,762,217	\$ 285,741,395	\$ 251,750,842	\$ 215,143,910	\$ 176,917,583
District's covered-employee payroll	\$ 108,376,833	\$ 106,363,744	\$ 99,627,036	\$ 96,586,757	\$ 103,962,473
District's proportionate share of the net pension liability as percentage of covered-employee payroll	170%	169%	161%	146%	106%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS					
District's proportion of the net pension liability	0.293%	0.304%	0.300%	0.296%	0.289%
District's proportionate share of the net pension liability	\$ 78,146,289	\$ 72,630,215	\$ 59,154,321	\$ 43,578,380	\$ 32,854,704
District's covered-employee payroll	\$ 39,576,170	\$ 37,881,264	\$ 35,991,779	\$ 33,272,135	\$ 34,228,832
District's proportionate share of the net pension liability as percentage of covered-employee payroll	197%	192%	164%	108%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS – PENSIONS  
FOR THE YEAR ENDED JUNE 30, 2024**

CalSTRS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 28,825,561	\$ 26,286,948	\$ 21,789,762	\$ 19,641,399	\$ 20,081,671
District's contributions in relation to the statutorily required contribution	28,825,561	26,286,948	21,789,762	19,641,399	20,081,671
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 150,919,168	\$ 137,628,000	\$ 128,781,099	\$ 121,618,570	\$ 117,436,673
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.15%	17.10%

  

CalPERS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 16,248,110	\$ 13,565,386	\$ 10,845,740	\$ 9,113,292	\$ 8,295,806
District's contributions in relation to the statutorily required contribution	16,248,110	13,565,386	10,845,740	9,113,292	8,295,806
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 60,899,963	\$ 53,470,185	\$ 47,340,637	\$ 44,025,565	\$ 42,065,849
District's contributions as a percentage of covered-employee payroll	26.68%	25.37%	22.91%	20.70%	19.72%

*Note: In the future, as data becomes available, ten years of information will be presented.*



**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

**Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios**

This schedule presents information on the District's changes in the total OPEB liability/(asset), including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability/(asset). In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The discount rate changed from 3.65 percent to 3.93 percent from the previous valuation.

**Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset) - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB Liability/(Asset) – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation. The Medicare Part A Premium cost trend rate has increased from 4.30 percent to 4.50 percent, while Medicare Part B Premium has decreased from 5.50 percent to 5.40 percent since previous valuation.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES, continued**

**Schedule of the Proportionate Share of the Net Pension Liability**

This schedule presents information on the District’s proportionate share of the net pension liability (NPL), the plans’ fiduciary net position and, when applicable, the State’s proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

**Schedule of Contributions – Pensions**

This schedule presents information on the District’s required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 151,579,572	\$ 151,780,584	\$ 201,012

---

---

## **SUPPLEMENTARY INFORMATION**

---

---

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2024**

---

**ORGANIZATION**

The Murrieta Valley Unified School District was organized on July 1, 1989, and consists of an area comprising approximately 172 square miles. The District operates eleven elementary schools, four middle schools, three high schools, one continuation school, one alternative school of choice, and one adult school. There were no boundary changes during the year.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2024, were as follows:

GOVERNING BOARD		
Name	Office	Term Expires
Paul F. Diffley III	President	November 2024
Nancy Young	Clerk	November 2026
Nicolas Pardue	Member	November 2026
Linda Lunn	Member	November 2024
Julie Vandegrift	Member	November 2024

ADMINISTRATION
Dr. Ward Andrus <i>Superintendent</i>
Darren Daniel <i>Deputy Superintendent</i>
Richard Rideout <i>Assistant Superintendent</i> <i>Human Resources</i>
Faythe Mutchnick-Jayx <i>Assistant Superintendent</i> <i>Educational Services</i>
James L. Whittington, CPA, CFE <i>Chief Financial Officer</i>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through	
		Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13396	\$ 4,330,242
School Breakfast Program	10.553	13525	889,299
School Breakfast Needy	10.553	13526	638,029
National School Lunch Program - Meal Supplements	10.555	13755	47,618
National School Lunch Program Noncash Commodities	10.555	13391	700,276
COVID-19: Supply Chain Assistance (SCA) Funds	10.555	15637	1,335,245
National School Lunch Program Equipment Assistance Grant	10.579	14906	86,379
Total Child Nutrition Cluster			<u>8,027,088</u>
Forest Services Schools and Road Cluster:			
Forest Reserve	10.665	10044	19,354
Total Forest Services Schools and Road Cluster			<u>19,354</u>
Total U.S. Department of Agriculture			<u>8,046,442</u>
U.S. Department of Education:			
<i>Passed Through Riverside County Special Education Local Plan Area</i>			
Special Education Cluster:			
IDEA Local Assistance - Private Schools	84.027	10115	5,920
IDEA Basic Local Assistance	84.027	13379	6,060,375
IDEA Mental Health	84.027A	15197	263,608
IDEA Preschool Grants	84.173	13430	95,769
IDEA Preschool Staff Development	84.173	13431	1,429
Total Special Education Cluster			<u>6,427,101</u>
<i>Passed Through California Department of Education</i>			
Education Stabilization Funds:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	8,037,742
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	2,456,311
ARP Homeless Children and Youth II (ARP HYC II)	84.425W	15566	62,449
Total Education Stabilization Funds			<u>10,556,502</u>
Title I Part A	84.010	14329	2,883,643
Carl D Perkins Career & Technical Education	84.048	14894	153,413
Workability II	84.126	10006	39,999
Title III, Immigrant Student Program	84.365	15146	24,013
Title III, English Learner Student Program	84.365	14346	167,957
Title II, Part A, Supporting Effective Instruction	84.367	14341	509,986
Title IV Student Support & Academic Enrichment	84.424	15396	206,575
Total U.S. Department of Education			<u>20,969,189</u>
U.S. Department of Health and Human Services:			
<i>Passed Through California Department of Health and Human Services</i>			
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	15136	1,410,007
Child Dev: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act- One-time Stipend	93.575	15555	154,805
Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640	7,418
Total Child Care and Development Fund Cluster			<u>1,572,230</u>
Total U.S. Department of health and Human Services			<u>1,572,230</u>
Total Federal Financial Assistance			<u>\$ 30,587,861</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
	Certification No. 7660BB3A	Certification No. E0928886
Regular ADA		
Transitional kindergarten through third	5,640.39	5,657.67
Fourth through sixth	4,456.41	4,454.50
Seventh and eighth	3,247.18	3,240.03
Ninth through twelfth	7,472.46	7,428.53
Total Regular ADA	20,816.44	20,780.73
Extended Year Special Education		
Transitional kindergarten through third	5.51	5.51
Fourth through sixth	2.26	2.26
Seventh and eighth	1.58	1.58
Ninth through twelfth	2.33	2.33
Total Extended Year Special Education	11.68	11.68
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	1.72	1.79
Fourth through sixth	4.23	4.07
Ninth through twelfth	5.83	5.89
Total Special Education, Nonpublic, Nonsectarian Schools	11.78	11.75
Extended Year Special Education - Nonpublic		
Fourth through Sixth	0.23	0.23
Seventh and Eighth	0.11	0.11
Ninth through twelfth	0.57	0.57
Total Extended Year Special Education - Nonpublic	0.91	0.91
ADA Totals	20,840.81	20,805.07

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

---

Grade Level	Minutes Requirement	2023-24	Number of Days		Status
		Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	36,019	180	N/A	Complied
Grade 1	50,400	54,410	180	N/A	Complied
Grade 2	50,400	54,410	180	N/A	Complied
Grade 3	50,400	54,410	180	N/A	Complied
Grade 4	54,000	54,410	180	N/A	Complied
Grade 5	54,000	54,410	180	N/A	Complied
Grade 6	54,000	54,160	180	N/A	Complied
Grade 7	54,000	54,160	180	N/A	Complied
Grade 8	54,000	54,160	180	N/A	Complied
Grade 9	64,800	65,145	180	N/A	Complied
Grade 10	64,800	65,145	180	N/A	Complied
Grade 11	64,800	65,145	180	N/A	Complied
Grade 12	64,800	65,145	180	N/A	Complied

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	\$ 335,108,031	\$ 351,048,883	\$ 357,192,751	\$ 293,059,384
Expenditures and Other Financing Uses	367,399,987	340,158,950	316,016,808	289,654,882
Net Change in Fund Balance	(32,291,956)	10,889,933	41,175,943	3,404,502
Ending Fund Balance	\$ 97,721,042	\$ 130,012,998	\$ 119,123,065	\$ 77,947,122
Available Reserves*	\$ 16,363,842	\$ 43,543,606	\$ 23,971,614	\$ 19,087,840
Available Reserves as a Percentage of Outgo	4.5%	12.8%	7.6%	6.6%
Long-term Debt**	\$ 206,550,440	\$ 224,924,504	\$ 236,131,798	\$ 230,257,121
Average Daily Attendance at P-2	20,778	20,841	20,641	20,722

The General Fund balance has increased by \$52,065,876 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$32,291,956, or 24.84%. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years, but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$5,332,617 over the past two years, not including net OPEB liability and net pension liability.

Average daily attendance has increased by 119 over the past two years. A decline of 63 ADA is anticipated during fiscal year 2024-

\* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

\*\* Amounts do not include net OPEB liability and net pension liability.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

There were no reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

There were no charter schools in the District during fiscal year 2023-24.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non- Major Special Revenue Funds
<b>ASSETS</b>						
Cash and equivalents	\$ 2,711,708	\$ 378,349	\$ 11,871,176	\$ 10,109,727	\$ -	\$ 25,070,960
Accounts receivable	85,976	92,226	773,595	4,525,341	-	5,477,138
Due from other funds	-	48	11,161	2,015	3,530,171	3,543,395
Inventory	118,002	-	-	179,033	-	297,035
Prepaid expenditures	30,503	6,877	-	-	-	37,380
Total Assets	\$ 2,946,189	\$ 477,500	\$ 12,655,932	\$ 14,816,116	\$ 3,530,171	\$ 34,425,908
<b>LIABILITIES</b>						
Accounts Payable	\$ 314,282	\$ 11,180	\$ 1,903,393	\$ 98,471	\$ -	\$ 2,327,326
Due to other funds	-	21,635	704,412	358,975	-	1,085,022
Unearned revenue	-	29,842	414,349	189,467	-	633,658
Total Liabilities	314,282	62,657	3,022,154	646,913	-	4,046,006
<b>FUND BALANCES</b>						
Nonspendable	162,405	6,877	-	194,009	-	363,291
Restricted	2,469,502	46,545	9,041,792	13,975,194	-	25,533,033
Committed	-	-	-	-	3,530,171	3,530,171
Assigned	-	361,421	591,986	-	-	953,407
Total Fund Balances	2,631,907	414,843	9,633,778	14,169,203	3,530,171	30,379,902
Total Liabilities and Fund Balances	\$ 2,946,189	\$ 477,500	\$ 12,655,932	\$ 14,816,116	\$ 3,530,171	\$ 34,425,908

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non- Major Special Revenue Funds
<b>REVENUES</b>						
LCFF sources	\$ -	\$ -	\$ -	\$ -	\$ 3,530,171	\$ 3,530,171
Federal sources	-	-	1,787,039	8,027,088	-	9,814,127
Other state sources	-	387,384	11,039,169	11,821,283	-	23,247,836
Other local sources	5,458,245	311,382	2,892,365	755,251	-	9,417,243
Total Revenues	5,458,245	698,766	15,718,573	20,603,622	3,530,171	46,009,377
<b>EXPENDITURES</b>						
Current						
Instruction	-	87,211	7,456,612	-	-	7,543,823
Instruction-related services						
Instructional supervision and administration	-	-	516,957	-	-	516,957
School site administration	-	238,802	14,728	-	-	253,530
Pupil services						
Food services	-	-	-	14,933,108	-	14,933,108
All other pupil services	-	-	156,457	-	-	156,457
General administration						
All other general administration	-	16,892	703,866	358,691	-	1,079,449
Plant services	-	19,734	78,847	-	-	98,581
Facilities acquisition and maintenance	-	-	427,929	-	-	427,929
Ancillary services	5,114,387	-	-	-	-	5,114,387
Community services	-	-	4,547,578	-	-	4,547,578
Enterprise activities	-	246,953	-	-	-	246,953
Transfers to other agencies	-	-	165,904	-	-	165,904
Total Expenditures	5,114,387	609,592	14,068,878	15,291,799	-	35,084,656
Excess/(Deficiency) of Revenues						
Over Expenditures	343,858	89,174	1,649,695	5,311,823	3,530,171	10,924,721
<b>OTHER FINANCING SOURCES/(USES)</b>						
Transfers in	33,262	-	-	-	-	33,262
Transfers out	-	(33,262)	-	-	-	(33,262)
Total Other Financing Sources/(Uses), net	33,262	(33,262)	-	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>						
Fund Balance - Beginning	2,254,787	358,931	7,984,083	8,857,380	-	19,455,181
Fund Balance - Ending	\$ 2,631,907	\$ 414,843	\$ 9,633,778	\$ 14,169,203	\$ 3,530,171	\$ 30,379,902

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

	Building Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Total Non-Major Capital Projects Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 14,315,923	\$ 10,969,993	\$ 2,264,942	\$ 12,904,689	\$ 40,455,547
Accounts receivable	187,929	2,697,077	29,259	-	2,914,265
Due from other funds	2,803,199	5,302,728	3,501,750	-	11,607,677
<b>Total Assets</b>	<b>\$ 17,307,051</b>	<b>\$ 18,969,798</b>	<b>\$ 5,795,951</b>	<b>\$ 12,904,689</b>	<b>\$ 54,977,489</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,104,251	\$ 324,442	\$ 74,977	\$ -	\$ 1,503,670
Due to other funds	-	2,789,381	-	-	2,789,381
<b>Total Liabilities</b>	<b>1,104,251</b>	<b>3,113,823</b>	<b>74,977</b>	<b>-</b>	<b>4,293,051</b>
<b>FUND BALANCES</b>					
Restricted	16,202,800	15,855,975	4,881,020	12,904,689	49,844,484
Assigned	-	-	839,954	-	839,954
<b>Total Fund Balances</b>	<b>16,202,800</b>	<b>15,855,975</b>	<b>5,720,974</b>	<b>12,904,689</b>	<b>50,684,438</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,307,051</b>	<b>\$ 18,969,798</b>	<b>\$ 5,795,951</b>	<b>\$ 12,904,689</b>	<b>\$ 54,977,489</b>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Building Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Total Non-Major Capital Projects Funds
<b>REVENUES</b>					
Other state sources	\$ -	\$ 1,528,530	\$ 2,590,000	\$ -	\$ 4,118,530
Other local sources	1,434,497	7,427,631	719,373	2,758,508	12,340,009
Total Revenues	1,434,497	8,956,161	3,309,373	2,758,508	16,458,539
<b>EXPENDITURES</b>					
Current					
General administration					
All other general administration	-	869,056	-	-	869,056
Plant services	15,488	60,180	178,274	-	253,942
Facilities acquisition and maintenance	13,643,848	7,878,400	6,600,479	780,156	28,902,883
Debt service					
Principal	-	200,000	-	-	200,000
Interest and other	-	44,900	-	-	44,900
Total Expenditures	13,659,336	9,052,536	6,778,753	780,156	30,270,781
Excess/(Deficiency) of Revenues					
Over Expenditures	(12,224,839)	(96,375)	(3,469,380)	1,978,352	(13,812,242)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Other sources	13,131	-	-	-	13,131
Transfers in	-	5,417,331	5,900,000	-	11,317,331
Transfers out	-	-	-	(349,600)	(349,600)
Total Other Financing Sources/(Uses), net	13,131	5,417,331	5,900,000	(349,600)	10,980,862
<b>NET CHANGES IN FUND BALANCES</b>					
Fund Balance - Beginning	28,414,508	10,535,019	3,290,354	11,275,937	53,515,818
Fund Balance - Ending	\$ 16,202,800	\$ 15,855,975	\$ 5,720,974	\$ 12,904,689	\$ 50,684,438

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

---

	Debt Service for Blended	
	Component Units	Total Non-Major
	Fund	Debt Service Funds
	<hr/>	
ASSETS		
Cash and equivalents	\$ 28,545	\$ 28,545
Total Assets	<hr/> \$ 28,545	<hr/> \$ 28,545
FUND BALANCES		
Restricted	\$ 28,545	\$ 28,545
Total Fund Balances	<hr/> \$ 28,545	<hr/> \$ 28,545

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024**

---

	Debt Service for Blended	
	Component Units Fund	Total Non-Major Debt Service Funds
REVENUES		
Other local sources	\$ 809,743	\$ 809,743
Total Revenues	<u>809,743</u>	<u>809,743</u>
EXPENDITURES		
Debt service		
Principal	130,000	130,000
Interest and other	665,263	665,263
Total Expenditures	<u>795,263</u>	<u>795,263</u>
Excess/(Deficiency) of Revenues		
Over Expenditures	<u>14,480</u>	<u>14,480</u>
NET CHANGES IN FUND BALANCES	14,480	14,480
Fund Balance - Beginning	14,065	14,065
Fund Balance - Ending	<u>\$ 28,545</u>	<u>\$ 28,545</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 25,070,960	\$ 40,455,547	\$ 28,545	\$ 65,555,052
Accounts receivable	5,477,138	2,914,265	-	8,391,403
Due from other funds	3,543,395	11,607,677	-	15,151,072
Inventory	297,035	-	-	297,035
Prepaid expenditures	37,380	-	-	37,380
Total Assets	<u>\$ 34,425,908</u>	<u>\$ 54,977,489</u>	<u>\$ 28,545</u>	<u>\$ 89,431,942</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,327,326	\$ 1,503,670	\$ -	\$ 3,830,996
Due to other funds	1,085,022	2,789,381	-	3,874,403
Unearned revenue	633,658	-	-	633,658
Total Liabilities	<u>4,046,006</u>	<u>4,293,051</u>	<u>-</u>	<u>8,339,057</u>
<b>FUND BALANCES</b>				
Nonspendable	363,291	-	-	363,291
Restricted	25,533,033	49,844,484	28,545	75,406,062
Committed	3,530,171	-	-	3,530,171
Assigned	953,407	839,954	-	1,793,361
Total Fund Balances	<u>30,379,902</u>	<u>50,684,438</u>	<u>28,545</u>	<u>81,092,885</u>
Total Liabilities and Fund Balances	<u>\$ 34,425,908</u>	<u>\$ 54,977,489</u>	<u>\$ 28,545</u>	<u>\$ 89,431,942</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
<b>REVENUES</b>				
LCFF sources	\$ 3,530,171	\$ -	\$ -	\$ 3,530,171
Federal sources	9,814,127	-	-	9,814,127
Other state sources	23,247,836	4,118,530	-	27,366,366
Other local sources	9,417,243	12,340,009	809,743	22,566,995
Total Revenues	46,009,377	16,458,539	809,743	63,277,659
<b>EXPENDITURES</b>				
Current				
Instruction	7,543,823	-	-	7,543,823
Instruction-related services				
Instructional supervision and administration	516,957	-	-	516,957
School site administration	253,530	-	-	253,530
Pupil services				
Food services	14,933,108	-	-	14,933,108
All other pupil services	156,457	-	-	156,457
General administration				
All other general administration	1,079,449	869,056	-	1,948,505
Plant services	98,581	253,942	-	352,523
Facilities acquisition and maintenance	427,929	28,902,883	-	29,330,812
Ancillary services	5,114,387	-	-	5,114,387
Community services	4,547,578	-	-	4,547,578
Enterprise activities	246,953	-	-	246,953
Transfers to other agencies	165,904	-	-	165,904
Debt service				
Principal	-	200,000	130,000	330,000
Interest and other	-	44,900	665,263	710,163
Total Expenditures	35,084,656	30,270,781	795,263	66,150,700
Excess/(Deficiency) of Revenues				
Over Expenditures	10,924,721	(13,812,242)	14,480	(2,873,041)
<b>OTHER FINANCING SOURCES/(USES)</b>				
Other sources	-	13,131	-	13,131
Transfers in	33,262	11,317,331	-	11,350,593
Transfers out	(33,262)	(349,600)	-	(382,862)
Total Other Financing Sources/(Uses), net	-	10,980,862	-	10,980,862
<b>NET CHANGES IN FUND BALANCES</b>				
Fund Balance - Beginning	19,455,181	53,515,818	14,065	72,985,064
Fund Balance - Ending	\$ 30,379,902	\$ 50,684,438	\$ 28,545	\$ 81,092,885

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

**Schedule of Expenditures of Federal Awards**

**Basis of Presentation** – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

**Summary of Significant Accounting Policies** – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate** – The District has not elected to use the ten percent de minimis cost rate.

**Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**Schedule of Instructional Time**

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

**Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES, continued**

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**Schedule of Charter Schools**

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

**Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances**

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

---

---

**OTHER INDEPENDENT AUDITORS' REPORTS**

---

---



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Murrieta Valley Unified School District  
Murrieta, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Murrieta Valley Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
October 25, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Murrieta Valley Unified School District  
Murrieta, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Murrieta Valley Unified School District's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Murrieta Valley Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
October 25, 2024



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees  
Murrieta Valley Unified School District  
Murrieta, California

### Report on Compliance

#### **Opinion on State Compliance**

We have audited Murrieta Valley Unified School District's ("the District") compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted below for the year ended June 30, 2024.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District 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 opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

**Auditors’ Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. 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, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, 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 District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	No
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Yes
P. RESERVED	Not applicable
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Yes

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	No
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

The term Not Applicable is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform testing for continuation education because total reported Average Daily Attendance (ADA) was not material.

We did not perform testing for independent study-course based because total reported Average Daily Attendance (ADA) was not material.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
October 25, 2024

---

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

---

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
JUNE 30, 2024**

---

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	<u>No</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.027, 84.027A, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 917,636</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

*There were no financial statement findings for the year ended June 30, 2024.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

*There were no federal award findings and questioned costs for the year ended June 30, 2024.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

*There were no state award findings or questioned costs for the year ended June 30, 2024.*

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

*There were no findings or questioned costs for the year ended June 30, 2023.*