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MURRIETA VALLEY UNIFIED SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2025

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MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
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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, 2025, and the related notes to 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Budgetary Comparison Information on pages 4-12 and 70 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 November 26, 2025 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.

CWDL, Certified Public Accountants

San Diego, California
November 26, 2025

This section of Murrieta Valley 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, 2025, with comparative information for the fiscal year ended June 30, 2024. 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-to-use leased assets, and right-to-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.

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.

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 $30.12 million over the prior year for a new net position of $330,661,417.
- For 2024-25, the General Fund's revenues and other financing sources totaled $355.03 million and expenditures and other uses totaled $360.91 million.
- The District filed a positive certification with the County Superintendent of Schools for both its First and Second Interim reports in 2024-25.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was $330,661,417 and $300,540,831 for the fiscal years ended June 30, 2025 and 2024, respectively. Of this amount, $(208,549,758) was unrestricted net position/(deficit) at June 30, 2025. 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		
	2025	2024	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$ 304,152,976	$ 263,257,314	$ 40,895,662
Non-current assets	517,531,556	502,038,469	15,493,087
Deferred outflows of resources	102,648,784	106,620,825	(3,972,041)
Total Assets and Deferred Outflows of Resources	924,333,316	871,916,608	52,416,708
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	66,727,712	39,347,461	27,380,251
Non-current liabilities	501,891,568	515,533,156	(13,641,588)
Deferred inflows of resources	25,052,619	16,495,160	8,557,459
Total Liabilities and Deferred Inflows of Resources	593,671,899	571,375,777	22,296,122
NET POSITION			
Net investment in capital assets	371,963,861	357,297,897	14,665,964
Restricted	167,247,314	158,465,334	8,781,980
Unrestricted	(208,549,758)	(215,222,400)	6,672,642
Total Net Position	$ 330,661,417	$ 300,540,831	$ 30,120,586

The $(208,549,758) in unrestricted net position/(deficit) of governmental activities represents the accumulated results of all past years' operations.

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		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	$ 9,966,941	$ 7,490,904	$ 2,476,037
Operating grants and contributions	116,986,727	118,094,168	(1,107,441)
Capital grants and contributions	7,171,351	5,067,731	2,103,620
General revenues			
Property taxes	100,043,042	196,768,274	(96,725,232)
Federal and state aid not restricted for specific purposes	194,168,259	103,241,049	90,927,210
Other	17,127,872	13,309,435	3,818,437
Total Revenues	445,464,192	443,971,561	1,492,631
EXPENSES			
Instruction	223,186,746	220,695,898	2,490,848
Instruction-related services	32,333,881	30,489,106	1,844,775
Pupil services	52,102,272	48,404,941	3,697,331
General administration	22,280,690	22,580,293	(299,603)
Plant services	36,195,932	28,643,137	7,552,795
Ancillary services	9,234,698	9,067,102	167,596
Community services	5,520,862	4,780,236	740,626
Enterprise services	127,379	245,005	(117,626)
Interest on long-term debt	8,432,925	8,831,568	(398,643)
Other outgo	257,222	227,431	29,791
Depreciation (unallocated)	19,412,365	17,728,239	1,684,126
Amortization (unallocated)	2,761,077	1,418,603	1,342,474
Total Expenses	411,846,049	393,111,559	18,734,490
CHANGE IN NET POSITION	33,618,143	50,860,002	(17,241,859)
NET POSITION - BEGINNING	300,540,831	249,871,991	50,668,840
PRIOR PERIOD ADJUSTMENT	(3,497,557)	(191,162)	(3,306,395)
NET POSITION - ENDING	$ 330,661,417	$ 300,540,831	$ 30,120,586

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 $411,846,049. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $100,043,042 because the cost was paid by those who benefited from the programs $9,966,941 or by other governments and organizations who subsidized certain programs with grants and contributions of $116,986,727. We paid for the remaining "public benefit" portion of our governmental activities, $194,168,259 in Federal and State aid, and $17,127,872 in other general revenues, like interest and investment earnings, 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	
	2025	2024	2025	2024
Instruction	$ 223,186,746	$ 220,695,898	$ 152,636,673	$ 152,747,563
Instruction-related services	32,333,881	30,489,106	26,145,638	25,903,661
Pupil services	52,102,272	48,404,941	27,053,719	21,118,016
General administration	22,280,690	22,580,293	19,203,548	19,911,693
Plant services	36,195,932	28,643,137	34,444,196	18,483,045
Ancillary services	9,234,698	9,067,102	3,627,046	3,261,835
Community services	5,520,862	4,780,236	(143,889)	261,204
Enterprise services	127,379	245,005	120,098	236,682
Interest on long-term debt	8,432,925	8,831,568	8,432,925	8,831,568
Other outgo	257,222	227,431	(15,972,366)	(7,443,353)
Depreciation (unallocated)	19,412,365	17,728,239	19,412,365	17,728,239
Amortization (unallocated)	2,761,077	1,418,603	2,761,077	1,418,603
Total	$ 411,846,049	$ 393,111,559	$ 277,721,030	$ 262,458,756

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $260,763,086 (Table 4) in 2025, compared to $244,142,423 in 2024.

Table 4

GOVERNMENTAL FUNDS	January 00, 1900	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2025
General Fund	$ 130,012,998	$ 355,033,481	$ 360,909,439	$ 124,137,040
Student Activity Special Revenue Fund	2,631,907	5,434,198	5,021,006	3,045,099
Adult Education Fund	414,843	476,461	711,134	180,170
Child Development Fund	9,633,778	22,909,534	20,082,575	12,460,737
Cafeteria Special Revenue Fund	14,169,203	19,633,515	17,741,433	16,061,285
Deferred Maintenance Fund	3,530,171	3,804,282	-	7,334,453
Building Fund	16,202,800	689,979	5,213,680	11,679,099
Capital Facilities Fund	15,855,975	17,010,152	7,022,610	25,843,517
County School Facilities Fund	-	7,171,351	7,171,351	-
Special Reserve for Capital Outlay Projects Fund	5,720,974	19,542,099	14,207,542	11,055,531
Capital Project for Blended Component Units Fund	12,904,689	4,177,559	2,314,716	14,767,532
Bond Interest and Redemption Fund	33,036,540	20,454,082	19,333,476	34,157,146
Debt Service for Blended Component Units Fund	28,545	777,995	765,063	41,477
Total Governmental Funds	$ 244,142,423	$ 477,114,688	$ 460,494,025	$ 260,763,086

CAPITAL ASSETS, RIGHT-TO-USE ASSETS AND LONG-TERM LIABILITIES

Capital Assets and Right-to-Use Assets

At June 30, 2025, the District had $517,531,556 in a broad range of capital assets and right-to-use assets (net of depreciation and amortization), including land, construction in progress, land improvements, buildings and improvements, furniture and equipment and right-to-use leased assets and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, amortization, and depreciation) of $15,493,087, or 3.09%, from last year (Table 5).

CAPITAL ASSETS, RIGHT-TO-USE ASSETS AND LONG-TERM LIABILITIES, continued

Capital Assets and Right-to-Use Assets, continued

Table 5

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	$ 39,656,664	$ 36,041,932	$ 3,614,732
Construction in progress	25,253,400	22,192,613	3,060,787
Land improvements	87,582,342	85,295,688	2,286,654
Buildings and improvements	602,062,469	586,680,382	15,382,087
Furniture and equipment	29,158,944	24,853,093	4,305,851
Accumulated depreciation	(285,014,467)	(265,618,259)	(19,396,208)
Right-to-use assets	23,916,219	15,029,091	8,887,128
Accumulated amortization	(5,084,015)	(2,436,071)	(2,647,944)
Total Capital Assets and Right-to-Use Net Assets	$ 517,531,556	$ 502,038,469	$ 15,493,087

This year's additions of $15,785,293 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.

Long-Term Liabilities

At the end of this year, the District had $501,891,568 in outstanding long-term liabilities. The long-term liabilities consisted of:

Table 6

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	$ 170,564,222	$ 182,218,137	$ (11,653,915)
Certificates of participation (COP)	34,720,000	20,360,000	14,360,000
Unamortized debt premiums/(discounts)	7,298,446	8,505,416	(1,206,970)
Lease liability	17,087,722	11,033,504	6,054,218
Subscription-based IT arrangements	2,847,846	2,209,716	638,130
Compensated absences*	4,317,704	4,095,288	222,416
Net pension liability	260,882,529	282,153,719	(21,271,190)
Net OPEB liability	25,694,565	26,828,997	(1,134,432)
Less: long-term liabilities, current portion	(21,521,466)	(18,374,064)	(3,147,402)
Long-term Liabilities, Non-Current Portion	$ 501,891,568	$ 519,030,713	$ (17,139,145)

* As restated

The District presents more detailed information about long-term liabilities other than OPEB and pensions in Note 8 to financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

In considering the District budget for the 2025-26 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 20,591
- LCFF Cost of Living Adjustment of 2.43%
- CalSTRS contribution rate of 19.10%
- Increase of 0.35% to CalPERS contribution rate, 27.05% to 27.40%
- Negotiated salary increases for employee groups
- Step and column increases for employees

Due to the expiration of one-time funds, declining enrollment 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.

FINANCIAL SECTION

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 276,948,980
Accounts receivable	26,326,593
Inventory	391,877
Prepaid expenses	485,526
Total Current Assets	304,152,976
Non-Current Assets	
Capital assets, net	498,699,352
Right-to-use assets, net	18,832,204
Total Non-Current Assets	517,531,556
TOTAL ASSETS	821,684,532
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	4,746,713
Deferred outflows related to OPEB	7,867,435
Deferred outflows related to pensions	90,034,636
TOTAL DEFERRED OUTFLOWS OF RESOURCES	102,648,784
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	40,664,233
Interest payable	1,816,356
Unearned revenue	2,725,657
Long-term debt, current portion	21,521,466
Total Current Liabilities	66,727,712
Non-Current Liabilities	
Net pension liability	260,882,529
Net OPEB liability	25,694,565
Long-term debt, non-current portion	215,314,474
Total Non-Current Liabilities	501,891,568
TOTAL LIABILITIES	568,619,280
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	4,716,995
Deferred inflows related to pensions	20,335,624
TOTAL DEFERRED INFLOWS OF RESOURCES	25,052,619
NET POSITION	
Net investment in capital assets	371,963,861
Restricted	
Educational programs	44,144,334
Debt service	34,198,623
Capital projects	66,032,597
Child nutrition	15,918,556
Student activity funds	2,824,169
Other restrictions	4,129,035
Unrestricted	(208,549,758)
TOTAL NET POSITION	$ 330,661,417

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 223,186,746	$ 461,777	$ 62,916,945	$ 7,171,351	$ (152,636,673)
Instruction-related services					
Instructional supervision and administration	8,562,522	101,127	3,354,428	-	(5,106,967)
Instructional library, media, and technology	2,537,478	-	249,817	-	(2,287,661)
School site administration	21,233,881	173,614	2,309,257	-	(18,751,010)
Pupil services					
Home-to-school transportation	7,718,037	-	-	-	(7,718,037)
Food services	17,658,297	520,189	18,559,473	-	1,421,365
All other pupil services	26,725,938	106,137	5,862,754	-	(20,757,047)
General administration					
Centralized data processing	3,809,279	-	-	-	(3,809,279)
All other general administration	18,471,411	265,292	2,811,850	-	(15,394,269)
Plant services	36,195,932	923,465	828,271	-	(34,444,196)
Ancillary services	9,234,698	-	5,607,652	-	(3,627,046)
Community services	5,520,862	1,122,669	4,542,082	-	143,889
Enterprise services	127,379	-	7,281	-	(120,098)
Interest on long-term debt	8,432,925	-	-	-	(8,432,925)
Other outgo	257,222	6,292,671	9,936,917	-	15,972,366
Depreciation (unallocated)	19,412,365	-	-	-	(19,412,365)
Amortization (unallocated)	2,761,077	-	-	-	(2,761,077)
Total	$ 411,846,049	$ 9,966,941	$ 116,986,727	$ 7,171,351	(277,721,030)
General Revenues/(Expenses)					
Taxes and subventions					
Property taxes, levied for general purposes					79,473,013
Property taxes, levied for debt service					18,896,195
Property taxes, levied for other specific purposes					1,673,834
Federal and state aid not restricted for specific purposes					194,168,259
Interest and investment earnings					9,350,301
Miscellaneous					7,969,777
Special and extraordinary items					(192,206)
Net General Revenues					311,339,173
CHANGE IN NET POSITION					33,618,143
NET POSITION - BEGINNING					300,540,831
PRIOR PERIOD ADJUSTMENTS					(3,497,557)
NET POSITION - ENDING					$ 330,661,417

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 154,335,345	$ 34,157,146	$ 88,456,489	$ 276,948,980
Accounts receivable	15,550,842	-	10,775,751	26,326,593
Due from other funds	3,683,782	-	9,608,619	13,292,401
Inventory	-	-	391,877	391,877
Prepaid expenses	343,497	-	142,029	485,526
Total Assets	$ 173,913,466	$ 34,157,146	$ 109,374,765	$ 317,445,377
LIABILITIES				
Accrued liabilities	$ 39,125,466	$ -	$ 1,538,767	$ 40,664,233
Due to other funds	8,633,043	-	4,659,358	13,292,401
Unearned revenue	2,017,917	-	707,740	2,725,657
Total Liabilities	49,776,426	-	6,905,865	56,682,291
FUND BALANCES				
Nonspendable	358,497	-	562,372	920,869
Restricted	41,527,280	34,157,146	91,562,888	167,247,314
Committed	39,058,987	-	10,113,740	49,172,727
Assigned	4,749,315	-	117,900	4,867,215
Unassigned	38,442,961	-	112,000	38,554,961
Total Fund Balances	124,137,040	34,157,146	102,468,900	260,763,086
Total Liabilities and Fund Balances	$ 173,913,466	$ 34,157,146	$ 109,374,765	$ 317,445,377

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 260,763,086
Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets and right-to-use 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, and right-to-use assets and accumulated amortization:		
Capital assets	$ 783,713,819	
Accumulated depreciation	(285,014,467)	
Right-to-use assets	23,916,219	
Accumulated amortization	(5,084,015)	517,531,556
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 unmatured interest owing at the end of the period was:		(1,816,356)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the government-wide statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds	170,564,222	
Certificates of participation (COP)	34,720,000	
Unamortized debt premiums/(discounts)	7,298,446	
Lease liability	17,087,722	
Subscription-based IT arrangements	2,847,846	
Compensated absences	4,317,704	
Net pension liability	260,882,529	
Net OPEB liability	25,694,565	(523,413,034)
Deferred gain or loss on debt refunding:		
In the government-wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:		4,746,713
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In government-wide the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows related to pensions	90,034,636	
Deferred inflows related to pensions	(20,335,624)	69,699,012
Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB):		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the government-wide statement of net position, deferred outflows and inflows of resources relating to OPEB are reported:		
Deferred outflows related to OPEB	7,867,435	
Deferred inflows related to OPEB	(4,716,995)	3,150,440
Total Net Position - Governmental Activities		$ 330,661,417

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 260,493,771	$ -	$ 3,674,000	$ 264,167,771
Federal sources	11,372,177	-	11,375,871	22,748,048
Other state sources	34,951,223	86,744	33,202,671	68,240,638
Other local sources	39,055,594	20,367,338	24,734,453	84,157,385
Total Revenues	345,872,765	20,454,082	72,986,995	439,313,842
EXPENDITURES				
Current				
Instruction	218,946,920	-	8,751,725	227,698,645
Instruction-related services				
Instructional supervision and administration	8,090,188	-	585,344	8,675,532
Instructional library, media, and technology	2,488,607	-	-	2,488,607
School site administration	19,870,446	-	1,482,023	21,352,469
Pupil services				
Home-to-school transportation	7,566,243	-	-	7,566,243
Food services	241,011	-	17,253,044	17,494,055
All other pupil services	26,934,085	-	176,495	27,110,580
General administration				
Centralized data processing	5,828,710	-	-	5,828,710
All other general administration	21,674,688	-	2,233,323	23,908,011
Plant services	33,082,835	-	2,647,802	35,730,637
Facilities acquisition and maintenance	3,423,401	-	26,579,779	30,003,180
Ancillary services	4,284,347	-	5,021,006	9,305,353
Community services	203,420	-	5,250,201	5,453,621
Enterprise activities	688	-	129,106	129,794
Transfers to other agencies	111,914	-	-	111,914
Other outgo	-	-	145,308	145,308
Debt service				
Principal	3,003,368	14,390,000	105,000	17,498,368
Interest and other	459,916	4,943,476	949,476	6,352,868
Total Expenditures	356,210,787	19,333,476	71,309,632	446,853,895
Excess/(Deficiency) of Revenues Over Expenditures	(10,338,022)	1,120,606	1,677,363	(7,540,053)
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	13,640,130	13,640,130
Other sources	9,160,716	-	15,000,000	24,160,716
Transfers out	(4,698,652)	-	(8,941,478)	(13,640,130)
Other Financing Sources/(Uses), Net	4,462,064	-	19,698,652	24,160,716
NET CHANGE IN FUND BALANCES	(5,875,958)	1,120,606	21,376,015	16,620,663
FUND BALANCES - BEGINNING	130,012,998	33,036,540	81,092,885	244,142,423
FUND BALANCES - ENDING	$ 124,137,040	$ 34,157,146	$ 102,468,900	$ 260,763,086

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, 2025

Net Change in Fund Balances - Governmental Funds		$ 16,620,663
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, lease assets and subscription-based IT arrangements are reported as expenditures in the period when the assets are acquired. In the government-wide statement of activities, costs of capital assets, lease assets and subscription-based IT arrangements are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation and amortization expenses for the period is:		
Expenditures for capital outlay	$ 37,858,735	
Depreciation expense	(19,412,365)	
Amortization expense	(2,761,077)	15,685,293
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:		17,498,368
Debt proceeds:		
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:		(24,160,716)
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 government-wide 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:		(192,206)
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:		42,150
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.		(2,736,085)

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, 2025

Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the government-wide statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		(222,416)
Pensions:		
In government funds, pension costs are recognized when employer contributions are made. In the government-wide 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:		12,061,179
Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer contributions are made. In the government-wide statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:		(1,591,965)
Amortization of deferred gain or loss from debt refunding:		
In the government-wide statements, any deferred gain or loss from debt refunding is amortized as interest over the life of the debt. Amortization of deferred gain or loss from debt refunding for the period is:		(593,092)
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:		1,206,970
Change in Net Position of Governmental Activities	$	33,618,143

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 22,745,813
TOTAL ASSETS	$ 22,745,813
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 22,745,813
TOTAL NET POSITION	$ 22,745,813

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

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Investment income	$ 21,016,932
Interest	(526,532)
Payments from other governments	748,141
Total Additions	21,238,541
DEDUCTIONS	
Debt service - principal	5,805,211
Debt service - interest and other	4,384,600
Administrative expenses	64,150
Payments to other goverments	13,466,047
Total Deductions	23,720,008
CHANGE IN NET POSITION	(2,481,467)
NET POSITION - BEGINNING	25,227,280
NET POSITION - ENDING	$ 22,745,813

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

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.

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.

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).

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 Special Revenue Fund**: The Student Activity Special Revenue 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 Special Revenue Fund**: The Cafeteria Special Revenue 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).

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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Non-Major Governmental Funds, continued

Capital Project Funds, continued

- **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.).

- **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 for Blended Component Units Fund**: The Debt Service for Blended Component Units 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 note 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.

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.

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 Cash 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 cash 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.

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, 2025 are deemed fully collectible.

Prepaid Expenses

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-to-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, 2025.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets, Right-to-use Assets, Depreciation and Amortization, continued

The District records the value of right-to-use subscription-based IT assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-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.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: The District has elected to measure this liability using the last-in, first-out (LIFO) method, under which the most recently earned leave is assumed to be used first. The LIFO approach reflects that the most current balances are expected to be consumed before older accruals.

Under applicable California law, credit for unused sick leave is available at retirement. Classified employees retiring after January 1, 1999, receive 0.004 year of CalPERS service credit for each day of unused sick leave. Certificated employees receive CalSTRS service credit for unused sick leave, calculated by dividing unused sick days by the number of base service days required to complete the last school year, if employed full-time. This conversion to service credit is administered by the pension systems and does not create a direct financial liability of the District.

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.

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.

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-to-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-to-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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

As of June 30, 2025, 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.

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 $167,247,314 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.

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 ended June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

Upcoming GASB Pronouncements

The 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. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements, continued

GASB Statement No. 104 - In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

NOTE 2 – CASH AND CASH EQUIVALENTS

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2025, are classified in the accompanying financial statements and consist of the following:

	Governmental Activities	Fiduciary Funds	Total
Cash in county treasury	$ 253,653,007	$ -	$ 253,653,007
Cash on hand and in banks	7,818,559	-	7,818,559
Cash with fiscal agent	14,809,009	-	14,809,009
Cash in revolving fund	43,466	-	43,466
Cash awaiting deposit	49,289	-	49,289
Investments	-	22,745,813	22,745,813
Fair market value adjustment	575,650	-	575,650
Total	$ 276,948,980	$ 22,745,813	$ 299,694,793

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.

NOTE 2 – CASH AND CASH 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	$	37,554,822	365 days
County Investment Pool		254,228,657	467 days
Total	$	291,783,479	

NOTE 2 – CASH AND CASH 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
County Investment Pool	Aaa-bf	Not Applicable	$ 254,228,657
Money Market Mutual Funds	Aaa-mf	Not Applicable	37,554,822
Total			$ 291,783,479

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, 2025, approximately $8,053,601 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, 2025, consisted of inter-governmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	$ 6,521,016	$ 2,834,314	$ 9,355,330
State Government			
Categorical aid	3,345,199	6,195,170	9,540,369
Lottery	1,402,930	-	1,402,930
Local Government			
Interest	1,357,379	676,587	2,033,966
Other local sources	2,924,318	1,069,680	3,993,998
Total	$ 15,550,842	$ 10,775,751	$ 26,326,593

NOTE 4 – CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital assets and right-to-use assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 36,041,932	$ 3,614,732	$ -	$ 39,656,664
Construction in progress	22,192,613	3,160,787	100,000	25,253,400
Total Capital Assets not Being Depreciated	58,234,545	6,775,519	100,000	64,910,064
Capital Assets Being Depreciated				
Land improvements	85,295,688	2,286,654	-	87,582,342
Buildings and improvements	586,680,382	15,382,087	-	602,062,469
Furniture and equipment	24,853,093	4,322,008	16,157	29,158,944
Total Capital Assets Being Depreciated	696,829,163	21,990,749	16,157	718,803,755
Total Capital Assets	755,063,708	28,766,268	116,157	783,713,819
Less: Accumulated Depreciation				
Land improvements	33,769,492	4,558,499	-	38,327,991
Buildings and improvements	218,459,686	12,684,329	-	231,144,015
Furniture and equipment	13,389,081	2,169,537	16,157	15,542,461
Total Accumulated Depreciation	265,618,259	19,412,365	16,157	285,014,467
Capital Assets, Net	489,445,449	9,353,903	100,000	498,699,352
Right-to-use assets				
Leased assets - building	11,522,013	2,826,108	-	14,348,121
Leased assets - furniture and equipment	688,696	4,249,987	-	4,938,683
Subscription-based IT arrangements	2,818,382	2,116,372	305,339	4,629,415
Total Right-to-Use Assets	15,029,091	9,192,467	305,339	23,916,219
Less: Accumulated Amortization				
Leased assets - building	1,606,271	893,185	-	2,499,456
Leased assets - furniture and equipment	114,783	578,249	-	693,032
Subscription-based IT arrangements	715,017	1,289,643	113,133	1,891,527
Total Accumulated Amortization	2,436,071	2,761,077	113,133	5,084,015
Right-to-Use Assets, Net	12,593,020	6,431,390	192,206	18,832,204
Capital Assets and Right-to-Use Assets, Net	$ 502,038,469	$ 15,785,293	$ 292,206	$ 517,531,556

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, 2025, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

	Receivable Fund		
Payable Fund	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 8,633,043	$ 8,633,043
Non-Major Governmental Funds	3,683,782	975,576	4,659,358
Total	$ 3,683,782	$ 9,608,619	$ 13,292,401

Due from Adult Education Fund to General Fund for printing and indirect costs.	$ 17,734
Due from Child Development Fund to General Fund for ELOP, indirect costs, facility use, cal-cards and printing.	3,022,414
Due from Child Development Fund to Special Reserve for Capital Outlay Projects Fund for rent.	145,783
Due from Cafeteria Special Revenue Fund to General Fund for restaurant equipment, supplies, and indirect costs.	643,012
Due from Capital Facilities Fund to Building Fund for capital projects reimbursement.	719,438
Due from Capital Facilities Fund to Special Reserve for Capital Outlay Projects Fund for title, insurance, and escrow refund.	1,238
Due from County School Facilities Fund to Capital Facilities Fund for cash and accrual.	467
Due from General Fund to Adult Education Fund for employee salaries and benefits.	709
Due from General Fund to Child Development Fund for employee salaries and benefits.	958,053
Due from General Fund to Cafeteria Special Revenue Fund for employee salaries and benefits.	8,251
Due from General Fund to Capital Facilities Fund for cal-card and capital one expenses.	245,020
Due from General Fund to Deferred Maintenance Fund for LCFF transfer.	3,674,000
Due from General Fund to Special Reserve for Capital Outlay Projects Fund for furniture, technology and lease payment.	3,747,010
Due from Special Reserve for Capital Outlay Projects Fund to Capital Facilities Fund for property acquisition.	108,650
Due from Special Reserve for Capital Outlay Projects Fund to General Fund for printing.	622
Total	$ 13,292,401

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, 2025, consisted of the following:

	Interfund Transfer In	
Interfund Transfer Out	Non-Major Governmental Funds	Total
General Fund	$ 4,698,652	$ 4,698,652
Non-Major Governmental Funds	8,941,478	8,941,478
Total	$ 13,640,130	$ 13,640,130

Transfer from Adult Education Fund to Student Activity Special Revenue Fund for summer athletic camps.	$ 204,552
Transfer from General Fund to Child Development Fund for deficit spending.	951,642
Transfer from County School Facilities Fund to Capital Facilities Fund for state reimbursement project at MES.	7,171,351
Transfer from Capital Project Fund for Blended Component Units Fund to Capital Facilities Fund for reimbursement of construction costs.	1,565,575
Transfer from General Fund to Special Reserve for Capital Outlay Projects Fund for furniture, infrastructure and technology replacement programs.	3,747,010
Projects Fund is for the Bringhurst Elementary School construction project reimbursement.	
Total	$ 13,640,130

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2025, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Payroll and related	$ 767,171	$ 410,401	$ 1,177,572
Vendors payable	5,990,422	1,128,366	7,118,788
Due to grantor government	32,367,873	-	32,367,873
Total	$ 39,125,466	$ 1,538,767	$ 40,664,233

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	$ 297,655	$ -	$ 297,655
State Government			
Other state sources	1,567,991	526,349	2,094,340
Local Government			
Other local sources	152,271	181,391	333,662
Total	$ 2,017,917	$ 707,740	$ 2,725,657

NOTE 8 – LONG-TERM LIABILITIES

Summary

The changes in the District's long-term liabilities during the year consisted of the following:

	Balance July 1, 2024	Adjustments	Adjusted Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Governmental Activities							
General obligation bonds	$ 182,218,137	$ -	$ 182,218,137	$ 2,736,085	$ 14,390,000	$ 170,564,222	$ 14,140,000
Certificates of participation (COP)	20,360,000	-	20,360,000	15,000,000	640,000	34,720,000	1,320,000
Unamortized debt premiums/(discounts)	8,505,416	-	8,505,416	-	1,206,970	7,298,446	1,206,970
Lease liability	11,033,504	-	11,033,504	7,076,094	1,021,876	17,087,722	1,683,293
Subscription-based IT arrangements	2,209,716	-	2,209,716	2,084,622	1,446,492	2,847,846	1,264,825
Compensated absences	597,731	3,497,557	4,095,288	222,416	-	4,317,704	1,906,378
Net pension liability	282,153,719	-	282,153,719	-	21,271,190	260,882,529	-
Net OPEB liability	26,828,997	-	26,828,997	-	1,134,432	25,694,565	-
Total	$ 533,907,220	$ 3,497,557	$ 537,404,777	$ 27,119,217	$ 41,110,960	$ 523,413,034	$ 21,521,466

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 lease liabilities are made in the General Fund and Capital Facilities Fund. Payments for compensated absences are typically liquidated in the General Fund and Non-Major Governmental Funds.

General Obligation Bonds

The outstanding general obligation bonded debts are as follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Election of 2002, Series A	5/29/2003	9/1/2027	2.00% - 5.12%	$ 16,904,284	$ 841,425	$ 89,869	$ -	$ 931,294	$ -
Election of 2006, Series 2008	9/10/2008	9/1/2033	3.50% - 5.70%	24,996,844	48,561,712	2,646,216	3,695,000	47,512,928	3,785,000
Election of 2014, Series 2015	7/30/2015	9/1/2044	1.50% - 5.11%	38,401,818	4,540,000	-	1,265,000	3,275,000	1,380,000
Series 2015*	7/30/2015	9/1/2026	2.00% - 5.00%	40,090,000	18,530,000	-	5,685,000	12,845,000	6,125,000
Series 2016*	4/27/2016	9/1/2030	2.00% - 3.50%	32,945,000	30,145,000	-	-	30,145,000	-
Election 2014, Series 2017	6/22/2017	9/1/2046	2.00% - 4.00%	6,755,000	1,625,000	-	-	1,625,000	-
Election 2014, Series 2020	1/30/2020	9/1/2049	2.50% - 4.00%	12,000,000	9,595,000	-	60,000	9,535,000	60,000
Election 2014, Series 2021	7/28/2021	9/1/2050	3.01% - 4.00%	12,000,000	11,320,000	-	1,410,000	9,910,000	-
Series 2021*	7/28/2021	9/1/2044	0.28% - 2.93%	39,955,000	38,060,000	-	2,275,000	35,785,000	2,290,000
Election 2014, Series 2022	7/28/2022	9/1/2051	4.00% - 5.25%	19,000,000	19,000,000	-	-	19,000,000	500,000
Total				$ 243,047,946	$ 182,218,137	$ 2,736,085	$ 14,390,000	$ 170,564,222	$ 14,140,000

*Refunding

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

Debt Service Requirements of Maturity

The general obligation bonds mature as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
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	3,667,579	18,854,699
2029	11,643,884	3,546,374	2,921,116	18,111,374
2030	12,400,912	3,141,630	3,014,088	18,556,630
2031-2035	23,462,954	11,443,425	32,877,046	67,783,425
2036-2040	8,945,000	10,170,982	-	19,115,982
2041-2045	17,495,000	8,377,817	-	25,872,817
2046-2050	20,475,000	5,326,778	-	25,801,778
2051-2052	10,995,000	827,842	-	11,822,842
Accreted Interest	29,913,680	-	(29,913,680)	-
Total	$ 170,564,222	$ 55,817,359	$ 17,210,778	$ 243,592,359

Certificates of Participation

The outstanding certificates of participation are as follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Series 2012	5/1/2012	8/1/2027	3.20%	$ 7,495,000	$ 2,255,000	$ -	$ 535,000	$ 1,720,000	$ 555,000
Series 2016*	11/10/2016	5/1/2041	2.00% - 4.00%	19,405,000	18,105,000	-	105,000	18,000,000	270,000
Series 2024	11/1/2024	11/1/2044	4.11%	15,000,000	-	15,000,000	-	15,000,000	495,000
Total				$ 41,900,000	$ 20,360,000	$ 15,000,000	$ 640,000	$ 34,720,000	$ 1,320,000

*Refunding

The annual requirement to amortize certificates of participation as June 30, 2025, are as follows:

Certificate of Participation Series 2012

Year Ending June 30,	Principal	Interest	Total
2026	$ 555,000	$ 54,510	$ 609,510
2027	570,000	35,276	605,276
2028	595,000	10,264	605,264
Total	$ 1,720,000	$ 100,050	$ 1,820,050

NOTE 8 – LONG-TERM LIABILITIES, continued

Certificate of Participation, continued

Certificate of Participation Series 2016 Refunding

Year Ending June 30,	Principal	Interest	Total
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	145,000	623,613	768,613
2031-2035	3,960,000	2,959,881	6,919,881
2036-2040	11,020,000	1,681,725	12,701,725
2041	2,035,000	76,313	2,111,313
Total	$ 18,000,000	$ 7,903,984	$ 25,903,984

Certificate of Participation Series 2024

Year Ending June 30,	Principal	Interest	Total
2026	$ 495,000	$ 611,424	$ 1,106,424
2027	516,000	590,874	1,106,874
2028	537,000	569,441	1,106,441
2029	560,000	547,123	1,107,123
2030	583,000	523,881	1,106,881
2031-2035	3,299,000	2,235,511	5,534,511
2036-2040	4,043,000	1,491,252	5,534,252
2041-2045	4,967,000	567,817	5,534,817
Total	$ 15,000,000	$ 7,137,323	$ 22,137,323

NOTE 8 – LONG-TERM LIABILITIES, continued

Leases

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

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Building - McAlby Unit A	$ 4,269,755	$ 1,239,877	$ 207,680	$ 5,301,952
Building - McAlby Unit E	2,164,488	15,989	94,269	2,086,208
Building - 41840 McAlby Court LLC	3,717,574	1,567,259	84,488	5,200,345
Building - Jefferson Warehouse	305,490	2,982	138,070	170,402
Vehicle - School Buses	576,197	-	226,298	349,899
Equipment - PEAC Solutions 1	-	1,402,400	138,503	1,263,897
Equipment - PEAC Solutions 2	-	2,847,587	132,568	2,715,019
Total	$ 11,033,504	$ 7,076,094	$ 1,021,876	$ 17,087,722

The District entered an agreement to lease office space and warehouse facilities, vehicles and equipment. At June 30, 2025, the District has recognized right-to-use leased assets, net of accumulated amortization, of $16,094,316 and lease liabilities of $17,087,722 related to these agreements. During the fiscal year, the district recorded $1,471,434 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.

The leases have minimum lease payments as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,683,293	$ 502,114	$ 2,185,407
2027	1,512,164	454,220	1,966,384
2028	1,434,927	411,246	1,846,173
2029	1,503,303	367,153	1,870,456
2030	1,477,068	321,310	1,798,378
2031-2035	4,309,843	1,180,245	5,490,088
2036-2040	3,652,096	488,504	4,140,600
2041-2044	1,515,028	92,963	1,607,991
Total	$ 17,087,722	$ 3,817,755	$ 20,905,477

NOTE 8 – LONG-TERM LIABILITIES, continued

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for was $4,317,704.

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, 2025, the District has recognized right-to-use subscription-based IT assets, net of accumulated amortization, of $2,737,888 and SBITA liabilities of $2,847,846 related to these agreements. During the fiscal year, the District recorded $1,289,643 in amortization expense. The District is required to make annual principal and interest payments through June 2030. The subscriptions have an interest rate ranges from 2.1840% to 3.6310%, based on the District's borrowing rate.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,264,825	$ 79,954	$ 1,344,779
2027	1,175,188	44,812	1,220,000
2028	308,543	11,493	320,036
2029	85,097	2,969	88,066
2030	14,193	403	14,596
Total	$ 2,847,846	$ 139,631	$ 2,987,477

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB)

For the fiscal year ended June 30, 2025, 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	$ 24,817,616	$ 7,867,435	$ 4,716,995	$ 1,722,934
Medicare Premium Payment (MPP) Program	876,949	-	-	130,969
Total	$ 25,694,565	$ 7,867,435	$ 4,716,995	$ 1,853,903

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
Total	2,345

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

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	Management
Benefit types provided	Medical, Dental, & Vision	Medical, Dental, & Vision	Medical, Dental, & Vision
Duration of benefits	5 years, not beyond age 65	5 years, not beyond age 65	5 years, not beyond age 65
Required services	15 years	15 years	15 years
Minimum age	55	55	55
Dependent coverage	Yes	Yes	Yes
District contribution	100%	100%	100%
District cap	Lowest cost employee only HMO premium*	Lowest cost employee only HMO premium	Lowest cost employee only HMO premium

* Retirees have the option to elect an HRA contribution in lieu of coverage under a District medical plan.

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, 2025, the District paid $1,224,670 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability/(asset) of $24,817,616 was measured as of June 30, 2025, 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.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

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, 2025
Census data	The census was provided by the District
Actuarial cost methods	Entry age
Inflation rate	2.50%
Discount rate	5.20%
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.

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2024	$ 25,821,079	$ -	$ 25,821,079
Changes for the year:			
Service cost	1,630,656	-	1,630,656
Interest	1,022,746	-	1,022,746
Employer contributions	-	1,224,670	(1,224,670)
Changes of assumptions	(2,432,195)	-	(2,432,195)
Expected benefit payments	(1,224,670)	(1,224,670)	-
Net change	(1,003,463)	-	(1,003,463)
Balance June 30, 2025	$ 24,817,616	$ -	$ 24,817,616

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93 percent in 2024 to 5.20 percent in 2025.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

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:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability/(asset)	$ 26,764,213	$ 24,817,616	$ 23,404,455

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:

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	$ 22,153,924	$ 24,817,616	$ 27,723,064

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 30,2025, 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	$ 7,554,917	$ -
Change in assumptions	312,518	4,716,995
Total	$ 7,867,435	$ 4,716,995

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of $1,722,934. 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
2026	$ 294,202
2027	294,202
2028	294,202
2029	294,202
2030	274,909
Thereafter	1,698,723
Total	$ 3,150,440

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 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, 2023 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.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

Medicare Premium Payment (MPP) Program, continued

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

At June 30, 2025, the District reported a liability of $876,949 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, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2023. 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, 2024 and June 30, 2023, respectively, was 0.3290% and 0.3322%, resulting in a net decrease in the proportionate share of 0.0032%.

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of $130,969.

Actuarial Methods and Assumptions

The June 30, 2025 net OPEB liability/(asset) was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the net OPEB liability/(asset) to June 30, 2024, using the assumptions listed in the following table:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.93%
Medicare Part A Premium Cost Trend Rate*	5.00%
Medicare Part B Premium Cost Trend Rate*	6.50%
Mortality Rate Table*	Derived Using CalSTRS' Membership Data

*The assumed increases in the Medicare Part A and Part B cost trend rates vary by year; however, the increases are approximately equivalent to a 5.0% and 6.5% increase each year for Medicare Part A and Part B premiums, respectively.

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

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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability - MPP Program	$ 946,207	$ 876,949	$ 816,051

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 (4.00% Part A and 5.50% Part B)	Healthcare Cost Trend Rate (5.00% Part A and 6.50% Part B)	1% Increase (6.00% Part A and 7.50% Part B)
Net OPEB Liability - MPP Program	$ 812,399	$ 876,949	$ 949,017

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 $93,970,000 as of June 30, 2025, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

Year Ending June 30,	Principal	Interest	Total
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	6,815,000	2,576,212	9,391,212
2031-2035	30,275,000	8,760,326	39,035,326
2036-2040	17,210,000	3,983,241	21,193,241
2041-2045	9,355,000	2,033,700	11,388,700
2046-2050	5,190,000	498,116	5,688,116
2051-2052	685,000	20,900	705,900
Total	$ 93,970,000	$ 30,815,248	$ 124,785,248

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
Non-spendable				
Revolving cash	$ 15,000	$ -	$ 28,466	$ 43,466
Stores inventory	-	-	391,877	391,877
Prepaid expenses	343,497	-	142,029	485,526
Total non-spendable	358,497	-	562,372	920,869
Restricted				
Legally restricted programs	32,882,429	-	11,261,905	44,144,334
Debt service	-	34,157,146	41,477	34,198,623
Capital projects	4,396,978	-	61,635,619	66,032,597
Child nutrition	118,838	-	15,799,718	15,918,556
Student activity funds	-	-	2,824,169	2,824,169
Other restrictions	4,129,035	-	-	4,129,035
Total restricted	41,527,280	34,157,146	91,562,888	167,247,314
Committed				
Other commitments	39,058,987	-	10,113,740	49,172,727
Total committed	39,058,987	-	10,113,740	49,172,727
Assigned				
Medi-Cal Administrative Activities (MAA)	437,266	-	-	437,266
Donations	1,125,296	-	-	1,125,296
Site Discretionary Program Awards	355,452	-	-	355,452
Attendance Programs	50,043	-	-	50,043
Site Facility Use Agreements	541,017	-	-	541,017
Athletics and Band Support	178,477	-	-	178,477
Other Grants	31,947	-	-	31,947
Special Projects	163,452	-	-	163,452
Community Engagement Initiative	98,729	-	-	98,729
Unified Sports	23,051	-	-	23,051
Pechanga Grant	91,236	-	-	91,236
Non-Resident Student Fees	1,268,583	-	-	1,268,583
Fair Market Value on County Pooled Investments	384,766	-	117,900	502,666
Total assigned	4,749,315	-	117,900	4,867,215
Unassigned				
Reserve for economic uncertainties	10,552,462	-	-	10,552,462
Remaining unassigned	27,890,499	-	112,000	28,002,499
Total unassigned	38,442,961	-	112,000	38,554,961
Total Fund Balance	$ 124,137,040	$ 34,157,146	$ 102,468,900	$ 260,763,086

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, 2025, 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 SAFER. 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 2025, 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, 2025, the District had a balance of $1,217,864 available for use pursuant to RSRMA Safety Credit Program guidelines.

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, 2025, 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	$ 151,471,983	$ 54,987,978	$ 19,010,924	$ 16,075,443
CalPERS	109,410,546	35,046,658	1,324,700	19,440,726
Total	$ 260,882,529	$ 90,034,636	$ 20,335,624	$ 35,516,169

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, 2023 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.

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, 2025, 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%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

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, 2025, are presented above and the District's total contributions were $29,882,025.

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, 2025, 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	$ 151,471,983
State's proportionate share of the net pension liability associated with the District	69,496,934
Total	$ 220,968,917

The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, respectively was 0.2255 percent and 0.2246 percent, resulting in an increase of 0.0009 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of $16,075,443. In addition, the District recognized pension expense and revenue of $6,342,556 for support provided by the State. At June 30, 2025, 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	$ -	$ 618,849
Differences between expected and actual experience	17,135,366	6,627,973
Changes in assumptions	663,056	10,344,042
Net changes in proportionate share of net pension liability	7,307,531	1,420,060
District contributions subsequent to the measurement date	29,882,025	-
Total	$ 54,987,978	$ 19,010,924

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
2026	$ (8,608,446)
2027	14,373,981
2028	40,694
2029	(475,100)
2030	1,506,856
Thereafter	(742,956)
Total	$ 6,095,029

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

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.

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 20-30 year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2025, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
	100%		

**20 to 30 year geometric average.*

***Real rates of return are 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.

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:

	Decrease (6.10%)	Discount Rate (7.10%)	Increase (8.10%)
Plan's net pension liability	$ 269,419,093	$ 151,471,983	$ 52,981,252

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, 2023 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.

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, 2025, 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	27.05%	27.05%

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, 2025, are presented above and the total District contributions were $17,695,323.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $109,410,546. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, respectively was 0.3061 percent and 0.3070 percent, resulting in a net decrease in the proportionate share of 0.0009 percent.

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, 2025, the District recognized pension expense of $19,440,726. At June 30, 2025, 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	$ 4,249,967	$ -
Differences between expected and actual experience	9,172,475	783,048
Changes in assumptions	2,418,343	-
Net changes in proportionate share of net pension liability	1,510,550	541,652
District contributions subsequent to the measurement date	17,695,323	-
Total	$ 35,046,658	$ 1,324,700

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
2026	$ 5,817,314
2027	10,539,939
2028	1,036,107
2029	(1,366,725)
Total	$ 16,026,635

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
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 - cap-weighted	30%	4.54%
Global Equity non-cap-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.*

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:

	Decrease (5.90%)	Discount Rate (6.90%)	Increase (7.90%)
Plan's net pension liability	$ 162,530,282	$ 109,410,546	$ 65,529,420

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 $14,032,661. 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.

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, 2025.

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, 2025.

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, 2025, the District made payments of $2,881,910, $3,099,773, and $27,662,592, to RSIA, RSRMA, and REEP, respectively, for its property liability, workers' compensation, and health coverage.

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

During fiscal year 2024–25, the District implemented GASB Statement No. 101, Compensated Absences. This Statement establishes a new accounting model for compensated absences, requiring governments to recognize a liability when (1) the leave is attributable to services already rendered and (2) it is more likely than not that the leave will be used for time off or otherwise paid/settled. The District elected to measure its compensated absences liability using the days-used approach, which estimates expected future leave usage based on historical experience and current pay rates.

Implementation of GASB 101 required the District to remove previously recognized liabilities calculated under the vesting method (GASB 16) and replace them with liabilities determined under the new standard. As a result, the District's beginning net position for governmental activities as of July 1, 2024, was restated as follows:

	Governmental Activities
Beginning Fund Balance - previously reported at June 30, 2024	300,540,831
Change in accounting principle (GASB Statement No. 101)	(3,497,557)
Beginning Fund Balance - as restated at June 30, 2024	$ 297,043,274

NOTE 17 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2024 through November 26, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 261,017,130	$ 260,493,065	$ 260,493,771	$ 706
Federal sources	11,128,062	11,286,599	11,372,177	85,578
Other state sources	32,444,632	33,613,154	34,951,223	1,338,069
Other local sources	30,518,207	36,490,405	39,055,594	2,565,189
Total Revenues	335,108,031	341,883,223	345,872,765	3,989,542
EXPENDITURES				
Certificated salaries	160,799,187	157,583,094	157,519,019	64,075
Classified salaries	66,401,118	60,907,847	60,409,929	497,918
Employee benefits	88,622,539	84,499,437	84,818,463	(319,026)
Books and supplies	14,089,160	11,442,895	10,438,518	1,004,377
Services and other operating expenditures	31,103,377	33,292,486	27,923,554	5,368,932
Capital outlay	3,721,020	4,287,724	13,072,232	(8,784,508)
Other outgo				-
Excluding transfers of indirect costs	459,240	442,240	3,575,198	(3,132,958)
Transfers of indirect costs	(1,368,585)	(1,448,399)	(1,546,126)	97,727
Total Expenditures	363,827,056	351,007,324	356,210,787	(5,203,463)
Excess/(Deficiency) of Revenues				
Over Expenditures	(28,719,025)	(9,124,101)	(10,338,022)	(1,213,921)
OTHER FINANCING SOURCES/(USES)				
Other sources	-	-	9,160,716	9,160,716
Transfers out	(3,572,931)	(4,646,931)	(4,698,652)	(51,721)
Other Financing Sources/(Uses), Net	(3,572,931)	(4,646,931)	4,462,064	9,108,995
NET CHANGE IN FUND BALANCES	(32,291,956)	(13,771,032)	(5,875,958)	7,895,074
FUND BALANCES - BEGINNING	130,012,998	130,012,998	130,012,998	-
FUND BALANCES - ENDING	$ 97,721,042	$ 116,241,966	$ 124,137,040	$ 7,895,074

See notes to required supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 1,630,656	$ 923,265	$ 914,743	$ 1,147,765
Interest	1,022,746	639,637	610,087	373,320
Difference between expected and actual experience	-	7,547,859	-	1,143,341
Changes of assumptions	(2,432,195)	204,682	(132,994)	(1,513,259)
Benefit payments	(1,224,670)	(1,114,050)	(1,097,777)	(1,070,013)
Net change in total OPEB liability	(1,003,463)	8,201,393	294,059	81,154
Total OPEB liability, beginning of year	25,821,079	17,619,686	17,325,627	17,244,473
Total OPEB liability, end of year (a)	$ 24,817,616	$ 25,821,079	$ 17,619,686	$ 17,325,627
Plan fiduciary net position				
Employer contributions	$ 1,224,670	$ 1,114,050	$ 1,097,777	$ 1,070,013
Benefit payments	(1,224,670)	(1,114,050)	(1,097,777)	(1,070,013)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	$ -	$ -	$ -	$ -
Net OPEB liability, ending (a) - (b)	$ 24,817,616	$ 25,821,079	$ 17,619,686	$ 17,325,627
Covered payroll [1]	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability [1]	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll [1]	N/A	N/A	N/A	N/A

[1] 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.

See notes to required supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 1,110,326	$ 1,439,321	$ 1,331,568	$ 1,295,930
Interest	382,421	616,498	556,093	553,258
Difference between expected and actual experience	-	958,747	-	-
Changes of assumptions	(448,341)	(2,155,332)	366,351	-
Benefit payments	(1,255,081)	(597,285)	(566,792)	(544,992)
Net change in total OPEB liability	(210,675)	261,949	1,687,220	1,304,196
Total OPEB liability, beginning of year	17,455,148	17,193,199	15,505,979	14,201,783
Total OPEB liability, end of year (a)	$ 17,244,473	$ 17,455,148	$ 17,193,199	$ 15,505,979
Plan fiduciary net position				
Employer contributions	$ 1,255,081	$ 597,285	$ 566,792	$ 544,992
Benefit payments	(1,255,081)	(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, ending (a) - (b)	$ 17,244,473	$ 17,455,148	$ 17,193,199	$ 15,505,979
Covered payroll [1]	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability/(asset) [1]	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll [1]	N/A	N/A	N/A	N/A

[1] 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, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
District's proportion of the net OPEB liability	0.329%	0.332%	0.329%	0.328%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ 876,949	$ 1,007,918	$ 1,083,347	$ 1,307,081
District's Covered-Employee Payroll	N/A*	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*	N/A*
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	-1.02%	-0.96%	-0.94%	-0.80%

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability				
District's Proportionate Share of the Net OPEB Liability/(Asset)				
District's Covered-Employee Payroll	N/A*	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*	N/A*
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	-0.71%	-0.81%	-0.40%	0.01%

*As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.226%	0.225%	0.219%	0.218%	0.214%
District's proportionate share of the net pension liability	$ 151,471,983	$ 171,034,436	$ 152,266,666	$ 99,210,971	$ 206,925,928
State's proportionate share of the net pension liability associated with the District	69,496,934	81,948,889	76,254,551	49,919,113	106,670,340
Total	$ 220,968,917	$ 252,983,325	$ 228,521,217	$ 149,130,084	$ 313,596,268
District's covered-employee payroll	$ 150,919,168	$ 137,628,000	$ 128,781,099	$ 121,618,570	$ 117,436,673
District's proportionate share of the net pension liability as percentage of covered-employee payroll	100%	124%	118%	82%	176%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.306%	0.307%	0.308%	0.299%	0.292%
District's proportionate share of the net pension liability	$ 109,410,546	$ 111,119,283	$ 105,799,166	$ 60,698,495	$ 89,511,451
District's covered-employee payroll	$ 60,899,963	$ 53,470,185	$ 47,340,637	$ 44,025,565	$ 42,065,849
District's proportionate share of the net pension liability as percentage of covered-employee payroll	180%	208%	223%	138%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

See notes to required supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.215%	0.201%	0.194%	0.198%	0.209%
District's proportionate share of the net pension liability	$ 193,876,835	$ 184,263,020	$ 179,531,862	$ 160,424,204	$ 140,719,047
State's proportionate share of the net pension liability associated with the District	105,772,757	105,499,197	106,209,533	91,326,638	74,424,863
Total	$ 299,649,592	$ 289,762,217	$ 285,741,395	$ 251,750,842	$ 215,143,910
District's covered-employee payroll	$ 113,802,187	$ 108,376,833	$ 106,363,744	$ 99,627,036	$ 96,586,757
District's proportionate share of the net pension liability as percentage of covered-employee payroll	170%	170%	169%	161%	146%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.294%	0.293%	0.304%	0.300%	0.296%
District's proportionate share of the net pension liability	$ 85,566,262	$ 78,146,289	$ 72,630,215	$ 59,154,321	$ 43,578,380
District's covered-employee payroll	$ 41,102,840	$ 39,576,170	$ 37,881,264	$ 35,991,779	$ 33,272,135
District's proportionate share of the net pension liability as percentage of covered-employee payroll	208%	197%	192%	164%	131%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

See notes to required supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year				
CalSTRS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 29,882,025	$ 28,825,561	$ 26,286,948	$ 21,789,762	$ 19,641,399
District's contributions in relation to the statutorily required contribution	29,882,025	28,825,561	26,286,948	21,789,762	19,641,399
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 156,450,393	$ 150,919,168	$ 137,628,000	$ 128,781,099	$ 121,618,570
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

	Reporting Fiscal Year				
CalPERS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 17,695,323	$ 16,248,110	$ 13,565,386	$ 10,845,740	$ 9,113,292
District's contributions in relation to the statutorily required contribution	17,695,323	16,248,110	13,565,386	10,845,740	9,113,292
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 65,417,091	$ 60,899,963	$ 53,470,185	$ 47,340,637	$ 44,025,565
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

See notes to required supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year				
CalSTRS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 20,081,671	$ 18,526,996	$ 15,638,777	$ 13,380,559	$ 10,689,981
District's contributions in relation to the statutorily required contribution	20,081,671	18,526,996	15,638,777	13,380,559	10,689,981
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 117,436,673	$ 113,802,187	$ 108,376,833	$ 106,363,744	$ 99,627,036
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

	Reporting Fiscal Year				
CalPERS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 8,295,806	$ 7,423,995	$ 6,146,575	$ 5,260,950	$ 4,263,946
District's contributions in relation to the statutorily required contribution	8,295,806	7,423,995	6,146,575	5,260,950	4,263,946
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 42,065,849	$ 41,102,840	$ 39,576,170	$ 37,881,264	$ 35,991,779
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

See notes to required supplementary information.

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 3.93 percent to 5.20 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 3.65 percent to 3.93 percent since the previous valuation. The Medicare Part A Premium cost trend rate has increased from 4.50 percent to 5.00 percent and Medicare Part B Premium has also increased from 5.40 percent to 6.50 percent since previous valuation.

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* – The required employer contribution rate increased from 26.68% to 27.05% for CalPERS, while there were no changes in benefit terms since the previous valuations for CalSTRS.

- *Changes of Assumptions* – Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate, rate of postretirement benefit increases and long-term expected rate of return based on 20 to 30 years geometric average. There were no changes in economic assumptions for CalPERS 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, 2025, 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			
Employee benefits	$ 84,499,437	$ 84,818,463	$ 319,026
Capital outlay	$ 4,287,724	$ 13,072,232	$ 8,784,508
Other outgo	$ (1,006,159)	$ 2,029,072	$ 3,035,231
Transfers out	$ 4,646,931	$ 4,698,652	$ 51,721

SUPPLEMENTARY INFORMATION

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025

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, 2025, were as follows:

GOVERNING BOARD

Name	Office	Term Expires
Nicolas Pardue	President	November 2026
Eleanor Briggs	Clerk	November 2028
Christine Schmidt	Member	November 2028
Nancy Young	Member	November 2026
Yvonne Munoz *	Member	November 2028

** Vacant as of September 15, 2025*

ADMINISTRATION

Dr. Ward Andrus
Superintendent

Darren Daniel
Deputy Superintendent

Richard Rideout
Assistant Superintendent
Human Resources

Faythe Mutchnick-Jayx
Assistant Superintendent
Educational Services

James Whittington
Chief Financial Officer

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13523	$ 5,380,704
School Breakfast Program	10.553	13525	1,136,128
School Breakfast Needy	10.553	13526	668,537
National School Lunch Program - Meal Supplements	10.555	13755	69,718
National School Lunch Program Noncash Commodities	10.555	13391	732,963
Total Child Nutrition Cluster			7,988,050
Forest Reserve Funds	10.665	10044	20,652
Total U.S. Department of Agriculture			8,008,702
U.S. Department of Education			
Passed Through Riverside County Special Education Local Plan Area			
Special Education IDEA Cluster:			
IDEA Local Assistance - Private Schools	84.027	10115	5,680
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	6,104,993
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	263,319
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	109,163
Total Special Education IDEA Cluster			6,483,155
Passed Through California Department of Education			
English Language Acquistion Cluster			
Title III, Immigrant Student Program	84.365	15146	25,863
Title III, English Learner Student Program	84.365	14346	180,794
Total English Language Acquistion Cluster			206,657
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	829,858
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,940,658
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	132,373
Workability II, Transitions Partnership Program	84.126	10006	40,000
Title II, Part A, Supporting Effective Instruction	84.367	14341	486,698
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	232,125
Total U.S. Department of Education			11,351,524
U.S. Department of Health and Human Services			
Passed Through California Department of Health and Human Services			
Child Care and Development Block Grant	93.575	15136	3,357,117
Total U.S. Department of health and Human Services			3,357,117
Total Federal Financial Assistance			$ 22,717,343

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report Certification No. E18FB61	Annual Report Certification No. 12626397
Regular ADA		
Transitional kindergarten through third	5,450.07	5,464.81
Fourth through sixth	4,351.84	4,357.22
Seventh and eighth	3,291.89	3,284.93
Ninth through twelfth	7,166.91	7,125.50
Total Regular ADA	20,260.71	20,232.46
Extended Year Special Education		
Transitional kindergarten through third	5.72	5.72
Fourth through sixth	3.26	3.26
Seventh and eighth	1.60	1.60
Ninth through twelfth	1.73	1.73
Total Extended Year Special Education	12.31	12.31
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	2.97	3.11
Seventh and eighth	0.38	0.23
Ninth through twelfth	6.68	6.64
Total Special Education, Nonpublic, Nonsectarian Schools	10.03	9.98
Extended Year Special Education - Nonpublic		
Transitional kindergarten through third	0.04	0.04
Fourth through sixth	0.22	0.22
Seventh and eighth	0.22	0.22
Ninth through twelfth	1.10	1.10
Total Extended Year Special Education - Nonpublic	1.58	1.58
ADA Totals	20,284.63	20,256.33

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

					Number of Days				
					Traditional Calendar				
Grade Level	Minutes Requirement	Actual Minutes	J-13A Approved Minutes	Total Adjusted Minutes	Actual Day Offered	J-13A Approved Days*	Total Adjusted Days	Multitrack Calendar	Status
Kindergarten	36,000	36,260	205	36,465	179	1	180	N/A	Complied
Grade 1	50,400	54,040	315	54,355	179	1	180	N/A	Complied
Grade 2	50,400	54,040	315	54,355	179	1	180	N/A	Complied
Grade 3	50,400	54,040	315	54,355	179	1	180	N/A	Complied
Grade 4	54,000	54,040	315	54,355	179	1	180	N/A	Complied
Grade 5	54,000	54,040	315	54,355	179	1	180	N/A	Complied
Grade 6	54,000	54,080	0	54,080	180	0	180	N/A	Complied
Grade 7	54,000	54,080	0	54,080	180	0	180	N/A	Complied
Grade 8	54,000	54,080	0	54,080	180	0	180	N/A	Complied
Grade 9	64,800	65,085	0	65,085	180	0	180	N/A	Complied
Grade 10	64,800	65,085	0	65,085	180	0	180	N/A	Complied
Grade 11	64,800	65,085	0	65,085	180	0	180	N/A	Complied
Grade 12	64,800	65,085	0	65,085	180	0	180	N/A	Complied

**Avaxat Elementary School was forced to close due to a power outage on February 11, 2025.*

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	$ 341,764,436	$ 355,033,481	$ 351,048,883	$ 357,192,751
Expenditures and Other Financing Uses	355,105,316	360,909,439	340,158,950	316,016,808
Net Change in Fund Balances	(13,340,880)	(5,875,958)	10,889,933	41,175,943
Ending Fund Balances	$ 110,796,160	$ 124,137,040	$ 130,012,998	$ 119,123,065
Available Reserves*	$ 36,823,474	$ 38,442,961	$ 43,543,606	$ 23,971,614
Available Reserves as a Percentage of Outgo	10.4%	10.7%	12.8%	7.6%
Long-term Debt**	$ 215,314,474	$ 236,835,940	$ 224,924,504	$ 236,131,798
Average Daily District Attendance at P-2	20,394	20,285	20,841	20,641

The General Fund balance has increased by $5,013,975 over the past two years. The fiscal year 2025-26 budget projects a decrease of $13,340,880, or 10.75%. 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 two of the past three years and anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term liabilities, excluding net pension liability and net OPEB liability have increased by $704,142 over the past two years.

Average daily attendance has decreased by 356 over the past two years. An increase of 109 ADA is anticipated during fiscal year 2025-26.

* Available reserves are the unrestricted amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects.

** 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, 2025

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, 2025

There were no charter schools in the District during fiscal year 2024-25.

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non-Major Special Revenue Funds
ASSETS						
Cash and equivalents	$ 2,991,900	$ 108,862	$ 12,045,750	$ 12,261,939	$ 3,623,585	$ 31,032,036
Accounts receivable	34,936	88,369	3,799,543	4,538,847	36,868	8,498,563
Due from other funds	-	709	958,053	8,251	3,674,000	4,641,013
Inventory	144,776	-	-	247,101	-	391,877
Prepaid expenses	62,154	-	-	-	-	62,154
Total Assets	$ 3,233,766	$ 197,940	$ 16,803,346	$ 17,056,138	$ 7,334,453	$ 44,625,643
LIABILITIES						
Accrued liabilities	$ 188,667	$ 36	$ 648,063	$ 170,450	$ -	$ 1,007,216
Due to other funds	-	17,734	3,168,197	643,012	-	3,828,943
Unearned revenue	-	-	526,349	181,391	-	707,740
Total Liabilities	188,667	17,770	4,342,609	994,853	-	5,543,899
FUND BALANCES						
Nonspendable	220,930	-	-	261,567	-	482,497
Restricted	2,824,169	55,616	11,206,289	15,799,718	-	29,885,792
Committed	-	12,283	1,224,410	-	7,325,417	8,562,110
Assigned	-	271	30,038	-	9,036	39,345
Unassigned	-	112,000	-	-	-	112,000
Total Fund Balances	3,045,099	180,170	12,460,737	16,061,285	7,334,453	39,081,744
Total Liabilities and Fund Balances	$ 3,233,766	$ 197,940	$ 16,803,346	$ 17,056,138	$ 7,334,453	$ 44,625,643

See note to supplementary information.

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, 2025

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non-Major Special Revenue Funds
REVENUES						
LCFF sources	$ -	$ -	$ -	$ -	$ 3,674,000	$ 3,674,000
Federal sources	-	-	3,387,821	7,988,050	-	11,375,871
Other state sources	-	391,404	13,939,017	10,861,637	-	25,192,058
Other local sources	5,229,646	85,057	4,631,054	783,828	130,282	10,859,867
Total Revenues	5,229,646	476,461	21,957,892	19,633,515	3,804,282	51,101,796
EXPENDITURES						
Current						
Instruction	-	84,938	8,666,787	-	-	8,751,725
Instruction-related services						
Instructional supervision and administration	-	-	585,344	-	-	585,344
School site administration	-	254,460	1,227,563	-	-	1,482,023
Pupil services						
Food services	-	-	-	17,253,044	-	17,253,044
All other pupil services	-	-	176,495	-	-	176,495
General administration						
All other general administration	-	17,584	1,040,153	488,389	-	1,546,126
Plant services	-	20,494	2,146,327	-	-	2,166,821
Facilities acquisition and maintenance	-	-	989,705	-	-	989,705
Ancillary services	5,021,006	-	-	-	-	5,021,006
Community services	-	-	5,250,201	-	-	5,250,201
Enterprise activities	-	129,106	-	-	-	129,106
Total Expenditures	5,021,006	506,582	20,082,575	17,741,433	-	43,351,596
Excess/(Deficiency) of Revenues Over Expenditures	208,640	(30,121)	1,875,317	1,892,082	3,804,282	7,750,200
OTHER FINANCING SOURCES/(USES)						
Transfers in	204,552	-	951,642	-	-	1,156,194
Transfers out	-	(204,552)	-	-	-	(204,552)
Other Financing Sources/(Uses), Net	204,552	(204,552)	951,642	-	-	951,642
NET CHANGE IN FUND BALANCES	413,192	(234,673)	2,826,959	1,892,082	3,804,282	8,701,842
FUND BALANCES - BEGINNING	2,631,907	414,843	9,633,778	14,169,203	3,530,171	30,379,902
FUND BALANCES - ENDING	$ 3,045,099	$ 180,170	$ 12,460,737	$ 16,061,285	$ 7,334,453	$ 39,081,744

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Total Non-Major Capital Projects Funds
ASSETS						
Cash and equivalents	$ 11,095,760	$ 24,299,484	$ 448	$ 7,219,752	$ 14,767,532	$ 57,382,976
Accounts receivable	114,803	2,083,288	19	79,078	-	2,277,188
Due from other funds	719,438	354,137	-	3,894,031	-	4,967,606
Prepaid expenses	-	-	-	79,875	-	79,875
Total Assets	$ 11,930,001	$ 26,736,909	$ 467	$ 11,272,736	$ 14,767,532	$ 64,707,645
LIABILITIES						
Accrued liabilities	$ 250,902	$ 172,716	$ -	$ 107,933	$ -	$ 531,551
Due to other funds	-	720,676	467	109,272	-	830,415
Total Liabilities	250,902	893,392	467	217,205	-	1,361,966
FUND BALANCES						
Nonspendable	-	-	-	79,875	-	79,875
Restricted	11,679,099	25,406,632	-	9,782,356	14,767,532	61,635,619
Committed	-	376,334	-	1,175,296	-	1,551,630
Assigned	-	60,551	-	18,004	-	78,555
Total Fund Balances	11,679,099	25,843,517	-	11,055,531	14,767,532	63,345,679
Total Liabilities and Fund Balances	$ 11,930,001	$ 26,736,909	$ 467	$ 11,272,736	$ 14,767,532	$ 64,707,645

See note to supplementary information.

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, 2025

	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Total Non-Major Capital Projects Funds
REVENUES						
Other state sources	$ -	$ 839,262	$ 7,171,351	$ -	$ -	$ 8,010,613
Other local sources	689,979	7,433,964	-	795,089	4,177,559	13,096,591
Total Revenues	689,979	8,273,226	7,171,351	795,089	4,177,559	21,107,204
EXPENDITURES						
Current						
General administration						
All other general administration	-	687,197	-	-	-	687,197
Plant services	261,800	4,120	-	215,061	-	480,981
Facilities acquisition and maintenance	4,951,880	6,331,293	-	13,557,760	749,141	25,590,074
Other outgo	-	-	-	145,308	-	145,308
Debt service						
Interest and other	-	-	-	289,413	-	289,413
Total Expenditures	5,213,680	7,022,610	-	14,207,542	749,141	27,192,973
Excess/(Deficiency) of Revenues Over Expenditures	(4,523,701)	1,250,616	7,171,351	(13,412,453)	3,428,418	(6,085,769)
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	8,736,926	-	3,747,010	-	12,483,936
Other sources	-	-	-	15,000,000	-	15,000,000
Transfers out	-	-	(7,171,351)	-	(1,565,575)	(8,736,926)
Other Financing Sources/(Uses), Net	-	8,736,926	(7,171,351)	18,747,010	(1,565,575)	18,747,010
NET CHANGE IN FUND BALANCES	(4,523,701)	9,987,542	-	5,334,557	1,862,843	12,661,241
FUND BALANCES - BEGINNING	16,202,800	15,855,975	-	5,720,974	12,904,689	50,684,438
FUND BALANCES - ENDING	$ 11,679,099	$ 25,843,517	$ -	$ 11,055,531	$ 14,767,532	$ 63,345,679

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Debt Service for Blended Component Units Fund	Total Non-Major Debt Service Funds
ASSETS		
Cash and equivalents	$ 41,477	$ 41,477
Total Assets	$ 41,477	$ 41,477
FUND BALANCES		
Restricted	$ 41,477	$ 41,477
Total Fund Balances	$ 41,477	$ 41,477

See note to supplementary information.

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, 2025

	Debt Service for Blended Component Units Fund	Total Non-Major Debt Service Funds
REVENUES		
Other local sources	$ 777,995	$ 777,995
Total Revenues	777,995	777,995
EXPENDITURES		
Debt service		
Principal	105,000	105,000
Interest and other	660,063	660,063
Total Expenditures	765,063	765,063
Excess/(Deficiency) of Revenues Over Expenditures	12,932	12,932
NET CHANGE IN FUND BALANCES	12,932	12,932
FUND BALANCES - BEGINNING	28,545	28,545
FUND BALANCES - ENDING	$ 41,477	$ 41,477

See note to supplementary information.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	$ 31,032,036	$ 57,382,976	$ 41,477	$ 88,456,489
Accounts receivable	8,498,563	2,277,188	-	10,775,751
Due from other funds	4,641,013	4,967,606	-	9,608,619
Inventory	391,877	-	-	391,877
Prepaid expenses	62,154	79,875	-	142,029
Total Assets	$ 44,625,643	$ 64,707,645	$ 41,477	$ 109,374,765
LIABILITIES				
Accrued liabilities	$ 1,007,216	$ 531,551	$ -	$ 1,538,767
Due to other funds	3,828,943	830,415	-	4,659,358
Unearned revenue	707,740	-	-	707,740
Total Liabilities	5,543,899	1,361,966	-	6,905,865
FUND BALANCES				
Nonspendable	482,497	79,875	-	562,372
Restricted	29,885,792	61,635,619	41,477	91,562,888
Committed	8,562,110	1,551,630	-	10,113,740
Assigned	39,345	78,555	-	117,900
Unassigned	112,000	-	-	112,000
Total Fund Balances	39,081,744	63,345,679	41,477	102,468,900
Total Liabilities and Fund Balances	$ 44,625,643	$ 64,707,645	$ 41,477	$ 109,374,765

See note to supplementary information.

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, 2025

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
REVENUES				
LCFF sources	$ 3,674,000	$ -	$ -	$ 3,674,000
Federal sources	11,375,871	-	-	11,375,871
Other state sources	25,192,058	8,010,613	-	33,202,671
Other local sources	10,859,867	13,096,591	777,995	24,734,453
Total Revenues	51,101,796	21,107,204	777,995	72,986,995
EXPENDITURES				
Current				
Instruction	8,751,725	-	-	8,751,725
Instruction-related services				
Instructional supervision and administration	585,344	-	-	585,344
School site administration	1,482,023	-	-	1,482,023
Pupil services				
Food services	17,253,044	-	-	17,253,044
All other pupil services	176,495	-	-	176,495
General administration				
All other general administration	1,546,126	687,197	-	2,233,323
Plant services	2,166,821	480,981	-	2,647,802
Facilities acquisition and maintenance	989,705	25,590,074	-	26,579,779
Ancillary services	5,021,006	-	-	5,021,006
Community services	5,250,201	-	-	5,250,201
Enterprise activities	129,106	-	-	129,106
Other outgo	-	145,308	-	145,308
Debt service				
Principal	-	-	105,000	105,000
Interest and other	-	289,413	660,063	949,476
Total Expenditures	43,351,596	27,192,973	765,063	71,309,632
Excess/(Deficiency) of Revenues				
Over Expenditures	7,750,200	(6,085,769)	12,932	1,677,363
OTHER FINANCING SOURCES/(USES)				
Transfers in	1,156,194	12,483,936	-	13,640,130
Other sources	-	15,000,000	-	15,000,000
Transfers out	(204,552)	(8,736,926)	-	(8,941,478)
Other Financing Sources/(Uses), Net	951,642	18,747,010	-	19,698,652
NET CHANGE IN FUND BALANCES	8,701,842	12,661,241	12,932	21,376,015
FUND BALANCES - BEGINNING	30,379,902	50,684,438	28,545	81,092,885
FUND BALANCES - ENDING	$ 39,081,744	$ 63,345,679	$ 41,477	$ 102,468,900

See note to supplementary information.

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, 2025. 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 elected not 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.

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

CWDL

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, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2025.

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 District'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.



San Diego, California
November 26, 2025

CWDL

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, 2025. 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, 2025.

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.



San Diego, California
November 26, 2025

CWDL

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 *2024-25 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, 2025.

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, 2025.

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 *2024-25 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 *2024-25 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 *2024-25 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 *2024-25 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.	RESERVED	Not Applicable
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

	PROGRAM NAME	PROCEDURES PERFORMED
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
	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)	Not Applicable
CZ.	Career Technical Education Incentive Grant	Yes
DZ.	Expanded Learning Opportunities Program	Yes
EZ.	Transitional Kindergarten	Yes
FZ.	Kindergarten Continuance	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.

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 or 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 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
November 26, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025

FINANCIAL STATEMENTS	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

Assistance Listing Number(s)	Name of Federal Program of Cluster
93.575	Child Care and Development Block Grant
84.010	Title I, Part A

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2025.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section presents significant deficiencies, material weaknesses, and instances of noncompliance identified during the audit of the financial statements. These matters are reported in accordance with the *U.S. Government Accountability Office's Government Auditing Standards* and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
50000	Federal Compliance

There were no federal award findings and questioned costs for the year ended June 30, 2025.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

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