



FINANCIAL AND AUDIT COMMITTEE AGENDA

Monday, April 28, 2025

6:00 p.m.

550 E. Sixth Street, Beaumont, CA

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

MEETING PARTICIPATION NOTICE

This meeting will be recorded for live streaming as well as open to public attendance. Please use the following link during the meeting for live stream access: beaumontca.gov/livestream

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by Committee. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to:

nicolew@beaumontca.gov with "Public Comment" in the subject line.

2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by the Committee. Please use the following phone number to join the call **(951) 922 - 4845**.

3. In-person comments are accepted by notifying the City Clerk using a provided Request to Speak Form prior to the start of the Public Comment Period. Public comments shall not exceed three (3) minutes unless otherwise authorized by the Committee.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196**. Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

Regular Session

A. CALL TO ORDER

Council Member Julio Martinez, Council Member David Fenn, Treasurer AJ Patel, Chair David Vanderpool, Resident/Business Member Ron Rader, Resident Member Christian Fernandez, Alternate Member Darneisha Beeler

Action for any request of an excused absence
Adjustments to Agenda
Conflict of Interest Disclosure
Pledge of Allegiance

B. PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):

Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or City Clerk. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.

C. ACTION ITEMS / PUBLIC HEARINGS / REQUESTS

Approval of all Ordinances and Resolutions to be read by title only.

- | | | |
|------------|---|------------|
| C.1 | Approval of Minutes | 4 |
| | Recommended Action:
Approve Minutes dated January 27, 2025 | |
| C.2 | 2025 City of Beaumont Financial Policies Update | 7 |
| | Establish Policies for Internal Service Fund and update the 2025 Financial Polices | |
| | Recommended Action:
Review and discuss changes to the 2025 City Financial policies and the Internal Service Fund Policy. Staff recommends that the Finance & Audit Committee approve the 2025 City Financial Polices and Internal Service Fund Policy and forward the recommendation to the City Council for final adoption. | |
| C.3 | FY2024-2025 3rd Quarter Investment Report | 161 |
| | Report on the City's investments for the months of January through March, 2025. | |
| | Recommended Action:
Receive and file report. | |
| C.4 | FY2024-2025 3rd Quarter Budget to Actual Report | 199 |
| | Receive a report on the financial status of the FY2025 budget as of March 31, 2025. | |
| | Recommended Action:
Receive and file report. | |

D. SUBCOMMITTEES

- **Internal Control Committee** (Vanderpool)
- **Consultant Review Committee** (Rader)

E. TREASURER REVIEW AND COMMENTS

F. FINANCE DIRECTOR COMMENTS

G. ADJOURNMENT

The next regular meeting of the Beaumont Financial and Audit Committee is scheduled for Monday, July 27, 2025, at 6:00 p.m., unless otherwise posted Online www.BeaumontCa.gov



FINANCIAL AND AUDIT COMMITTEE MEETING MINUTES

January 27, 2025
6:00 p.m.
550 E. Sixth Street, Beaumont, CA

Regular Session

A. **CALL TO ORDER at 6:00 p.m.**

Present: Council Member Julio Martinez, Council Member David Fenn, Chair
David Vanderpool, Vice Chair Ron Rader, *vacant* - Resident Member

Absent: Treasurer AJ Patel

Action for any request of an excused absence
Adjustments to Agenda
Conflict of Interest Disclosure
Pledge of Allegiance

B. **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

None.

C. **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

Approval of all Ordinances and Resolutions to be read by title only.

C.1 **Reorganization of Committee**

Selection of Chair and Vice Chair to the Committee.

Nomination of Member Vanderpool for Chair

Motion by Member Rader

Second by Council Member Fenn

Approved

Nomination of Member Rader for Vice Chair

Motion by Chair Vanderpool

Second by Council Member Martinez

Approved

C.2 Approval of Minutes

Motion by Vice Chair Rader

Second by Council Member Martinez

Abstain: Fenn

To approve Minutes dated:

October 28, 2024

November 18, 2024

C.3 Fiscal Year 2025-2026 Budget Planning

Review budget assumptions to be used in the budget building process for Fiscal Year 2025-2026 and provide feedback.

Report received.

C.4 FY2024-2025 Mid-Year Budget Report

Receive and file an FY2024-2025 mid-year budget report.

Motion by Council Member Martinez

Second by Vice Chair Rader

To receive Mid-Year Budget Report.

C.5 FY2024-2025 2nd Quarter Cash and Investment Report

Receive and file the 2nd quarter cash and investment report.

Motion by Chair Vanderpool

Second by Council Member Fenn

To receive report.

D. SUBCOMMITTEES

- **Internal Control Committee** (Vanderpool)
- **Consultant Review Committee** (Rader)

E. TREASURER REVIEW AND COMMENTS

F. FINANCE DIRECTOR COMMENTS

G. **ADJOURNMENT at 6:52 p.m.**

The next regular meeting of the Beaumont Financial and Audit Committee is scheduled for Monday, April 28, 2025, at 6:00 p.m., unless otherwise posted Online

www.BeaumontCa.gov



Staff Report

TO: Finance and Audit Committee Members
FROM: Lisa Leach, CPA, Assistant Finance Director
DATE April 28, 2025
SUBJECT: 2025 City of Beaumont Financial Policies Update

Description Establish Policies for Internal Service Fund and update the 2025 Financial Policies

Background and Analysis:

Financial policies provide guidelines for financial decision-making and are central to a strategic, long-term approach to financial management. Governments adopt formal financial policies to institutionalize good financial management practices, clarify strategic intent, promote long-term thinking, manage risks, and set decision-making boundaries. GFOA best practices recommend governments formally adopt financial policies. Financial policies, which are adopted by City Council, provide written guidance for how local government officials and staff should approach fiscal issues and core financial areas.

As part of the budget process, each year, the City's financial policies will be reviewed and updated by the finance department and prepared for City Council adoption. The financial policies will also be used during the Citywide audits to assess compliance and risk and will be included in the Cities budget book. Attached is the proposed 2025 City of Beaumont Financial Policies with recommended updates and changes in red.

Internal Service Fund Policy

The City of Beaumont recognizes the need for an efficient and transparent process to manage aging City assets—including vehicles, equipment, facilities, and IT infrastructure. The proposed policy establishes guidelines for evaluating asset life cycles, replenishing funds, and ensuring timely replacements based on usage, condition, and technological advancements.

The policy mandates the formation of a **Review Committee**, composed of key departmental representatives, to assess asset conditions and replacement needs on an annual basis. This process aims to enhance fiscal responsibility by minimizing budgetary fluctuations and ensuring that aging assets are strategically replaced without causing undue financial strain.

The proposed **Internal Service Funds Policy** offers several benefits to the City's financial and operational planning:

- **Predictable Budgeting** – Establishes amortization schedules for asset replacement to minimize unexpected financial burdens.
- **Comprehensive Asset Evaluation** – Incorporates age, mileage, repair costs, and usability to determine replacement needs.
- **Fund Replenishment Strategy** – Ensures the availability of funds for future replacements through scheduled contributions by user departments.
- **Technology & Security Considerations** – IT assets are evaluated separately, considering technological advancements and cybersecurity needs.

Under the policy, the Finance Department will assess fund balances annually to ensure that replacement needs align with available resources. Departments will be required to submit asset usage reports during budget preparation to facilitate informed decision-making.

Fiscal impact

The policy establishes a structured replenishment process funded through departmental allocations, interest earnings, and disposal proceeds from retired assets. The proposed 3.5% inflation rate factor ensures that future replacements are adequately funded, mitigating the risk of financial shortfalls.

Recommended Action:

Review and discuss changes to the 2025 City Financial policies and the Internal Service Fund Policy. Staff recommends that the Finance & Audit Committee approve the **2025 City Financial Policies and Internal Service Fund Policy** and forward the recommendation to the City Council for final adoption.

Attachments:

- A. 2025 City of Beaumont Financial Policies Manual
- B. Internal Service Funds Policy

City of Beaumont

Finance Department
Policies and Procedures Manual
Council Adopted **TBD**



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Introduction

The City of Beaumont has adopted Accounting, Financial management, Investment, Fixed asset, Grant, Procurement, Budget, Capital Improvement and various other policies to provide the framework for managing the City's financial resources and assuring uniformity in all Financial operations. These policies are designed to:

1. Contribute to the confidence in the City operations and the commitment of the City Council, City Manager, and staff to sound financial practices.
2. Save time and energy of the City Council and appointed officials. Once certain financial decisions are made at the policy level, those policies may be applied to individual situations and issues.
3. Direct attention of the City Council, City Manager, department heads and the public to the City's total financial condition and link day-to-day operations with long-range financial planning.
4. Contribute to the stability and expeditious handling of the City's financial affairs. The City Council, City Manager and department heads may change overtime, but sound financial accounting policies will be in existence to guide whoever holds these positions.

Accounting Policies

Introduction

The City's accounting policies are the specific principles, guidelines, basis, conventions, rules, regulations and practices applied by the City of Beaumont in accounting for the collection and disbursement of financial resources and in preparing and presenting accurate financial statements of fiscal transactions. Sound and practical accounting policies are the foundation of accurate accounting and reporting of financial information. The City's accounting policies help ensure that the institutional memory of how and why things were done in the past is not lost and serve as an important tool to capture how things are currently done. Accounting policies provide guidelines to support daily operations and sound administrative and policy decision making.

Scope

The City's accounting policies apply to all personnel, departments, divisions, and offices of the City government as well as all associated accounting funds under the direct authority of the City of Beaumont. These accounting funds include, but are not limited to, the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Projects Funds, Private-Purpose Trust Funds and Agency Trust Funds. These accounting policies are also applicable to the City's blended component units, including the Beaumont Utility Authority, the Beaumont Parking Authority, Beaumont Financing Authority, and the Beaumont Public Improvement Authority.

Responsibility

The City Manager is ultimately responsible for the City's implementation and compliance with these policies unless the City Council authorizes exceptions. Under the direction of the City Manager, the Finance Director will review, develop, and implement a system of processes and procedures to ensure compliance with these policies throughout the entire organization. The City Manager will work with the Finance Director to ensure these policies are updated on a timely basis.

Accounting Standards

The annual budget and audited financial statements of the City of Beaumont are prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to government entities. Generally Accepted Accounting Principles (GAAP) are national accounting standards adopted by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is the nation-wide accepted standards body for establishing governmental accounting and financial reporting principles.

The City also complies with Financial Accounting Standard Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

Beaumont's budget and audited financial statements present the financial position of the City government and its blended component units. Blended component units are entities for which the City is considered to

be financially accountable. This includes the Beaumont Utility Authority, the Beaumont Finance Authority, Beaumont Parking Authority, and the Beaumont Public Improvement Authority. These organizations are technically separate legal government entities but are in substance part of the City of Beaumont's government operations. The City Council acts as the board of directors for the Beaumont Utility Authority, Beaumont Parking Authority, the Beaumont Financing Authority, and the Beaumont Public Improvement Authority. City employees serve as the staff for all four of these governmental units. The budget and other financial information from these government entities is combined with the budget and financial data of the City of Beaumont. The Beaumont Utility Authority, Beaumont Parking Authority, Beaumont Financing Authority and the Beaumont Public Improvement Authority have a June 30 date for the end of their fiscal year.

GASB 87 – Lease Materiality Policy

PURPOSE

The purpose of the Lease Materiality Policy is to establish the dollar threshold at which City of Beaumont accounts for leases for external financial reporting purposes.

ADOPTION AND REVIEW

This policy shall be reviewed periodically for recommended revisions in order to maintain the policy in a manner that reflects the ongoing financial goals of the City of Beaumont and compliance with Generally Accepted Accounting Principles (GAAP). Finance Department management shall adopt and revise the policy as necessary.

POLICY

- 3.1. In accordance with Governmental Accounting Standard Board (GASB) Statement No. 87, Leases, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transactions (i.e., buildings, land, vehicles, and equipment). Any contract that meets this definition should be accounted for under the lease guidance as identified in GASB Statement No. 87. Subject to certain provisions and exceptions noted in the guidance, leases are generally reported as follows in a government's external financial statements:
 - 3.1.1 Lessee: A lessee should recognize a lease liability and a lease asset at the commencement of the lease term. A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (i.e., expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.
 - 3.1.2 Lessor: A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. A lessor should recognize interest revenue on the lease receivable and an inflow of resource (i.e., revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease.
- 3.2. Effective July 1, 2024, The City of Beaumont has established a materiality dollar threshold for determining the inclusion or exclusion of leases in the external financial statements, both as lessee and lessor. At the commencement of the lease term, City of Beaumont will analyze the terms and

provisions of the lease agreement (contract) in order to calculate the value of the underlying asset.

3.2.1 An individual lease agreement (contract) that generates a right-to-use underlying asset value calculated at greater than or equal to \$25,000 will be included in the external financial statements.

3.2.2 A lease agreement (contract) with an underlying asset value less than \$25,000 may be included in the external financial statements at the discretion of City of Beaumont Finance management should it be determined that its exclusion might otherwise cause the financial statements to be incomplete or misleading in some manner.

GASB 96 – Subscription-Based Information Technology Arrangement (SBITA) Materiality Policy

PURPOSE

The purpose of the Subscription-Based Information Technology Arrangement (SBITA) Materiality Policy is to establish the dollar threshold at which the City of Beaumont accounts for SBITAs for external financial reporting purposes.

ADOPTION AND REVIEW

This policy shall be reviewed periodically for recommended revisions in order to maintain the policy in a manner that reflects the ongoing financial goals of the City of Beaumont and compliance with Generally Accepted Accounting Principles (GAAP). Finance Department management shall adopt and revise the policy as necessary.

POLICY

3.1. In accordance with Governmental Accounting Standard Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transactions. Any contract that meets this definition should be accounted for under the SBITA guidance as identified in GASB Statement No. 96.

3.2. Subject to certain provisions and exceptions noted in the GASB guidance, SBITAs are generally reported as a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability in a government's external financial statements:

3.3. Effective July 1, 2024, City of Beaumont has established a materiality dollar threshold for determining the inclusion or exclusion of SBITAs in the external financial statements. At the commencement of the SBITA term, City of Beaumont will analyze the terms and provisions of the agreement (contract) in order to calculate the fixed and fixed in-substance future payments to the end of the subscription term.

3.3.1 An individual agreement (contract) that generates future payments over the subscription term

calculated at greater than or equal to \$25,000 will be included in the external financial statements.

- 3.3.2 An agreement (contract) that generates future payments over the subscription term calculated at less than \$25,000 may be included in the external financial statements at the discretion of City of Beaumont Finance Department management should it be determined that its exclusion might otherwise cause the financial statements to be incomplete or misleading in some manner.

Measurement Focus

The accounting and reporting treatment applied to a Fund is determined by its **measurement focus**. All Governmental Funds (General Fund, Special Revenue Funds and Debt Service Funds) are accounted for on a **flow of current financial resources measurement focus**. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental Fund operating statements and budgets present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Proprietary Funds (Internal Service Funds and Enterprise Funds) and all Fiduciary Funds are accounted for on a **flow of economic resources measurement focus**. This means that all assets and all liabilities (whether current or non-current) associated with this activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Funds operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the City's financial statements. The **Basis of Accounting** relates to the timing of revenue recognition in the City's financial statements regardless of Measurement Focus applied. The accounting basis in the City's annual budget is the same as accounting basis in the City's annual audited financial statements.

1. Governmental Fund Types (Tax Supported Activities). The modified accrual basis of accounting is used by the City of Beaumont to apply revenues to expenditures in its Governmental Funds. Under the modified accrual basis of accounting revenues are recorded when they become measurable and available to pay for expenditures of the current period. "Measurable" means that the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to the accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City of Beaumont considers all revenues available if they are collected within sixty (60) days after the end of the fiscal year. Revenues that are accrued include property taxes, franchise fees, interest revenue and charges for service. Sales taxes and motor vehicle license fees collected and held by the state at year end on behalf of the City are also recognized as revenue. Licenses, permits and fines are accrued when received as they are not measurable until received in cash. Investment earnings are recorded as earned. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports deferred revenue on its balance sheet. Deferred revenues arise when potential revenue meets the asset recognition criteria but does not meet both the “measurable” and “available” revenue criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, such as when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

2. Proprietary Fund Types (Business-Type Activities) and Fiduciary Fund Types (Resources Held in Trust). Expenditures are generally recognized in Enterprise Funds, Internal Service Funds, Private Purpose Trust Funds, and Agency Trust Funds under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due. Certain compensation absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Assets, Liabilities and Fund Equity

1. Cash and Investments. Cash and cash equivalents represent the City’s cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents.

The City maintains a cash and investment pool that is available for use by all Funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month-end cash balances in each fund. Cash is divided into three risk levels in accordance with standards that have been developed by the Governmental Accounting Standards Board (GASB) in Statement No. 3:

A. Category 1 Investments. Insured or collateralized investments with securities held by the City of Beaumont or by its agent in the City’s name.

B. Category 2 Investments. Collateralized investments with securities held by the pledging financial institution’s trust department or agent in the City’s name.

C. Category 3 Investments. Uncollateralized investments. This includes any bank balance that

is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City of Beaumont' name.

In accordance with Governmental Accounting Standards Board (GASB) 31, all City investments are stated at fair value. Fair value is based on the quoted market prices as of the valuation date. Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent cash and investments' balance exceeds the cumulative value of those investments subject to Governmental Accounting Standards Board (GASB) 31.

The fair value of the City's investment in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 is reported in the City's financial records and financial statements at amounts based on the pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

2. Internal Controls. The internal control structure of the City of Beaumont is designed to ensure that the assets of the City are protected from loss, theft, or misuse. It is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls within the City of Beaumont address the following issues:

A. Control of Collusion. Collusion occurs where two or more employees work in conjunction to defraud the City. The City has an organizational structure and operational policies and procedures that are designed to prevent collusion.

B. Separation of Transaction Authority from Accounting and Record Keeping. The City has segregated job duties so that the person who authorizes or performs the transactions is different from the person who records or otherwise accounts for the transaction. The City's Finance Department has divided duties and record keeping among employees with a Finance Director overseeing day-to-day operations.

C. Custodial Safekeeping. Funds collected by the City are deposited into the bank once a week. Any small amounts of cash held at the end of the day are placed in a safe. Securities purchased from any bank or dealer (including appropriate collateral) for short-term or long-term cash investments are placed with an independent third party for custodial safekeeping.

D. Avoidance of Physical Delivery of Securities. The City avoids the physical delivery of securities. Book-entry securities are easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

E. Clear Delegation of Authority to Subordinate Staff Members. Staff members in the Finance Department have a clear understanding of their authority and responsibilities to avoid improper actions. Clear designation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

F. Written Confirmation of Transactions for Investments and Wire Transfers. Due to the

potential for error and improprieties arising from telephone and electronic transactions, all transactions are supported by written communications and approved by the authorized supervisor. Written communications may be via-email if on letterhead and if the safekeeping institution has a list of authorized signatures.

G. Wire Transfer Agreement with Lead Bank. The City has a wire transfer agreement with its bank that addresses controls, security provisions and responsibilities of each party making and receiving wire transfers.

3. Accounts Receivable. Billed but unpaid services provided to individuals or non-Government entities are recorded as “accounts receivable.” The Proprietary Funds include a year-end accrual for services through the end of the fiscal year, which have not yet been billed. Accounts receivables are reported in net of an allowance for uncollectible accounts in the Enterprise Funds.

4. Compensated Absences. It is the City’s policy to permit employees to accumulate earned (but unused vacation), sick pay and compensatory time benefits up to the limits imposed in the City of Beaumont Personnel Manual. Vested or accumulated vacation, holiday and sick leave along with any compensatory time that is expected to be paid with expendable available financial resources is reported as an expenditure and fund liability in the Governmental Fund that will pay for it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. Vested leaves in Enterprise Funds are recorded as an expense and liability as the benefits accrue.

5. Long-Term Liabilities. The City reports long-term debt of Governmental Funds at face value. Long-term liabilities for all Governmental Funds and Fiduciary Funds do not affect net current assets and are not included on their respective balance sheets in previous years. Long-term liabilities of proprietary and non-expendable trust funds are accounted for in the respective funds.

6. Inventory. Inventory is valued at the cost that approximates market, using first-in, first-out (FIFO) method. The consumption method is used to account for the inventory of Governmental Funds including the General Fund, Special Revenue Funds and Capital Projects Funds. The value of the City’s office supply inventory is not considered material and as a result, no inventory value is shown in the City’s financial statements or in the annual budget.

7. Bond Discounts. In Governmental Funds, bond premiums, discounts, and issuance costs are recognized in the current period. Bond discounts are presented as a reduction of the face amount of the bonds payable. Issuance costs are reported as an expenditure of the period. For Proprietary Funds, bond premiums and discount, with issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

8. Called Developer Bonds. Revenues from called developer bonds arising from contract defaults are deferred and recognized as revenues when the related costs to complete the project are incurred by the City.

9. Unappropriated Fund Balance and Unreserved Cash and Investments. The Unappropriated Fund Balance in Governmental Funds and Unreserved Cash and Investments balances in Proprietary Funds indicate that portion of Fund Equity which is available for appropriation in future periods. Restricted Fund Balances or Reserved Fund Equity indicates that a portion of Fund Balance or Fund Equity has been segregated for specific purposes or is not available for appropriation. Reservations of

retained earnings are limited to outside third-party restrictions.

10. Contributed Capital. Contributed capital are non-cash assets recorded in Enterprise Funds and General Fund and primarily represents infrastructure such as water lines, sewer lines or assets received from other funds, developers, or customers. Contributed capital designations in the Enterprise Funds cannot be spent for operating or capital needs.

Taxes and Other Revenues

1. Property Taxes. Riverside County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (moveable property) located within the state. The California property tax is ad valorem, based on the value of the property rather than on a fixed amount or benefit to the property or persons. Intangible assets and rights are not subject to taxation except to the extent that they are necessary to put real property interests to beneficial or productive use. Taxable property includes land, improvements, and other properties that are accounted for on the property tax rolls, which are primarily maintained by the Riverside County Assessor. Tax rolls contain an entry for each parcel of land, including parcel number, owner's name, and value.

The amount of the tax is based on an annually determined assessed valuation. The property tax is paid to the county tax collector and allocated to local taxing agencies. The property tax is guaranteed by placing a lien on the real property. For this reason, types of properties are distinguished as secured or unsecured.

Certain special exemptions to the standard assessment rules are provided in the State Constitution and state law. These exemptions include federal and state-owned property, municipal owned property except property outside the legal boundaries of the agency, homeowners' property tax exemption, property owned, irrevocably dedicated to religious, hospital, cemeteries and schools and the California Air Patrol; Williamson Act; disabled veterans; and other exemptions.

Property taxes are levied in equal installments on November 1 and February 1. They become delinquent respectively on December 10 and April 10. The lien date is March 1 of each year. Property taxes are accounted for in the City of Beaumont General Fund. The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum of \$1.00 per \$100 of full cash value. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after the end of the fiscal year.

Property tax on the unsecured roll is due on the March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year-end accrual. Taxes on individual pieces of property may be delinquent up to five years before the property is sold for delinquent taxes.

Under state statute, the County Treasurer, acting as a tax collector, must settle and disburse all current tax collections to all taxing units by the end of March following the taxing year. Delinquent taxes are collected throughout the year and dispersed to the taxing units on a routine basis.

The City receives property taxes under the "Teeter Plan." The Teeter Plan allows cities to collect 100% of assessed taxes each year in lieu of receiving only those taxes collected by the County. Riverside County receives the penalties and interest when delinquent taxes are collected in future years. The County benefits by charging interest substantially higher than market rates when the delinquent taxes are collected.

2. Sales and Use Taxes. California sales tax is imposed on retailers for the privilege of selling tangible personal property. A portion of the tax is a state tax, and a portion is locally imposed. The tax base for the sales tax is the retail price of tangible personal property. Tangible personal property is any material asset, such as household goods and business equipment which is readily moveable and not permanently attached to real property. Sales tax applies to a transaction if (1) the seller's registered place of business in California participates in the sale and (2) title to the goods passes to the customer within the state.

The use tax complements the sales tax. It is imposed on the storage or use, or other consumption in California of property purchased from a retailer in cases where the sales tax is not collected. While sales tax is imposed on the seller, the use tax is imposed on the purchaser and at the same rates as the sales tax. The use tax was first imposed in 1935, in order to discourage buying from out of state solely for the purpose of avoiding state sales tax, and thereby placing California retailers at a competitive disadvantage. On April 25, 2019, Governor Newsom signed AB 147, which imposes the obligation to collect applicable transactions and use tax on all sales made for delivery in any city or county that impose a transactions and use tax and applies to a retailer whether inside or outside of California if, during the preceding or current calendar year, the total combined sales of tangible personal property in California or for delivery in California by the retailer and all persons related to the retailer exceed \$500,000. Sales and use taxes are collected by the California Department of Tax and Fee administration (CDTFA) and remitted to the City quarterly. Sales and use taxes are recorded as revenues when received by the California Department of Tax and Fee administration (CDTFA).

3. Franchise Fees. Revenue received from the Gas Company for the ability to lay and use pipes and appurtenances for the transmitting and distribution of gas pursuant to Ordinance No. 339. Revenue is remitted on a yearly basis, anticipated in April, for the prior year.

Revenue received from Southern California Edison for the use, construction, and transmission and distribution of electricity to the public for all purposes pursuant to Ordinance No. 251. Revenue is remitted on a yearly basis, anticipated in April, for the prior year.

Revenue received from Waste Management for the exclusive franchise to collect, remove, and dispose of solid waste in the City's service area pursuant to the Collection Services Agreement for the Provision of Residential and Commercial Garbage, Recyclable Materials and Organic Waste Collection Services. Revenue is remitted on a quarterly basis.

Cable and Video franchise fees are collected from Charter and Frontier as "rent" or "toll" for the use of the streets and rights-of-way of a municipality. Payments are received on a quarterly basis. Additionally, Franchises are required to remit payment for the support of Public, Educational, and Governmental Access (PEG) fee. These payments are remitted on a quarterly basis.

4. Utility User Tax (UUT) A Utility User Tax is imposed for the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone, sanitation, and cable television. This tax is the responsibility of the consumer. The tax is collected by the utility company as part of its normal billing processes and remitted to the City on the consumer's behalf. The revenue received from this tax can be used for general business purposes. Revenue is received on a monthly basis for monies collected in the prior month.

5. Transient Occupancy Tax (TOT) A Transient Occupancy Tax is imposed on occupants staying in room(s) within a hotel, motel, inn, etc..... for a period less than 30 days. Owners of these establishments are responsible for collecting TOT from its consumers and remitting the funds back to the City. Revenue

is received on a quarterly basis.

6. Business License Tax The City imposes a business license tax on person(s) or entities for the privilege of conducting business within the City. The tax is most commonly based on gross receipts or levied at a flat rate. However, the business license tax can also be based on number/type of employees, units/spaces for rent, manufacturing weight, etc.... Majority of revenue is received between June and July as business license renewals are due June 30 of each year. However, revenues are received throughout the year due to new applications and late renewals.

7. Development Impact Fee Revenues The City seeks to recover some of the cost of growth through development impact fees on new developments in the City of Beaumont. As Beaumont's population grows, the demand for the expansion of public infrastructure and the purchase of capital equipment needed to serve new development in the City increases.

State law allows (State Mitigation Fee Act, Government Code 66000 et. seq.) and fairness dictates that the new residents creating the need for expanded infrastructure and additional equipment capital costs should make a contribution to their acquisition in the form of development impact fees. Development impact fees are collected by the City of Beaumont for the expansion of public infrastructure and facilities and the purchase of capital equipment needed for new development in the City. All development impact fees are deposited in separate special revenue and expenditure accounts in a separate Special Revenue Fund specifically designated for the particular development impact fee. Development impact fees can only be spent for capital purchases due to growth and are not used for salary or maintenance or operation expenditures.

California Government Code Section 65940.1 and Section 66016.5 require cities, counties, and special districts to update development impact fee information which includes:

Nexus Studies – Local agencies must prepare and adopt an impact fee nexus study to establish the legal and policy basis for adopting or increasing development impact fees. Nexus studies must be updated at least once every eight years. The City of Beaumont will make all attempts to update the nexus study at least every five-years.

8. Other Revenues Outside of taxes, the City earns revenues through regulatory fees and services rendered. These revenues are received throughout the year. Below is a listing of other revenue sources but is not inclusive of all revenues.

Regulatory fees include the following:

- Building and zoning permits;
- Zoning Variances and changes;
- Building and safety inspections;
- Fire inspections;
- Planning services;
- Permits;
- Alarm permits;
- Pet licenses;

Services provided include but are not limited to:

- School Resource Officers;
- Livescan services;

- Graduation patrol;
- Football patrol;
- Park rentals;
- Building rentals

Revenue Collections

The City will use all cost-effective means available to collect revenues due.

The Finance Department is responsible for ensuring all Accounts Receivable are properly pursued and accounted for, which includes an aging of each receivable and the development of a bad debt policy. The Finance Department will ensure, on an annual basis, that a report is provided to the City Council on the condition of the City's collection efforts and any accounts receivable and the development of a bad debt policy. The Finance Department will ensure, on an annual basis, that a report is provided to Council on the condition of the City's collection efforts and whether any accounts receivable should be written off.

The Mayor and City Council must approve any fee waivers.

Chart of Accounts

The City Chart of Accounts is a carefully arranged system classifying financial transactions for budgeting, accounting, and reporting purposes. The Chart of Accounts does the following:

1. Defines each account in order to assure uniform treatment in the classification recording and summarization of accounting transactions.
2. Provides a consistent basis for reporting accounting financial and related information to facilitate effective and meaningful communications with the public, bond investors, City departments City Manager and City Council.
3. Provide flexibility for other reporting needs as required for ongoing operations of the City.

Periodic Journal Entries

The Finance Director is responsible for seeing that the following journal entries are prepared and posted as appropriate to the General Ledger:

1. Monthly or Quarterly Postings to General Ledger. Monthly postings to the General Ledger include, but are not limited to, payroll related postings, including deferred compensation and contributions to the California Public Employees' Retirement System, tax receipts, wire transfers, bank account charges, investment earnings, transfers between funds, voided and non-sufficient fund checks, budget appropriation changes, reconciliation adjustments and miscellaneous entries including reclassifications.

2. Annual Postings to General Ledger. Annual postings to the General Ledger include, but are not limited to, accounts payable from invoices, accounts receivable from billings, grant accruals and/or deferrals, land transactions, fiscal agent activity on Community Facilities District (CFD) bonds or other bond issues, interest on notes receivable, capital asset transactions, reimbursements due to and due from accounts, deferred revenue and other accruals as required.

Financial Reports

The City staff prepares appropriate monthly financial statements reflecting the operations of individual Funds for internal use by the City Council, City Manager, department heads and the general public. The City adheres to a policy of full and open public disclosure of all financial documents.

Independent Audits

An independent audit of the City's financial statements is conducted each year by an independent Certified Public Accounting firm. The City also participates in a number of federal and state assisted grant programs, which are subject to annual financial and compliance audits.

Staff will regularly use competitive processes to select and rotate new independent auditors that will be responsible for the annual audit of financial records in accordance with state and federal guidelines and generally accepted auditing standards.

The Annual Comprehensive Financial Report (ACFR) or audited financial statements along with the Management Letter and responses from management, will be completed and shared with the City Council.

Financial Management Policies

Introduction

The City of Beaumont is accountable to the community for the use of public dollars. Municipal resources will be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. Financial management policies serve as the blueprint to achieve the fiscal stability and accountability required to meet the City's goals and objectives.

Scope

The City's financial management policies apply to all personnel, departments, divisions, and offices of the City government as well as all associated accounting funds under the direct authority of the City of Beaumont. These accounting funds include, but are not limited to, the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Projects Funds, Private-Purpose Trust Funds and Agency Trust Funds. These financial management policies are also applicable to the City's blended component units, including the Beaumont Utility Authority, Beaumont Parking Authority, Beaumont Financing Authority and Beaumont Public Improvement Authority.

Responsibility

The City Manager is ultimately responsible for the City's implementation and compliance with these policies, unless the City Council authorizes exceptions. Under the direction of the City Manager, the Finance Director will review, develop, and implement a system of processes and procedures to ensure compliance with these policies throughout the entire organization. The City Manager will work with the Finance Director to ensure these policies are updated on a timely basis.

Financial Policy Goals

The objectives for comprehensive management policies are to:

- Guide City Council and City Management decisions that have significant fiscal impact.
- Support the planning for financial sustainability and long-term needs.
- Maintain and protect City assets and infrastructure.
- Set forth operating principles that minimize the financial risk in providing City services.
- Optimize the efficiency and effectiveness of services to reduce the costs and improve service quality.
- Employ balanced and fair revenue policies that provide adequate funding for desired programs.
- Promote sound financial management by providing accurate and timely information on the City's financial condition to the City Council and community.

- Maintain and enhance the City's credit ratings and prevent default on any municipal financial obligations.
- Ensure the legal and ethical use of financial resources consistently with Council policy through an effective system of internal controls.
- Promote cooperation and coordination within the City, and other governments and with the private sector in the financing and delivery of services.
- Provide the appropriate level of accountability in the use of public resources.

Affiliated Agencies

If agencies have been created through Council action, intergovernmental agreements, and state and federal laws, they should be managed with the same financial standards as City agencies. To protect the City's fiscal status and avoid an adverse effect on the City, affiliated agencies will be accountable for financial compliance and reporting standards as described in the City's Financial Management Policies. The City may audit financial records or performance data to ensure funds are spent in accordance with Council directions and policies. Affiliated agencies include, but are not limited to, agencies created by Council action, agencies with leadership appointed by the City Council and agencies that receive a majority of funds from the City.

Annual Budget

The annual budget is the primary mechanism for the implementation of City Council policies and the achievement of their goals and objectives. The budget is a policy document, operations guide, financial plan and a communications device. It is the single most important means of setting spending policies and priorities of the City. It constitutes approval by the City Council of service levels and operating programs and provides resources to finance them. Expenditures must be kept within total appropriations for all Accounting Funds.

Budget Goals

The City will develop and implement a budget process that will:

- Make prudent use of public resources.
- Include financial forecast information for resources, uses and ending fund balances to ensure that the City is planning adequately for current and future needs.
 - Provide adequate opportunity for public review and input.
 - Provide adequate opportunity for City Council review and deliberations.
 - Provide information on accomplishments and ~~service levels vis-a-vis community needs strategic goals.~~
 - Comply with City Code, State of California Local Budget Law, bond covenants and other promulgations.

The City Manager will develop and present a proposed City budget to the Mayor and City Council for consideration and adoption. The City Manager's proposed budget will opine on the short and long-term financial condition of the City, identify policy and financial and service issues, identify any use of one-time funds to support ongoing operations or key changes from previous years, identify funding requirements and sources of funds, provide supplemental information on programs and service areas, include budget and performance details for all City organizations and related recommendations to the City's vision and goals.

The Finance Department will issue guidelines and rules for the preparation and review of the department budget requests to the Mayor and City Council, including a proposed annual budget process and calendar. The proposed process and calendar will support community input and Council deliberations.

Budget Appropriations

All Accounting Funds are included in the annual budget and all revenues and other financing sources are appropriated by the City Council each fiscal year in the annual budget. All Accounting Funds included in the City's annual audited financial statements are reviewed by the City's independent certified public accountants. The accounting basis in the City's annual budget is the same as the accounting basis used by the City's annual audited financial statements. Annual operating budgets in the General Fund and Enterprise Funds are carefully reviewed to ensure that budget appropriations are conservative because the City feels government units' function more efficiently under conservative budgets than where excess funds are made available.

Appropriations Limit

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

Proposition 218

Proposition 218, approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 maybe subject to a protest hearing process. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments and fees are imposed may be significantly impaired. Under Proposition 218:

1. Revenues derived from a property related fee must not exceed the funds required to provide the proportionate cost of the property related service. (The total cost limitation)
2. Revenues derived from the fee must not be used for any purpose other than for that which the fee is imposed. (The proportional cost limitation)
3. Fees may not be imposed for a service unless the services is actually used by, or immediately available to, the owner of the property subject to the fee. Fees based on potential or future use of a service are not permitted and stand-by charges must be classified as assessment subject to the ballot protest and proportionality requirements for assessments. (The future services prohibition)

4. No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners. (The general government service prohibition)

A public agency has the burden to prove compliance with these provisions if a fee is challenged in court.

Budget Control and Monitoring

The City Council appropriations and control points will be at the department level within each accounting fund. These City Council adopted appropriations and employee counts cannot be exceeded without City Council approval. The City Manager will have the authority to amend budgets within a departmental appropriation but changes in employee counts must be approved by the City Council. The Finance Department will maintain a system of tools for departments to manage their budgets and for financial monitoring and control of the City's budget during the fiscal year. This system will provide the departments, Mayor and City Council with information on revenue, expenditures and budget performance at both the department and fund level. The system will include provisions for amending the budget during the year in order to comply with this policy and State of California budgetary statutes.

The City Manager, through the Finance Department, will periodically report to the City Council financial status reports on revenues and expenditures to date, and the estimated year-end fund balances. The City Manager will, on a quarterly basis, review all City financial operations, report to Council on financial results and recommend financial actions necessary to meet the adopted budget's financial planning goals.

The mid-year budget monitoring report, audited financial statements, audit opinion and management letter will be presented to the Mayor and City Council for review and discussion as an action item on a *City Council agenda*. Any additional *financial* resources, whether additional projected revenues produced them or higher beginning fund balances, should be set aside for the next budget cycle. Any negative financial results should be highlighted, and a proposed plan of action should be provided to the Mayor and City Council for review and approval. General Fund discretionary resources that exceed budgeted amounts should be added to the General Fund contingency, except for funds allocated to infrastructure maintenance or replacement.

Review Council Actions

The City Manager, through the Finance Department, will review any proposed City Council actions. The objective of these reviews will be to ensure compliance with the City's budget direction and identify financial and service issues for the Council. The Finance Department will identify financial and service issues for the City Council. The Finance Department will establish and issue procedures and forms to submit fiscal impact statements for proposed Council actions.

Additional Operating Budget Direction

1. **Balanced Budget.** Financial resources shall be equal to or exceed expenditures in each accounting fund. Each City fund must identify on-going financial resources that at least match expected ongoing requirements. One-time resources and non-recurring ending balances may either be applied to reserves or used to fund one-time expenditures; they will not be used to fund ongoing programs, except as provided in Section 2. Each year the Finance Director will provide the City Council with the amount of discretionary revenue that is estimated to be non-recurring for the

General Fund.

2. **One-time Funds.** One-time funds can be used for ongoing expenditures only as a plan for:
 - (1) Transitioning to a permanent funding source,
 - (2) leading to organized program elimination, or
 - (3) as part of verifiable plan to address an existing recessionary period. Scenario 3 should be documented in the City’s multi-year financial forecast.
3. **General Discretionary Revenues.** Unless otherwise explicitly stated by the Mayor and City Council, the City will not dedicate discretionary revenues for specific purposes in the General Fund. This will preserve the ability of the Mayor and Council to determine the best use of available revenues to meet changing service requirements.
4. **Transfers Between Funds.** A schedule of all transfers between funds will be identified, explained, and appropriated in the Proposed and Adopted Budget. Any additional budget transfers between accounting funds will require City Council action.
5. **Efficiency and Effectiveness.** The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. The City will coordinate its service delivery with other applicable public and private service providers and seek the most cost-effective method for service delivery.
6. **Self-Supporting/Full Cost Recovery Basis.** The City will attempt to recover the costs of services providing a private benefit to users through the imposition of user fees and charges. The fees and charges will be based on cost accounting standards consistent with state or federal law when applicable. Fees and charges should include full costs i.e., direct, indirect, depreciation, interest charges, etc. and the Finance Director will ensure an annual user fee and charges schedule is regularly updated and approved by Council.
7. **Recovery of Indirect or Overhead Costs.** The City will endeavor to recover indirect or overhead costs through their allocation towards the calculation of user fees and charges or inter-fund charge. However, a reasonable cost allocation methodology must be used consistent with Generally Accepted Accounting Principles (GAAP).
8. **Contingencies.** The City will budget a contingency account for each operating fund adequate to address reasonable but unforeseen requirements within the fiscal year.
9. **Unexpended Appropriations at the End of the Fiscal Year.** Unexpended appropriations cannot be used in subsequent fiscal years unless re-appropriated by the City Council.

Fund Balances

1. Definition and Purpose.

A. Governmental Funds. Accountants employ the term “Fund Balance” to describe the net assets of Governmental Funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of Governmental Funds calculated on a government’s budgetary basis. In both cases, “Fund Balance” is intended to serve as a measure of the financial resources available in a Governmental Fund. It is essential the City of Beaumont maintain adequate levels of fund balance to provide working capital,

mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are also a crucial consideration in long-term financial planning.

B. Enterprise and Fiduciary Funds. The “Cash and Investment Fund Balance” is that portion of fund equity that can be used for operating, capital and debt service expenditures, and is intended to serve as a measure of the financial resources available in an Enterprise Fund. It is essential the City of Beaumont maintain adequate levels of cash and investment fund balances to provide working capital, mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable utility rates. Cash and investment fund balance levels are also a crucial consideration in long-term financial planning.

Credit rating agencies carefully monitor levels of fund balance in a government’s General Fund to evaluate a government’s continued creditworthiness. Those interested primarily in a government’s creditworthiness or economic conditions are likely to favor higher levels of fund balance. Opposing pressures often come from employee unions, taxpayers, and citizens’ groups, which may view high levels of fund balance as “excessive.”

2. Classification of Governmental Fund Balances.

Governmental Fund balances are classified into the following categories:

A. Nonspendable Fund Balances. Non-Spendable Fund Balances consist of items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

B. Restricted Fund Balances. Restricted Fund Balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributions, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

C. Committed Fund Balances. Committed Fund Balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through City Council resolutions, etc., and that remain binding unless removed in the same manner.

D. Assigned Fund Balances. Assigned Fund Balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the City Manager for that purpose.

E. Unassigned Fund Balances. This category is for any balances that have no restrictions placed upon them.

3. Fund Balance Policy Considerations.

In establishing a policy governing the level of unrestricted (unreserved) fund balance in governmental funds and cash and investment fund balance in its Enterprise Funds, the City Council

takes into consideration the following factors:

- A.** The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted (unreserved) fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile).
- B.** The availability of resources in other funds as well as the potential drain upon General Fund resources from other funds (i.e., the availability of resources in other funds may reduce the amount of unrestricted (unreserved) fund balance needed in the General Fund, just as deficits in other funds may require that a higher level of unrestricted (unreserved) fund balance be maintained in the General Fund.
- C.** Liquidity (i.e., disparity between financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained.)
- D.** Designations (i.e., the City of Beaumont may wish to maintain higher levels of Unrestricted (unreserved) fund balance to compensate for any portion of unrestricted (unreserved) fund balance already designated for a specific purpose).

4. Fund Balance Policies.

A. General Fund Reserves or Ending Fund Balance Policy. Working Capital Reserve Requirement to remain at 16% of the operating budget. This allows sufficient cash flow throughout the year when revenue receipts are not timely to expenditures. Budget Stabilization Reserve set at \$5M to provide city staff time to address an economic downturn without having to dip into the Working Capital Reserve. Emergency Disaster Reserve set at \$1M to provide funds that may not be available within the budget to address unforeseen emergency disaster brought upon by nature or human. NOTE: The Government Finance Officers Association recommends, at a minimum, that general purpose governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures.

B. Enterprise Reserves or Ending Fund Balance. The City will show adequate progress towards increasing Enterprise Fund reserves or Unassigned Fund Balance ultimately to 25% of the Enterprise Fund Balance. The City has established a Repair and Replace Reserve. Any funds remaining from a budget year will first address any shortfalls in the operating reserve requirement. Any surplus funds over the operating requirement will be placed in the Repair and Replace fund to meet ongoing capital maintenance needs.

These fund balances will be maintained for the following purposes:

- a) Provide sufficient working capital to meeting daily cash needs to avoid using short-term debt instruments.
- b) Provide a reserve to absorb emergency expenditures caused by natural disasters such as fire, flood, or earthquake.
- c) Cover any unanticipated deficit resulting from a shortfall in actual revenues in a given budget year or unanticipated cuts by the State Legislature and Governor of City revenues.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses unrestricted resources in the following order: committed, assigned, and unassigned.

When the unrestricted (unreserved) fund balance of the General Fund exceeds the amount needed for the above purposes, the City Manager through the Finance Department will bring an item to Council for options of use that meet the strategic goals that have been established within the budget process.

Restricted (reserved) fund balances in the General Fund, Special Revenue Funds, and Capital Projects Funds will be separated out and identified in the City's accounting records, financial statements, budgets, and audit reports. This same policy is followed with respect to restricted amounts in the cash and investment balances of the Enterprise Funds. The purpose of this policy is to show the City Council, staff, and the public what funds in these balances are unrestricted and what funds are to be used for specific purposes.

Fund Management

Creation of new funds or elimination of existing funds shall be done by the Finance Department or City Council action. A review and report by the Finance Department will be required prior to City Council action. The Finance Department will conduct an annual review and, as part of the budget, explain the purpose of each fund and assess if each fund is needed.

Departments or programs that are primarily funded by user fees and charges should be segregated into their own funds or fund accounts to assist in cost accounting and ensuring fees and charges are recovering an adequate portion of costs.

Enterprise Funds

Budgets for Enterprise Funds will include the required level of debt service coverage for the fund and a description of the relationship between operating *budgets* and construction *budgets*.

Financial Planning Goals

The City of Beaumont will prepare long-range financial plans to guide the Mayor and City Council in adopting the City budget and to assist the City Council in ensuring the delivery of needed services through inevitable economic cycles. The financial plans will help the Mayor, Council and community evaluate the financial impact of all programs within the regional and local economic conditions. The plans will also assist in coordinating funding needs among enterprise, special revenue, and General Fund functions.

Financial planning and budgeting will be based on the following principles:

1. Revenue estimates will be prepared on a conservative basis to minimize the possibility that economic fluctuations could surprise the City and jeopardize ongoing service delivery during the fiscal year.
2. Expenditure estimates will anticipate needs that are reasonably predictable.

3. Forecasts will rely on a common set of basic economic assumptions that will be established, updated, and distributed by the Finance Department.

Financial Plans and Forecasts

Prior to the initiation of the annual budget process, the Finance Department will prepare an annual City financial assessment report. This report will include a comprehensive overview of the City's financial condition.

Five-year financial forecasts and plans will be prepared annually for the General Fund, General Fund departments, major Enterprise Funds, Special Revenue Funds, and other funds that materially affect the City. Plans will be based on current service levels and funding sources, as well as anticipated changes to service levels and funding. If appropriate, the plans will identify additional resources needed to continue current service levels or identified service adjustments.

General Fund departments will forecast and monitor their own revenues and expenditures. The Finance Department will assist departments in developing appropriate systems, will retain fiscal oversight responsibility for the entire City and will publish regular financial status reports on revenues and expenditures.

Enterprise Fund and Special Revenue Fund forecasts will identify any impact on rates. The forecasts will discuss how standards for debt service coverage and operating reserves are established and maintained. Departments that manage Enterprise and Special Revenue Funds will prepare and coordinate with the Finance Department on the presentation of regular status reports on revenues and expenditures.

Capital and Other Asset Plans

The departments that are responsible for major infrastructure and utility improvements will complete 10 or 20-year master plans to support growth and replacement needs. The master plans must support and reconcile with the City's major planning documents.

The City will annually prepare a Citywide five-year Capital Improvements Plan (CIP) that provides the Mayor and City Council with an overview of the condition of its infrastructure. It should include prioritized department needs for capital replacement, additions, and major maintenance, ~~along with the potential impacts of not funding certain projects.~~ The plan will include estimated project costs and operating costs and will identify funding sources. Staff will ensure the proposed funding is in fact an eligible source under state law. It will highlight what projects are fully funded and which ones are not.

The City will annually adopt a Capital Budget that will include estimated resources and capital expenditures based on the first year of the current Capital Improvements Plan. Other major asset categories critical to service delivery such as facilities, fleet and technology will also have master plans to ensure their timely replacement.

The City will identify and include ~~full~~ costs of future maintenance needs and **annual** operating costs of new capital improvements and equipment prior to funding as part of the Capital Budget.

In general, all assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs. A high priority will be placed on maintenance where deferring maintenance will result in greater costs to restore or replace neglected facilities such as roads. Each

department with major capital assets will maintain accurate information on the condition and lifespan of its major assets to assist in long-term planning, such as a pavement management index (PMI). Each department with major capital assets will develop replacement costs data for major assets to assist in City asset management and investment decisions.

Maintenance and operations of major capital assets should be given priority over acquisition of new assets.

Revenue Goals

1. The City will maximize and diversify its revenue base to raise sufficient revenue to support essential City services and to maintain services during periods of declining economic activity. The City's overall revenue structure will be designed to recapture some of the financial benefits resulting from City economic and community development investments. Revenue collection efforts that produce positive net income for City service delivery will be the highest budget priority.
2. Departments that primarily or exclusively operate with non-General Fund revenue will minimize reliance on General Fund support for discrete programs that are not supported with fees.

Unfunded Mandates

The City will oppose state or federal actions that mandate expenditures that the Mayor and City Council consider unnecessary and unfunded. The City will pursue intergovernmental funding to support the incremental cost of such mandates.

Debt Management

Public borrowing through lease-purchase agreements, general obligation (GO) bonds, revenue bonds, certificates of participation (COP) or other legal debt instruments may be in the public's best interest. However, the City will pursue policies that will not saddle the City and its residents with excessive public debt and will carefully scrutinize any public borrowing proposals. Therefore, the City Council, City Manager or other staff members must use debt in a wise and judicious manner. Where public borrowing is considered appropriate by the City Council. It will be done in compliance with California law and in accordance with the following policies:

1. Debt is limited to equipment purchases and major capital projects. It is not used for general operating expenses. It is the policy of the City to maintain cash balances at a sufficient level for general operating costs (those items normally funded in the City's annual operating budget and having a useful life of less than one year). Short-term securities may be issued in cases where the City's normal cash flow has been disrupted as a result of natural disaster or unexpected delays in the receipt of federal or state revenues.
2. The maturity date for any debt does not exceed the reasonable expected useful life of the equipment or capital improvement being financed.
3. When practical, the City will develop, authorize, and issue revenue, special fee or other self-supporting debt instruments instead of incurring long term obligations payable from General Fund revenues.

4. Coverage for revenue bonds or special fee debt instruments shall be determined based on advice of the City's Municipal Advisor, Bond Counsel and Underwriters in a manner to best align with the City's financing goals of achieving the lowest cost of borrowing, financial flexibility and security for bond owners.
5. The City will maintain good communication with the public and City Council regarding its financial condition.
6. The City will regularly evaluate its adherence to its debt policies. The City will promote effective communications with bond rating agencies and others in the bond marketplace based on full disclosure.
7. The City will adhere to its Beaumont amended and restated disclosure procedures.

To the extent feasible, debt issuances will be packaged and planned to minimize issuance fees and interest rates.

Risk Management

The City will maintain adequate levels of insurance and implement a risk management program for public liability, workers' compensation, and related exposures. The program will emphasize avoidance of risk whenever possible, funding for losses which cannot be avoided and transfer of risk to third parties whenever appropriate.

The risk management program will include the systematic and continuous identification of loss perils and exposures, the analysis of these in terms of frequency and severity probabilities, the appropriate application of sound risk control procedures and the financing of potential claims and administration costs within the City budget.

The City will use outside claims administrators.

As part of the annual budget process, staff will segregate and report to the Mayor and City Council the past results of the risk management program, its relative financial status and plans for the future. Resources will be established to fund open claims liabilities, incurred but not reported (IBNR) claims and a catastrophic reserve or insurance as annual recommended by an independent actuary, or as authorized by Generally Accepted Accounting Principles (GAAP).

Interest Earnings

The Finance Department will assign interest earnings and expenses to the appropriate accounting fund based on available cash balances consistent with generally accepted accounting principles (GAAP). Investment policies will be reviewed annually and brought to the Mayor and Council for approval.

Internal Control

The City Manager, through the Finance Director, will be responsible for implementing and maintaining a

comprehensive system of internal controls that provides reasonable assurance that the City is operating in a way that is consistent with the desires of the City Council. Separation of duties, administrative policies and procedures, accounting and reporting tools and an overall organizational culture will be designed and encouraged to ensure the public's assets are protected and the City's business practices are in compliance with state and federal law, sound ethical principles, best management practices and City Council policy.

Budget Adoption Procedures

Budgetary procedures for the City have been established by the City Council, which require the legal adoption of a budget for all Accounting Funds. The following are the administrative procedures followed by the City in its budgetary process. (Please also see Figure 1.)

1. Budget Preparation. Department heads meet with employees and prepare proposed operating and capital budgets, as well as department goals and performance standards for the coming fiscal year based on guidance provided by the Finance Director, City Manager and City Council. The department heads submit these proposed budgets along with proposed goals and performance standards to City Manager no later than March 1. The Finance Director and City Manager takes information prepared by department heads and prepares the proposed budget for the coming fiscal year for the City Council.

2. Budget Presentation. During the month of May, the City Manager, authorized by the City Council to act as the Budget Officer, submits a proposed operating and capital budget for all Governmental, Proprietary, Fiduciary Funds and other accounting funds to the City Council for the subsequent fiscal year. The budget documents illustrate proposed financing sources along with the proposed operating and capital budget expenditures.

3. Budget Work Meetings. The *Finance and Audit Committee* will hold one or more public meetings to review the long-term fiscal forecast and the City Council will hold one or more public budget work meetings to review the proposed annual budget.

**Figure 1
Annual Budget Calendar**

Annual Budget Event	Time	Comments
Department heads submit proposed operating and capital budgets, goals and performance standards to City Manager.	March 1	City Manager and Finance Director take information prepared by department heads and prepare the proposed budget for coming fiscal year.
City Manager presents proposed budget to City Council.	May and June	Proposed operating and capital budgets for all Accounting Funds are distributed to public, press and City Council. Copies are available for public review at City Hall and on City website.
City Council reviews budget in work meetings	May and June	City Council conducts reviews during work meetings.

Public Hearing	June	Public is invited to comment on proposed annual budget. City Council makes final budget changes. City Manager incorporates changes made by City Council into final budget document.
Budget Adoption by City Council	June 30	Final budget is adopted by the City Council. Since City revenues are highly dependent upon the actions of the State Legislature, final budget adoption may be delayed in any given year until state budget is adopted.

4. Budget Public Hearing. A public hearing is held to receive comments on all aspects of the proposed budget. A notice in the local newspaper precedes the hearing. This notice is given at least ten days before the hearing and includes the time, date and place of the hearing. All budget documents are required to be available at least seven days prior to the public hearing.

5. Budget Adoption. A final budget is adopted by the City Council for the subsequent fiscal year beginning July 1. Since city revenues are highly dependent upon the actions of the State Legislature, final budget adoption may be delayed in any given year until the Governor and State Legislature adopt a state budget.

Statement of Investment Policy

Introduction

In accordance with the charter of the City of Beaumont and under authority granted by the City Council, the City Manager is designated the responsibility for investing the unexpended cash in the City Treasury and the overall conduct of the City's investment program. The intent of this Investment Policy is to formalize the framework for the investment activities that shall be exercised to ensure the effective and judicious fiscal and investment management of the City's funds. The City's portfolio shall be designed and managed in such a manner as to comply with state and local laws, provide for daily cash flow requirement, ensure consistency with the prioritized objectives of safety, liquidity, and return, and in a manner consistent with prudent investment management and worthy of the public trust.

Governing Authority

The City's investment program shall be managed in conformance with federal, state, and other legal requirements, including California Government Code Sections 16429.1-16429.4, 53600-53609, and 53630-53686. This Investment Policy was endorsed and adopted by the City Council and is effective May 18, 2021. This Investment Policy shall replace all previous versions.

Scope

The City's investment policies apply to all personnel, departments, divisions, and offices of the City government as well as all associated accounting funds under the direct authority of the City of Beaumont. These accounting funds include, but are not limited to, the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Projects Funds, Private-Purpose Trust Funds and Agency Trust Funds. These investment policies are also applicable to the City's blended component units, including the Beaumont Utility Authority, Beaumont Public Improvement Authority, Beaumont Financing Authority, and Beaumont Parking Authority.

The City commingles its investable assets to maximize interest earnings and to increase efficiencies with respect to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective percentage participation in the total fund and in accordance with generally accepted accounting principles.

Proceeds arising from the issuance of debt shall be invested in accordance with the provisions of their governing bond documents and in a manner consistent with the City's general investment philosophy as outlined in this Investment Policy.

Responsibility

The City Manager is ultimately responsible for the City's implementation and compliance with these policies unless the City Council authorizes exceptions. Under the direction of the City Manager, the Finance Director will review, develop and implement a system of processes and procedures to ensure compliance with these policies throughout the entire organization. The City Manager will work with the Finance Director to ensure these policies are updated on a timely basis.

Pooling of Funds

The City of Beaumont consolidates cash balances from all eligible funds to maximize investment earnings. Funds held by the Trustee are not eligible to be pooled. The City schedules its collection of receipts, deposits of funds and disbursements of monies to ensure maximum availability of cash for temporary investment purposes. Investment income is allocated to the various Funds based on their respective participation and in accordance with Generally Accepted Accounting Principles (GAAP).

Objectives

The prioritized objectives of the City's investment program are to preserve principal (safety), ensure sufficient liquidity (liquidity), and generate a market rate of return (return).

1. **Safety:** Safety of principal is the foremost investment objective of the City's investment program. Investment shall be undertaken in a manner designed to ensure the preservation of capital in overall portfolio growth. The City shall seek to preserve principal by mitigating credit risk and interest rate risk.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Because not all liquidity needs can be anticipated, the investment portfolio shall focus on securities with active secondary and resale markets.
3. **Return:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity.

Set forth in section 17 of this Investment Policy are certain strategies and principles utilized by the City to manage investment risks.

Standard of Care

The standard of prudence to be used by City investment officials shall be the "Prudent Investor Standard" and shall be applied in the context of managing the overall portfolio. As set forth in the California Government Code 53600.3, the Prudent Investor Standard states:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Consistent with the objectives set forth in section vi of this Investment Policy, in addition to safeguarding invested principal and ensuring sufficient liquidity for the City, a prudent investor should also seek to optimize portfolio return subject to these constraints.

Indemnification

The City Manager, Finance Director, Finance Committee, City Council and other authorized persons responsible for managing or overseeing City funds, acting in accordance within written procedures and the intent and scope of this Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Consistent with the requirements of the California fair Political Practices Commission, employees and investment officials will disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers will refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Beaumont.

Delegation of Authority

The authority to manage the City's investment program is provided by the California Government Code Sections 53600 et seq. Authority to manage the City's investment program is granted to the City Manager and his or her designee. Responsibility for the operation of the investment program is hereby delegated to the Finance Director, who shall act in accordance with this investment policy. The Finance Director shall establish procedures for the operation consistent with this investment policy and may authorize other finance department staff to initiate investment transactions. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

The City may contract with one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940 and specialize in the management of public funds fixed income portfolios.

Finance Committee

A Finance Committee is established to provide general oversight and direction concerning policy related issues concerning management of the City's investment portfolio. The committee shall meet quarterly unless circumstances require more frequent meetings.

Authorized Financial Institutions, Depositories, Broker Dealers, and Competitive Transactions

In circumstances where the investment portfolio is managed internally, the requirements set forth in Sections A and B, below, shall apply:

1. The City shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, the City shall maintain a list of approved security broker/dealers selected by conducting a process of due diligence. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission ("SEC") Rule 15C3-1 (uniform net capital rule). The Finance Director will determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include:
 - a) Primary government dealers as designated by the Federal Reserve System
 - b) Regional broker/dealers qualified under SEC Rule 15C3-1
 - c) Nationally or state-chartered banks
 - d) The Federal Reserve Bank
 - e) Direct Issuers of securities eligible for purchase
2. Investment staff shall review broker/dealers who would like to transact with the City to determine if they are adequately capitalized and make markets in the securities appropriate to the City's needs. The Investment Officer shall send a copy of the current investment policy to all broker/dealers approved to transact with the City. Financial institutions which desire to become qualified broker/dealers for investment transactions (and which are not transacting solely through an investment advisor) must provide the City with a statement certifying that the institution has reviewed the California Government Code Section 53600 et seq. and the City's Investment Policy. The selection of broker/dealers shall be at the sole discretion of the City.
3. Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the investment adviser, provided such broker/dealers meet the requirements set forth in section A, above.
4. Public deposits will be made only in qualified public depositories as established by State statutes. Deposits will be insured by the Federal Deposit Insurance Corporation (FDIC), or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with state statutes. A written contract of deposit of public funds must be obtained from the financial institution, indicating the institution's policy and process of FDIC insurance and collateralization.
5. It is the policy of the City to require competitive bidding from at least three broker/dealers for investment transactions that are not classified as "new issue" securities whenever possible and practical. Such competitive bidding can be executed through competitive bidding or through the use of a nationally recognized trading platform. In such circumstances where competitive price comparisons are not available, best efforts will be made to document quotations for comparable or alternative securities.

Security Safekeeping and Delivery Procedures

Third-Party safekeeping: To protect against fraud, embezzlement, or losses caused by collapse of an individual securities dealer and to enhance access to securities and interest payments, all securities owned by the City shall be held in safekeeping by a third-party bank trust department acting as agent for the City under the terms of a duly executed custody agreement. In connection with the City's annual independent audit, securities held in custody are audited to verify investment holdings. No outside broker/dealer or advisor may have access to the City funds, accounts or investments, and any transfer of funds to or through an outside broker/dealer must be approved by the City Council.

Delivery-Versus-Payment: All trades of marketable securities shall be cleared and settled on a standard delivery-versus-payment ("DVP") basis to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

Internal Controls

A system of internal controls has been established to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or unanticipated changes in financial markets. Internal controls deemed most important include control of collusion, separation of transaction authority from accounting and record keeping, custodial safekeeping, avoiding physical delivery of securities, clear delegation of authority to subordinate staff members, written confirmation of transactions for investments and wire transfers and development of a wire transfer agreement with the lead bank and third-party custodian. Furthermore, an independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies procedures, and applicable laws.

Authorized Investments

The investment of City funds shall be made in accordance with Sections 53600 et seq. of the California Government Code and in accordance with this Investment Policy. Permitted investments for the City shall include the following security types and related credit quality, maturity, and diversification constraints.

1. Municipal Bonds: Bonds issued by the City, the State of California, any other of the 49 states in addition to California, and any local agency within the state of California. This authorization includes the ability to invest in obligations payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or any local agency in the state of California or by a department, board, agency, or authority of a state or any local agency in the state of California.

- a) Credit Quality:** Securities in this category shall have a minimum credit rating of A (or its equivalent) by at least one nationally recognized statistical rating organization at the time of purchase.
- b) Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) Diversification:** No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be invested in this category.

2. U.S. Treasury Obligations: United States Treasury bills, notes, bonds, and certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

- a) **Credit Quality:** No minimum credit rating required for securities in this category.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** There are no dollar or percentage limits on securities in this category.

3. Federal Agency and Government Sponsored Enterprise Obligations: Federal agency or United States government-sponsored-enterprise obligations, participants, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- a) **Credit Quality:** No minimum rating required for securities in this category.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** There are no dollar or percentage limits individual issuers in this category.

4. Commercial Paper: Commercial paper of "prime" quality and issued by a corporation organized and operating in the United States with total assets of at least \$500 million.

- a) **Credit Quality:** Securities in this category must be rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization. In addition, debt other than commercial paper (if any) issued by corporations in this category must be rated at least "A" (or the equivalent) or better by at least one nationally recognized statistical rating organization.
- b) **Maximum Maturity:** 270 days at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the City's portfolio may be invested in any single issuer of commercial paper. For purposes of this issuer limitation, holdings of commercial paper and medium-term notes of a single issuer shall be limited to 10% of total portfolio assets. No more than 25% of the total portfolio may be invested cumulatively in commercial paper or asset-backed commercial paper as defined in Section 6, below. No more than 10% of the outstanding commercial paper of any single issuer may be purchased.

5. Asset-Backed Commercial Paper: Asset-Backed Commercial paper of "prime" quality and issued by an entity organized within the United States as a special purpose corporation, trust, or limited liability company.

- a) **Credit Quality:** Securities in this category must be rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization. In addition, the issuing entity must have program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
- b) **Maximum Maturity:** 270 days at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the City's portfolio may be invested in any single issuer of commercial paper. For purposes of this issuer limitation, holdings of commercial paper and medium-term notes of a single issuer shall be limited to 10% of total portfolio assets. No more than 25% of the total portfolio may be invested cumulatively in asset-backed commercial paper

or commercial paper as defined in Section 5, above. No more than 10% of the outstanding commercial paper of any single issuer may be purchased.

6. Federally Insured Time Deposits: Non-negotiable certificates of deposit in state or federal chartered deposit insurance.

- a) **Credit Quality:** Securities in this category shall be limited to the maximum amount covered by federal deposit insurance.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 6, 7, and 8 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

7. Collateralized Time Deposits: Non-negotiable certificates of deposit in state or federally chartered banks, savings and loans, or credit unions in excess of federal deposit insurance limits which are fully collateralized in accordance with state law.

- a) **Credit Quality:** Securities in this category exceeding federal deposit insurance limits shall be collateralized in accordance with state law and be issued by institutions which have long-term debt obligations rated “A” (or the equivalent) or better and short-term debt obligations, if any, rated “A1” (or the equivalent) or better by at least two nationally recognized statistical rating agencies.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 7, 8, and 9 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

8. Certificate of Deposit Placement Services: Non-negotiable certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that that uses a private sector entity to assist in the placement of deposits (e.g., CDARS).

- a) **Credit Quality:** The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by federal deposit insurance.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 7, 8, and 9 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

9. Negotiable Certificates of Deposit: Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or a federally licensed or state-licensed branch of a foreign bank.

- a) **Credit Quality:** Securities in this category exceeding federal deposit insurance limits shall be issued by institutions which have long-term debt obligations rated “A” (or the equivalent) or better and short-term debt obligations, if any, rated “A-1” (or the equivalent) or better by at least two nationally recognized statistical rating agencies.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

10. Repurchase Agreements: Repurchase agreements with specific terms and conditions may be transacted with banks and brokers. Such investments must be subject to a “Master Repurchase Agreement” substantially in the form developed by the Securities Industry and Financial Markets Association (“SIFMA”).

- a) **Credit Quality:** Repurchase agreements shall be collateralized with U.S. Treasury and Federal Agency securities (as authorized herein) maintained at a value of at least 102% of the market value of the repurchase agreement. Securities used as collateral for repurchase agreements shall be delivered to the City’s custodian bank.
- b) **Maximum Maturity:** 1 year at the time of entry.
- c) **Diversification:** There are no dollar or percentage limits on securities in this category.

11. Medium-Term Corporate Notes: Medium-term corporate notes shall mean all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

- a) **Credit Quality:** Securities in this category shall be rated in the “A” category or better by at least two nationally recognized statistical rating organizations at the time of purchase.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 5% of the portfolio may be invested in any single issuer. No more than 10% of the total portfolio may be invested in the commercial paper and medium-term notes of a single issuer. No more than 30% of the portfolio may be invested in this category.

12. Money Market Mutual Funds: Money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15U.S.C. Sec. 80a-1 et seq.) meeting the credit quality requirements set forth below or retaining an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years'

experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

- a) **Credit Quality:** Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
- b) **Maximum Maturity:** No maturity restrictions apply.
- c) **Diversification:** No more than 20% of the portfolio may be invested in this category.

13. Mortgage Pass-Through and Asset-Backed Securities: Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bonds meeting the requirements set forth below.

- a) **Credit Quality:** Securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision (2) or (3) shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** With the exception of obligations issued or guaranteed by an agency or issuer identified in subdivision (2) or (3) no more than 5% of the portfolio may be invested in any single issuer. No more than 10% of the total portfolio may be invested in this category.

14. State of California Local Agency Investment Fund: The State of California Local Agency Investment Fund (“LAIF”) managed by the State of California Treasurer’s Office.

- a) **Credit Quality:** No credit rating requirements exist for LAIF. In addition, should LAIF invest in securities or instruments prohibited or not specifically authorized by the City’s Investment policy, the City is not prohibited from investing in LAIF provided sufficient information is available to allow the City to understand the risks associated with investing in LAIF.
- b) **Maximum Maturity:** No maturity restrictions apply.
- c) **Diversification:** The City may invest up to the maximum amount permitted by California state law.

15. Joint Powers Authority Pools: Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities authorized by California Government Code Section 53601 subdivisions (a) to (r), inclusive, and that has retained an investment adviser that is registered or exempt from registration with the Securities and Exchange Commission having not less than five years of experience investing in the securities and obligations authorized by California Government Code Section 53601 and having at least five hundred million dollars (\$500,000,000) under management.

- a) **Credit Quality:** There are no credit rating requirements for Joint Powers Authority Pools.
- b) **Maximum Maturity:** No maturity restrictions apply.

- c) **Diversification:** The City may invest up to the maximum amount permitted by California law.

16. Supranational Securities: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank eligible for purchase and sale within the United States.

- a) **Credit Quality:** Securities in this category shall be rated in the “AA” category or better by at least one nationally recognized statistical rating organization at the time of purchase.
- b) **Maximum Maturity:** Five years at the time of purchase as measured by the settlement date.
- c) **Diversification:** No more than 10% of the portfolio may be invested in any single issuer. No more than 15% of the portfolio may be invested in this category.

Bond Proceeds: Proceeds arising from the issuance of debt shall be invested in accordance with the provisions of their governing bond documents and in a manner consistent with the City’s general investment philosophy as outlined in this Investment Policy. Bond proceeds are not eligible as a part of the City’s pooled funds. Securities authorized by the bond indenture or similar investment documents that are not authorized by the City’s Investment Policy will be considered approved investments for bond proceeds when the bond indenture or similar authorizing document is approved by the City Council. Bond reserve funds, escrow funds and any funds approved by the City Council may be invested in securities with maturity limits of five years or an appropriate longer period. The bond indenture shall provide any specific restrictions or limitations on either the nature or the duration of the investments and should be the governing document.

Note on Credit Quality Requirements: Should the credit rating of a security owned by the City be downgraded to a level below that required by this Investment Policy, the City will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain a downgraded security, it will be closely monitored by the City and reported quarterly to the Finance Committee.

Note on Maximum Maturity Limitation: The five-year maturity limitation of this Investment Policy shall be measured as of the transaction settlement date. In accordance with section 53601 of the California Government Code, this five-year maturity limitation may be extended if deemed prudent by the Investment Officer and provided that the City Council has approved such investment either specifically or as part of an investment program approved by the legislative body no less than three months prior to the investment.

Note on Diversification Requirements: The diversification requirements set forth above relating to the maximum allowable percentage for a particular issuer or investment type shall apply at the time of purchase. Due to fluctuations in the aggregate invested balance, these maximum percentages may be exceeded from time to time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

Note on Other Requirements: Should any investment fall out of compliance with any other guidelines of this policy after its purchase, the City will review the situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain such a security, it

will be closely monitored by the City and reported quarterly to the Finance Committee.

Prohibited Investments and Practices

Provided below are certain prohibited investments and investment practices intended to help safeguard invested balances.

1. In accordance with California Government Code section 53601.6, investments in inverse floaters, range notes, mortgage-derived interest-only strips are prohibited. In addition, the purchase of any security that could result in zero interest accrual if held to maturity is also prohibited except for the purchase securities issued or backed by the United States government in the event of, and for the duration of, a period of negative market interest rates.
2. Investments not specifically described herein are prohibited.
3. The purchase or sale of securities on margin is prohibited.
4. The purchase of securities denominated in foreign currencies is prohibited.
5. The purchase or sale of securities done solely to speculate on the direction of future interest rates is prohibited.

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, any such monies shall be reinvested only as provided for in this policy.

Managing Portfolio and Investment Risks

Safety of principal is the foremost investment objective of the City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker/dealer default, or erosion of market value. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The City shall seek to preserve principal by mitigating credit risk and market risk as set forth below.

Mitigating Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall seek to mitigate credit risk by adopting the following strategies:

1. Adhering to the diversification requirements set forth in Section XIII of this policy which limits the amount of the total portfolio that may be invested in any single issuer.
2. Utilizing an active management strategy that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, yield, or return profile in response to changing market conditions or City circumstances.
3. Reviewing downgraded securities. Should the credit rating of a security owned by the City be downgraded to a level below that required by this Investment Policy, the City will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances.

4. Monitoring any downgraded securities. If the decision is made to retain a downgraded security, it will be closely monitored by the City and reported quarterly to the Investment Committee.

Mitigating Interest Rate Risk: Market risk is the risk that the value of a security or portfolio will fluctuate due to changes in the general level of interest rates. The City understands that while longer-term portfolios have the potential to generate higher investment returns over time, they also exhibit a greater volatility of return. In addition, the City further recognizes certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded call options, will affect the market risk characteristics of the portfolio differently. Accordingly, the City will mitigate market risk by adopting the following strategies:

1. The City shall maintain sufficient balances in short-term investments to provide liquidity for expected and contingent expenditures thereby limiting the need to sell securities prior to maturity. Liquidity funds shall be maintained in short-term investments such as LAIF, deposit accounts collateralized in accordance with state law, and money market funds and instruments with minimal market risk.
2. Longer-term securities shall be scheduled to mature in advance of known expenditure requirements whenever possible.
3. The City shall avoid the purchase of securities for the sole purpose of short-term speculation.
4. The maximum stated final maturity of any security in the portfolio shall be five years, except as otherwise stated in this Investment Policy.
5. The maximum percentage of callable securities (excluding securities with “make whole” call provisions) held in the portfolio shall be 20%.
6. The weighted average duration of the actively managed portion of the portfolio, i.e., non-liquidity funds, shall be maintained in a range of +/- 25% the duration of a market benchmark as selected by the City based upon the City’s risk tolerances and investment objectives.

Performance Standards & Evaluation

Consistent with the City’s circumstances and risk tolerances, the investment performance objective for the managed portfolio shall be to earn a total rate of return over market cycles that is approximately equal to the return on the City’s chosen benchmark index.

Reporting and Disclosure

In accordance with Government Code Section 53646(8)(1), the City Treasurer shall submit to the Finance Committee a quarterly report that will then be taken to the City Council. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the City of Beaumont by third party contract managers. The report will also include the source of the portfolio valuation. As specified in Government Code 53646(e), if all funds are placed in the Local Agency Investment Fund (LAIF), FDIC insured accounts and/or county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been in full compliance with the investment policy, and, (2) the City of Beaumont will meet its expenditures obligations within the cash

flow needs.

Policy Review and Adoption

The City of Beaumont's investment policy shall be adopted by resolution of the City Council on, at minimum, an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return as well as its relevance to current law and financial and economic trends. In accordance with Senate Bill 564 and Senate Bill 866, effective January 1, 1996, the City staff brings forward each year the City's Investment Policy for review by the City Council. Any amendments to the policy shall be forwarded to City Council for approval.

City of Beaumont Investment Policy Glossary of Terms

This Glossary of Terms is provided for general reference purposes only and does not constitute or reflect an exhaustive or exclusive list of terms and definitions that may be applicable to the City of Beaumont's Investment Policy Statement. The definitions included herein do not modify or otherwise amend or supersede any of the terms of this Investment Policy Statement or applicable State or Federal law.

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

ADJUSTABLE-RATE NOTE: (See Floating Rate Note)

AGENCY SECURITIES: (See U.S. Government Agency Securities)

AMORTIZATION: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

ASSET-BACKED COMMERCIAL PAPER: A short-term investment vehicle with a maturity date that is typically between 90 and 270 days. A bank or other financial institution typically issues the security itself. The notes are backed by the company's physical assets such as trade receivables. Companies will use an asset-backed commercial paper to fund short-term financing needs.

AVERAGE LIFE: The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

ASKED PRICE: The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): (See Receivable-Backed Securities)

BANKERS' ACCEPTANCE (BA): Negotiable money market instruments issued primarily to finance international trade. These are time drafts in which a bank "accepts" as its financial responsibility to pay the principal at maturity even if the importer does not. In essence, these are bank obligations collateralized by goods being shipped between an exporter and an importer.

BASIS POINT: When a yield is expressed as percentage terms (e.g., 2.25%), the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BENCHMARKS: Indexes created to include multiple securities representing some aspect of the total market. Benchmarks are often used as a standard against which the performance of a security, mutual fund, or investment manager may be measured.

BID PRICE: The price at which a buyer offers to buy a security.

BOND INDENTURE: The contract associated with a bond. The terms of a bond indenture include a description of the bond features, restrictions placed on the issuer, and the actions that will be triggered if the issuer fails to make timely payments.

BOND PROCEEDS: The proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together and is compensated for his/her service.

CALLABLE BONDS: Bonds that may be redeemed by the issuing company prior to the maturity date.

CALL PRICE: The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond’s original issue price to compensate the holder for loss of income and ownership.

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a capital asset.

CERTIFICATE OF DEPOSIT (CD or NCD): A deposit of funds at a bank for a specified period of time that earns interest at a specified rate. Commonly known as “CDs” or “negotiable CDs.”

CERTIFICATE OF DEPOSIT PLACEMENT SERVICES: The purpose of the Certificate of Deposit Account Registry Service (CDARS) is to help people who invest in certificate of deposits (CDs) keep their money insured while also staying below the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 per depositor per bank.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public moneys.

COLLATERALIZED TIME DEPOSIT: A Time Deposit supported by collateral.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities.

In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

COMMERCIAL PAPER (CP): Short-term unsecured promissory notes issued by corporations for maturities of 270 days or less.

CONVEXITY: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

CREDIT OUTLOOK: (See Rating Outlook)

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized statistical rating organizations.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CREDIT WATCH: Indicates that a company's credit is under review and credit ratings are subject to change. Positive (+) credit watch indicates that the credit rating is under review for possible upgrade. Negative credit watch (-) indicates that the credit rating is under review for possible downgrade. Evolving/Neutral credit watch indicates that credit rating is under review with direction uncertain.

COUPON: The rate at which a bond pays interest.

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE: A security whose interest rate of principal amount may vary and are determined by a market index or a combination of market indexes.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers' acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principle designed to spread the risk in a portfolio by dividing

investments among different sectors, industries and companies.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the “average maturity” of an investment portfolio using each investment’s maturity weighted by the size of that investment.

DOWNGRADE: A negative change in the credit rating of a security.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

EMBEDDED CALL OPTION: A feature of a financial instrument that lets issuers take specified actions at some future time. Embedded call options are provisions included in some fixed-income securities that allow the issuer to call back (redeem) the issue at a date earlier than the legal final maturity date.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by the Congress to maintain stability and public confidence in the nation’s financial system. The FDIC insures deposits; examines and supervises financial institutions for safety, soundness, and consumer protection; makes large and complex financial institutions resolvable; and manages receiverships.

FEDERAL FUNDS RATE: Interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. A target rate is set by the FOMC.

FEDERAL OPEN MARKET COMMITTEE (FOMC): This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system, which has supervisory powers over the 12 Federal Reserve banks and member banks.

FEDERALLY INSURED TIME DEPOSIT: A Time Deposit insured by the FDIC.

FITCH, INC: (see Nationally Recognized Statistical Rating Organization)

FIXED-INCOME SECURITIES: Securities that return a fixed income over a specified period.

FLOATING RATE NOTE: A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g., Treasury bills, LIBOR, etc.).

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information. GAAP aims to improve the clarity, consistency, and comparability of the communication of financial information.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk of potential investment losses that result from a change in interest rates.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.

INVESTMENT COMPANY ACT OF 1940: Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

INVESTMENT MANAGERS: An investment manager is a person or organization that makes investment decisions about portfolios of securities on behalf of clients under the investment objectives and parameters the client has defined.

JOINT POWERS AUTHORITY (JPA): An entity permitted under the laws of some U.S. states, whereby two or more public authorities (e.g., local governments, or utility or transport districts), not necessarily located in the same state, may jointly exercise any power common to all of them.

LETTER OF CREDIT: A letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount. In the event that the buyer is unable to make a payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

LOCAL AGENCY: County, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

MAKE-WHOLE CALL PROVISION: A type of call provision on a bond allowing the issuer to pay off remaining debt early. The issuer typically has to make a lump-sum payment to the investor. The payment is derived from a formula based on the net present value (NPV) of previously scheduled coupon payments and the principal that the investor would have received.

MARGIN: The collateral that an investor is required to deposit with their broker or an exchange to cover the credit risk the holder poses for the broker or the exchange when trading with borrowed or leveraged funds.

MARK-TO-MARKET: The market valuation for every security in a portfolio used in determining its total market value and the Net Asset (NAV) in the case of mutual funds or other pooled investment products.

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract between the parties of a repurchase agreement establishing each party's rights in all current and future transactions until termination of the contract by either party.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES (MTN): Debt securities issued by a corporation or depository institution with a maturity ranging from nine months to five years. The term "medium-term note" refers to the time it takes for an obligation to mature and includes other corporate debt securities originally issued for maturities longer than five years, but which have now fallen within the five- year maturity range. MTNs issued by banks are also called "bank notes."

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC: (See Nationally Recognized Rating Services)

MORTGAGE DERIVED INTEREST ONLY STRIP: A security based solely on the interest payments from a pool of mortgages. Once the principal on the mortgages or bonds has been repaid, interest payments stop, and the value of the IO falls to zero.

MORTGAGE PASS-THROUGH SECURITIES: A security created when one or more mortgage holders form a collection (pool) of mortgages and sells shares or participation certificates in the pool. The cash flow from the collateral pool is "passed through" to the security holder as monthly payments of principal, interest, and pre-payments.

MUNICIPAL BONDS: Bonds, notes and other securities issued by a state, municipality, or county.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): Firms that review the creditworthiness of the issuers of debt securities and express their opinion in the form of letter ratings (e.g., AAA, AA, A, BBB, etc.). The primary rating agencies are the following: Standard & Poor's Corporation; Moody's Investor Services, Inc.; and Fitch, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): A per-share valuation of a mutual fund based on total assets minus total liabilities.

NEW ISSUE SECURITIES: A new issue refers to a bond offering that is made for the first time.

NON-CALLABLE: Bond that cannot be called at the option of the issuer.

OFFER PRICE: The price asked by a seller of securities.

PAR or PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a physical certificate and/or supporting documents evidencing the investment (as opposed to “book entry” delivery).

PORTFOLIO: A group of securities held by an individual or institutional investor.

PREMIUM: The difference between the par value of a bond and the market value of the bond, when the market value is above par.

PRICE RISK: The risk that the price of a bond sold prior to maturity will be less than the price at which the bond was originally purchased.

PRIMARY DEALER: Banks and securities brokerages authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Federal Open Market Operations.

PRIME RATE: The base rate that banks use in pricing commercial loans to their best and most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PRINCIPAL PAYDOWNS: A reduction in the principal amount owed on a loan or other debt often associated with mortgage-backed or other paythrough security structures subject to prepayments.

PROSPECTUS: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information of the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements.

RANGE NOTE: A range note or range accrual is a structured product based on an underlying index whose returns are maximized if that index stays within the investor's defined range. Commonly referred to as range accrual note, it is a type of financial derivative.

RATING OUTLOOK: The potential direction of the credit rating assigned by a NRSRO for a specific company.

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

RECEIVABLE-BACKED SECURITIES: Securities collateralized with consumer receivables, such as automobile loans, credit card receivables, or home equity loans, which are owned by the issuer, but placed with a trustee for the benefit of the investor.

RECEIVABLE PASS-THROUGH CERTIFICATE: A debt obligation that is backed by a portfolio of receivables, normally issued by a bank or financial institution. The interest and principal of the obligation is paid out of the cash flow generated by the receivable’s portfolio.

REFUNDED BOND: A bond secured by an escrow fund that is sufficient to pay off the entire issue of bonds at the next call date (pre-funded) or maturity (escrowed to maturity).

REGISTERED STATE WARRANT: A short-term obligation of a state governmental body issued in anticipation of revenue.

REPURCHASE AGREEMENT (REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.

RULE 2a-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 60-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

SAFEKEEPING: Storage and protection of a customer's financial assets, valuables, or documents, provided by an institution serving as an Agent or Custodian and, where control is delegated by the customer.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date when a trade is final, and the buyer must make payment to the seller while the seller delivers the assets to the buyer.

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA): A not-for-profit trade association that represents securities brokerage firms, investment banking institutions, and other investment firms.

SINKING FUND: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

STANDARD & POOR'S CORPORATION: (See Nationally Recognized Rating Services)

STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary program created by statute began in 1977 as an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer.

STRUCTURED INVESTMENT VEHICLE (SIV): A pool of investment assets that attempts to profit from credit spreads between short-term debt and long-term structured finance products such as asset-backed securities (ABS). Funding for SIVs comes from the issuance of commercial paper that is continuously renewed or rolled over; the proceeds are then invested in longer maturity assets that have less liquidity but pay higher yields.

SUPRANATIONAL: An entity that is formed by two or more central governments with the purpose of promoting economic development for the member countries. Examples include the International Bank for Reconstruction and Development, International Finance Corporation, and the Inter-American Development Bank.

SURETY BOND: A promise to be liable for the debt, default, or failure of another. It is a three-party

contract by which one party (the surety) guarantees the performance or obligations of a second party (the principal) to a third party (the obligee).

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period:

$$\text{Total Return \$} = (\text{Ending value} - \text{Beginning value}) + \text{Coupons and Dividends Received}$$

$$\text{Total Return \%} = \text{Total Return \$} / \text{Beginning Value} \times 100$$

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB), Resolution Trust Corporation (RTC), and Tennessee Valley Authority (TVA).

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills: Non-interest-bearing discount securities with maturities under one year issued by the U.S Treasury.

Treasury Notes: Interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from date of issue.

Treasury Bonds: Interest-bearing obligations issued by the U.S. Treasury with maturities that range from ten to thirty years from date of issue.

UNIFORM NET CAPITAL RULE: SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

VARIABLE RATE NOTE: (See Floating Rate Note)

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

WEIGHTED AVERAGE MATURITY (WAM): The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 60 days and no one security may have a maturity that exceeds 397 days.

WHEN ISSUED (WI): A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

YIELD: The annual rate of return on a debt investment computed as though held to maturity expressed as

a percentage.

YIELD TO CALL (YTC): The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ZERO-COUPON BONDS/U.S. TREASURY STRIPS: A bond which represents ownership of a single coupon or principal payment due on a U.S. Treasury bond. Zeros or strips mature at face value at a specified date in the future and make no payments until that date. They always sell at a discount from face value.

Capital Assets Policies

Objectives

The purpose of this policy is: (1) to describe the policies and procedures utilized in the City's capital asset management system, and (2) put guidelines in place to account for and depreciate the City's capital assets. The primary goals of this policy are:

- To ensure that the City's capital assets are accounted for in conformance with the generally accepted accounting policies; and
- To establish a consistent and cost-effective way to account for the City's capital assets.

Overview

This Capital Asset Management policy is in accordance with generally accepted accounting principles and closely conforms to the capital asset accounting practices as recommended by the Government Finance Officers Association (GFOA). The Government Finance Officers Association recommends that every state and local government consider the following applicable guidelines in establishing capitalization thresholds for capital assets:

- Capital assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- Capitalization thresholds should be applied to individual assets rather than to group of similar items (e.g., desks, tables). However, for assets that qualify for capitalization and depreciation under the "group method", see Capitalization Section for the appropriate threshold application.
- As a general rule, capitalization thresholds should be designed to encompass approximately 80% of a government's total non-infrastructure assets.
- In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item.
- Governments should exercise control over their non-capitalized capital assets by establishing and maintaining adequate internal control procedures at the department level.

Capital assets are **recorded** as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost in the government wide financial statements.

Per le 34:

- **Capital Assets** are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
- **Infrastructure Assets** are defined as long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, drainage systems, sewer systems and lighting systems.

Responsibility

The City Manager is ultimately responsible for the City's implementation and compliance with these policies unless the City Council authorizes exceptions. Under the direction of the City Manager, the Finance Director will review, develop, and implement a system of processes and procedures to ensure compliance with these policies throughout the entire organization. The City Manager will work with the Finance Director to ensure these policies are updated on a timely basis.

Definitions

The City of Beaumont will apply the following definitions to its capital asset policies and procedures.

Buildings. Structures of a fixed or semi-fixed nature, which provide shelter and/or create interior space. Buildings also include picnic shelters, storage sheds and restrooms.

Construction in Progress. Assets that are being built that are not usable at the end of the fiscal year, such as an incomplete building, waterline, sewer line, storm drain line, street, road, traffic signal, or other public improvement or infrastructure.

Capital Expenditure. A capital expenditure is an outlay for fixed assets, including land, building, machinery, equipment, construction in progress, design in progress, improvements and infrastructure with an original cost of \$10,000 or more. The capitalization threshold for land improvements shall be \$25,000 whereas building improvements shall be \$50,000.

Design in Progress. Capital improvement projects that are in planning or the design stage. The expenditure of these projects is capitalized at year-end if the design has exceeded \$10,000.

Equipment. Moveable personal property with a useful life of more than one year and a value of \$10,000 or more. Such items as furniture, machines, tools, vehicles, and computers are included in this category.

Capital Asset. Tangible and intangible property owned by the City with a value of \$10,000 or more and a useful life of at least one year.

Improvements. Physical property of a fixed nature that is added (affixed) to land or buildings. These assets include ground improvements, sidewalks, driveways, landscaping, sprinklers, fences, parking lots, etc. Building improvements include such items as carpeting, air conditioning systems or improvements through remodeling.

Infrastructure. Includes bridges, traffic signals, streets, roads, curbs, gutters, sidewalks, water lines, sewer lines and storm drain lines.

Intangibles. Items such as software (not replacement or upgrades).

Land. Includes the investment in real property or the ownership of ground space such as parcels, easements, and rights-of-way.

Streets and Roads. Includes all streets and roads that have pavement as well as curb, gutter and sidewalk.

Street Drainages. Includes storm drainage piping and manholes underneath streets and roads.

Traffic Signals. All traffic lighting systems that control traffic.

Vehicles. All vehicles and rolling stock equipment that are maintained by the Public Works Department or Community Services Department.

Capital Expenditure Definition and Capitalization Policy (Accounting and Financial Reporting)

Capital Expenditures for capital assets, including land, buildings, machinery, equipment, construction in progress, design in progress, improvements, and infrastructure with an original cost of \$10,000 or more and a useful life of at least two-years, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction of the asset are part of the capitalization threshold including ancillary costs such as freight, transportation charges, site preparation expenditures, professional fees, warranties, taxes and legal claims directly attributable to the asset acquisition. Specific capitalization guidelines are described:

1. Capitalization Threshold. An exception to the \$10,000 threshold is land and some infrastructure. All costs associated with the purchase or acquisition of land parcels, rights-of-way, or easements, are capitalized, regardless of cost.

2. Fixed Asset Components. For the purpose of capitalization, the threshold will generally not apply to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single capital asset provided the entire system meets the \$10,000 threshold.

Individual assets that cost less than \$10,000 but operate as part of a network system may be capitalized in the aggregate using the “group method” if the estimated average useful life of the individual asset is at least (3) years. A network, or group is determined to be where individual components may be below \$10,000 but are independent, and the overriding value to the City is on the entire network and not the individual assets (e.g., computer systems and telephone systems). In this case, the entire network or group will be capitalized as one system with many components to the system.

3. Grants. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement, will be capitalized, regardless of cost. For example, a grant program that has funded the acquisition of a capital asset may impose a requirement that the capital asset be tracked and identified as a grant-funded asset.

4. Dedications and Donations. When an asset is acquired through dedications, donations, developer funding, or in-lieu of fees, the asset will be recorded at its estimated fair market value at the date of acquisition, as determined by the appropriate City department using an appropriate method to determine value. If the donation is a combination of land, structure, equipment, etc., the fair values will be segregated as applicable.

5. Repairs and Maintenance. The following criteria are the basis for distinguishing costs as either

capital or repair and maintenance expense:

- With respect to improvements on non-infrastructure and infrastructure under the Basic Approach, costs should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets. Otherwise, the cost should be expensed as repair and maintenance.
- With respect to improvements on infrastructure under the Modified Approach, costs should be capitalized if expenditures substantially increase the capacity or efficiency of an infrastructure. Otherwise, costs, including those that preserve the useful life of an infrastructure asset, are expensed.

6. Improvements. Improvements to existing capital assets will be presumed (by definition) to extend the useful life of the related capital assets, and therefore, will be subject to capitalization only if the cost of the improvement meets the \$10,000 threshold. Therefore, an improvement to a capital asset that had an original cost of less than \$10,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.

7. Capital Projects. Capital projects will be capitalized as “design in progress” or “construction in progress” until completed. The costs associated with the capital project include direct costs, such as labor and materials, as well as indirect and ancillary costs. The City utilizes the Project Accounting module of the financial software to track and report project budgets, actual costs, encumbrances, revenue sources and status of projects.

Capitalization Valuations

The objective of capital asset accounting is to account for the City’s historical acquisition cost, not present market or replacement values of City capital assets. Therefore, capital assets are valued at historical cost. In those instances where historical costs are not available, capital assets are valued at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date donated. In valuating capital assets, the following guidelines are used.

- 1. Buildings.** Costs include all expenditures in connection with their acquisition such as purchase price or construction cost, fixtures attached to the structure, architect’s fees, engineering fees, and insurance during construction.
- 2. Construction in Progress.** Assets are recorded in the same manner as assets acquired by purchase or construction contract. Costs that are capitalized are service charges, materials, and architects and engineering payments and retentions.
- 3. Design in Progress.** Costs that are capitalized include service charges, materials and architects and engineering payments and retentions.
- 4. Equipment.** Costs include all expenditures including the purchase price (before trade-in allowance) freight charges, taxes and installation costs.
- 5. Improvements.** Costs include all expenditures in connection with their acquisition such as purchase price or construction costs, materials costs, installation costs, fixtures, architect’s fees, engineering fees, freight charges, taxes and insurance during construction.

6. Infrastructure. Costs include all expenditures in connection with their construction including labor costs, material costs, installation costs, engineering fees, freight charges, sales taxes and insurance during construction.

7. Land. Costs include all expenditures in connection with land acquisition such as purchase price, appraisal fees, title policy fees, demolition, site clearance, etc.

8. Street Drainage. Costs include all expenditures in connection with their construction including materials costs, installation costs, engineering fees, freight charges, sales taxes and insurance during construction.

9. Streets and Roads. Costs include all expenditures in connection with their construction including material costs, installation costs, engineering fees and insurance during construction.

10. Traffic Signals. Costs include purchase price, freight charges, taxes and installation charges.

11. Vehicles. Costs include purchase price, sales tax, freight charges and installation costs.

Depreciation

1. Principles and Guidelines. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charge to depreciation expense each year represents that year's pro rata share of the cost of the capital-asset.

General Accounting Standards Board (GASB) Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures for these assets are expensed, unless they are additions or improvements.

Except for streets and roads covered by the "modified approach," depreciation is booked on capital assets. Depreciation of all capital assets is charged as an expense against operations each year. The total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Depreciation is used solely in Proprietary Fund Types. Depreciation is important in these funds because it is included as an operational expense of these funds. Unlike Governmental Fund Types, capital assets are reported in the balance sheet accounts of each Proprietary Fund. The use of these assets over a period of time is charged as a depreciation expense.

2. Depreciation Method. Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

3. Estimated Useful Life.

The City has established recommended useful lives for capital assets as follows:

ASSET CLASS	USEFUL LIFE
Building and Improvements	10 – 30 years
Infrastructure	10 – 50 years
Street Drainage	40 – 50 years
Curb, Gutter and Sidewalk	40 years
Traffic Signals	20 years
Equipment and Machinery	3 - 20 years
Furniture and Fixtures	3 - 20 years
Vehicles	5 - 10 years

Inventory Control Policy

1. Inventory Control Criteria. Inventory control is applied only to movable assets and not to land, buildings or other immovable assets. Certain assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control capital assets subject to capitalization. Capital assets will be subject to inventory control if they meet at least one of the following criteria:

- A. The capital asset has a useful life that exceeds two years.
- B. The original cost of the capital asset is equal to or greater than \$10,000.
- C. Any asset less than \$10,000 as requested from a department. This may include certain machinery and equipment that, due to their portability, character or value outside of the office are susceptible to loss, theft, misplacement or borrowing. It may also include any asset that has been requested by a department to be controlled in order to satisfy an internal (operational) or external federal or state regulatory requirement.
- D. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement. For example, a grant program that has funded the acquisition of a capital asset may impose a requirement that the capital asset be tracked and identified as a grant funded asset.

2. Annual Review and Certification. Each Department Head holds ultimate responsibility for safeguarding their capital assets against theft or loss. At the end of each fiscal year, the Finance Department will forward to each department a listing of their capital assets for review and certification. It is the responsibility of the Department Head to verify and certify the accuracy of the information contained in that report. Any discrepancies must be reported to the Finance Department.

3. Fixed Asset Report. All departments involved in the construction or dedication of improvements or infrastructure assets must complete a capital asset report when filing a Notice of Completion or Acceptance. The report must be forwarded to the Finance Department for inclusion in the City's capital asset database and the City's engineers for inclusion on the City's Geographic Information Systems (GIS) database.

4. Transfers of Fixed Asset. Requests for transfers of capital assets will be in writing and submitted to the Finance Department and City Manager for approval. The Finance Department will be responsible for making the appropriate transfers on the City's computerized Capital Asset database and keeping a file of all transfers.

Impairment

As part of the periodic inventory of capital assets, a measurement of physical condition will also be performed. The Government Accounting Standards Board (GASB) Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* will be applied. The City is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred.

“Impairment” may include physical damage, enactment or approval of laws or regulations, changes in environmental factors, technical changes, or evidence of obsolescence, changes in the manner or duration of use of an asset, and construction stoppages.

A capital asset is impaired if both:

1. The decline in the ability to use an asset is large in magnitude (>\$100,000).
2. The event is outside the normal life cycle of a capital asset.

In the case of theft, fire, flood, obsolescence, or other event regarding the usefulness of an asset, departments need to evaluate the usefulness or availability of that asset in the future. This may require outside assistance from an appraiser and/or the Finance Department to determine significance and applicability. Impairment must be conspicuous – e.g., known to the City that a material event has occurred.

To measure the amount of the impairment, the department will need to work with the Finance Department to determine if the above factors exist. If so, the portion of the asset to be adjusted would depend on the usefulness after repair (if applicable.) Usefulness assessments will need to be known as soon as possible. Other items will need to be known include:

1. What is the estimated cost to restore the asset to full utility?
2. What would be the current cost to replace the asset?
3. What is the salvage value, if any?

If there is impairment, these items will be used to measure impairment given the facts of the occurrence.

Once known, this information must be communicated to the Finance Director in writing so the asset value may be adjusted on the City’s Asset Register.

Additionally, impairment losses should be reported in financial statements in accordance with the guidance provided by GASB. If not otherwise apparent from the face of the financial statements, the description, amount, and financial statement classification of impairment losses should be disclosed in the notes to the financial statements. If evidence is available to demonstrate that the impairment will be temporary, the capital asset should not be written down.

Impaired capital assets that are idle should be disclosed, regardless of whether the impairment is considered permanent or temporary.

Disposal of Fixed Assets

Disposal Authority. No capital assets may be disposed of without the approval of the City Council or the City Manager and Finance Department. Disposal of all land and buildings and all other capital assets with a value of over \$10,000 must have City Council approval. If it is determined that the capital assets sold as a unit have a value less than \$10,000, the property may be disposed of in a manner approved by the Department Head, Finance Department, and the City Manager. Capital assets will only be disposed of after checking with other City departments to see if they can use the property.

Disposal Value. It is the responsibility of each department to appraise capital assets designated as surplus prior to sale.

Disposal Methods. Capital Assets may be disposed of in the following ways:

1. Sealed bids after at least three public notices have been published in the newspaper.
2. Public auction after at least three notices have been published in the newspaper.
3. Traded in to reduce the purchase price of a new replacement for a capital asset.
4. Taken to a federal or state surplus property facility and sold through that facility.
5. Sold or donated to another government agency.
6. Recycled and disposed of as junk to a landfill or other appropriate waste removal facility.
7. Other method approved by the City Council or the City Manager where it is believed that the highest price can be obtained for the capital asset. The City Council or City Manager will determine the most appropriate method of disposing of capital assets.

Proceeds from Sales and Auctions. All proceeds from the sale of capital assets will be allocated to the City's General Fund unless the property was originally purchased with monies from a specific City Accounting Fund, in which case, the proceeds will be returned to that specific Accounting Fund, or to the Internal Service Fund which will be used to replace that asset.

SYSTEM DESIGN

The City utilizes Tyler Fixed Assets module software which is an internet based solution to tracking and managing the capital assets and related depreciation. Assets are added to the software as identified for capitalization. The software system has been established to include the following data:

- Date Placed in Service
- Fixed Asset ID number
- Description
- Asset Control Account
- Estimated Useful Life
- Serial Number (if applicable)
- Department
- Location

- Total Cost
- Useful Life
- Current Depreciation Expense
- Accumulated Depreciation
- Disposition Date
- Method of Disposition
- Sale Price

Capital Improvement Policies

Introduction

Capital improvement policies ensure that limited capital improvement funds are expended efficiently, effectively and provide the maximum public benefit. The Capital Improvement Plan (CIP) outlines a schedule of public service expenditures. The CIP does not address all of the capital expenditures for the City, but provides for large, physical improvements which are permanent, including the basic facilities, services and installations needed for the functioning of the community. These include utilities, municipal facilities and other miscellaneous projects. A capital improvement project is an investment of public and/or private funds of at least \$25,000 and a useful life of more than two years.

Scope

The City's capital Improvement policies apply to all personnel, departments, divisions, and offices of the City government as well as all associated accounting funds under the direct authority of the City of Beaumont. These accounting funds include, but are not limited to, the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Projects Funds, Private-Purpose Trust Funds and Agency Trust Funds. These capital improvement policies are also applicable to the City's blended component units, including the Successor Agency to the Beaumont Redevelopment Agency, Beaumont Utility Authority, Beaumont Conservation Authority and Beaumont Public Financing Authority.

Responsibility

The City Manager is ultimately responsible for the City's implementation and compliance with these policies, unless the City Council authorizes exceptions. Under the direction of the City Manager, the **Public Works Director and Finance Director** will review, develop and implement a system of processes and procedures to ensure compliance with these policies throughout the entire organization. The City Manager will work with the **Public Works Department and Finance Director** to ensure these policies are updated on a timely basis.

New Construction

New residential, commercial and industrial developments must be approved by the City Engineer and be fully completed before acceptance by the City. The City requires surety ~~bonds or stand-by letters of credit~~ in a form approved by the City Attorney to guarantee the construction of off-site improvements in all new developments. The improvements that must be installed in each development are water lines, sewer lines, flood control facilities, underground electrical lines, underground telephone lines, underground natural gas lines, underground cable television lines, curbs, gutters, sidewalks and a finished street, with enough road base and asphalt depth to last at least 15 years. Construction standards to achieve this useful life have been determined and adopted by the City.

Capital Project Funding and Construction Categories

Beaumont capital projects may be divided into four categories. They are current-year funded projects, Five-Year Capital Improvements Plan (CIP) projects, planned, but unfunded projects, and unfunded future needs projects.

1. Category 1 Projects: Current -Year Funded Projects. This category includes projects that funding has been appropriated in the current fiscal year's capital budgets and legal contracts have been signed to commit these funds. The City Council has determined through the annual budgeting process that these projects are in the best interest of the public's health, safety, and welfare. These projects have been carefully planned to maximize the benefits derived through

the use of the City's limited resources. Projects that generate future revenues that will fund future services and projects and benefit the entire community will receive first priority for funding.

2. Category 2 Projects: Five-Year Capital Improvement Plan (CIP) Projects. This category includes projects where funding will come from projected revenues in the second through fifth year of the Five-Year Capital Improvements Plan (CIP). The fiscal year in which anticipated funding has been reserved may change due to the available revenues. All projects in this category must be tied to a projected funding source.

3. Category 3 Projects: Planned but Unfunded Projects. This category includes projects that are planned and required to maintain established levels of services throughout the City for the existing population. Typically, these projects are needed as a result of deteriorating infrastructure, updates to various General Plan Elements, or are in areas where minimum levels of service are not currently being met. These projects are not intended to promote residential growth, but to sustain municipal services for the existing residents. If a funding source becomes available, a project in this category may be moved to a Category 2 Project.

4. Category 4 Projects: Unfunded Future Needs Projects. Projects under this category are a condition of future growth and will generally be included in undeveloped areas. It is the intent of the City that development should pay for public improvements to meet established minimum levels of service. In this category, projects are not anticipated to be upgraded to a higher category without revenue generating potential.

Capital Project Financing

Capital improvements and equipment purchases are financed in accordance with the following policies:

1. General Fund and Enterprise Fund Equipment Purchases. City departments within the General Fund will finance equipment purchases from current year appropriations. Multi-year equipment lease-purchase agreements will be avoided except in rare cases.

2. General Infrastructure Construction Projects. Capital projects for general governmental purposes such as land purchases, building construction, road construction, street paving, storm drain installation and other major improvements are financed from revenues allocated to the General Capital Projects Fund. The General Capital Projects Fund contains revenues from unrestricted sources as well as restricted sources such as development impact fees or federal, state and county grants. Major capital improvements that cannot be delayed until the required funds are accumulated may be financed by issuing general obligation bonds, revenue bonds (where permissible), or by a combination of any of these methods.

3. Enterprise Fund Construction Projects. All capital projects in the Enterprise Funds are paid from resources provided by development impact fees, contributed capital revenues and net income from operations. If these sources cannot provide sufficient resources for Enterprise Fund improvements, construction of these improvements may be financed by general obligation bonds, revenue bonds or by a combination of any of these methods.

4. Special Assessment Districts. Capital improvements or public services that benefit a given area may be financed in accordance with state law by special assessment districts. These districts are established where the majority of the residents or businesses want specific improvements or public services and consent to pay for them over time. In these cases, the City finances the specific capital improvements with bonds and public services through a special tax or special annual assessment. Property owners then pay the principal and interest for capital improvements over a designated time period.

Five-Year Capital Improvements Plan

The Five-Year Capital Improvements Plan (CIP) is a multi-year guide to the construction of ~~community~~public improvements such as roads, storm drains, curbs, gutters, sidewalks, ~~recycled~~ water facilities, sewer facilities, storm drainage facilities and

other needed City improvements. It is through this process that the long-range plan for the orderly maintenance and improvement of Beaumont's physical fixed assets can be accomplished. This document is intended to serve as a planning tool and is structured to present a meaningful perspective of the community's long-range needs.

The Five-Year Capital Improvements Plan (CIP) determines the budgeted capital projects for the current fiscal year only. There are no specific appropriations established via the adoption of the Five-Year Capital Improvements Plan (CIP) with the exception of the current fiscal year. Subsequent year appropriations and actual funding sources are identified as part of the preparation of the annual budget.

Utility Coordination

All capital construction and maintenance projects are coordinated with Southern California Edison, The Gas Company, Time-Warner Communications, Beaumont Water District, and other utilities. This saves Beaumont residents money and will avoid tearing out improvements after they have been installed.

Five-Year Capital Improvements Plan (CIP) Preparation

Each department is asked every year to identify potential capital projects and their estimated cost. Financial forecasts for the General Fund, Special Revenue Funds and Enterprise Funds are then prepared to identify what monies will be available for future projects. Projects that cannot be funded from money generated through the general course of business must be financed with development impact fees, grants, bonds or must be postponed or cancelled.

During the City Council budget work sessions, potential capital projects are discussed enabling the City Council to review staff recommended projects and make any necessary changes. When consensus is reached on the capital projects and proposed funding sources, the ~~staff~~ **Public Works Department and Finance Department** will prepare a formal Five-Year Capital Improvement Plan (CIP) document that will be presented to the City Council. The adoption of this document commits the City Council to spend money on projects listed in the current fiscal year only. The City can face significant changes in economic conditions, funding sources and political priorities every year. Therefore, the Five-Year Capital Improvements Plan (CIP) must be annually updated.

Capital Project Priority Criteria *Considerations*

Capital projects are prioritized using revenue generating and cost avoidance considerations; health, safety, ~~and~~, welfare considerations ~~and Strategic Goals. level-of-service considerations; maintenance considerations; aesthetic considerations; and leverage and timing considerations.~~

- 1. Revenue Generating and Cost Avoidance Considerations.** Projects that enhance revenues or reduce costs will be given first priority in order to improve the financial position of the City and enhance the ability to do future projects or deliver high levels of municipal services. New commercial, residential, and industrial development must pay for its infrastructure either by constructing these items or paying impact fees.
- 2. Health, Safety and Welfare Considerations.** One of the primary purposes of government is to provide for the health, safety, and welfare of its citizens. The City must provide safe drinking water, safe streets, safe sidewalks as well as adequate police protection, solid waste disposal, and storm water disposal and treatment of municipal sewage.
- 3. Level-of-Service Considerations.** Many older City developments were constructed decades ago, and many newer developments do not meet minimum levels of service as established by the federal government, state government, City government or generally accepted engineering standards.
- 4. Maintenance Considerations.** All public improvements must be maintained after the construction is completed. Maintenance staffing and equipment are critical elements that must be considered in project prioritization and must be

funded on an on-going basis with revenue sources other than capital improvement funding. The nature of some projects may cause a reduction in maintenance.

5. Aesthetic Considerations. Community appearance and aesthetics are important elements in the quality of life in the community. City aesthetics and appearance helps attract new residential, commercial and industrial developments to the City. Beaumont has buildings and public infrastructure that need to be replaced and upgraded to create a more attractive community.

6. Leverage and Timing Considerations. Projects that may be funded by entitlement grants or competitive grants from the federal, state and county governments will be considered based on the availability of funds and the requirements of the granting agency. In addition, the City Council may accelerate capital projects where the City has the opportunity to participate in partnership with other public or private entities or where timing is critical, or funding may be lost.

Capital Projects Priority Ranking



Priority I: IMPERATIVE (*Must-Do*) – Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.

- A. Corrects a condition dangerous to public health or safety
- B. Satisfies a legal obligation
- C. Alleviates an emergency service disruption or deficiency
- D. Prevents irreparable damage to a valuable public facility.

Priority II: ESSENTIAL (*Should-Do*) – Projects that address clearly demonstrated needs or objectives.

- A. Rehabilitates or replaces an obsolete public facility or attachment
- B. Stimulates economic growth and private capital investment
- C. Reduces future operating and maintenance costs
- D. Leverages available state or federal funding.

Priority III: IMPORTANT (*Could-Do*) – Projects that benefit the community but may be delayed without detrimental effects to basic services.

- A. Provides a new or expanded level of service
- B. Promotes intergovernmental cooperation
- C. Reduces energy consumption
- D. Enhances cultural or natural resources.

Priority IV: DESIRABLE (*Other Year*) – Desirable projects that are not included within five-year program because of funding limitations.

2018-03 Restated Bond Accounting Policies And Procedures

Finance Department Amended and Restated Policies and Procedures Manual

**BOND PROCEEDS TRACKING POLICIES – ACCOUNTS PAYABLE
APPLICABLE TO DEVELOPMENT -BASED FINANCINGS BY EACH OF
CITY OF BEAUMONT
BEAUMONT FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 93-1
AND
ANY ADDITIONAL COMMUNITY FACILITIES DISTRICT APPROVED BY THE
CITY OF BEAUMONT**

The accounts payable function must be coordinated closely with the Public Works department ("PW") and in addition must process payments in a timely and professional manner in accordance with the applicable Indenture or Trust Agreement.

Care must be taken to see that payments are both accurate and timely. Internal control over disbursements requires proper supporting documentation to ensure that the City only pays legitimate transactions for acquisition of goods or services. No one person shall process a complete cycle of transaction from origination to completion.

Purpose

The purpose of this Policies and Procedures Manual is to memorialize, identify and communicate key principals and procedures to be used to track and account for the expenditure of proceeds from debt obligations — particularly obligations issued by the Beaumont Financing Authority (the "BFA") secured by land assessment/tax-backed securities — and land assessment/tax-backed securities issued by Community Facilities District No. 93-1 (the "District") or any community facilities district subsequently authorized or approved by City of Beaumont. In 2017, the BFA consented to a Cease-and-Desist Order with the U.S. Securities and Exchange Commission (the "SEC Order") related to certain past disclosure decisions. This Policies and Procedures Manual is intended, in part, to ensure that City officials and staff remain in full compliance with the obligations under past or future bond documents and with the SEC Order.

Distribution and Training

This Policies and Procedures Manual shall be provided to all officials and staff that are involved with the accounting of bond proceeds (including, but not limited to, the payment of costs or expenses that are to be ultimately paid with bond proceeds).

Periodic training, taking place not less than annually, for the Finance Director and other appropriate officials and staff of the City and the BFA involving with the accounting of bond proceeds is coordinated by the Finance Director, who is responsible for ensuring compliance with this Policies and Procedures Manual and for implementing and maintaining a record (including attendance) of such trainings. These training sessions are provided to assist officials and staff with the accounting of bond proceeds and recordkeeping.

Timelines

The Developer is responsible for submitting requests for reimbursement to the Finance Department for review and processing, including all necessary documentation in an orderly form. The Finance Department must notify PW (Public Works) when documentation is received in order to have it reviewed by the project engineer.

Project Cost Approval Processing

The PW (Public Works) department is to assign a project engineer to perform review of documentation received from the Developer or Vendor for reimbursement. The Project Engineer is to establish a list of the eligible projects as stated in the applicable Indenture or Trust Agreement.

The Project Engineer is to review all contracts and costs for the public improvements including change orders, invoices, proof of payment and lien releases, and certified payroll (when required).

A report documenting the eligible projects, construction cost review, determination of eligible costs, and recommendation for payment is to be prepared by PW department and provided to Finance Department for release of funds.

Trustee Notification

1. A written requisition of the District is prepared by the Finance Director for the release of construction bond proceeds. (NOTE: Funds are to be disbursed to the City and remittance to the applicable developer or vendor is to be made by the City through the established accounts payable process). A form of written requisition is attached hereto as Exhibit A.
2. The standard requisition form is to be used identifying the bond issue, improvement area and Trustee account number.
3. Requisitions are to be maintained in numerical sequence, assigned manually, as follows:

Fiscal Year Beginning - 3 Digit sequence (i.e., 2017-001, 2017-002, 2017-003)
4. Request must have Schedule 1 attached. Schedule 1 is to contain the wire transfer instructions, total amount, and detailed purpose/use of funds.
5. Request must contain a copy of the report prepared by the PW department.
6. Request must contain Letter(s) of Request from the developer.
7. Trustee Notification documents are to be presented to the City Manager for approval.
8. Trustee Notification documents are to then be presented to City Council for approval. Written Requisition is to be signed by an authorized representative.
9. Finance Director is to transmit Trustee Notification documents to the Trustee representative for disbursement of funds.

Payment Check Processing and Reviews

1. The Trustee Notification documents are considered the supporting documents for the disbursement of funds to the developer or vendor.

2. A check request form is completed by the Finance Director and is submitted with the Trustee Notification documents to accounts payable for payment processing.
3. Finance Director is to monitor cash flow so that developer/vendor payment is not made prior to the receipt of construction bond proceeds.

Recordkeeping

The Finance Director is to maintain a spreadsheet for each financing totaling the amount of expenditures for each type of improvement financed. At the end of each year, the spreadsheet shall be updated based on the Written Requisitions honored.

Exhibit A

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1

SPECIAL TAX BONDS,_____

(IMPROVEMENT AREA NO. _____)

ACCOUNT NUMBER_____

WRITTEN REQUISITION OF THE DISTRICT

NO. _____

The undersigned is an Authorized Representative of the City of Beaumont Community Facilities District No. 93-1 (the "District") hereby requests Wilmington Trust, National Association, as successor trustee to Union Bank, N.A. (the "Trustee") under that certain Indenture of Trust dated as of January 15, 1994, as amended and supplemented to date by the _____ Supplemental Indenture dated as of _____ (the "District Indenture"), by and between the District and the Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Construction Fund established and maintained under the Indenture.

The District hereby certifies that (a) each obligation mentioned therein is a proper charge against such Construction Fund and has not previously been disbursed by the Trustee from amounts in such Construction Fund, (b) all conditions precedent with respect to such disbursement have been satisfied, and (c) the amount of such disbursement is for a Project Cost as defined herein, (d) is accompanied by a bill or statement of account (if any) for each obligation and (e) no Event of Default has occurred under the Indenture, (f) this request meets the requirements of the Indenture.

All payments shall be made in accordance with the payment instructions set forth on Schedule I attached hereto, and the Trustee shall have no duty or obligation to authenticate such payment instructions or authorization thereof.

Dated:_____

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO.93-1

By: _____

Authorized Representative

Schedule 1

WRITTEN REQUISITION OF THE DISTRICT

Name/Address (Wire/Check)	Amount	Purpose
CITY OF BEAUMONT		
Wells Fargo		
ABA		
Acct	\$_____	1. 2. 3.

City will process payment directly to_____

Instructions have been provided to City with documentation received to support the costs being claimed, enumerated above.

Restated Bond Disclosure Procedures And Policies

CITY OF BEAUMONT AMENDED AND RESTATED DISCLOSURE PROCEDURES APPLICABLE TO EACH OF CITY OF BEAUMONT BEAUMONT FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 93-1 AND AMY ADDITIONAL COMMUNITY FACILITIES DISTRICT APPROVED BY THE CITY OF BEAUMONT

Purpose

The purpose of these Amended and Restated Disclosure Procedures (the "Procedures") is to memorialize and communicate key principles and procedures in connection with obligations, including notes, bonds and certificates of participation, issued by the City of Beaumont (the "City"), and to memorialize and communicate key principles and procedures in connection with obligations issued by the Beaumont Financing Authority ("BFA"), the Community Facilities District No. 93-1 (the "District") or any other community facilities district (each, an "Additional District") subsequently authorized or approved by the City. Because the governing body of BFA and its officers/staff are the same as the City, and because the governing body of the District and its staff are the same as the City, all references in these Procedures to "City" shall also refer to BFA in the case of land assessment/tax-backed securities that secure payment of obligations issued by BFA, and the District (and any Additional District) in the case of Mello-Roos bonds and other land assessment/tax-backed securities issued by the District (or such Additional District).

In 2017, the BFA consented to a Cease-and-Desist Order with the U.S. Securities and Exchange Commission (the "SEC Order") related to certain past disclosure decisions. These Procedures are intended, in part, to ensure that City officials and staff remain in full compliance with the obligations under past or future bond documents and with the SEC Order.

Distribution

The Procedures shall be provided to all members of the Beaumont City Council, the City Manager, all members of the City's Finance Department, the City Attorney and any other member of the City staff involved in the City's disclosure obligations.

Background

From time to time, the City issues certificates of participation, revenue bonds, notes or other obligations, the District or any Additional District may issue Mello-Roos bonds or other land assessment/tax-backed securities, and the BFA may issue obligations in various forms, including among others debt secured by and payable from debt obligations issued by the District or any Additional District (collectively, "Obligations"), in order to fund or refund capital investments, new development within the City, other long-term programs and working capital needs. In offering Obligations to the public, and at other times when the City, BFA, the District or any Additional District, as the case may be, makes certain reports, the City, BFA, the District and any Additional District, as the case may be, must comply with the Anti-Fraud Rules of federal securities laws even though material portions of official statements are written by developers, their counsel and other

market participants. Although BFA is essentially a conduit issuer and its official statements primarily related to housing development disclosure versus disclosure regarding the City, BFA nevertheless has responsibility for compliance with the Anti-Fraud Rules. The same holds true for securities issued directly by the District or any Additional District. As used herein, "Anti-Fraud Rules" refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly Rule 1 Ob-5 under the 1934 Act.

At their core, these rules require all material information relating to the offered Obligations be provided to potential investors. The information provided to potential investors must not contain any material misstatements, and the City must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the City's financial condition. In the context of the sale of securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

When the City issues Obligations, two central disclosure documents are prepared: (1) a preliminary official statement ("POS"); and (2) a final official statement ("OS", and collectively with the POS, "Official Statement"). The Official Statement generally consists of (a) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, including, depending on the type of financing, the City's or enterprise's financial condition, the development within the community facilities district, the developer and its development and financing plan, and (b) various other appendices, including the City's audited financial report (for City general fund or enterprise fund financings), form of the proposed legal opinion, and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the City's Obligations.

Engagement of Outside Disclosure Counsel

For every Obligation, the City shall engage outside legal counsel with expertise in securities laws for advice with respect to the City's disclosure obligations and requirements under the federal securities laws ("Disclosure Counsel"). Disclosure Counsel assists the City in preparing the Official Statement and reviews all new data and updates to the Official Statement. Throughout the process of receiving and incorporating material, Disclosure Counsel provides advice as to standards of materiality and other securities law issues. Disclosure Counsel has a confidential, attorney-client relationship with officials and staff of the City.

Disclosure Counsel provides a negative assurance letter as to the disclosure set forth in the Official Statement for each City Obligation. The letter advises the City and the Obligations underwriters that as a matter of fact and not opinion that no information came to the attention of the attorneys working on the transaction which caused them to believe that Official Statement as of its date and as of the date of their letter (except for any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and other customary exclusions), contained or contains any untrue statement of a material fact omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Disclosure Process

The City Manager shall be primarily responsible for the administration of these Procedures as they pertain to primary market disclosure. The City Manager shall delegate to other officers' responsibilities for certain of these functions as the City Manager from time to time determines. As used herein, "Finance Staff" shall mean the City Manager and its delegates.

When the City decides to issue Obligations, the Finance Staff request the involved departments to commence preparation of the portions of the Official Statement for which they are responsible. Finance Staff and the City Attorney are separately responsible for reviewing and preparing or updating certain portions of the Official Statement which are within their particular area of knowledge. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire Official Statement. Disclosure Counsel assists the Finance Staff in determining the materiality of any particular

item, and in the development of specific language in the Official Statement. For general fund financings, Disclosure Counsel also assists the City in the development of a "big picture" overview of the City's financial condition, included in the forepart of the Official Statement. This overview highlights particular areas of concern. The Finance Staff schedules one or more meetings or conference calls of the financing team working group (which includes City officials, the City's financial advisor, Disclosure Counsel, bond counsel, the underwriter of the Obligations, and their counsel, and, for land secured financings, the developer, its attorneys, and consultants), and new drafts of the Official Statement are circulated and discussed. During this part of the process, there is substantial contact among City staff, other members of the financing team and Disclosure Counsel, to discuss issues which may arise, determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is a formal meeting which includes City officials involved in the preparation of the POS and the underwriters and their counsel, during which the Official Statement is reviewed in its entirety, page by page or section by section, to obtain final comments and to allow the underwriters to ask questions of the City's senior officials. This is referred to as a "due diligence" meeting.

The City Manager or its delegate (if involved in the due diligence meeting described above and, if applicable, the "page turning" session described below under "LAND ASSESSMENT/TAX-BACKED SECURITIES") is authorized to cause to be "deemed final" by the City or the BFA (or by the District or an Additional District for obligations issued directly to the public market by such entity), as applicable, the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities Exchange Commission. Between the POS and final OS, any new changes and developments will have been incorporated into the Official Statement if required by the entity responsible for the applicable portion of Appendix A. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior City officials execute a certificate stating that the Official Statement, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the Official Statement in light of the circumstances under which they were made, not misleading.

The information contained in the Official Statement is primarily developed by Finance Staff, the City Attorney, or the developer. In addition, the City's financial adviser participates throughout the process of preparing the Official Statement and developing the structure of the financing.

Land Assessment/Tax-Backed Securities

The following principles apply specifically to land assessment/tax-backed securities that secure payment of obligations issued by BFA, and the District (and any Additional District) in the case of Mello-Roos bonds and other land assessment/tax-backed securities issued by the District (or such Additional District).

Appraiser. Where the financial advisor, developer, Disclosure Counsel (or bond counsel), and/or underwriter determines that an appraisal is required for disclosure, the Official Statement should contain a description of the following:

- How the appraiser was selected (e.g., by RFP or direct selection).
- The basic qualifications of the appraiser; and
- A summary of the primary criteria that resulted in the final appraisal of the relevant property. The City shall require the appraiser to review such information for accuracy. Further, Disclosure Counsel and/or bond counsel shall discuss and decide whether and to what extent written assurances as to the accuracy of such information may be needed from the appraiser.

Developer Questionnaire. The City shall require the developer to submit and certify as to accuracy and completeness a detailed questionnaire covering the developer and the proposed project (the "Developer Questionnaire") at the start of each

new money financing through Land Assessment Tax-Backed Securities and for which there will be ongoing vertical development or a significant portion of the project site (e.g., greater than 20%) will be owned by the developer at the time of issuance.

A sample of a Developer Questionnaire is attached hereto as Exhibit A. However, each Developer Questionnaire should be tailored to the specific transaction at hand. The Developer Questionnaire should mirror the type of questionnaires underwriters will require for similar developer-driven financings. Each Developer Questionnaire should cover topics specific to the developer, such as:

- The ownership structure of the developer and all affiliates relevant to the project, including entity type (e.g., corporation, partnership, LLC) and percentage of controlling interests of members/partners/etc.
- If publicly traded, instructions or a website link for how investors can access annual and other disclosures on EDGAR.
- General background and experience of the developer and its affiliates, as applicable.
- A history of previous projects developed by the developer and/or relevant entities with controlling interests, which shall include, without limitation, information concerning material delays in construction, history of defaults, etc.

Each Developer Questionnaire should also contain relevant details concerning the development at issue, such as:

- Location.
- Size.
- How long the developer has owned the development site.
- Information concerning environmental diligence, applicable zoning, and related issues.
- Whether the developer or related entities are under investigation or subject of current inquiry by any federal or state regulatory agencies.

The City shall require that each Developer Questionnaire be signed and certified as true and complete by the developer. The City Finance Director shall be responsible for double-checking the receipt of the Developer Questionnaire.

Offering statements for Land Assessment/Tax-Backed Securities respecting districts under development shall provide the following:

- Total development budget (including public infrastructure improvements and the home developments).
- A listing of sources of funds (e.g., developer equity, line of credit, commercial loan, other equity investor funds).
- The status of such funding sources (e.g., if a construction loan, the extent to which it has been funded).

If a financing occurs while material portions of the project are under development, the offering statement shall disclose the status of construction and projected costs to complete (whether based on the initial budget or otherwise).

For developments that contain 500 or more units, discussion should occur among bond counsel, Disclosure Counsel, the financial advisor, the underwriter, and other relevant participants as to whether a market absorption or feasibility study is needed for the Offering Statement. The City shall give deference to the determinations of the financial advisor, Disclosure

Counsel and bond counsel over recommendation from other participants like the developer and its counsel.

Formal "Page Turning" Session

Prior to the due diligence meeting described under "DISCLOSURE PROCESS" above, there shall be a formal "page turning" session where the special tax consultant, Disclosure Counsel, bond counsel, financial advisor, the developer and its counsel, the City Manager, the City Attorney, any other relevant City officials as identified by the City Manager, review key portions of the preliminary official statement and, to the extent of changes other than those reflecting pricing terms following sale, the final official statement. This type of "page turning" session is a very important element of the disclosure process. The City Finance Director shall be responsible for ensuring that such "page turning" session occurs prior to the Preliminary Official Statement or similar offering statement being made available to investors.

Prior to printing the Official Statement, the City shall require the developer to deliver a "10b-5" certificate to the City covering those portions of the Preliminary Official Statement relating to the developer, its project and its financing plans. Additionally, prior to printing the Preliminary Official Statement, the City Manager and its delegates, and Disclosure Counsel or bond counsel, shall have reviewed and agreed upon the form of developer counsel opinion required, if any, and the form of written assurances, if any, from the special tax consultant and financial advisor as to accuracy and completeness of relevant portions of the Preliminary Official Statement in connection with the financing. The City Finance Director shall be responsible for double-checking the receipt of all 10b-5 and related certificates, instruments or opinions required to be delivered by the developer in a land assessment/tax-backed securities offering.

Recordkeeping

- BFA, the City, the District, or any Additional District, as applicable, shall retain in a central depository for a period of five years from the date of delivery of any series of bonds the following materials:
- The printed copy of the Preliminary Official Statement and final Official Statement (or similar offering documents).
- The executed copies of all opinions, letters or other certifications concerning the accuracy or adequacy of disclosure provided by the developer, developer's counsel, Disclosure Counsel, bond counsel and all other participants in the financing pursuant to these Procedures.
- The Developer Questionnaire, if applicable.
- The bond purchase agreement.
- Copies of any "deemed final" certification provided by an official with the City, BFA, the District or an Additional District, as the case may be, to the underwriter of bonds in accordance paragraph (b)(1) of Rule 15c2-12 of the Securities Exchange Commission; and
- Any written certification or opinions executed by a developer, its counsel, the special tax consultant, financial advisor, and any other financing participants outside the City delivered at the time of delivery of the related series of bonds.

It is not necessary that drafts of such instruments be retained, only final copies.

Governing Principles for City Officials and Staff

- The following principles govern the work of the respective staffs that contribute information to the Official

Statement:

- City staff involved in the disclosure process are responsible for being familiar with federal securities laws as they relate to disclosure.
- City staff involved in the disclosure process should be instructed to err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult with Disclosure Counsel if there are questions regarding whether an issue is material.
- City staff involved in the disclosure process, along with the developer, special tax counsel, the financial advisor and all other participants in preparing portions of an offering statement and that are involved in any meetings where portions of an offering statement are reviewed or discussed should be instructed that general disclosure of a potential risk is no substitute for known facts specific to that risk, and that participants should strive to ensure known facts are disclosed.
- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the City should consider revisions to the Procedures
- The City must make sure that the particular officials involved in the disclosure process are of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the City and its finances,
- Any concerns regarding the accuracy of an Official Statement should be immediately reported to the City Attorney or the City's Disclosure Counsel.
- Care should be taken that any information produced and maintained for public consumption, and which may be relied upon by an investor in making an investment decision in the primary or secondary market, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- Consideration should be made, based on consultation with Disclosure Counsel (or, if there is not Disclosure Counsel, bond counsel) as to whether a public statement by a City official or the response by the City to an investor inquiry (e.g., a question from one of BFA's investors) may be material enough to merit a voluntary filing on ENN.A to ensure that Obligations are trading based on equal access to material information.
- The City Manager shall review these Procedures on an annual or bi-annual basis and may, from time to time, as may be necessary, update these Procedures in consultation with Disclosure Counsel and/or bond counsel.
- The City Finance Director, together with Disclosure Counsel and/or bond counsel, shall review the continuing disclosure section of the preliminary offering statement particularly that portion describing the five-year compliance history of the District or of any other obligated person under the purview of BFA or the City — before it is finalized and sent to prospective investors.

Annual Continuing Disclosure Requirements

In connection with the issuance of Obligations, the City has entered into a number of contractual agreements (each a "Continuing Disclosure Certificate" and, collectively, "Continuing Disclosure Certificates") to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the

Obligations specified in the Continuing Disclosure Certificates. Continuing Disclosure Certificates that are entered into in the future should not be "canned" and Disclosure Counsel (or, if there is not Disclosure Counsel, bond counsel or underwriter's counsel) shall prepare the continuing disclosure agreement based upon the specific transaction at hand.

The City must comply with the specific requirements of each Continuing Disclosure Certificate. The City's Continuing Disclosure Certificates generally require that the annual reports be filed within a certain number of days after the end of the City's fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require material event notices generally consist of the following¹

1. Any of the following events with respect to the Obligations (in a timely manner not more than ten (10) business days after the event):
 - A. Principal and interest payment delinquencies.
 - B. Unscheduled draws on debt service reserves reflecting financial difficulties.
 - C. Unscheduled draws on credit enhancements reflecting financial difficulties.
 - D. Substitution of credit or liquidity providers, or their failure to perform.
 - E. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (RS Form 5701 TEB).
 - F. Tender offers.
 - G. Defeasances
 - H. Rating changes.
 - I. Bankruptcy, insolvency, receivership, or similar event of the obligated person.
2. Any of the following events with respect to the particular Obligations, if material:
 - A. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the particular Obligations or other material events affecting the tax status of the Series 2013 Bonds.
 - B. Modifications to rights of holders of the particular Obligations.
 - C. Optional, unscheduled, or contingent calls of the particular Obligations.
 - D. Release, substitution, or sale of property securing repayment of the particular Obligations.
 - E. Non-payment related defaults.

¹ The list set forth above is applicable for transactions after December 1, 2010. Continuing disclosure undertakings for transactions prior to that date contained a similar, but less extensive list of material events.

F. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

G. Appointment of a successor or additional trustee or the change of name of a trustee.

The City Finance Director shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

Moreover, with regard to the filing of annual financial statements, the City Finance Director, and the City Manager (or its delegate) shall maintain calendar reminders for the filing of such statements. The City shall consider the use of a dissemination agent or other reminder resources provided by the Municipal Securities Rulemaking Board or similar authorities to assist in the timely filing of materials on EMMA.

The BFA shall have Disclosure Counsel (or, if there is no Disclosure Counsel, bond counsel) to BFA prepare a checklist for the specific items required to be filed on an annual basis (the "Annual Report Checklist"). The Annual Report Checklist should be modified by Disclosure Counsel (or, if there is not Disclosure Counsel, bond counsel) as new issues are sold, and by BFA or its counsel as issues of BFA debt are paid off and no longer outstanding. A separate Annual Report Checklist should be prepared and similarly modified for any District or Additional District obligations hereafter issued.

The City Finance Director, at the time of each annual filing, shall execute the Annual Report Checklist and then deliver it to the City Manager. The City Manager, or its delegate, shall review the filings on EMMA against the Annual Report Checklist as a double-check for compliance accuracy.

Upon the advice of Disclosure Counsel or bond counsel, the BFA may identify a different compliance method if determined to be more effective or feasible than the Annual Report Checklist.

The City Manager (or its delegate) shall double-check the timeliness of filing of audited financial statements and annual reports against the Annual Report Checklist or different compliance method described above.

When a continuing disclosure agreement requires data that does not exist or that the BFA cannot obtain, the City Finance Director will consult with bond counsel and/or Disclosure Counsel on how to report such information.

Training

The City will provide training for the staff involved in the preparation of the Official Statement, which will be coordinated by the City Manager and the City Attorney, with the assistance of Disclosure Counsel. The City Manager shall be primarily responsible for maintaining a record (including attendance) of such training. Training will be provided at least annually or prior to the offering of any new Obligation. The training sessions shall be provided to assist staff members involved in identifying relevant disclosure information to be included in the Official Statement. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions shall be provided with the opportunity to ask questions of Disclosure Counsel concerning disclosure obligations and are encouraged to contact Disclosure Counsel at any time if they have questions.

The City Finance Director shall receive training from bond counsel or Disclosure Counsel on the mechanics for making filings on as well as the information required to be filed in the District's (and any Additional Districts') annual reports. This

training will take place after the Annual Report Checklist is prepared or a more effective or feasible compliance method is established.

Certificate of Receipt and Understanding

I certify that I have received a copy of the City of Beaumont's Restated Disclosure Procedures. I have reviewed and understand its contents and agree to abide by the principles and requirements in the Amended and Restated Disclosure Procedures.

Name _____ Date _____

Exhibit A

DEVELOPER QUESTIONNAIRE

This questionnaire is intended to provide information that will be used by Disclosure Counsel in connection with the preparation of the Preliminary Official Statement and the final Official Statement for the bonds proposed to be issued by [] (the "District"). Although the bonds are exempt from the requirement that they be registered with the Securities and Exchange Commission, they are subject to the anti-fraud provisions of the federal securities laws and the laws of the State of California. Therefore, it is critical that the Preliminary Official Statement and final Official Statement not contain any material misstatements or omissions. Accordingly, the information that you provide in response to this Questionnaire must be complete and accurate in every respect.

As used herein the term "Property" refers to all of the property within the District. The term "Project" refers to the proposed improvements to be made within the District including all residential and commercial development.

I. Ownership

(a) Name of the developer (the "Developer") of the property (the "Property") within the District:

(b) Please describe the ownership structure of the Developer. Include a description of any partnership, limited liability company or other arrangements, names of all general partners, members and officers. Attach resumes of key individuals and a copy of any partnership agreements, operating agreements, articles of incorporation and bylaws.

(c) Please attach copies of the Developer's most recent annual and quarterly financial statements. If the Developer is a publicly held company, please provide copies of the most recent IOQ or 10K filing.

(d) Include at least one reference from a bank or financial institution.

Note: Financial statements and information obtained from bank references are necessary as part of the due diligence process required to issue the bonds. Any nonpublic information will remain strictly confidential unless and until published as part of the Official Statement.

(e) Who is the contact person for the Project?

Name: _____
Title: _____
Phone Number: _____
E-Mail: _____

(f) Please provide the contact information of the attorney who will be representing the Developer in connection with the issuance of bonds by the District.

Name: _____

Title: _____

Phone Number: _____

E-Mail: _____

- (g) Please attach your most recent copy of a preliminary title report for the Property.

II. Project Information

(a). Name of Project

(b). Location of Project

(c) Description of Project

(i) Number of gross acres:

(ii) Number of developable acres:

(d) How long has Developer owned the Property?

(e) Describe the existing land uses on the Property:

(f) Please summarize the existing entitlements for the Project (i.e., the number and type of residential units, commercial square footage, industrial square footage, recreation uses, other public uses) and provide a list of the governmental approvals that govern development of the Property.

(g) Please attach a copy of each Purchase and Sale Agreement including any amendments executed by the Developer for Property in the District.

(h) Please summarize the improvements to be completed by the Developer with respect to the Project and the status of the construction of the improvements and a timeline for completion.

(i) Please provide a budget for the improvements to be installed by the Developer and describe how the improvements are to be financed.

(j) Please answer the following questions and provide any of the following received with respect to the Property.

(i) Has an environmental impact report been approved for this Project?

___ YES ___ NO.

(ii) Has a Phase I Environmental Site Assessment been prepared for the Property?

___ YES ___ NO. If yes, please provide a copy of all assessments prepared.

(iii) Has a soils report been prepared for the Project? ___ YES ___ NO. If yes, please provide copies of all reports.

(k) List any approved tentative, final or parcel maps applicable to development of the Project and provide a copy of all conditions for development.

(l) Are any impact fees owing as a condition to develop? ___ YES ___ NO. If yes, please describe, list below and provide copies of any agreements or documents which contain such conditions.

(m) Are there any endangered species habitat on the Property? ___ YES ___ NO. If yes, please describe.

(n) Are there any legal impediments that could delay or prevent the buildout of the Project as planned? ___ YES ___ NO. If yes, please describe.

(o) Are you aware of any proposed restrictions on the rate of future growth in the jurisdiction where the Project is to be located which may impact the development of the Project (i.e., proposed growth control ordinances or initiatives or limitations on water availability? ___ YES ___ NO. If yes, please explain.

p) Are there any geological impediments (earthquake faults, flood zones, high ground water, soil slippage, etc.) to buildout of the Project? ___ YES ___ NO. If so, please describe.

(q) What are your long-term plans for any portion of the Property not already conveyed to merchant builders? For any portion to be constructed by Developer please describe planned improvements and timing.

(r) Are there any existing trust deeds/loans on the Property? ___ YES ___ NO.

Please state the name of the lending institution, the approximate maximum loan amount and the approximate current balance of the loan.

(s) Has construction financing for the Project been obtained? ☐ YES ☐ NO. If yes, Please describe the source and amount of such loan and any acquisition and development loans and provide copies of all loan agreements and promissory notes. If no, describe whether any loans are required to develop.

(t) Other than the District, is there any existing or proposed community facilities district or assessment district that includes all or a portion of the Property? ☐ YES ☐ NO. If yes, please describe the name, dollar amount and a contact person for information regarding each district.

(u) Have any property taxes or assessments on the Property been delinquent at any time during the past 3 years? ☐ YES ☐ NO. If yes, please explain.

(v) Please attach a copy of the most recent tax bill for each parcel of the Property and evidence that current installments due have been paid (in the form of a copy of check, wire or receipt for payment).

(w) Has any claim been made, or suit been filed, or is any claim or suit now threatened against the Developer or the Property with respect to the Project? ☐ YES ☐ NO.

If yes, please attach a copy of the complaint, or if unavailable, please list the court in which the action is pending and the case number, or if the claim or action has not yet been filed, please attach any documents summarizing the claims or action.

III. Related Project Information

(a) Has an absorption study been done for the Project within the last 2 years? ☐ Yes ☐ No. If yes, please provide a copy.

(b) Has an appraisal been done for the Property within the last two years? ☐ Yes ☐ No.

(c) Is any of the Property (other than the portions thereof that have been improved with completed residential or commercial structures currently for sale? ☐ Yes ☐ No. If yes, please provide a copy of the sale terms.

IV Experience and Financial Capacity of Developer

(a) Has the Developer, or any individual or entity which has an ownership interest in the Developer, ever defaulted on the payment of a special tax or an assessment on property owned by it? ☐ YES ☐ NO. If yes, please explain.

(b) Is the Developer, or any individual or entity which has an ownership interest in the Developer, now in default on any loans, lines of credit or other obligation, or has the Developer (or related entity) been in default on any loans or lines of credit or other obligation in the past five years? ☐ YES ☐ NO. If yes, please explain.

(c) Has the Developer, or any individual or entity which has an ownership interest in the Developer, ever filed for bankruptcy or been declared bankrupt? ___ YES ___ NO. If yes, specify the date and location of the court where the bankruptcy action took place.

(d) Have you prepared a business plan and/or pro forma for the proposed Project? ___ YES ___ NO. If yes, please attach a copy. If no, please prepare a detailed pro forma and provide it as soon as possible.

(e) Has the Developer, or any individual or entity which has an ownership interest in the Developer, ever failed to comply within the last five years with the terms of any agreement to provide continuing disclosure with respect to a bond issue? ___ YES ___ NO. If yes, please describe the bond issue and the nature of the failure to comply.

V. Notice Regarding Disclosure

The Securities and Exchange Commission recently adopted amendments (the "Amendments") to Rule 15c2-12 under the Securities Exchange Act of 1934 relating to certain required disclosure information that must be made available to prospective purchasers of municipal bonds. Under the Amendments, certain material information must be disclosed (i) in connection with the initial offering of bonds with respect to "material persons"; and (ii) on an ongoing basis with respect to "obligated persons." Whether a property owner/developer might be a material person, or an obligated person will depend on all of the facts and circumstances. If the information you provide in response to this questionnaire indicates this might be the case, the financing team will review with you the information that may need to be disclosed to potential bond investors in order to satisfy the Amendments.

The undersigned hereby certifies that all responses provided herein are true and correct.

By: [_____]

By:

[President/CEO/CFO/or Equivalent]

Purchasing and Procurement Procedures

To follow the Purchasing Ordinance, the purchasing of goods or services must follow a standard system of entry, have a reasonable cost, complete documentation, obtain appropriate verification and approval. The Purchasing Module of Tyler Technologies Incode 10 will be utilized to comply with all aspects of the Ordinance. To establish the procedures to be followed for the purchasing and procurement of paper and paper products and recovered organic waste products in compliance with state laws, including SB1383, the Short-lived Climate Pollutant Act.

Ordinance Summary

For Purchases:

City of Beaumont Purchasing and Contracting Approval					
Purchase Type	Aggregated Purchase Amount	Competitive Solicitation Requirement	Contract Type	Delegated Purchasing & Contract Authority	Requirements from Vendor
Materials, Supplies, Goods & Equipment <i>Ord. 1160; Chapter 3.01</i>	\$0.00-\$7,499.99	1 Quote	Purchase Order or Cal Card	Department Head	Quote
	\$7,500-\$59,999.99	1 Quote	Purchase Order	City Manager	Quote
	\$60,000-\$199,999.99	Informal Bid process -3 Quotes	Purchase Order	City Manager	Quote
	\$200,000+	Formal IFB Or Approved Exception-Piggyback or Consortium	Formal Agreement or Purchase order (Dependent on type of purchase)	Staff report and City Council approval	Quote/Proposal
*Any subsequent purchases for any given Vendor and in any given Fiscal year above the aggregated purchase amount of \$200K+ must go to City Council.					
*Requisition must be entered, and P.O. issued prior to order being placed.					
General Services and Maintenance <i>Ord. 1097; Chapter 3.01</i>	\$0.00-\$59,999.99	1 Quote/Proposal	Formal Agreement & Purchase Order	City Manager	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$60,000-\$199,999.99	Informal Bid process -3 Quotes/Proposals	Formal Agreement & Purchase Order	City Manager approval unless over \$75K On-call agreement then City Council	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$200,000+	Formal RFP or approved exception (Piggyback or Consortium)	Formal Agreement & Purchase Order	Staff report and City Council approval	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement

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*Any subsequent Services/PO Change Orders/Agreements for any given Vendor and in any given Fiscal year above the aggregated purchase amount of \$200K+ must go to City Council.
 *Requisition must be entered and P.O. issued prior to services being commenced.
 *Agreement may be for a maximum of 5 years: 3-year w/ two 1-year renewals

ON CALL AGREEMENTS and TASK ORDERS (PROFESSIONAL GENERAL OR PUBLIC WORKS)	\$0-\$74,999 ON-CALL AGREEMENTS OR TASK ORDER	Process based off of type of agreement (refer to other sections for solicitation process)	Formal Agreement & Purchase Order	City Manager	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$75,000+ ON-CALL AGREEMENT	Process based off of type of agreement (refer to other sections for solicitation process)	Formal Agreement & Purchase Order	City Council approval	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$75,000+ TASK ORDERS	On-call agreements that are already executed are used as solicitation.	Previously signed Formal On-call Agreement	NEED TO RECEIVE CITY COUNCIL APPROVAL EVEN IF AGREEMENT PREVIOUSLY APPROVED	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement

Purchase Type	Aggregated Purchase Amount	Competitive Solicitation Requirement	Contract Type	Delegated Purchasing & Contract Authority	Requirements from Vendor
Professional Services Ord. 1157; Chapter 3.02	\$0.00-\$74,999.99	1 Quote/Proposal	Formal Agreement & Purchase Order	City Manager	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$75,000+	Formal RFP or approved exception -Piggyback or Consortium	Formal Agreement* & Purchase Order	Staff report and City Council approval	Quote/Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement

*Any subsequent Services/PO change Orders/Agreements for any given Vendor and in any given Fiscal year above the aggregated purchase amount of \$75K+ must go to City Council.
 *Requisition must be entered and P.O. issued prior to services being commenced.
 *Agreement may be for a maximum of 5 years: 3-years w/ two 1-year renewals

	\$0.00-\$59,999.99	Proposal	Formal Agreement & Purchase Order	City Manager	Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
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Public Works <i>Ord. 1160; Chapter 3.01</i>	\$60,000-\$199,999.99	Informal Bid sent to Pre-qual list or posted in trade journal	Formal Agreement & Purchase Order	City Manager approval unless over \$75K On-call agreement then City Council	Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
	\$200,000+	Formal RFB	Formal Agreement* & Purchase Order	Staff report and City Council approval	Proposal Certificate of Insurance Business License Delegation of Authority Signed Agreement
FORCE ACCOUNT: The Force Account is capped at \$75,000. Force account will be managed and monitored by the requesting department and payroll.					
*Any subsequent Services/PO Change Orders/Agreements for any given Vendor and in any given Fiscal year above the aggregated purchase amount of \$200K+ must go to City Council.					
*Requisition must be entered and P.O. issued prior to services being commenced.					

Insurance Requirements for Services	Approved Exceptions List (Chapter 3.01.100)
<input type="checkbox"/> General liability (GL)- \$1,000,000-\$2,000,000	<input type="checkbox"/> Legal Services <input type="checkbox"/> No responses received.
<input type="checkbox"/> Business Auto Liability (AL)-\$1,000,000/\$2,000,000	<input type="checkbox"/> Emergencies <input type="checkbox"/> No competitive market
<input type="checkbox"/> Workers Comp (WC)-\$1,000,000	<input type="checkbox"/> Bidding already completed (Goods only)
<input type="checkbox"/> Professional Liability (PI/E&O)- \$2,000,000	<input type="checkbox"/> Piggyback or Consortium
<input type="checkbox"/> Additional Insured required for GL, AL & WC	
<input type="checkbox"/> Builder's risk/Installation Floater (PW only) Pollution Liability	

Notes and Exceptions

- a. No services should be commenced, or Goods purchased until the Procurement process is completed and the P.O. is issued.
- b. In the absence of the approver for a given request, authorization will be obtained by his/her appointee or the next highest authority in accordance with the Authorization Table.
- c. At no time can purchases be "split" or otherwise billed separately to circumvent the spending authority.
- d. With the exception of City Council authorized procurements, increases to previously authorized procurements are permitted if the increased procurements remain within the approver's limit.
- e. Freight and sales tax are a cost of doing business and shall be included in the total cost of the procurement.
- f. City Manager approved contracts will be provided quarterly to the City Council for review by the Purchasing Officer.

Public Projects

As provided in Section 22002(c) of the Public Contract Code, public projects include construction, reconstruction, renovation, improvement, demolition to, **installation, and repair work involving any publicly owned, leased, or operated facility** or painting/repainting of any publicly owned, leased or operated facility, street or sewer, and the construction or improvement of dams, reservoirs and wastewater treatment plants. A public project does NOT include maintenance work of any kind. Public Projects must follow more specific purchasing rules from what is presented here.

~~Alternative Procedure—~~

~~Purchasing supplies, services, or equipment by a simplified pricing procedure by obtaining oral price quotes from one or more potential contractors or suppliers.~~

Informal Competitive Bidding (Chapter 3.01.09)

~~RFP Process with specific distribution of notice inviting formal bids.~~

~~Formal Competitive Bidding (Chapter 3.01.08)~~

~~RFP Process with public distribution of notice inviting formal bids.~~

"General services" means all services performed by persons not in a professional occupation, including, but not limited to, contract services for park, electrical and computer repair, building, facility and vehicle maintenance, recreation programs and other similar services which are not professional services.

"Maintenance work" shall have that meaning provided in Section 22002(d) of the Public Contract Code, as that section may be amended from time to time. In addition and to the extent not inconsistent with Section 22002(d), maintenance work shall include, but shall not be limited to, the following:

- A. Routine, recurring and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes;
- B. Minor repainting;
- C. Street and highway maintenance, including utility patching, skin patching, crack filling, filling of pot holes, slurry sealing, edge grading, street striping, resurfacing of streets and highways at less than one-inch, sign replacement, sidewalk repair and replacement, curb and gutter repair and replacement, and street and traffic light repair and replacement. Maintenance work shall not include striping of a new street or highway;
- D. Sewer maintenance, including foaming, videotaping, cleaning and manhole restoration;
- E. Traffic signal maintenance. Maintenance work shall not include installation of new traffic signals;
- F. Storm drain related maintenance;
- G. Landscape maintenance, including mowing, watering, trimming, pruning, planting, tree and plant replacement, irrigation and sprinkler system servicing, retrofit and repair and landscape rehabilitation;
- H. Maintenance of facilities, including roof repairs or replacements, heating and air conditioning repairs and electric repairs;
- I. Vehicle and equipment maintenance and repairs;

J. Work performed to keep, operate, and maintain publicly owned waste disposal systems, including, but not limited to dams, reservoirs and waste treatment systems.

"Professional services" means all services performed by persons in a professional occupation, including, but not limited to, consulting and performance services for legal services, accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic, personnel, social services, animal control, management, solid waste, cable television, communication and other similar professional functions which may be necessary for the operation of the City. Professional Services are governed by chapter 3.02.

"Public project" shall have that meaning provided in Section 22002(c) of the Public Contract Code, as that section may be amended from time to time. A public project shall not include maintenance work. In addition and to the extent not inconsistent with Section 22002(c), public project shall include, but shall not be limited to, the following:

1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility;
2. Street or sewer work except maintenance and repair;
3. Painting or repainting of any publicly owned, leased, or operated facility; and
4. In the case of a publicly owned utility system, public project shall include only the construction, erection, improvement, or repair of dams, reservoirs, and wastewater treatment plants.

"Public project formal bidding procedure" means the procedure provided for in Section 3.01.060 which meets the requirements of state and local law, including Public Contract Code Section 22037, this chapter and any policies and procedures approved by the City Manager consistent with this chapter.

"Public project informal bidding procedure" means a procedure provided for in Section 3.01.070 which meets the requirements of state and local law, including Public Contract Code Section 22034, this chapter and any policies and procedures approved by the City Manager consistent with this chapter.

"Non-public project formal bidding procedure" means the procedure provided for in Section 3.01.080 which meets the requirements of state and local law, including the Public Contract Code, this chapter and any policies and procedures approved by the City Manager consistent with this chapter.

"Non-public project informal bidding procedure" means the procedure provided for in Section 3.01.090 which meets the requirements of state and local law, including the Public Contract Code, this chapter and any policies and procedures approved by the City Manager consistent with this chapter.

Exemptions to Competitive Procurement Procedures for Professional Services (3.02.05)

Upon obtaining approval from the City Council, the Purchasing Officer may engage services of a Professional firm or individual without complying with the competitive procurement procedures in the following circumstances:

- Legal services
- The services are available only from a single source; or
- Public exigency or emergency will not permit delay; or
- State or federal grant or loan requirements authorize noncompetitive procurement of such services; or

After solicitation from a number of sources, competition is deemed inadequate.

Why Purchase Orders?

A completed purchase order will reserve budget for the applicable line item (termed Encumbrance). Purchase orders are used not only to control vendor terms and pricing, but also to manage the departmental budgets. (See page 10 for examples in Tyler)

Purchase Order Exceptions

Certain types of invoices are not subject to purchase orders due to the nature of the cost:

- Utilities – City’s monthly services for water, electric and gas usage.
- Phone/Internet – City’s monthly services for phone and internet usage
- Insurance – Health, dental and vision insurance, general liability, and vehicle insurance
- JPA costs
- Legal – Attorney, court, and settlement costs
- Regulatory costs – any governmental authority

Requisition Approval Timing

To take advantage of the software system for purchasing, the approval process is being standardized and scheduled as follows:

DAY	APPROVAL	STEP
Every Wednesday	Procurement Specialist	Interim Step
Every Wednesday	Budget Specialist	Interim Step
Every Thursday	Assistant Finance Director	Interim Step
Every Thursday	City Manager	Interim or Final Step
Every Friday	Assistant City Clerk	Final Step

Every Friday, the finance department will process any fully approved requisitions into purchase orders. If a purchase order is urgently needed, please contact the next approval level when the requisition is complete. All attempts will be made to expedite the process when needed.

NOTE: Enter requisitions that relate to City Council approval when the staff report is prepared. Also, during the budget process, when the budget is finalized and approved by City Council, enter requisitions for all known vendors.

City Departments

Using Tyler Technologies Incode 10, enter applicable information into Purchasing Module – Requisitions. (See documentation provided to input the required information). If the department does not have an individual with access to the purchasing system, there is a Request for Requisition form that can be completed. That requisition form and all applicable back-up documentation can be provided to the

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Finance Office for data entry. Required data entry is as follows:

- GENERAL TAB: Number, Description, Department, Issue Date, Requested By, Auto Approve Checkmark, Ship To, Vendor, and Detailed Description (specific detail of what and why)
- ITEM ENTRY TAB: Commodity, Item Description, Ship To, Ordered Amount, Account, Part Number
- BID/QUOTE TAB: Information can be attached here only if Bid/Quote is check marked on the General Tab
- NOTES TAB: Add note regarding what is attached, Add note regarding how purchasing ordinance was followed (3 bids, informal RFP, formal RFP, sole source, emergency, etc.)
- DOCUMENTS TAB: Attach contract, bids, forms, Staff Reports, or any other

Approval Levels

DIRECTORS APPROVE UP TO \$7,500:

The Director responsible for the Department must approve the requisition before it can advance to the next approval level or be processed into a Purchase Order.

The Budget Finance Specialist must approve that there is budget in the line item(s) of the requisition before it can advance to the next approval level.

Finance Director or Assistant Finance Director must review and approve the requisition before it can advance to the next approval level or be processed into a Purchase Order.

ABOVE \$7,500:

City Manager must review and approve the requisition before it can advance to the next approval level or be processed into a Purchase Order.

City Council Approval:

Deputy City Clerk, as representative of the City Council, must review and approve the requisition before it can be processed into a Purchase Order. Approval amounts based on the purchasing ordinance.

Finance Department

When requisitions have been approved by the applicable levels, the Finance Department will complete the steps necessary to generate a purchase order. The Purchase Order will then be available to the department to print as necessary to complete their vendor order.

Invoices

After the Purchase Order has been approved through all levels, goods may be ordered. Once orders are received and verified, The Director responsible for the Department must approve the Invoice by signing and coding the Purchase Order number to the Invoice. All Invoices must be turned into Finance by 12:00 pm every Tuesday to be paid out in that week's A/P run.

Purchase Order Changes

Following the approval of a purchase order for goods or services, the purchase order may be amended by the issuance of a change order, provided the change is reasonably related to the scope of the original purchase. The Finance Director will maintain control relative to the scoping, estimating, and negotiation of the proposed change order and the availability of funds for the proposed change in the event that the change order increases the cost. The dollar limits indicated in the Purchasing approval shall apply to the original contract and to any amendments or change orders. To this end,

therefore, unless an exception provided applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. Any proposed changes to a purchase that does not increase the purchase price may be approved by the city manager in accordance with any applicable terms and conditions of the original purchase related to change orders or amendments. Purchase order changes will be completed through the Purchase Order Change Request Form.

Vendor Limit

No employee shall be used for the procurement of goods or services. No International vendor shall be used unless they have a US office that accepts US dollars.

The public procurement process and the people involved are subject to complete public accountability regarding the proper expenditure of taxpayers' money. Public purchasing must guarantee fair and open competition with equal opportunities for every supplier. A unique characteristic of public purchasing is the underlying principle that prices are not as critical as fairness and impartiality in obtaining them.

It is a violation of State Law for any Employee or City Officer to be a part to, or have a financial interest in, any City contract made by them in their official capacity (CA Gov. Code 1090).

Recycled Content Paper and Recovered Organic Waste Product Procurement Requirements

Standard Management Procedure and Purpose

The Purchasing Officer is responsible for and will manage this. The purpose of this Standard Management Procedure is to establish the procedures to be followed for the purchasing and procurement of paper and paper products and recovered organic waste products in compliance with state laws, including SB 1383, the Short-lived Climate Pollutant Act. This policy will replace any existing EPPP Policy.

Section 1.0 - Statement of Policy

It is the policy of City of Beaumont to:

- Purchase products that minimize environmental impacts, toxins, pollution, and hazards to worker and community safety to the greatest extent practicable.
- Institute practices that reduce waste and minimize environmental impacts whenever practicable and cost effective.
- Comply with California State requirements for local agencies to maximize the use of recycled resources and purchase recycled products; (Title 14 CCR, Division 7, Chapter 12; California Public Contract Code 22150-22154).
- Comply with CCR 14 Section 18993.3 and 18993.4 regarding recycled content paper procurement requirements.
- Comply with CCR 14 Section 18993.1 and 18993.2 regarding recovered organic waste product procurement to the best of the city's ability.
- Adopt this policy in support of the City's other environmental and sustainability goals.
- Require vendors, contractors, and grantees to buy recycled content paper and paper products, and when buying mulch and compost, procure such products meeting state requirements for applicability to the City's organic waste product procurement target.

Section 2.0 - Purpose

This Policy is adopted in order to:

- Conserve natural resources.
- Comply with state law.
- Support strong recycling markets.
- Reduce materials that are landfilled.
- Comply with SB 1383 regulatory requirements regarding procurement of recycled content paper products and recovered organic waste products.

Section 3.0 - Specifications

3.1 Recycled Content Products

3.1.1 A significant element of reducing waste contributions to landfills is recycling. Recognizing the impact of government spending on stimulating the recycling industry, the State has imposed requirements on the procurement of recycled products by local agencies. The California Public Contract Code (PCC) Sections 22150-22154 outline these requirements. The City will give preference to buying the recycled content products as outlined in the PCC whenever recycled products are available at the same or lesser cost and fitness and quality are equal. Also, in accordance with the PCC, and SB 1383 regulations, the City will require the vendor to certify the recycled content and the recyclability of the products being provided.

3.1.2 City staff shall strive to incorporate the requirements the U.S. EPA has established for various materials, such as those for construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products. The programs, known as the Comprehensive Procurement Guidelines (CPG) and Recovered Materials Advisory Notice (RMAN), are updated periodically to identify categories of material for which there are recycled content alternatives and the recommended recycled contents.

3.1.3 Printing paper and writing papers and paper products and janitorial paper products shall contain the highest postconsumer content practicable, but no less than 30 percent by fiber weight, postconsumer fiber, as outlined in Sections 22150-22154 of the Public Contract Code and as defined in Section 12209 of the Public Contract Code.

3.1.4 Vendors shall certify in writing, under penalty of perjury, as to the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper, and janitorial paper offered or sold to the Jurisdiction. A sample certification is contained at the end of this policy. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, and/or Janitorial Paper can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website. These products shall also be certified to be eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

3.1.5 Copiers and printers bought shall be compatible with the use of recycled content products. When necessary, suppliers shall train equipment maintenance personnel in the appropriate use of recycled products with their equipment.

3.2 Recovered Organic Waste Products

3.2.1 City Workers and contractors providing landscaping services for City of Beaumont shall employ sustainable landscape management practices whenever possible, including:

- The use of Integrated Pest Management (IPM), including minimal pesticide use, is encouraged.
- Meeting all MWELo requirements including use of compost and mulch; compost and mulch shall meet the definitions contained in this policy. Records shall be maintained and submitted to the City documenting such use.

- Recycling of plant debris by composting and/or maintaining a minimum 2-inch layer of mulch under all trees, shrubs, and groundcovers and a minimum 3-inch layer in all open areas is strongly encouraged. Allowing leaf drop to become part of the mulch layer in tree, shrub and groundcover areas is preferred.
- Compost purchased by or for the City, or at the City's behest, by its landscaping service providers or other contractors shall meet the definition of compost in this policy and shall be eligible to help the City meet its SB 1383 organic waste product procurement target.
- Mulch purchased by or for the City, or at the City's behest, by its landscaping service providers or other contractors or direct service providers shall meet the definition of mulch in this policy and shall be eligible to help the City meet its organic waste product procurement target. Such mulch shall meet or exceed the physical contamination, maximum metal concentration and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5) (A)(1) through (3). Mulch shall be made from recycled or post-consumer materials rather than inorganic materials or virgin forest products unless the recycled post-consumer organic products are not available.

Section 4.0 - Definitions

Buyer means anyone authorized to purchase on behalf of this jurisdiction or its subdivisions.

Contractor means any person, group of persons, business, consultant, designing architect, association, partnership, corporation, supplier, vendor, or other entity that has a contract with City of Beaumont or serves in a subcontracting capacity with an entity having a contract with City of Beaumont for the provision of goods or services.

Direct Service Provider means a person, company, agency, district, or other entity that provides a service or services to the City pursuant to a contract or other written agreement or as otherwise defined in 14 CCR Section 18982(a)(17).

Paper Products include but are not limited to paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

Postconsumer-Material means a finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life cycle as a consumer item, and does not include manufacturing or converting wastes.

Preconsumer Material means material or by-products generated after manufacture of a product is completed but before the product reaches the end-use consumer. Preconsumer material does not include mill and manufacturing trim, scrap, or broke which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.

Printing and Writing Paper includes, but is not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper and janitorial paper products means such products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the California Public Contract Code, and as amended.

Recovered organic waste products means products made from California, landfill-diverted organic waste processed at a permitted or otherwise authorized operation or facility. Such products include SB 1383 eligible mulch and SB 1383 eligible compost (see definitions below).

SB 1383 Eligible Compost means the product resulting from the controlled biological decomposition of organic solid

wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2(a)(4). Compost eligible for meeting the annual recovered organic waste product procurement target must be produced at a compostable material handling operation or facility permitted or authorized under 14 CCR Chapter 3.1 of Division 7 or produced at a large volume in-vessel digestion facility that composts on-site as defined and permitted under 14 CCR Chapter 3.2 of Division 7. Compost shall meet the State's composting operations regulatory requirements.

SB 1383 Eligible Mulch means mulch eligible to meet the City's Annual Recovered Organic Waste Product Procurement Target, pursuant to 14 CCR Chapter 12 of Division 7. This SB 1383 Eligible Mulch shall meet the following conditions as specified by 14 CCR Section 18993.1(f)(4):

1. Produced at one of the following facilities:
 - i. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10); SB 1383 Eligible Mulch excludes mulch from chipping and grinding operations.
 - ii. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or,
 - iii. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.
2. Meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Sections 17852(a)(24.5) (A)1 through 3.

U.S. EPA Guidelines means the Comprehensive Procurement Guidelines established by the U.S. Environmental Protection Agency for federal agency purchases as of May 2002 and described at <http://www.epa.gov/epaoswer/non-hw/procure/products.htm>, or as updated.

Section 5.0 - Implementation

5.1 Purchasing Officer shall help departments implement this policy including the following activities:

- Educating managers and staff about City of Beaumont's Recycled Content Paper and Compost and Mulch Procurement Policy.
- Ensuring that purchasing documents, specifications, and contracting procedures do not contradict each other and do not deter or inhibit the purchase of recycled content products as described in this policy.
- Providing information to facilitate the evaluation and purchase of environmentally preferable products, including identifying appropriate products and sources and providing technical assistance.
- Evaluating obstacles to purchasing such products in order to create solutions,
- Tracking and recording progress in achieving successful results.
- Tracking and maintaining a record of recycled content paper purchases and SB 1383 compliant compost and mulch in an SB 1383 implementation record. Such records shall include proof of purchase describing procurement of paper products by volume and type for all paper purchases and copies of certifications or other verifications required of recycled content and recyclability. All invoices or other records showing procurement of SB 1383 compliant compost and mulch shall also be kept in the City's SB 1383 implementation record.

5.2 In compliance with State law, vendors shall be required to specify and certify the minimum or actual percentage of recovered and postconsumer material in their products, even when such percentages are zero. Such information shall be provided with each invoice provided to the city for paper and paper products, including janitorial paper products.

5.3 All contracts and grants providing services or products to the City of Beaumont shall adhere to the guidelines stated in

this policy to the extent possible.

Section 6.0 - Program Evaluation and Measurement

6.1 Purchasing Officer shall institute a system for tracking recycled content paper procurement and procurement of SB 1383 eligible compost and mulch in compliance with 14 CCR Section 18993.4 and Section 18993.2. Copies of invoices, receipts or other proof of purchase that describe the procurement of paper products by volume and type for all paper purchases will be maintained as part of the City's required SB 1383 implementation record (14 CCR Section 18995.2). Copies of certifications or other verification of recycled content and recyclability will also be kept.

Copies of invoices and receipts demonstrating procurement of SB 1383 eligible compost and SB 1383 eligible mulch shall also be maintained in the SB 1383 implementation record.

6.2 Departments that independently purchase paper and paper products and compost and mulch will report the required information noted in 6.1 to the Environmental Services Manager each quarter.

Section 7.0 - Effective dates

7.1 This policy shall take effect on August 16, 2022.

Exception

Exceptions to this policy may be authorized by the City Council.

Grant Policies and Procedures

Definition and Purpose

The definition of a grant for purposes of this policy is as follows: An award of financial assistance in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, and private businesses and citizens that the City can accept or reject.

The purpose of the grant procedures outlined in this document is:

1. To ensure proper oversight of all funds awarded to the City.
2. To minimize the City's risk of losing funding due to non-compliance with grant requirements.
3. To ensure proper administration and accounting of all grants.

Scope

This policy is applicable to any City of Beaumont program, department, or fund division preparing and submitting grant applications to agencies outside the City government for funds, materials, or equipment to be received and administered by the City or by an entity for which the City acts as fiscal agent. The goals and objectives of the City departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant policies and regulations conflict with regulations and policies of the City, the federal and state regulations will prevail unless they are less restrictive than City policies where City policy prevails.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant.

Central Responsibility

The City Council authorizes the Administrative Services Director and Finance Director to promulgate any procedures and controls that minimize the City's risk for non-compliance with grant requirements and the Administrative Services Director or their assigned designee for providing support to requesting agencies. The Administrative Services Department will maintain the back-up file for all grants in order to facilitate management, reporting and overall monitoring. The required central grant file will be maintained by the department seeking grant funds and must be retained in accordance with City of Beaumont retention policy.

For Federal Grants, the Department applying for the grant and the Finance Department should ensure compliance with the Federal Office of Management and Budget (OMB) general requirements and any other state and/or federal requirements specified in the grant conditions. The Administrative Services Department and Finance Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All City programs, departments, and fund divisions shall submit any/all grant information required by the Administrative Services Department to carry out its oversight responsibilities.

Grant Application Procedures

- 4.1 The City program, department, or fund division desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. Grant applications will be reviewed by the department(s)

seeking grant(s) in order to make an independent assessment of all financial aspects of the application to ensure funds availability. The department director should sign the grant application as approval that funds are available and that they are supportive of the fiscal impacts to their department. The department applying for the grant should make every effort to project all initial and ongoing costs associated with the grant program including but not limited to staff support, needed assistance for computer systems, office space, utilities, systems furniture, vehicles, office equipment, office supplies, computer software and hardware, and/or telephone charges.

- 4.2 Upon the department completing its financial assessment, they shall prepare and submit a Grant Processing Request Form (Appendix A) to the Administrative Services Department with the original grant application, along with any required assurances and conditions prior to ~~submitting~~ ~~developing~~ the application. ~~to the grantor entity for approval.~~ This Form must be approved by the City Manager prior to the grant application being ~~submitted~~ ~~started~~. The purpose of this from notification to Administration is to eliminate duplication of submissions by City departments for the same grant, to allow Administrative Services to maintain a comprehensive list of pending grant applications as well as active grants, to provide assistance as appropriate to departments in the preparation and administration of grants, and to ensure availability of matching funds, where applicable. The Administrative Services department will obtain the City Manager's approval and notify the department that the application has been approved. Administrative Services will also send a Memorandum of Understanding, if necessary, on the grant's requirements to the department applying for the grant and will assist departments on inquiries concerning compliance issues.
- 4.3 The Administrative Services Department will request additional information or revised submittals if needed. The Administrative Services and Finance Departments will work with the departments to ensure the availability of funds. For those grant applications where a Grant Processing Request Form has not been submitted within a reasonable time, Administrative Services will follow up with the applicable department to see that the proper procedures are followed. Grant applications shall not be submitted to the grantor entity prior to the Administrative Services Department receiving and the City Manager approving the Grant Process Request Form. In some cases, the grant application shall not be submitted until approved by the City Council.
- 4.4 Any grant pertaining to technology will be required to complete a Technology Service Request (Appendix B) Form and forward it to the Administrative Services Department before applying for the grant. City of Beaumont's Software/Hardware standards and IT staffing must be considered for any software/hardware purchases. IT staff must make assurances that any equipment/software purchased will be technologically compatible and can be supported in years to come.
- 4.5 If the grant is incorporated into the Adopted City of Beaumont Budget and appropriated, then no additional Board approval is required for the application and acceptance of the grant, unless otherwise required by individual grant requirements. However, supporting documentation to assist in monitoring of the grant shall be forwarded to the Administrative Services Department for their records.
- 4.6 All grant award acceptances must have approval from the ~~City Manager and/or~~ the City Council, ~~under the provisions of the limits established in the City of Beaumont Purchasing Policy.~~ This action ~~may~~ involves preparation of a City Council agenda item for inclusion on the next regular meeting agenda for consideration. In order for an item to be considered at a board meeting, the department must forward the required staff report and any necessary documentation to the City Clerk's office in accordance with the City's agenda procedures. Please refer to the City Council calendar or consult with the City Clerk's office for additional information on the agenda deadlines. In the event that a grant cannot be presented at City Council due to a short timeline, staff are required to bring the grant to City Council at the first available meeting for ratification.

4.7 Work on any grant-funded project shall not begin until a fully executed grant agreement is in place, signed by both the City and the grantor. This includes the initiation of purchases, project planning, or any related activities. Initiating work prior to the execution of the grant agreement may result in non-reimbursable expenditures or noncompliance with grant terms and conditions.

Note: Some grants may allow for pre-award costs. These exceptions should be evaluated on a case-by-case basis in collaboration with the Department Director and the Grants Analyst to ensure the costs allowable are properly documented.

4.78 If a grant application is denied by the grantor, a copy of the letter of denial shall be forwarded to the Administrative Services Department for their records. In addition to the letter of denial, the department which submitted the grant shall draft and submit a summary of the denial to the Administrative Services Department for their records.

Grant Acceptance Procedures

5.1 Whenever possible, all requests for acceptance of grants of a recurring nature should be submitted to the Finance Department through the normal budget process that must be approved by the City Council.

5.2 The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements) will be forwarded to the Administrative Services Department, who will review the grant award for reporting requirements, special conditions, and deadlines related to administering the grant.

5.3 If deemed necessary by Administrative Services Director and time permits, the Administrative Services Department may forward the grant award letter/agreement to the City Attorney for legal review of any clauses or grant special conditions to ensure compliance with Federal or state laws.

5.4 In order for expenditures to be processed against a grant, a budget appropriation must be established using procedures and limits set forth in the City of Beaumont Financial Management Policy. The department requesting a grant will work with the Finance Department to prepare a City Council agenda item requesting appropriation of grant funds, unless the grant has already been approved by the City Council as part of the adopted annual budget process.

5.5 Upon obtaining a copy of the Council action approving a grant, the Finance Department will assign an account code to the grant and the applicable department will be notified of the account code. For reimbursable grants, all reimbursement requests should be copied and forwarded to Administrative Services and Finance Departments, noting the applicable account code for the receipt of the funds. The Finance Department will notify the departments of such anticipated receipts of revenue for those reimbursements made to the City. The Finance Department will track receipts for reporting with annual audits.

5.6 Departments should notify the Administrative Services and Finance Departments if:

- A. There is a subsequent alteration in the funding configuration.
- B. There is a subsequent alteration in the City's financial obligation.
- C. Grant funds will be carried forward into the next fiscal year.
- D. There are any notifications that the grant will be terminated.

- 5.7 Departments shall process Personnel action/status forms at year end for those grants that have new account numbers each year, to eliminate necessary future adjustments.
- 5.8 Departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant period, for funds to be used adequately and not lost in future award periods.

Grant Master File and Fiscal File

6.1 Grant Master File

The program manager is required to maintain a grant master file in order to document all major actions from the grant award through closeout. The master file should include the following documents:

- A. Grant Application: Funding opportunity announcement and the original grant application that was submitted to the awarding agency.
- B. Grant Award Documents: Grant award, terms and conditions, assurances, award modifications, and approved Request for Council Action (RCA) for the acceptance of the award. Also include subrecipient agreement if portion of the award was transferred to a subrecipient.
- C. Financial Documents: Approved budget and budget amendments.
- D. Grant Reports: Periodic and Final Financial and/or Performance reports including any communications regarding these reports.
- E. Grant Reimbursement/Payment Requests: Reimbursement/Payment Request form, supporting documents including copy of invoices, copy of transmittal letter, copy of check payment or EFT notification, and copy of Deposit Transmittal Form (DTF).
- F. General Communications: Internal or external communications pertaining to the grant.

6.2 Fiscal File

To assist in administering the grant, the Administrative Services Department should also maintain a fiscal file. The fiscal file contains all documentation related to the financial history of the grant. To ensure the creation of the fiscal file, the program manager should provide the following documents to Administrative Services:

- A. Executed copy of the grant Award and approved RCA
- B. Terms & Conditions
- C. Award modifications
- D. Approved grant budget
- E. Budget modifications
- F. Financial Reports
- G. Reimbursement/Payment Requests and supporting documentation

Grant files must be retained in accordance with the City of Beaumont's file retention policy or, for federal awards, the retention requirements for records per 2 CFR 200-333, whichever is more restrictive.

Grant Monitoring and Reporting

7.1 Monitoring of Grants

- 7.1.1 Departments are responsible for continuous monitoring of the financial status of grants. The Finance Department will provide departments with regular access to monthly financial reports for such monitoring. This report will include information, such as money already expended, remaining funding, budget to actual analysis, payments already received, grant receivable or advance payment balance, and if applicable, matching funds already provided. Departments must review the monthly financial reports and notify the Administrative Services and Finance Departments promptly of any discrepancies noted and/or any additional reports needed.
- 7.1.2 Line-item budget amendments must be approved prior to grant expenditures being made in order to avoid loss of funding or denial of reimbursement. Line-item adjustments must be completed in accordance with the awarding agency's policies and procedures. Line items can go negative, as long as the grant account is not negative in total if the granting entity allows it, but the department should remember that expenditures must be reported to the grantor by line item and must be allowable in the line item reported and spent.
- 7.1.3 Departments must also monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures remain in compliance with grant procurement policies and procedures. For example, equipment procured with grant funds must be disposed of in accordance with the terms of the grant and OMB Circular A-87 requires payroll costs to be supported properly based on the percentage worked on the grant. Federal grants must meet requirements set out in OMB Circulars A-87, A-102, and A-133 or the Uniform Grant Guidance, as applicable. Departments should contact Administrative Services and/or Finance if assistance is needed with compliance issues.
- 7.1.4 Departments shall require Sub-recipients of grant funds to prepare and submit progress reports to the City. Departments shall notify all sub-recipients of the grant's compliance requirements, reporting requirements, and cost principles. Departments shall establish periodic monitoring meetings with sub-recipients to ensure grant compliance. Subrecipients shall provide a written acknowledgement that they have received and agree to the items detailed above and any other requirements explained by the City.

7.2 Grant Reporting

- 7.2.1 The requesting department is responsible for providing performance and financial reports to grantors. If it is determined that the report preparation is to be handled by the Administrative Services or Finance Department, this must be indicated on the Grant Processing Request Form. In some cases, grantors may prohibit the same individual from submitting both performance and financial reports. If the program manager identifies this scenario, or something similar they shall notify the Administrative Services Department who will designate a different party to perform the financial report.
- 7.2.2 Departments handling grant reporting are responsible for complying by the due dates with all reporting requirements of the grant including financial reporting and reimbursement requests. All reimbursement requests should be copied and forwarded to Administrative Services and Finance for review and monitoring of timeliness of revenue reimbursements.

- 7.2.3 Timely requests for reimbursements are crucial to maximize the financial benefits of the grants to the City. Grant reimbursements should be completed in a timely manner and in accordance with the requirements of the specific grant.

Indirect Costs

- 8.1 Grant applicants may request indirect costs if the application guidelines do not require federally approved indirect cost rate and indirect cost are allowed in the grant. Departments should contact the Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. These funds may be used by the Finance Department to offset costs in overseeing the grant including staff time, external auditor expenditures, etc.

Personnel

- 9.1 Any new personnel positions to be created as a result of grant funding must be approved by the City Manager and City Council, and properly classified by Human Resources. Departments are to promptly notify Payroll each year of coding changes needed for those persons being charged to grants since project/grant codes may change each year. (Coding changes are noted on personnel action/status forms and turned into Human Resources by the applicable departments.) The Department applying for a grant that will create a new position(s) shall prepare a staffing plan and submit such plan to the Administrative Services Department. The staffing plan should include the duration of the position(s) (temporary or permanent), detail the work to be performed by the new position(s), and describe how the position(s) will be funded upon the expiration of the grant funding.
- 9.2 Where employees are 100% federally funded by a grant, salaries and wages will be supported by quarterly certifications stating that the employee worked solely on that program for the period covered by the certification. The certification must be signed by the supervisory official having firsthand knowledge of the work performed by the employee. Where employees are partially federally funded, their daily tasks must be listed on Daily Activity Logs if provided by the grantor to support the percentage of time spent working on the grant. Distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards. For example, someone working 75% out of federal funding and 25% out of local funding must complete the daily activity log to substantiate the percentages.
- 9.3 Any employee whose salary is paid in part by a grant must develop an activity log that will allow him/her to track actual times and effort performed for the grant. When completing the required bi-weekly timesheet, the employee must itemize time by activity, indicating the account number and for each activity. The program manager will review/sign the timesheet ensuring the following: (1) total hours allocated to the grant based on actual hours recorded in the employee's activity log; and (2) the account numbers and project account codes being used are correct ensuring proper distribution of wages. Once reviewed, the program manager will forward the timesheet to the department head for approval/signature. Once approved by the department head, it will go to the Administrative Services Department to the attention of the payroll technician for processing. Personnel costs that are to be funded using Grant funds may not be used for compensatory time.

Grant-Related Procurement and Policy Issues

10.1 Procurement Using Grant Funds

When submitting purchase requisitions with the intention of using grant funds, the department head or program manager must clearly indicate the source of funding for the procurement. The department head or program manager must also communicate to the Finance Department the applicable procurement standards for the grant, preferably via e-mail. The Finance Department must review the grant procurement standards and incorporate them, if necessary, in the procurement

process.

10.2 Procurement Using Federal Grant Funds

- 10.2.1 The Finance Department must be notified that federal funds are involved for all purchases with federally funded grants, regardless of the dollar amount involved.
All purchases, of any amount, made with federal grant funds must comply with the following requirements detailed in Section 14 below.
- 10.2.2 If federal funding is involved, the department head, program manager and Finance Department must ensure the procurement standards outlined in 2 CFR 200-320 and the required suspension and debarment testing- 2 CFR 200-214 - for covered transactions are met. Covered transactions include procurement of goods and services that equal or exceed \$25,000, non-procurement transactions as defined in 2 CFR 180.970 and subcontracts/sub awards that equal or exceed \$25,000.
- 10.2.3 List of debarred or excluded vendors can be found in the System for Award Management web page and can be accessed at the following address: <http://www.sam.gov>. From there, go to Search Records at the top left of the page, and search for your vendor by name. You will receive a message showing whether your vendor is excluded or not. If excluded, you shall not purchase from that source. If there are no records matching the search request, you may purchase from that vendor, assuming all other purchasing and grant requirements have been met. In either case, please print out the pages for your grant file, to show compliance with this requirement.
- 10.2.4 A copy of the required certification related to the suspension and disbarment of the vendor *MUST* be obtained *before* any funds are spent. The program manager must document the result of the sam.gov search in the grant Master file and fiscal file and be made available to the department head, Administrative Services Department, Finance Department and/or external auditors upon request.
- 10.2.5 In some cases, the City of Beaumont's procurement standards may be more restrictive than the grant's procurement standards. For example, 2 CFR 200-320 allows the use of procurement by small purchase method when acquiring goods or services that do not cost more than the simplified acquisition threshold (currently at \$150,000). In this method of procurement, informal solicitation of price or rate quotes from an adequate number of sources is acceptable. However, the City of Beaumont's procurement policy (BMC; Chapter 3) requires an informal competitive bid for purchases between \$45,000 and \$175,000. In such a circumstance, the program manager must follow the City of Beaumont's procurement standards because it is more restrictive.
- 10.2.6 The Finance Department also needs to be notified so that assets acquired using Federal funds can be properly identified. Equipment items purchased with federal funds that cost \$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every two years in order to be properly safeguarded against theft, damage, or loss. Inventory records should be maintained in accordance with State Library Regulations. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the City Attorney's office to ensure restriction compliance. When assets acquired with Federal funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen, or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$5,000 or more at the time of disposition. If the federal entity is compensated for the current fair market value of the item, the equipment may be retained by the entity.

- 10.2.7 Grantees should follow the City's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to the Administrative Services and Finance Departments for assistance in compliance monitoring. If grant guidelines require grantees to abide by different procurement procedures other than those adopted by the City, the grantee should resolve the situation with the Finance Department prior to submitting the application. As a rule, the federal and state regulations prevail unless less restrictive than City policies-where City policy prevails.

Classification of Grant Revenue

All federal, state, and local grant revenue should be receipted as revenue as opposed to expenditure refunds in order to remain in compliance with approved grant policies and GAAP revenue recognitions requirements. Budgets of expenditures for revenues received are obtained through the City of Beaumont Financial Management Policy and as previously described in above paragraphs.

Year-end Procedures

- 12.1 Indicate clearly on the June and July invoices which fiscal year (prior or current) they are to be posted. Only goods and services received prior to July 1st can be posted back to the prior year. Receipts received in July and August for prior year expenditures should be reconciled promptly.
- 12.2 Ensure all funds are expended or encumbered prior to the end of the grant period so that funds will be used adequately and not lost in future award periods.

Grant Closeout

- 13.1 A grant is considered completed when all work funded by the grant is completed or the grant's period of performance ends. If work cannot be completed within the specified period of performance, the program manager is responsible for ensuring that a continuation or no-cost extension is requested in a timely manner. All continuation or no-cost extension requests should be submitted to the Administrative Services Department for review and approval prior to submitting the request to the grantor.
- 13.2 Each grant has specific closeout procedures to which the City must adhere to. The closeout documentation and the due dates for submission of required final reports and final payment request are stated in the terms and conditions of the award. The program manager must see to it that all the required work for the grant is completed, no further expenditures are incurred after the grant's period of performance and all invoices are paid and posted to the accounting software before finalizing the final financial report and the final payment request.
- 13.3 To ensure accuracy of the final financial report and final payment request, the program manager must obtain a final grant recap from the Finance Department and an account summary report covering the grant's period of performance. These reports must be reviewed and reconciled. Once the final financial report and final payment request have been prepared, it will be submitted to the department head or appropriate City management personnel for review to ensure they are mathematically accurate and supporting documentation agrees to the final financial report/final payment request. The department head or City management personnel will send the program manager an email indicating review and approval of the prepared final financial report/final payment request.
- 13.4 The program manager is responsible for complying with the due dates specified in the award terms and conditions.

Detailed Federal Grant Procurement Policy

14.1 Purpose

The City of Beaumont is a potential recipient of Federal Grant Funds and as such, is required to confirm with Federal laws and standards identified in 2 CFR 200.318-326. Therefore, procurements in which federal funds are contemplated or used must be conducted in accordance with federal procurement requirements. This policy explains the City Procurement Policy with respect to federally funded procurements by providing a cross-reference between federal procurement regulations, explains the applicable City procurement policy and how it conforms to federal requirements. *CFR Reference: 2CFR 200.318(a)*

14.2 Procedures

City staff shall consult this policy when dealing with any procurements in which federal funds are contemplated or used. This document will be updated as needed to reflect changes in federal regulations. All procurements in which federal funds are contemplated or used must be conducted in accordance with federal procurement requirements. This policy explains the applicable City procurement policy and how it conforms to federal requirements. Note, certain grants will have additional procurement requirements, i.e., Buy America. In those instances, all procurement requirements identified in the circular shall also apply.

14.3 Policy

General Government Standards

CFR Reference: 2CFR 200.318

14.3.1 Goal

All purchasing functions are to be conducted with the highest ethical standard. Department directors, division managers and employees must remain constantly aware of their responsibilities when spending public funds. The Finance Department will provide a purchasing process that implements and maintains the requirements of the City Municipal Code Chapter 3.0 and provide a centralized purchasing system to:

- A. Establish a purchasing program providing for competitive bidding in the open market and obtaining the greatest possible advantage to the City.
- B. Provide a cost-effective purchasing process utilizing high ethical standards.
- C. Obtain the appropriate quality of materials and services at the lowest ultimate cost and in a timely manner.
- D. Provide a system to purchase, using effective fiscal controls that ensure adherence to budget, expenditures, and encumbrances. Obtain appropriate levels of approval as established herein.
- E. Award purchases to the lowest responsive and most responsible vendors meeting specifications and city requirements.
- F. Promote and maintain good relationships with vendors. City staff shall deal in a professional manner and promote equal opportunity, fairness, and courtesy in all vendor relations.

14.3.2 Staff Responsibilities

It is the responsibility of all City of Beaumont staff assigned to purchase materials, equipment, supplies and services for all City functions to follow the established Procurement Process. These purchasing activities shall be conducted in the most economical and efficient manner.

14.3.3 Responsibilities of the Finance Department

Pursuant to the City Municipal Code the Finance Director is responsible for the administration of purchases for all City departments. The City Municipal Code provides for the delegation of some or all the purchasing responsibilities to the department director and to his/her designee. With the promulgation of this provision, department directors are responsible for ensuring their department purchases are made in accordance with the Purchasing Guidelines and the approved Annual budget. The Finance Director is responsible for oversight of the various departments and to ensure adherence to the rules and regulations of the City Municipal Code Chapter 3. The Finance Director will assist department directors/designees to comply with the requirements of the purchasing guidelines.

The Department director may delegate the authority of procurement to staff member(s) within his/her department and division. The designated staff carries the full responsibility for the purchasing processes designated to them.

14.3.4 Code of Ethics

- A. Regard public service as a sacred trust, giving primary consideration to the interests of the City.
- B. Purchase the best value obtainable, securing the maximum benefit for each tax dollar expended.
- C. Allow for full and open competition and not participate in uniform bidding.
- D. Know and respect their obligations to the public, private sector and using agencies.
- E. Accord vendor representatives' courteous treatment remembering that they are important sources of information and assistance in purchasing decisions.
- F. Avoid all appearances of unethical or compromising acts during interaction with vendors.
- G. Ensure that all vendors have the opportunity to participate in the bidding procedure.
- H. Strive constantly for greater knowledge of purchasing methods and of the goods and services to be procured.
- I. Conduct one-self with fairness and dignity, and demand honesty in buying and selling.
- J. Remember that their conduct reflects on the City.

14.3.5 Conflict of Interest

No officer or employee of the City having any supervisory authority to purchase any specific goods, services or construction for the City shall be engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

14.3.6 Gratuities

The Finance Director and all other officers and employees of the City are prohibited from accepting directly or indirectly from any person to whom any purchase order or contract is, or might be, awarded, any rebate, kickback, gift, money, or other unlawful consideration. The offer of such gratuity to an official or employee by any supplier or contractor shall be cause for declaring such individual to be an irresponsible bidder and for preventing such supplier or contractor from bidding. The City may elect to audit any supplier or contractor documents as it pertains to this section.

14.3.7 Pre-Solicitation

- A. The Finance Director and all other officers and employees of the City procuring with federal funds must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical purchase. *CFR Reference: 2CFR 200.318(d)*
- B. Where advantageous for the City, when competitively bid and awarded and to foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the City is encouraging staff to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. *CFR Reference: 2CFR 200.318(e)*
- C. The City is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
CFR Reference: 2CFR 200.318(g)

14.3.8 Post-Solicitation

- A. The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.213 Suspension and debarment. *CFR Reference: 2CFR 200.318(h)*
- B. The City must maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. *CFR Reference: 2CFR 200.318(i)*
- C. The City may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-federal entity is the sum of:
 - (i) The actual cost of materials; and
 - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

In addition, since time-and-material type contract generates an open-ended contract price, a time-and- materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, City staff must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls *CFR Reference:*

2CFR 200.318(j)

- D. The City alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the City of any contractual responsibilities under its contracts. The federal awarding agency will not substitute its judgment for that of City staff unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction. *CFR Reference: 2CFR 200.318(k)*

14.4 Competition

CFR Reference: 2CFR 200.319

14.4.1 All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- A. Placing unreasonable requirements on firms for them to qualify to do business.
- B. Requiring unnecessary experience and excessive bonding.
- C. Noncompetitive pricing practices between firms or between affiliated companies.
- D. Noncompetitive contracts to consultants that are on retainer contracts.
- E. Organizational conflicts of interest.
- F. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. Any arbitrary action in the procurement process.

14.4.2 City staff must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

14.4.3 City staff must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- A. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the

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performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

- B. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

14.4.4 City Staff working on each grant must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, staff must not preclude potential bidders from qualifying during the solicitation period.

14.5 Methods of Procurement to be Followed.

CFR Reference: 2CFR 200.320

City staff must use one of the following methods of procurement:

- A. **Micro-purchases procedures.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed **\$3,000** (as currently defined in CFR Reference: 2 CFD 200.67 or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold to the extent practicable, City staff must distribute micro-purchases equitably among qualified suppliers. Micro- purchases may be awarded without soliciting competitive quotations if City staff considers the price to be reasonable.
- B. **Small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold of **\$150,000** (as currently defined in CFR Reference: 2 CFD 200.88). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- C. **Sealed bids (formal procurement) procedure.** is the acquisition of supplies or services, the aggregate dollar amount of which **exceed \$150,000** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction if the conditions in paragraph (c)(1) of this section apply.
 - 1. In order for sealed bidding to be feasible, the following conditions should be present:
 - (a) A complete, adequate, and realistic specification or purchase description is available.
 - (b) Two or more responsible bidders are willing and able to compete effectively for the business; and
 - (c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - 2. If sealed bids are used, the following requirements apply:
 - (a) Bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the bids, for local and tribal governments, the invitation for bids must be publicly advertised.

- (b) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
- (c) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly.
- (d) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of
and
- (e) Any or all bids may be rejected if there is a sound documented reason.

D. Procurement by competitive proposals (RFP)

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. City staff must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
5. City staff may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

E. [Reserved by Code of Federal Regulations]

F. Procurement by noncompetitive proposals (Sole/Single Source).

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from City staff; or
4. After solicitation of several sources, competition is determined inadequate.

14.6 Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

CFR Reference: 2CFR 200.321

A. City staff must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

B. Affirmative steps must include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

14.7 Procurement of Recovered Materials

CFR Reference: 2CFR 200.322

Contracts must contain a clause stating contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

14.8 Contract Cost and Price

CFR Reference: 2CFR 200.323

- 14.8.1 City staff must perform a cost or price analysis in connection with every procurement action in excess of

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the Simplified Acquisition Threshold (\$150,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the procurement situation, but as a starting point, City staff must make independent estimates before receiving bids or proposals.

14.8.2 City staff must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

14.8.3 Costs or prices based on estimated costs for contracts under the federal award are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable for City staff under Subpart E—Cost Principles of this part. City staff may reference its own cost principles that comply with the federal cost principles.

14.8.4 The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

14.9 Federal Awarding Agency or Pass-Through Entity Review

CFR Reference: 2CFR 200.324

14.9.1 City staff must make available, upon request of the federal awarding agency or pass through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if City staff desires to have the review accomplished after a solicitation has been developed, the federal awarding agency or pass through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

14.9.2 City staff must make available upon request, for the federal awarding agency or passthrough entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

- A. City staff's procurement procedures or operation fails to comply with the procurement standards in this part.
- B. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or if only one bid or offer is received in response to a solicitation.
- C. The procurement, which is expected to exceed the Simplified Acquisition Threshold specifies a "brand name" product.
- D. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- E. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

14.9.3 City staff is exempt from the pre-procurement review in paragraph (b) of this section if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part:

- A. City staff may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis.
- B. City staff may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from City staff that it is complying with these standards. City staff must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

14.10 Bonding Requirements

CFR Reference: 2CFR 200.325

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (\$150,000 as currently defined in CFR Reference: 2 CFR 200.88), the federal awarding agency or pass-through entity may accept the bonding policy and requirements of City staff provided that the federal awarding agency or pass-through entity has made a determination that the federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- A. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. *(To be submitted with the bidding documents)*
- B. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
(To be submitted at time of contract award)
- C. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
(To be submitted at time of contract award)

14.11 Contract Provisions

CFR Reference: 2CFR 200.326

City staff's contracts must contain the applicable provisions described in Appendix II to Part 200— Contract Provisions for non-Federal Entity Contracts under Federal Awards.

City Manager Exemption

The City Manager may exempt any grants from this policy at his/her sole discretion.

Appendix A**GRANT PROCESSING REQUEST FORM**

Department of Administrative Services

DATE:				
DEPARTMENT:				
GRANT PROGRAM:				
GRANTING ENTITY:		ENTITY CONTACT:		ENTITY PHONE NO:
IF FEDERAL GRANT... CFDA #			EXAMPLE OF NUMBER Dept: Department of Education (Entity No.) 84.XXX (Grant Program No.)	
PROGRAM TITLE:				
FUNDING REQUEST:				
FEDERAL	STATE	LOCAL MATCH	OTHER	TOTAL REQUEST
IF LOCAL MATCH IS REQUIRED, ARE FUNDS AVAILABLE IN THE DEPARTMENT BUDGET? Y/N				
ACCOUNT TO WHICH THE MATCH WILL BE CODED:				
INDIRECT COSTS? Y/N			AMOUNT	
REIMBURSEMENT GRANT? Y/N				
FINANCIAL & PROGRESS REPORTS PREPARED BY: Department			REQUEST FOR FUNDS SUBMITTED BY: Department	
FINANCE			FINANCE	
PROJECT DIRECTOR:				
PHONE:		EMAIL:		

DEPT. DIRECTOR OR THEIR DESIGNEE APPROVING SUBMISSION:	SIGNATURE:	DATE:
REVIEWED & APPROVED BY FINANCE:	SIGNATURE:	DATE:
REVIEWED & APPROVED BY CITY ADMINISTRATION:	SIGNATURE:	DATE:

Appendix B

TECHNOLOGY SERVICE REQUEST FORM

Department of Administrative Services

DATE:	
DEPARTMENT:	
GRANT PROGRAM:	
PROGRAM TITLE:	
AMOUNT OF GRANT (\$):	ONGOING IT COSTS? Y/N (\$) /YR
WILL PROFESSIONAL IT SERVICES BE NEEDED FOR INSTALLATION OR MAINTENANCE? Yes / No? If Yes, please describe.	
ARE PROFESSIONAL SERVICES OR MAINTENANCE COVERED BY GRANT? Yes / No? If Yes, please describe.	
LIST ALL EQUIPMENT AND/OR SOFTWARE TO BE ACQUIRED THROUGH THE GRANT? (Include Lifecycle for each item listed. See attachment A)	
Item	Lifecycle
PROJECT MANAGER:	
PHONE:	EMAIL:

REVIEWED & APPROVED BY INFORMATION TECHNOLOGY:	SIGNATURE:	DATE:
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REVIEWED & APPROVED BY CITY ADMINISTRATION:	SIGNATURE:	DATE:
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ATTACHMENT A

Device	Replacement Period
Personal Computers	4-5 years depending upon function and Warranty
Cell Phones	2-3 years
Tablets and iPads	3-5 years
Copiers/Printers	5-7 years
Servers	5 years
Networking Infrastructure	5-7 years
AV Equipment	5-7 Years
Peripherals	As needed

Petty Cash Policy

Purpose

The purpose of this policy is to provide users with detailed procedures regarding the establishment and administration of a city-wide petty cash fund. Petty cash disbursements should only be used for small incidental expenditures and not as a method to bypass the City's Accounts Payable and Purchasing System. The petty cash fund is established to enable departments to make small, emergency purchases where a purchase order is not cost effective or a purchasing card cannot be used.

One petty cash account has been established which is maintained at City Hall by the Director of Administrative Services with authoritative oversight of the fund.

Restrictions

The petty cash fund should not be used to:

- Purchase goods currently covered by the City's negotiated contracts.
- Pay personal services (i.e. typing, photography, entertainers, caterers, etc.) that would be considered either wages or independent contractor payments. All payments for personal services must be paid through either the payroll system as wages, or accounts payable system.
- Pay travel expenditures (such as hotel, mileage, registration fees, etc.), except for local travel where amounts do not exceed \$50.
- Reimburse expenditures greater than \$50.
- Serve as a check-cashing fund.

Maintaining the Fund

ESTABLISHED MAXIMUM CASH BALANCE: **\$500.00**

- In order to expend petty cash, a reimbursement form is completed by the individual requesting funds. The form includes the date, name, amount, purpose and general ledger account number and is to have the applicable receipts attached.
- The form is reviewed by the Director of Administrative Services who then logs the transaction on the petty cash summary report.
- The line item on the report is initialed by the Director of Administrative Services and the individual receiving the funds.
- Annually on June 30th the cash is to be counted and reconciled with the net petty cash summary report balance to ensure that the funds are being properly tracked and reported.
- The count is to be performed by two individuals and a subtotal is to be documented on the petty cash summary report and initialed by both individuals.

Reimbursement of the Fund

- The Director of Administrative Services determines that the petty cash fund needs to be replenished.
- The petty cash is counted and reconciled to the petty cash summary report.
- The petty cash summary report is reconciled to all reimbursement/receipt documents in the petty cash box, and a journal entry is prepared, debiting all applicable general ledger accounts from the reimbursement forms and crediting the general bank account.

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- The replenishment is physically made using a change request from the bank using the Wells Fargo change order process. The withdrawal of change when Wells Fargo processes the request will be reflected in the operation checking account.
- Upon receipt of the funds from the armored transport service, two individuals will count the money to agree it to the request form, and then place the funds into the petty cash box in the safe.
- The paperwork will be scanned into the Tyler Incode 10 general ledger software as support of the cash bank draft entry, and then filed as applicable.

Note: the petty cash balance will never be an exact \$500.00 due to change order bundle amounts, but should not be more than \$5 off of original balance

Exceptions

- In some limited circumstances, funds are given to an individual as an “advance”.
- The reimbursement form is completed with the amount of the advance, and no receipts, but otherwise following the process above.
- After the purchase, the individual is required to return any change and the applicable receipt(s) to the Director of Administrative Services in order to substantiate the funds spent, and to record the return of funds to the petty cash balance.
- The reimbursement form originally submitted is notated with the actual spent and the funds returned, as is the petty cash summary report.
- The line item of adjustment is initialed by the Director of Administrative Services and the individual returning the funds.

Petty Cash Gift Cards/Certificates

- When a gift card or certificate is gifted to the city, it shall be placed in the petty cash fund
- The City cannot spend these but may raffle them off
- When a gift card is raffled off, they shall be recorded on the petty cash summary report and all receipts are also included as necessary.
- Annually on June 30th the gift cards/certificates shall be reconciled with the petty cash summary report.

Confidential Funds

(Drug Buy Money, Investigative Funds) Policy

Confidential funds are those funds allocated to the following three types of law enforcement undercover operations:

1. Confidential investigative expenses are for the purchase of services and would include travel or transportation of an undercover officer or an informant. Meals, beverages, entertainment, and similar expenses for undercover purposes, within reasonable limits, would be included.
2. Confidential funds for the purchase of evidence would include the purchase of evidence and/or contraband such as drugs, firearms, stolen property, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.
3. Confidential funds for the purchase of specific information from informants.
4. Confidential expenditures are subject to appropriation by the municipality's governing body. The governing body must ensure that the controls over disbursements are adequate to safeguard against misuse of such funds. When the funds are replenished, legislative approval should be based on a finding that the expenditures were necessary and reasonable for proper and efficient administration of the program under which they were used.
5. The funds authorized should be established in an Imprest fund. Imprest, Petty Cash and Other Revolving Funds prescribe the minimum requirements for the establishment and operation of an Imprest fund. In addition to all those requirements the following apply:
 1. The supervisor of the unit to which the Imprest fund is assigned must authorize all advances of moneys to agents or officers for the purchase of information. Such authorization must specify the information to be received, the amount of expenditures, and assumed name of informer.
 2. The investigation unit must maintain confidential files of the true names, assumed names, and signature of all informers to whom payments have been made. To the extent practicable pictures and/or fingerprints of the informer payee should also be maintained.
 3. The custodian should receive from the agency or officer authorized to make a confidential payment, a receipt for cash advanced to him/her for such purposes.
 4. The agent or officer should receive from the informer a receipt of the following nature:
 5. The signed receipt from the informer payee with a memorandum detailing the information received must be forwarded to the agent or officer in charge. The agency or officer in charge must compare the signature on the receipt with the confidential file of assumed name signatures. He/she must also evaluate the information received in relation to the expense incurred and add his/her evaluation remarks to the report of the agent or officer who made the expenditure. A certification of payment to the custodian should serve as support for the expenditure from the Imprest fund. The certification should be witnessed by the agent or officer in charge on the basis of the report and informer payee's receipt.
6. Each agent or officer in charge must prepare a quarterly report showing status and reconciliation of the Imprest fund and itemizing each payment, name used by informer payee, information received and use to which information was put. This report must be made part of the files and reviewed quarterly by the head of the municipality's law enforcement agency and audited by the City's Finance Department.

Unclaimed Money Policy

Purpose

To establish the proper disposition and accounting for unclaimed money. Government Code Sections 50050 through 50057 provide the authority for this policy.

Policy

1. Funds which are not the property of the City of Beaumont that remain unclaimed for a period of more than three (3) years will become the property of the City of Beaumont, if not claimed or if no verified complaint is filed and served, on or before the specific date stated in the public notice that is published in a newspaper of general circulation.
2. Any individual funds that are less than \$15.00 or any funds regardless of amount for which the depositor's name is not known shall be transferred to the General Fund of the City after one year and without the need to publish notice.

Procedures

1. Unclaimed funds over three years old and over \$15.00 will be identified on an annual basis.
2. For funds that have been unclaimed for at least a three-year period, a notice will be published once a week for two consecutive weeks in a newspaper of general circulation. The notice shall state the amount of money, the fund in which the money is held, and that the money will become the property of the City of Beaumont on a specific date (not less than 45 nor more than 60 days after the first publication). (Section 50051)
3. Upon or prior to publication, a party of interest may file a claim for the funds with the Finance Director. The claim (see attached) must contain the claimant's name, address, telephone number, amount, tax identification number and grounds for the claim, and must become the property of the City of Beaumont. The Finance Director can require additional information to help substantiate the claim and to establish the authority of the claimant to receive the funds. (Section 50052)
4. Notwithstanding Section 50052, the Finance Director may release the unclaimed funds to the depositor, their heir, beneficiary, or duly appointed representative if claimed prior to the date the funds become the property of the City of Beaumont and satisfactory proof has been submitted. (Section 50025.5)
5. When the unclaimed funds become the property of the City of Beaumont, 45 days and no more than 60 days after a published public notice, and are in a special fund, the City Council may transfer them to the General Fund. (Section 50053)

Glossary

Unclaimed Monies may include but are not limited to stale dated checks, bond coupons, trust funds, deposits held for various purposes by City departments, and overpayments for City services.

Attachments

1. Unclaimed money—Instruction Sheet
2. Unclaimed money—Claim Form

3. Unclaimed money—Sample Notice

Attachment 1

UNCLAIMED MONEY INSTRUCTION SHEET

Using this instruction sheet, determine and provide the appropriate documents in order to process your claim, and return them with your completed Unclaimed Money form.

All claimants must review SECTION A for required documentation. If you are an HEIR or BENEFICIARY of the deceased owner, refer to SECTIONS A & B.

SECTION A: CLAIMANT IDENTIFICATION

1. Copy of a photo identification (e.g., driver's license, state identification card, passport, etc.) for each claimant;
2. Copy of each claimant's Social Security card or any other document showing the claimant's Social Security number (e.g., federal or state income tax return or pay stub, etc.), if applicable;
3. Original check, deposit, or instrument identified in the "Unclaimed money publication";
4. Document (e.g., correspondence, statement, etc.) associating you or the owner with the business or names in the unclaimed money publication.

NOTE: IF ITEM 3 OR 4 IS NOT AVAILABLE, YOUR CLAIM MAY BE DENIED.

SECTION B: DECEASED OWNER

If you are an HEIR of the deceased owner named on the account, you are required to submit ALL items under SECTION A, the death certificate of the deceased owner, PLUS one of the following documents:

5. Copy of Currently Certified Letters, dated within the past six months, appointing the Executor or Administrator of the descendant's estate, and the Estate Tax Identification Number; or
6. Complete copy of the court Ordered Distribution of the Descendant's Estate; or
7. If the distribution of the estate was not ordered by a court, a complete copy of the descendant's Will and/or Trust Agreement; and a completed Declaration Under Probate code Section 13101 FORM; or
8. If no Will or Trust Agreement exists, a completed Declaration Under Probate Code Section 13101 form and a Table of Heirship form. You may obtain these documents at the State Controller's web site at <http://www.sco.ca.gov/col/ucp/forms/index/shtml>.

If you are providing the death certificate and items 5, 6, or 8 proceed to SECTION C.

SECTION C: SIGNED CLAIM FORM/AFFIRMATION

9. If the "amount" (listed on the front page of this Claim Form) is \$500 or more, complete, sign and NOTARIZE the affirmation.
10. If the "amount" is less than \$500 complete and sign the Affirmation.

Confirm that all required documents are included and send the entire package to the address on the Claim Form.

Pursuant to California Government Code §50052, I wish to file a claim for previously unclaimed funds in the amount of \$ _____ which were published in the _____ Newspaper on _____.
 The grounds on which I am filling this claim are: _____

--

TAXPAYER ID NO. OR SOCIAL SECURITY NO.

CITY, STATE, ZIP CODE

WORK TELEPHONE

DATE _____

St

OFFICE USE ONLY

Approved () Denied ()

FINANCE DIRECTOR	DATE
CITY MANAGER	DATE

Attachment 3

SAMPLE NOTICE

Notice is hereby given that the City of Beaumont is holding funds for the following persons or entities. If said funds are not claimed by MM DD YYYY, these funds will become the property of the City of Beaumont in accordance with California Government code Sections 50050 – 50056. These funds may be released to the depositor, their heir, beneficiary, or duly appointed representative provided a claim form has been completed with the necessary information.

The Unclaimed Money Claim Form is available at the City of Beaumont Finance Department, 550 E 6th St, Beaumont, CA 92223, 951-572-3236 or on the City's website at www.beaumontca.gov. Required claim information includes name, address, phone number, tax identification number or social security number, amount of claim and grounds on which claim is founded. Once a claim is submitted, the Director of Finance will determine what, if any, additional information is necessary.

Persons/entities with funds on deposit for over three years:

AMOUNT	SOURCE OF FUNDS
\$345.78	General Fund
\$127.52	General fund
\$1,200.00	Developer Deposit

Procurement Card Program Policy

PROGRAM INTRODUCTION

The objective of the City's Procurement Card Program is to streamline the traditional paper and labor-intensive procurement process for small-dollar purchases which include supplies, subscriptions, memberships, training, and certain travel expenses. The Procurement Card (P-Card) will eliminate the requisitions and purchase orders associated with small dollar purchases and will require only one payment to the bank monthly instead of individual payments to many vendors.

Currently, the City of Beaumont has chosen to piggy-pack off the State of California's contract for the U.S. Bank Purchasing Card "CAL-Card".

The Procurement Card Program is a supplement to the City's purchasing guidelines and not intended to circumvent the City's Purchasing and Travel policies, nor any existing statutes or laws.

Issuance of the P-Card gives an employee the responsibility of a Purchasing Agent and the management of the program is overseen by their Department Director. It is the responsibility of the Procurement Card Program Coordinator (In Finance) to ensure that the employee has read and understands the Procurement Card, Purchasing, and Travel Policies before issuing a P-Card.

Intentional misuse of the P-Card may result in the reimbursement of ineligible expenses, disciplinary actions including termination, and/or notification to law enforcement agencies.

PROCESS

- Department Director submits a completed CAL-Card Request Form to the Finance Director.
- The Procurement Card Program Coordinator will set up training with the employee.
- The P-card will be ordered upon completion of training.
- The employee will sign a CAL-Card Agreement form and receive their P-card.
- The new Cardholder will log onto <https://www.access.usbank.com> to set up their account and activate their card.
- The Cardholder will attach itemized receipts, leave applicable notes, and code each transaction.
- When purchasing food, you MUST identify the event/training and the names of attendees. This can be written on the receipt before scanning or typed into the notes for that transaction.
- Statement cycle closes on the 11th of the month, or the following business day.
- After the statement cycle closes, Cardholders will verify and reconcile their purchases then approve and forward to their designated Final Approver by the 23rd of the month.
- The Final Approver will verify that all transactions meet policy requirements, review attachments and GL coding, and then make the final approval by the 30th of the month.
- Accounts Payable will make the US Bank payment before the close of the next cycle date.
- Procurement Card Program Coordinator will perform random audits for each cardholder.
- Outside auditors will perform audits on P-Card transactions.
- All cardholders will need to attend training when there are changes/updates to policy and procedures.
- To cancel a card, give the card to the Procurement Card Program Coordinator for deactivation and destruction.
- Upon termination of employment, the card shall be turned into HR/Payroll during the exit process. HR/Payroll will turn it into the Procurement Card Program Coordinator for deactivation and destruction.

CARD RESTRICTIONS

While the P-Card is intended for small dollar purchases, card restrictions had to be established to protect public funds, follow city policies and procedures, and stay within state and federal statutes and laws. These restrictions include:

- Alcoholic beverages
- Ammunition and weapons.
- Automotive repairs, or maintenance (unless approved by Fleet Manager).
- Car washing (City will provide services via contracted service)
- Cash Advances
- Drugs and narcotics
- Gasoline or diesel fuel (All city vehicles are issued a Voyager card for fuel, and most departments have spare cards). If you do not have a fuel card, you will need to pay out-of-pocket, keep your receipt, and fill out a finance claim form for reimbursement.
- Gratuity exceeding 18% (If cardholder wishes to pay more, they need to pay out-of-pocket).
- Fixed asset purchases.
- Food during travel/training (City provides per diem at GSA rates).
- Gift cards.
- Insurance.
- Legal fees.
- Mobile payment services such as Venmo, PayPal, Zelle, Apple Pay etc.
- Rental of equipment requiring operators.
- Rental, lease, or purchase of Real Property.
- Services that are provided on city property.
- Work performed on city property by outside contractors.

The procurement card is not intended to replace effective purchase planning. Please be mindful when making purchases. Things to consider:

- Convenience fees. Does the fee benefit the city, or the cardholder? Example:
 - Delivery services cost less than the employee's hourly time (benefits city).
 - Travel upgrades (benefits cardholder).
- Using vendors with high credit card fees. If a merchant charges a high credit card fee, then your best option is to set them up as a vendor instead of using your P-Card.

AREA OF RESPONSIBILITY

U.S. Bank

U.S. Bank - Government Services will:

- Issue Visa cards to the Procurement Card Program Coordinator for distribution.
- Make changes as requested by the Procurement Card Program Coordinator.
- Provide on-line access to statements within 24 hours after the end of a billing cycle (11th of each month). Cardholders may register on-line at:
<https://www.access.usbank.com> click on Cardholder Registration and fill in the required information. Call the Procurement Card Program Coordinator first for the Company Access Code.

Finance Department

The Finance Department oversees the entire Procurement Card Program within the city including:

- The administration of all accounts.

- Reporting.
- Cardholder support.
- Auditing.
- Verifying the accuracy of the Cal-Card invoice and ensuring proper accounting.
- Processing payment to US Bank.

Procurement Card Program Coordinator

The Procurement Card Program Coordinator is the primary employee within the Finance Department that oversees the Procurement Card Program. Their responsibilities include:

- Provide training for all Cardholders and Approving Managers.
- Request and obtain Procurement Cards.
- Manage accounts on US Bank website.
- Internal Cardholder support.
- Audit transactions for policy compliance.
- Freeze and deactivate P-card accounts.

Department Director

The Department Director will oversee the overall operations of the Procurement Card Program within their department. Their responsibilities include:

- Determining which employees should have a P-Card.
- Setting monthly spending limits for Cardholders.
- Requesting increases and decreases to Cardholders spending limits.
- Delegating a Final Approver for Cardholders (must be at a management level).
- Communicating with Final Approver on the status of the program and any outstanding issues.
- Collect cards from Cardholders in the event of cancellation.

Final Approver

The Final Approver is delegated by the Department Director to audit and approve Cardholder transactions. This person must be in a position of management and possess thorough knowledge of the Procurement Card, Purchasing, and Travel Policies and ensure they are being followed. They also need to be familiar with the department's budget to ensure the accuracy of transaction coding. Their responsibilities include:

- Manage Cardholders to have all their transactions reconciled and approved by the 23rd of the month.
- Completely review all charges to ensure that purchases are authorized within the duties of the Cardholder and proper supporting documentation is attached.
- Review supporting documentation to ensure that it is adequate to justify each purchase and complies with policy.
- Verify that each transaction has the correct GL code or Project Account that suits its purpose.
- Final approve Cardholder transactions by the 30th of the month.
- Communicate any issues with Department Director.

Cardholder

The Cardholder is given the responsibility of a Purchasing Agent by the Department Director. The person whose name is on the P-Card is responsible for:

- Complete CAL-Card training with Procurement Card Program Coordinator before issuance of the P-Card.
- Sign your card on the signature panel.
- Ensure the P-Card is secure from theft and misuse. Review Statement for unauthorized charges against your account.
- Not allowing anyone else to use your P-Card.
- Must not be used for personal purchases.
- Notify U.S. Bank Customer Service of any billing discrepancies posted on your account that cannot be resolved with the merchant.
- Compliance with City's Procurement Card, Purchasing, and Travel policies and procedures.
- Obtain an itemized receipt at the point of purchase and review it for accuracy.
- When purchasing food, you **MUST** identify the event/training and the names of attendees. This can be written on the receipt before scanning or typed into the notes for that transaction.
- Timely reconciliation of monthly transactions, approved and forwarded to Final Approver by the 23rd of each month.
- Attend all P-Card training when there are changes/updates to policy and procedures.

PROCEDURES FOR THE CARDHOLDER

Purchase Card Receipt and Activation

The potential Cardholder will complete training with the Procurement Card Program Coordinator. They will read through the Cardholder packet and sign the Cardholder Agreement Form before receiving the P-Card. By signing this agreement form, the cardholder is accepting responsibility for the security and the appropriate use of the P-Card. The Cardholder should call the number shown on the card to activate it, then set up online account to monitor transactions and statements at <https://www.access.usbank.com>.

Merchant Card Acceptance

Occasionally, a transaction may be declined at the merchant location. The merchant is not provided a reason via electronic terminal display. When this happens, cardholder should consider the following:

- Has the merchant used the correct expiration date of the account?
- Is the transaction amount within the single-transaction limit?
- Will the transaction amount exceed the 30-day purchase limit?

The cardholder may call the toll-free customer service number on the back of the card to determine the monthly or single-transaction limit level to date or inquire about the declined transaction.

Cardholder Statement of Account

US Bank will provide on-line access to statements within 24 hours after the end of a billing cycle (11th of each month or following business day). Cardholders can set up personal settings for alerts through the US Bank website. Following the closed cycle, Cardholders will:

- Verify that all transaction charges are accurate. Call US Bank Customer Service for disputes or clarifications.
 - If you find a personal charge was made in error, make a payment to Customer Service Coordinator, and receive a payment receipt.
 - Attach your payment receipt to the transaction in US Bank Access Online with a brief description of the error, prior to manager approval.
 - The Approving Manager needs to approve this transaction once completed.

- Attach all itemized receipts with detailed descriptions of purchases for Final Approver. Descriptions can be written on the receipt before scanned or typed into the notes.
- Identify event/training along with names of attendees on all food purchases.
- Assign a GL code or Project account number to each transaction. If you do not know, you can make notes for your Final Approver to code it for you. Credits should be coded with the same code as the original transaction that is being credited.
- Approve all transactions and forward to Final Approver by the 23rd of the month.

Incorrectly charged or unacceptable charges

If an item is incorrectly charged or the item is unacceptable, cardholders should review their receipts for the amount in question and try to resolve the problem with the merchant. If the merchant refuses to issue a credit, cardholder should complete a CSQI form, attach any pertinent documentation and fax to US Bank at 701-461-3464 or 866-851-7347. If a resolution can not be made with the merchant, then follow the process to dispute the charge.

Disputed Item

If an item has been returned and a credit for this item does not appear on the statement within the billing cycle of the return, cardholder should complete a Cardholder Statement of Questioned Item (CSQI) form, attach the documentation showing the item was returned, and fax to US Bank at 701-461-3464 or 866-851-7347. This form is available online. The Cardholder will make a note on the receipt of the item that is being disputed and include it with the monthly statement backup.

It is the responsibility of the cardholder to track disputes until resolution.

Please note that the VISA Operating Regulations and the terms of the State of California Master Service Agreement stipulate specific timeframes during which reversals of charges may be processed. CSQI forms must be forwarded to US Bank within 60 days from the date of the statement on which the transaction first appeared, to ensure compliance with these regulations and to preserve cardholder's rights to dispute the transaction.

Credits

Cardholders should review the cardholder Statement of Account for credits which correspond to previously disputed transactions. Enter the appropriate GL account number and then forward to the Final Approver for approval.

Fraud/Lost or Stolen Cards

If the Cardholder suspects fraudulent activity on their account, the Cardholder must notify US Bank at 800-344-5696 immediately. The Finance Department and the Cardholder's approving manager should also be notified. If a Cal-Card has been lost or stolen, the Cardholder must immediately notify the bank and their Final Approver. The Final Approver should then notify the Department Director and the Finance Department within 24 hours.

Controls

Several unique controls have been developed for this Procurement Card Program that does not exist in a traditional credit card environment. These controls help ensure that the card is being used for specific purchases and within specific dollar limits. Certification of all purchases is required by each Cardholder with verification performed by the Cardholder's Approver before payment is made.

The unique CAL-Card (VISA card) received from U.S. Bank (the present Contractor) has the cardholder's name embossed on it. The CAL-Card derives its name from the fact that the City, and other public agencies have piggy-

backed off the State of California's contract with U.S. Bank. **The Cardholder is the only one authorized to use the card.**

No other staff member, family member, supervisor, or anyone else may use this card. It has been specially designed to avoid confusing it with the cardholder's personal credit cards. In all other respects, this is considered a regular VISA card and can be used at any merchant that accepts Visa. **HOWEVER, THIS PROCUREMENT CARD AT NO TIME IS TO BE USED FOR PERSONAL PURCHASES.**

Due to the expected large volume of transactions and subsequent dollars spent, it is extremely important that the control and use of credit cards be closely managed. The P-Card purchases must be constantly monitored to ensure that credit cards are used efficiently and that no abuse is allowed to occur.

The Procurement Card Program Coordinator will submit an on-line Procurement Card Request for each cardholder and assign a maximum dollar amount for all purchases made with the P-Card within a given billing period. The processing of the P-Card request will occur once the employee has successfully completed the required P-card training. Each Cardholder must sign a Cardholder Agreement Form in order to receive and utilize the P-Card.

Intentional use of the credit card for other than Official Use Only will be considered an attempt to commit fraud against the City of Beaumont. Proof of such fraud may result in immediate cancellation of your credit card and disciplinary action taken against you under applicable City administrative procedures up to and/or including termination. You (the cardholder) will be personally liable to the City for the amount of any non-approved, and/or ineligible purchases.

Definitions

Final Approver: The Approver at the department level is a critical checkpoint for internal control purposes. The approver reviews the monthly bank statements to verify that all purchases are necessary and for official City purposes only. The Approver must have a working knowledge of various purchasing methods and be familiar with City's Procurement Card, Purchasing, and Travel policies and procedures. The Final Approver should work with the Finance or HR Department if a questionable transaction has taken place and counsel the Cardholder. The Approver may be responsible for any number of Cardholders.

CAL-Card: The official registered service mark name for the State of California's Purchasing Card Program through U.S. Bank.

Cardholder: An individual who is designated by a Department Head to be a procurement card recipient and make official governmental purchases. The Cardholder is the employee whose name is on the bankcard. The Cardholder is authorized to make purchases of commodities on behalf of their agency/department and should be familiar with City procurement policies and procedures. The Cardholder reconciles his/her monthly bank statement and forwards it to their designated Final Approver.

Cardholder Statement: - A monthly Statement of Account is posted and accessible to the Cardholder by U.S. Bank at the end of the monthly billing cycle (11th or following business day), listing all transactions made during that cycle.
<https://www.access.usbank.com>

30-DAY PURCHASE LIMIT: This limit determines the maximum dollar amount that will be authorized for a Cardholder within a 30-day billing cycle. Note: This is based on cycle – not a calendar month. The 30-day purchase limit is determined during the Cardholder account setup and should be the amount that a Cardholder would be reasonably expected to spend during that period.

U.S. Bank: U.S. Bank is the contractor who maintains all CAL-Card accounts. U.S. Bank issues cards and monthly Statements of Account to Cardholders. U.S. Bank pays merchants in a timely manner and receives reimbursement from the City of Beaumont.

Procurement Card Program Coordinator: The Procurement Card Program Coordinator is part of the Finance staff and is responsible for the coordination of card requests, either new or modification to existing cards, freezing and destruction of cards. Procurement Card Program Coordinator coordinates the establishment of reports, administrative training, and cardholder support. They will perform audits to ensure policies and procedures are being followed.

GENERAL CAL-CARD INFORMATION

- The Cal-Card purchase card will be issued under the cardholder's name. The card has been specially designed to avoid confusion with personal credit cards. The card is for official City business and may not be used for personal purchases.
- If the Cal-Card is lost or stolen, it is the cardholder's responsibility to call US Bank immediately (24/7) to ensure that the City is not held responsible for any fraudulent charges that may occur. Do not wait until you get back to work to report a lost or stolen purchase card. Please keep the US Bank 800 number in a separate place from your purchase card so that you can readily call US Bank should the need arise.
- For lost or stolen purchase cards, call

1-800-344-5696

Outside of the United States, call collect

+1-701-461-2010

- Monthly credit limits and single transaction limits may be established by the department head in coordination with the finance department for each cardholder. If a situation arises in which you anticipate the use of the card will exceed the maximum limit, contact your supervisor prior to using the card. Your supervisor will contact the Finance Director to arrange for a temporary credit limit increase.
- The Cal-Card program is a supplement to the City's Purchasing Guidelines. As with other procurement methods, the following conditions must be met when using the card:
 - The card should be used whenever possible in lieu of petty cash or emergency check requests when the dollar amount for a single item or group of items is within the City's Purchasing Guidelines.
 - Each single purchase may be comprised of multiple items, but the total transaction with a single vendor including tax cannot exceed the single-purchase dollar limit of your card.
 - Purchases should not be split to circumvent per-transaction and per-month credit limits.
 - Use of the Cal-Card is not intended to replace effective purchase planning that enables volume discounts.
 - For restaurant purchases, an itemized receipt must be obtained. That receipt should state the event/meeting the items were purchased for and the names of the attendees. A credit card charge slip that shows only the total amount charged to the credit card for total and tip is not acceptable. Food purchased during travel is not allowed on the CAL-Card since the City has chosen a per diem method per the Travel Policy. Alcohol cannot be purchased using the Cal Card.
 - Keep all your itemized receipts and order confirmations so that they can be attached to their corresponding transaction when reconciling your account on <https://www.access.usbank.com>.

Electronic Funds Policy

Introduction

The City of Beaumont processes Electronic Funds Transfers (EFTs) as a safe and efficient method to receive electronic deposits from customers and to provide payments to vendors and employees. Two commonly used EFT methods are:

- **Automated Clearing House (ACH):** This is an electronic payment delivery system that processes electronic credit and debit transactions, including direct deposits, within the United States using the American Bankers Association (ABA) number. The ABA number is also known as the “check routing number” or “routing transit number” and should be used as the first identifying number for ACH transactions. The bank account number and name assigned to the account are also required before an ACH transaction can be created and the exchange of funds processed between two parties.
- **Fedwire:** The most costly EFT to process and uses a Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks. There are two Fedwire options: (1) domestic wires and (2) international wires. Each option has a different settlement time and each requires unique banking information that is dependent upon where the settlement of funds is to occur.

The procedures outlined herein are designed for all departments, employees, and vendors who receive and make electronic payments on behalf of the city. The following areas are responsible for transacting EFTs:

- Finance Department
- Administrative Services Department

All EFT’s processed by the City occur using the systems listed below.

- **ACH:** Originations used to initiate vendor, and employee ACH payments. The Tyler system will generate an electronic file and a EFT check register report that will be used to complete the ACH transmission form. The ACH transmission form will be completed by the Finance Department and sent to the Administrative Services Department to generate a standard ACH transmission file. The electronic generate banking file from Tyler system is electronically transmitted to the City’s banking institution, authorizing the debit and credit of funds between banks.
- **Wire Transfer:** The primary method used to initiate wire transfers. The on-line systems should only be used by employees with proper system credentials. The security administrators in the Finance Department shall ensure that adequate separation of duties exist in accordance with internal control standards and that the integrity of system user profiles is protected. Steps are also taken to limit the number of users who have access to create or approve wire transfers and their authorized wire amounts. In addition, banking controls require two separate users to complete a wire. One individual initiates and a separate individual must approve.

The Finance Department and Administrative Services Department staff who initiate or complete EFT transactions are responsible for ensuring the financial internal controls are maintained, the activity is posted timely, and operational procedures are in place to reduce the risk of loss of City funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by City employees. The Finance department will monitor bank balances daily for unusual or unexpected transactions, reconcile bank activity to the general ledger in a timely manner, and investigate and resolve reconciling items.

Incoming EFTs:

ACH/Wire Transfers Received

Departments requesting to receive payment by ACH or wire transfer must have the customer send their company’s ACH/EFT payment request form to the Finance Department.

The Finance Department will complete the form, requiring all EFT payments to be posted directly to the operating account, and will obtain the proper authorization from Finance Director. After the form is completed, the Accounting Tech staff member will forward the information back to the customer so the customer can initiate the EFT with their banking institution. The completed form will not be returned to the department requesting the information and departmental staff has no authority to complete the document on behalf of the City.

Outgoing EFTS: ACH Payments to Vendors (Domestic)

A domestic vendor may receive an ACH payment by completing a *Vendor ACH/Direct Deposit Authorization Form* and by submitting a copy of a voided check. Each department will be responsible for sending out the *Vendor ACH/Direct Deposit Authorization Form* to the vendor and to then forward onto the Finance Department. The Finance Department will review the ABA number, bank account number, and name as shown on the supporting documentation. If all information on the form and the supporting documentation is correct the data is then recorded in the Vendor Profile in Tyler Systems under Payment Terms by Accounts Payable. The banking information set up in Tyler Systems is then reviewed by the Assistant Finance Director for account accuracy. The supporting documentation is then filed and stored on the finance share drive. Any subsequent requests to change vendor banking information will be confirmed directly via phone with the vendor completing a new *Vendor ACH/Direct Deposit Authorization Form* by each department and then forwarded onto the Finance Department.

ACH overpayments require notification to Wells Fargo within five days of the payment to ensure funds are returned. A Wells Fargo *ACH/Reversal/Deletion Request* form will be completed by Finance Department or Administrative Services Director. The form is then sent to the Finance Department for approval and faxed to Wells Fargo's ACH services section to reverse the overpayment. The Finance Department verifies the reversal occurs and the funds are deposited into the operating account the following business day.

Certain vendors have been given authority, with maximum withdrawal limitations, to initiate ACH payments (i.e. the Internal Revenue Service for payroll taxes). The establishment, approval and exception review of these payments occur through the Wells Fargo system. The Finance Department monitors daily to ensure the banking activity has been posted into the City's Financials system and validated.

Accounts payable processes all vendor payments according to the pay cycle schedule and generates a check/ACH register. All ACH direct deposit payments have file detail and total amounts submitted to the bank for processing and the Finance Department verifies that the totals submitted to the bank have been received and posted by the bank for processing.

Fedwire Payments to Vendors (Domestic or International)

In cases where immediate payment is needed, a vendor may be paid by domestic or international wire.

I. Domestic wires. If a domestic vendor requests payment via a Fedwire, the following steps are required for the EFT to occur:

- a) The department requesting the vendor payment will forward an invoice from the vendor containing the vendor's wire information, or an authorized letter. This information is forwarded to Accounts Payable for review and to ensure the vendor is established in the Tyler vendor system.
- b) The Transfer Request form, back-up wire information, invoice and other supporting documents will be forwarded to those authorized in the Finance Department to initiate wires. The bank and invoice information must be verified and if there is an inconsistency with the information provided, the wire initiator will contact the initiating department

to obtain additional or corrected information. If all information agrees with the documentation, the wire will be requested in Wells Fargo by the Administrative Services Director.

c) The form and all documentation will be forwarded to an appropriate staff member for secondary approval. The pending wire information is reviewed online against the back-up documentation. If there is an error, the wire will be rejected online and the wire initiator will make any necessary corrections to the data. If all information is correct, the wire will be approved. The payment approval confirmation will be attached to the documentation for future reference. The form and all documentation will be forwarded to a Assistant Finance Director for entry into the Tyler System.

II. Establishing a wire template. The City may establish a wire template for wires that will be completed on a regular basis for items such as investments or regularly scheduled payments.

a) The wire template is established by the wire initiator and approved by an appropriate staff member using banking information provided on signed company letterhead or an invoice.

Employee Direct Deposits

Direct Deposit is an encouraged condition of employment at the City. If for some reason an employee cannot or does not want to participate in direct deposit, they must request in writing to the Human Resources Department to be exempt from participating in direct deposit. Approval to NOT participate in direct deposit must be granted by the Human Resources Department.

Checking and savings accounts are generally the only types of accounts that can be used for direct deposit. Although the City policy states that funds cannot be sent to a money market account, the system has allowed money market accounts when the account sequence is similar to that of a checking or savings account.

Employees should take the following steps to establish direct deposit when first hired:

- 1) Submit a *Direct Deposit Authorization* form to the Human Resources Department.
- 2) This form must contain account documentation in order to assure proper setup. Account documentation may include a “VOIDED” check (for checking accounts) or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number (for saving accounts). Using this form, employees have the option to have their paycheck sent to 1, 2 or 3 bank accounts.
- 3) Account documentation is reviewed to assure the information does not appear altered or manipulated in any way. If evidence of such is present, the employee will be contacted to verify the information. In addition, if a void check which does not contain the employee’s name is submitted, the employee will be contacted to verify the information. The outcome of these communications will be documented on the direct deposit form. Suspicious or fraudulent situations should be routed to the attention of Humans Resources Department.

Direct deposit information can be edited through Tyler Incode. The same restrictions on bank account types apply, but there is no limit on the number of accounts to which direct deposit can be distributed when updating directly into Tyler Incode.

After the input has been completed and saved in Tyler Incode, the Human Resources Department processor will initial and date the *Direct Deposit Authorization* Form. The initialed form is given to the Payroll Benefits Supervisor for review to ensure the saved name, routing, and bank account numbers all agree with the “VOIDED” check or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number. More detailed instructions and screen prints are maintained in Human Resources for review.

When Fraud is Identified

Banking Fraud can occur in various forms. When Fraud is discovered in the EFT procedure, the Fraud must be reported to the Finance Director immediately (in absence of the Finance Director, the Assistant Finance Director must be notified). The Finance Director must notify the City Manager, Treasurer, and Police Chief. Chair of the possible fraud as soon as possible after it is detected. Steps will be taken with Wells Fargo to mitigate the fraud.

Banking Definitions

Automated Clearing House (ACH). An electronic payment delivery system which allows payment or collection of funds electronically through a financial network occurring within the United States. ACH processes large volumes of credit and debit transactions in batches.

American Bankers Association (ABA) Number. The ABA number is the nine (9) digit bank code assigned to financial institutions by the American Bankers Association (ABA) to identify the financial institution upon which a payment is drawn and submitted to within the United States. The ABA number is also known as the “check routing number” or “routing transit number. The ABA number may differ depending on where an account is opened and the type of transaction that is being processed (checks, domestic wires or ACH’s).

Bank Account. A financial account recording the financial transactions between the customer and their bank and the resulting financial position of the customer with the bank and that is primarily used for processing checks, domestic wires and EFT ACHs.

Direct Deposit. An electronic method of payment in which money is transferred to the payee’s account without the use of checks, processed through the ACH payment system.

Fedwire. (A.k.a. Wire Transfer-Domestic or International). The Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks that enables financial institutions to electronically transfer funds to each other. Messages are transferred requesting debits and credits to correspondent accounts (in addition to other types of accounts). Actual settlements occur through Fedwire, CHIPS, correspondent accounts or other means. Domestic wires settle the same day and International wires can take up to two days to settle if foreign currency exchange is involved. The system is reliable and secure and is more costly compared to transactions involving checks or ACH.

Policy and Procedure Management

The Finance Department may modify these directives and procedures from time to time as required, provided that all modifications are consistent with California statutes, federal laws and banking rules and regulations.

This policy will be reviewed annually for changes or updates.

Deposit-Based Funds Policy

Purpose

For transparency purposes, the receipt and draw down of deposit-based funds must follow a standard system of entry, tracking and reporting with documentation to support the use of funds. The EnerGov system is used by the Community Development and Public Works Departments for project management. This system allows for the input, receipt and tracking of all deposit related funds and activities. The EnerGov system can also produce project specific reports showing itemized deposit usage which can be utilized internally by staff or provided to the applicant to show how a deposit has been drawn down and the remaining deposit balance.

Below are the recommended project deposit policy and procedures:

Policy

The fee schedule reflects the minimum initial deposit required per application. It is not reflective of the entire cost of project review and processing. If no amount is specified, the initial deposit is the Department's initial estimate of the actual cost of the service or process.

The initial minimum deposit for each application must be received prior to staff beginning review of a project.

Once a deposit balance is drawn down to 20% remaining, ~~City staff shall evaluate the remaining work and determine if additional funds are required. If additional funds are required, a request for an additional deposit shall be made to the project proponent. Notice of any required additional deposit shall be mailed (including e-mail) to the applicant. The notice shall include the date by which the deposit must be made.~~

~~Processing of projects with less than a 10% balance shall stop until a new deposit is received if additional funds will be required to complete a project. If no additional funds will be required, the work may proceed until funds are exhausted or project is completed.~~

~~All fees are based on the adopted Fee Schedule, approved by City Council, and are not subject to City staff direction; however, if a project proponent protests additional fees associated with additional plan reviews, Within 10 calendar days of receipt of the full accounting of the application costs or a request for additional deposits, the project proponent applicant may request a review of the matter by the Department Director, who shall review the cost of processing the application. The Director will shall determine that the costs were or were not appropriate and may then reduce the costs charged. whether the costs were or were not appropriate and may then reduce the costs charged.~~ The Director shall, in writing, notify the appealing person of the decision. Work on any application may continue during any appeal process provided there are sufficient funds on deposit.

The developer or project proponent may request a refund of any remaining deposit no sooner than 60 days after final closure of a project. Within 120 days of the final closure of any deposit-based fee case, Department staff will process a refund (if applicable) through regular Accounts Payable protocols.

If any portion of the application fees has been paid by a City Department to another jurisdiction, agency, or department for the performance of services related to the application, the Department will not refund any such portion of fees until the other jurisdiction, agency or department authorizes the Department to do so. In the absence of such authorization, it will be the applicant's responsibility to contact the other jurisdiction, agency, or department for a refund of the fees paid to it.

Procedures

Funds received for a project shall be receipted and input into the EnerGov system within 3 business days of receipt.

Deposit ~~balance shall be checked daily or prior to working on a project~~ balances shall be checked daily or prior to working on a project and as needed throughout life of the project to ensure escrow account balances remain positive. All deposit accounts shall be reviewed monthly with Finance records.

Time worked on a project shall be entered daily and billed in 15-minute increments.

Consultant or outside services fees paid by an applicant shall be entered into EnerGov and billed against the deposit as invoices are received.

~~Department staff shall develop a tracking table for deposit progress to track time spent and estimated time remaining.~~

Donation Acceptance Policy

Purpose

The purpose of this document is to establish a policy that is consistent with the City's strategic goals for actively seeking sponsorships and donations in a transparent and accountable manner from individuals, community groups, charitable organizations, and businesses who wish to make sponsorships and donations to the City of Beaumont. Additionally, this policy will provide uniform criteria and procedures to guide the review and acceptance of such sponsorships and donations, confirm that the City has adequate resources to administer sponsorships and donations, and ensure that the City appropriately acknowledges the generosity of the donor.

Definitions

Donation or Gift shall mean a monetary contribution, personal property, real property, equipment, tangible items, or any other asset that the City has accepted and for which the donor has not received any legal consideration in return. For purposes of this Policy, the terms "donation" and "gift" shall be synonymous.

Donor shall mean a person or legal entity that proposes or provides a donation to the City.

Endowment shall mean monetary donations that are restricted by the respective donor to the extent that only earnings, and not principal, may be expended by the City for the donor's designated or intended purposes. Such donations are restricted donations in the sense that the donor-specified purpose is to preserve the purpose of the initial donation.

In-kind donations shall mean a non-cash contribution of goods, services, or other tangible assets made to the city.

Restricted Donation shall mean monetary donations whose expenditure is restricted to a Donor-specified purpose, which may identify a particular City department, program, project, or other purpose as the beneficiary of the donation. For example: such donations may include the funds directed to support a public art initiative or to support construction of a skate park.

Sponsorship shall mean a business relationship where one party (the sponsor) provides financial support, goods, or services to another party (City event or program) in exchange for specific promotional benefits.

Unrestricted Donation shall mean a donation made to the City by a donor without any limitations or restrictions being placed upon its use.

General Guidelines

1. Donations do not become the property of the City until accepted by the City in a manner consistent with this Policy.
2. In the event that any City employee, volunteer, or elected official is offered a restricted donation on behalf of the City, that City employee, volunteer, or elected official shall direct the donor to provide such restricted donation directly to the Finance Department for processing. The Finance Department shall notify the City Manager's Office immediately with receipt of donation.
3. The City Manager's Office shall be responsible for authorizing acceptance of restricted donations.
4. In the event that any City employee, volunteer, or elected official is offered an unrestricted donation, they may receive the donation on behalf of the City and are required to bring the donation to the Finance Department for deposit.

5. In order to efficiently accept, expend, and account for funds donated to the City:

- a. The City Manager's Office shall be responsible for authorizing acceptance of unrestricted donations up to the amount of \$30,000(or equivalent value), except in the case of donations made towards the City's K9 program, with which those donations are automatically accepted.
- b. The City Council shall be responsible for authorizing acceptance of unrestricted donations exceeding the amount of \$30,000(or equivalent value).

6. All donations will be evaluated by the City prior to acceptance to determine whether the donation is consistent with the corresponding department or program's mandate; is in the City's best interest; and is consistent with applicable City laws, policies, ordinances, and resolutions.

7. The City has no obligation to accept any donation proposed by a donor. The City reserves the right to decline any donation if, upon review, acceptance of the donation is determined in the sole discretion of the City to not be in the best interests of the City.

8. The City does not provide legal, accounting, tax or other such advice to donors. Each donor is ultimately responsible for ensuring the donor's proposed donation meets and furthers the donor's charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any donation to the City.

9. On behalf of the City and depending on the amount of an individual donation, the City Manager, or the City Council must determine whether an expenditure of City funds, either a direct outlay of City funds or the use of City employees and materials, is associated with or required by acceptance of that individual donation prior to acceptance.

10. The donation must be used for official City business, and not for political activities or other personal business. Donations may not confer personal benefit to any City employee or City official.

11. No undue public benefit or similar advantage is to accrue to the donor or to any person affiliated with, related to, or closely connected to the donor because of the donation.

12. A donor may restrict a donation for a particular City department, location or purpose, but not designate the City official who may use the donation.

13. If required, the City will report a donation made to the City to the Fair Political Practices Commission (FPPC) in accordance with the timelines and directives described in title 2, section 18944 of the California Code of Regulations.

14. If a donation to the City is made at an elected City official's behest from a single source in a calendar year, and the donation meets or exceeds the amount established by the FPPC, the elected City official must file a FPPC Form 803 with the City Clerk disclosing this information.

15. The City department or office administering the donation is responsible for acknowledging receipt of and thanking, on behalf of the City, the donors of donations.

16. The City shall comply with all applicable laws and regulations of the Internal Revenue Service regarding the acceptance of donations.

17. The City department or office administering the donation shall work with the Finance Director or his or her designee to determine the appropriate accounting for the donation.

18. Donors are required to advise the City if the donor is making a donation to the City on a date that falls within thirty (90) days from when the donor, or the donor's organization or company, was, is, or plans to be involved with an application for a City permit or planning approval or with responding to an active City solicitation for goods and/or services.

Policy

Unrestricted Donations of Monetary or Tangible Items

All donations to the City shall immediately be submitted for consideration for acceptance. City staff shall review every donation and determine if the benefits to be derived warrant acceptance of the donation.

Unrestricted monetary donations will be deposited into the City's Other Special Revenue Fund.

Council Notification: The Finance Department shall notify the City Council on an annual basis of all accepted and rejected monetary donations received and processed.

Restricted Donations of Monetary or Tangible Items

The City Manager's Office with the support of the Executive staff will determine whether to accept or reject the donation based on whether the donation:

- is in the City's best interest and is consistent with applicable City ordinances, resolutions, and policies
- has any special restrictions and if so, if those restrictions are acceptable to the City
- obligates the City to make an immediate or initial City expenditure which has not been included in the approved City budget
- creates a new, one-time or an on-going general maintenance obligation for the City.

Donations of Real Property

The City Council shall be responsible for authorizing acceptance of donations of real property.

The City Manager's Office shall administer the donation of real property, in conjunction with any other City departments deemed appropriate.

Donations of Trust and Endowment Funds

The Finance Department shall administer donations of trust and endowment funds in accordance with Generally Accepted Accounting Principles applying the relevant Governmental Accounting Standards Board pronouncements.

In general, endowments exist to invest resources for the purpose of generating income. As such, in order for a donation to be considered for the establishment of an endowment fund at the request of the donor, the City in its sole discretion shall apply minimum dollar amount thresholds in keeping with the best interests of the City.

Sponsorships

City sponsorships must align with the agency's mission and will be presented and evaluated in a non-discriminatory manner.

The City will ensure that all sponsorship opportunities are publicly advertised and accessible to a wide range of potential sponsors.

Sponsorship agreements should be formalized through written contracts that outline the terms, benefits, and obligations of both parties.

Sponsorship revenues must be used in accordance with applicable laws, budgets, and restrictions, and should support the intended program, event, or service.

The sponsorship will be deposited with the Finance Department and accounted for in accordance with Generally Accepted Accounting Principles.

If sponsorship involves programs funded by federal or state grants, the city will comply with additional regulations such as the Uniform Guidance for federal funds, to ensure no conflicts with grant conditions or objectives.

City of Beaumont Donation Acknowledgement Form

Finance Department

550 E 6thSt

Beaumont, CA 92223

Phone: 951-572-3236

DONOR INFORMATION

Company/Individual:

Contact person:

Address:

City/State/Zip:

Phone: Email:

DONATION INFORMATION

Amount of Monetary Donation:

Stated Purpose for Donation:

Description of Gift or In-Kind Donation:

Valuation of Gift or In-Kind Donation:

Any Donor-Specified Restrictions on the Use of the Donation:

Donor Signature: Date Accepted: Signature of City Representative:

Thank you for your donation to the City of Beaumont.

The City Manager's Office/Finance Department will be in touch with you shortly.

Your generosity is appreciated.

City of Beaumont

Vehicle/Facility/Equipment/IT Internal Service Funds Policy



Purpose:

The purpose of this policy is to provide the City with a process to control unpredictable budgetary variations from year to year by determining where vehicles, equipment, facility and IT infrastructure are in their lifecycle and applying consistent budgetary allocations to a replacement fund to strategically address aging assets.

Committee

A committee shall be established with responsibility of reviewing aging schedules of such assets and determining the retirement of aging assets and replacement of vehicles, equipment or IT infrastructure as needed. The Committee will follow the Fixed Asset Policy set forth by the City Council on useful life of such assets which is presented below:

Asset:	Nominal Service Life
Police Patrol	__ 5 years/ 80,000 miles
Heavy Duty Work Truck	__ 6 years/ 100,000 miles
Standard Vehicle	__ 8 years/ 120,000 miles
Motorcycle	__ 5 years/ 80,000 miles
Hybrid Electric	__ 10 years/ 120,000 miles
Field Equipment	__ 4-6 years
Handheld Landscaping Equipment	__ 2-4 years
Heavy Equipment	__ 8-10 years
Trailers	__ 15 years
Personal Computers	__ 4-5 years
Cell Phones	__ 2-3 years
Tablets and Ipads	__ 3-5 years
Copiers/Printers	__ 5-7 years
Servers	__ 5 years
Networking Infrastructure	__ 5-7 years
AV Equipment	__ 5-7 years

<u>Asset:</u>	<u>Nominal Service Life</u>
Fire Squad	15 years
Fire Engineer	10 years
Fire Truck	12 years

IT Infrastructure has a shorter useful life and is always changing as technology improves. The need for an internal service fund for these expenditures is that IT infrastructure can be costly even though the useful life might be less than 5 years. Keeping up with technology advances helps to preserve and secure the City's assets.

It is the responsibility of the departments to inform the Committee of analytical information and usage/condition of the assets/fleet just before the budget development process and the annual vehicle/equipment purchasing cycle. The Committee shall be comprised of representatives from various departments or as approved by the City Manager.

Required Committee Member:

Deputy City Manager

Administrative Services Director

Chief of Police

Finance Director

Vehicle Maintenance Supervisor

IT Manager

Budget Specialist or Purchasing Officer

Various Applicable Dept Representatives

Summary of Review Committee Responsibilities

Evaluate usage reports

Review and/or develop new standards

Evaluate equipment technology

Evaluate the need for required additions (not including replacements)

Evaluate requested replacements that do not meet replacement criteria (age or mileage)

Review the use of equipment or vehicles that have already been replaced and kept as reserve or special use vehicles

Evaluate/review all recommended replacement equipment, vehicles and planned building/facility maintenance projects

Committee Meeting

The committee will meet annually sometime in November/December which is prior to budget season to allow time for budget planning

Fund Replenishment

The City obtains funds for the future replacement of vehicles, equipment and IT infrastructure through annual charges to the using departments over the nominal life cycle of each unit. The amount of the allocation will be evaluated annually with changes recommended based upon needs vs resources. The Finance Director invests the funds and credits interest or dividend earnings into the fund. The Finance Director will also return residual (disposal) value of the assets back into the fund after the sale is finalized. This system assures availability of funds when it becomes necessary to purchase these assets. The Vehicle, Equipment, facility and IT Infrastructure Internal Service Funds are self-supporting and is the main vehicle for budgeting and providing adequate funding for all vehicles, equipment, building maintenance and IT infrastructure for the City (not including Enterprise Funds).

Replacements

The Committee establishes useful nominal (life cycles) for all types of vehicles, equipment, facilities and IT infrastructure, which comply with the Fixed Asset Policy, that are incorporated into a technical amortization schedule. This amortization schedule guides departments in their annual cost for purchase/ownership and replacement costs for vehicles, equipment, facility and IT infrastructure at the termination of the life cycle. This also becomes the fiscal budget for all City assets.

The Finance Department will communicate on an annual basis (or more frequently) with all City Departments those assets that are eligible for replacement. This is based on the termination of life cycles, which then enable those vehicles and equipment to become replacement candidates. Nominal life cycle analysis is the benchmark for replacing equipment. Each year during budget preparation, the Committee evaluates the assets that are eligible, or requested to be replaced. During this period, departments are required to submit their requests to replace or change their vehicles/equipment, facilities or needed IT infrastructure to the Finance Department. Once technical evaluations have been completed, the Committee will then assemble a recommendation for replacement.

Because a particular piece of equipment is eligible for replacement (based on its useful life and amortization cycles), does not automatically guarantee the replacement. Many other factors go into the evaluation process to make certain the asset is no longer feasible to retain or is otherwise unusable in its originally designed capacity relative to the departments mission. Age, mileage, repair history, current condition, forecasted repair costs, depreciation and market value are included in the evaluation process. After the evaluations have been completed, the Finance Department meets and discusses the eligible asset with the affected departments to:

- Review the list of asset candidates
- Decide further whether to replace or retain the recommended asset
- Aid the department with a budget forecast
- Discuss necessary operational equipment needs

IT Infrastructure is different by nature as some items may be enhancements rather than replacement. The IT department will be responsible for submitting an annual report to the committee of current infrastructure, the condition of that infrastructure and the potential lapse in quality of the infrastructure. The IT department will also be responsible to justify and detail any requests for new infrastructure with explanation to how the new expenditure will assist to preserve and protect City assets or its viability in protecting against fraud and manipulation. They will also need to provide ongoing costs or long-term savings that would be associated with any new purchase.

The overall decision for replacement will lie with the City Manager and Finance Director based on economic conditions and available funds.

Component Cost

Each component cost has its own value and needs to be analyzed individually. The components are defined as follow:

Purchase Price	Future cost asset at anticipated time of purchase including inflation
Resale Value	Value of the asset at time of replacement
M&O Costs	Yearly operation and maintenance costs over the life of the asset
Age	The age of the asset. Age may be misleading if replacement parts are not readily available
Mileage	The number of miles on a vehicle. Mileage is a good historical indicator on the condition of equipment as to when costly repairs may occur
Mechanical Condition	Relative condition of the asset in respect to anticipated major repairs. Do maintenance costs exceed replacement costs?
Usability	Does the asset allow the operator to perform the function in an efficient and effective manner?

Life cycles and utilization must be evaluated using age, miles, fuel consumption, or other factors such as maintenance costs, etc. The Vehicle Maintenance

Supervisor will run a report out of Dossier that provides usage updates to ensure accurate information. This information can then be used by the Committee in November or December.

Multi-Functional Units

It should be a priority to identify locations or tasks that are conducive to converting existing single task units into units with multiple capabilities. For example, a low-usage, single application pickup may have multiple applications if a van was substituted in its place.

A more versatile unit may be acquired during the normal replacement cycle. Funding for the upgraded or more versatile unit may come from the equipment/vehicle replacement fund and supplemented by capital funds from the departments that will benefit from the upgrade. Should the fund reserve have sufficient funds, the decision to fund an upgrade shall be based on a recommendation made by the department(s) to the committee.

If it is practical to acquire a multi-functional unit outside the normal replacement cycle, the unit or units that shall be replaced and can be used in trade for the upgraded unit. These units may also be sold at auction, combining the sales revenue with accumulated replacement funds in order to acquire the more appropriate vehicle (if appropriate). Capital asset policy of disposal authority still apply.

The guidelines used by the committee are intentionally kept general so that a maximum amount of creativity and inter-departmental cooperation may be applied to a wide variety of tasks, applications, and programs and that will enhance department operations and save the City money.

Enhancements

Any new assets (enhancements) that are not of a replacement nature will need to be approved through the budgetary process and authorized by the City Manager as an enhancement to their department budget. The using department needs to justify and budget for the initial procurement of all capital assets. When the City receives the asset the Finance Department adds the asset into the main inventory system, establishes an estimated useful life, calculates the future replacement costs that includes adjustment for CPI and inflation, and then establishes the

amortization schedule for the new asset. The Finance Department will communicate on an annual basis (or more frequently) with all City Departments those assets that are eligible for replacement.

Economic Analysis and Revenues

The Vehicle, Equipment, Facility and IT Infrastructure Replacement Funds must continue to maintain an appropriate fund balance that is sustainable and available for replacements. The oversight of this fund is administered through the Finance Department.

The revenue projections for this fund are increased using a 3.5% inflation rate growth factor for forecasting purposes. Once the actual replacement costs of an asset are determined, the amount is entered into an amortization schedule. Until this time, an estimated budget amount is used for calculation purposes.

Yearly contribution amounts are based on initial acquisition cost (with all make-ready costs) then calculated based on this estimated future year (end of life cycle) replacement cost. Often times, vehicle and equipment costs are less than the budgeted amount, thus enabling the funds to cover unanticipated or emergency replacements when authorized. This is an important mechanism as emergency vehicle and equipment replacements do in fact occur. Each asset is entered into the amortization document with the actual cost of the asset and the estimated useful life. A formula is then calculated that gives the estimated replacement cost based in part on a current year inflation growth rate per year. The formula is: year acquired, useful life, estimated replacement year, inflation rate, interest earnings and the estimated replacement cost equal the annual contribution. Once a vehicle has reached its useful life and is not recommended for replacement, only the 3.5% inflation rate is charged to the using department. The amount of reserves to be held in the reserve fund will be determined by adoption of the annual budget upon recommendation of the City Manager. Generally, the reserve will not be less than two and one-half times the total annual depreciation for the budget year.

Process

Annually the Finance Department will provide departments a list of inventory from the fixed assets system. It is the department heads responsibility to ensure the inventory is updated with accurate information which will then be given to

the Committee. The aging schedules will be updated with the information provided by the departments. The departments may request more information from the Finance Department and, if not represented on the committee, send a representative to the meeting to clarify their vehicle/equipment information and provide additional detail as well.

Results of the meetings shall be documented and summarized for review by the City Manager. This information may also become a part of the City's budget program review process to evaluate departmental program needs and effectiveness.



Staff Report

TO: Finance and Audit Committee Members
FROM: Jennifer Ustation, Finance Director
DATE: April 28, 2025
SUBJECT: FY2024-2025 3rd Quarter Investment Report

Description Report on the City's investments for the months of January through March, 2025.

Background and Analysis:

In accordance with Government Code Section 53646(8)(1) and per the City's Investment Policy, the City Treasurer through the Finance Department shall submit to the Finance Committee a quarterly report that will then be taken to the City Council.

Staff has prepared the investment reports and certification as of quarter ending March 31, 2025. A summary of bank activity by each month in the quarter is provided below.

BANK BALANCES 3rd QTR FY 24-25				
CITIBANK ACCOUNTS	#	January 2025	February 2025	March 2025
Wells Fargo				
GENERAL	52455	\$ 3,279,448.00	\$ 3,257,165.00	\$ 3,304,998.00
Sweep		\$ 34,186,342.36	\$ 24,509,045.73	\$ 22,613,485.87
		<u>\$ 37,465,790.36</u>	<u>\$ 27,766,210.73</u>	<u>\$ 25,918,483.87</u>
HCN				
PAYROLL	50301	\$ -	\$ -	\$ -
Payroll Sweep Account	6209	\$ 4,094,175.68	\$ 2,570,483.54	\$ 739,408.61
GAS TAX	21901	\$ 4,686,235.39	\$ 4,339,589.82	\$ 4,574,768.86
EVIDENCE AND SEIZURE FUND	20042	\$ 307,720.02	\$ 214,021.32	\$ 214,512.10
CONSTRUCTION	20048	\$ 4,183,664.83	\$ 4,192,330.17	\$ 4,201,943.81
		<u>\$ 13,271,795.92</u>	<u>\$ 11,316,424.85</u>	<u>\$ 9,730,633.38</u>
US BANK				
INVESTMENT PORTFOLIO	10770	\$ 74,841,551.07	\$ 75,385,236.88	\$ 75,754,992.90
LIQUIDITY FUND	13574	\$ 20,882.04	\$ 20,953.02	\$ 21,017.00
		<u>\$ 74,862,433.11</u>	<u>\$ 75,406,189.90</u>	<u>\$ 75,776,009.90</u>
LAIF	3-056	\$ 51,780,444.58	\$ 51,780,444.58	\$ 51,780,444.58
CALIFORNIA CLASS	0001	\$ 39,888,211.27	\$ 40,023,273.20	\$ 40,172,673.68
PARS		<u>\$ 3,627,248.86</u>	<u>\$ 3,650,410.23</u>	<u>\$ 3,567,066.03</u>

The significant transactions during the quarter were as follows:

- LAIF Q2 interest of \$595,297.23 was received in January.
- Net income received for the quarter on the portfolio managed by Public Trust is \$724,492.84.
- Interest received for the quarter on the Wells Fargo Sweep account is \$234,132.17.
- Interest received for the quarter on the Bank of Hemet accounts is \$77,150.60.
- Interest earned in the CA Class fund for the quarter is \$433,778.50.
- The PARS investment gain for the quarter is \$2,701.77.
- One BMO CD is set to mature on May 2, 2025, and the current rates will be reviewed and reinvested for the duration of the time needed for liquidity needs.

Recommended Action:

Receive and file report.

Attachments:

- A. Pooled Cash Investments Holding Report as of March 31, 2025
- B. Pooled Cash Report as of March 31, 2025
- C. Bank Balances as of March 31, 2025
- D. Investment Certification for Quarter Ending March 31, 2025
- E. Zions Bank Security Listings March 31, 2025
- F. Public Trust Board Report for period ending March 31, 2025
- G. PARS Statement for March 31, 2025



CITY OF BEAUMONT
POOLED INVESTMENT PORTFOLIO HOLDINGS
March 31, 2024

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE	Estimated Current Yield
<u>Deposit Accounts</u>							
Wells Fargo Checking (Pooled Cash)	N/A	N/A	NR	N/A	3,304,998.00	3,304,998.00	
Wells Fargo Sweep Account	N/A	N/A	NR	N/A	22,613,485.87	22,613,485.87	4.22%
HCN - Payroll	N/A	N/A	NR	N/A	-	-	0.00%
HCN - Payroll Sweep	N/A	N/A	NR	N/A	739,408.61	739,408.61	2.30%
HCN - Gas Tax	0.1	N/A	NR	N/A	4,574,768.86	4,574,768.86	2.73%
HCN - Evidence and Seizure Fund	0.1	N/A	NR	N/A	214,512.10	214,512.10	2.73%
HCN - Construction	0.1	N/A	NR	N/A	4,201,943.81	4,201,943.81	2.73%
						35,649,117.25	
<u>Certificates of Deposit</u>							
BMO Harris Bank	4.15%	7/29/2025	NR	7/30/2024	2,098,258.41	2,098,258.41	
BMO Harris Bank	4.73%	5/2/2025	NR	5/8/2024	1,558,931.52	1,558,931.52	
BMO Harris Bank	3.89%	2/2/2026	NR	8/5/2024	1,500,000.00	1,500,000.00	
Local Agency Investment Fund (LAIF)	N/A	Varies	NR	Varies	51,780,444.58	51,780,444.58	4.43%
California CLASS	N/A	N/A	NR	N/A	40,172,673.68	40,172,673.68	4.64%
Cash and Investment Held by Third Party Trustee (Zions Bank)							
<u>Cash & Equivalents</u>	5.06%	N/A	NR	N/A	91,819,983.30	91,819,983.30	
Cash and Investment Held by Third Party Trustee (US Bank)							
<u>Cash & Equivalents</u>							
Public Trust	N/A	N/A	NR	N/A	444,254.71	444,254.71	4.07%
<u>Fixed Income Securities</u>							
Public Trust	Varies	Varies	Varies	Varies	74,857,558.74	75,985,777.69	3.89%
Cash and Investment Held by Third Party Trustee (PARS Pension 115 Trust)							
<u>Cash & Equivalents</u>					3,567,066.03	3,567,066.03	



Pooled Cash Report
For the Period Ending 03/31/25

Fund (Claim on Cash)	Account Name	Beginning Balance (06/30/2024)	Current Activity	Current Balance
100	General Fund	43,488,117.11	10,533,682.84	54,021,799.95
120	Self Insurance	6,898,207.84	(147,710.54)	6,750,497.30
200	Highway Users Tax (GAS)	(1,636,896.79)	1,545,904.92	(90,991.87)
201	SB1	(870,516.58)	217,058.00	(653,458.58)
202	Measure A	2,143,674.80	74,567.33	2,218,242.13
205	Motor Vehicle Subvention (AB2766)	248,371.12	(30,900.31)	217,470.81
210	Public, Education, Govt (PEG)	39,683.90	587.88	40,271.78
215	Community Development/Grants (CDBG)	(218,865.21)	322,467.23	103,602.02
220	Citizen Option Public Safety (COPS)	546,771.10	(71,456.65)	475,314.45
225	Asset Seizures - State	83,670.64	(96,849.76)	(13,179.12)
230	Asset Seizures - Federal	94,523.13	19,281.64	113,804.77
240	Other Special Revenue Fund	587,979.83	1,184.69	589,164.52
250	Community Facilities District (CFD)-Admin	1,452,842.27	551,713.16	2,004,555.43
255	Community Facilities District (CFD)-Maint	209,705.45	2,845,020.78	3,054,726.23
260	Community Facilities District (CFD)-Public Safety	533,107.48	1,004,471.86	1,537,579.34
500	General Capital Projects	50,418,905.50	(6,481,464.06)	43,937,441.44
510	Community Facilities District	12,616,801.13	(2,509,972.62)	10,106,828.51
550	Other Mitigation	7,032.71	161.93	7,194.64
552	Basic Services Mitigation	1,193,509.06	139,515.28	1,333,024.34
554	General Plan Mitigation	262,150.44	16,888.11	279,038.55
555	Recreational Facilities Mitigation	2,959,965.64	254,288.77	3,214,254.41
556	Traffic Signal Mitigation	1,266,561.73	8,442.02	1,275,003.75
558	Railroad Crossing Mitigation	2,431,181.44	7,158.41	2,438,339.85
559	Police Facilities Mitigation	2,087,989.95	3,554.98	2,091,544.93
560	Fire Station Mitigation	1,701,881.57	5,874.23	1,707,755.80
562	Road and Bridge Mitigation	15,420,454.39	(356,719.48)	15,063,734.91
564	Recycled Water Mitigation	4,752,948.08	85,198.99	4,838,147.07
566	Emergency Preparedness Mitigation	1,129,129.20	173,228.65	1,302,357.85
567	Community Park Mitigation	3,493,326.22	(146,844.38)	3,346,481.84
568	Regional Park Mitigation	1,894,922.68	(630.61)	1,894,292.07
569	Neighborhood Parks Mitigation	4,396,488.78	152,973.21	4,549,461.99
570	Pass Thru DIF Fund	5,570,397.73	(525,025.02)	5,045,372.71

600 Internal Service Fund	6,413,887.98	171,174.57	6,585,062.55
700 Wastewater	6,677,374.06	2,734,099.79	9,411,473.85
705 Wastewater Mitigation	10,437,290.74	1,005,702.30	11,442,993.04
710 Wastewater Capital Projects	1,156,465.06	(3,437,122.16)	(2,280,657.10)
750 Transit	809,292.87	551,749.84	1,361,042.71
755 Transit GASB	373,030.97	-	373,030.97
760 Transit Capital Projects	(1,603,627.63)	1,546,480.94	(57,146.69)
840 City of Beaumont CFD	1,648,898.47	518,053.53	2,166,952.00
850 Beaumont Finance Authority	-	-	-
855 Beaumont Public Improv Authority	-	-	-
860 Evidence	37,638.65	25,573.51	63,212.16
Total Claim on Cash	191,154,273.51	10,711,363.80	201,865,637.31

Cash In Bank

Operating Cash	3,450,465.00	(145,467.00)	3,304,998.00
Sweep	24,125,308.58	(1,511,822.71)	22,613,485.87
Payroll Cash	-	-	-
Payroll Sweep	1,322,345.59	(582,936.98)	739,408.61
BMO CD's	5,110,271.73	126,120.70	5,236,392.43
PARS	3,436,594.50	130,471.53	3,567,066.03
CA CLASS	32,625,626.50	7,547,047.12	40,172,673.62
Investments with Trustee	72,577,286.72	2,292,285.42	74,869,572.14
Wells Fargo Workers Comp	235,940.57	(136,230.54)	99,710.03
Liquidity Fund	20,334.80	682.20	21,017.00
LAIF	50,020,875.79	1,759,568.79	51,780,444.58
Total Cash in the Bank	192,925,049.78	9,479,718.53	202,404,768.31

Due to Other Funds

999 Due to Other Funds	1,695,877.91	1,018,967.35	2,714,845.26
Total Due to Other Funds	1,695,877.91	1,018,967.35	2,714,845.26

Cash in Bank	192,925,049.78	202,404,768.31
Claim on Cash	191,154,273.51	201,865,637.31
Difference	1,770,776.27	539,131.00

Pooled Cash	3,450,465.00	3,304,998.00
Due to Other Funds	1,695,877.91	2,714,845.26
	1,754,587.09	590,152.74

Total Difference	16,189.18	(51,021.74)
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BANK BALANCES 3rd QTR FY 24-25

CITIBANK ACCOUNTS

	#	January 2025	February 2025	March 2025
Wells Fargo				
GENERAL	52455	\$ 3,279,448.00	\$ 3,257,165.00	\$ 3,304,998.00
Sweep		\$ 34,186,342.36	\$ 24,509,045.73	\$ 22,613,485.87
		<u>\$ 37,465,790.36</u>	<u>\$ 27,766,210.73</u>	<u>\$ 25,918,483.87</u>

HCN

PAYROLL	50301	\$ -	\$ -	\$ -
Payroll Sweep Account	6209	\$ 4,094,175.68	\$ 2,570,483.54	\$ 739,408.61
GAS TAX	21901	\$ 4,686,235.39	\$ 4,339,589.82	\$ 4,574,768.86
EVIDENCE AND SEIZURE FUND	20042	\$ 307,720.02	\$ 214,021.32	\$ 214,512.10
CONSTRUCTION	20048	\$ 4,183,664.83	\$ 4,192,330.17	\$ 4,201,943.81
		<u>\$ 13,271,795.92</u>	<u>\$ 11,316,424.85</u>	<u>\$ 9,730,633.38</u>

US BANK

INVESTMENT PORTFOLIO	10770	\$ 74,841,551.07	\$ 75,385,236.88	\$ 75,754,992.90
LIQUIDITY FUND	13574	\$ 20,882.04	\$ 20,953.02	\$ 21,017.00
		<u>\$ 74,862,433.11</u>	<u>\$ 75,406,189.90</u>	<u>\$ 75,776,009.90</u>

LAIF

3-056	<u>\$ 51,780,444.58</u>	<u>\$ 51,780,444.58</u>	<u>\$ 51,780,444.58</u>
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CALIFORNIA CLASS

0001	<u>\$ 39,888,211.27</u>	<u>\$ 40,023,273.20</u>	<u>\$ 40,172,673.68</u>
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PARS

	<u>\$ 3,627,248.86</u>	<u>\$ 3,650,410.23</u>	<u>\$ 3,567,066.03</u>
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City of Beaumont
Investment Report
For the Quarter Ended
March 31, 2025

I certify that this report accurately reflects all City investments, and it is in conformity with the Investment Policy as approved by the City Council on May 18, 2021 which complies with the California Government Code. A copy of this Investment policy is available in the City of Beaumont Finance Department. The investment program herein provides sufficient cash flow liquidity to meet its expenditures obligations within the cash flow needs for the next fifteen months of budgeted and estimated budgeted expenditures.

Jennifer Ustation
Finance Director
March 31, 2025

HOLDINGS

Consolidation Name:

ALL

Processing Date:

03/31/2025

Investment Category	Shares/Par Value	Cusip	Asset Name	Rate	Maturity	Account No.	Account Name	Cost Basis(\$)	Unit Value	Market Value(\$)	Accrued Inc(\$)	Estimated Ann Inc (\$)	Curr Yield	%Port
Money Market Funds - Taxable	54,753.080	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	54,753.08	1.0000	54,753.08	176.36	2,217.52	4.05	0.19
Money Market Funds - Taxable	4,837.860	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860300B	Beaumont FA LARRB Ser A 7A1 Interest	4,837.86	1.0000	4,837.86	28.46	195.94	4.05	0.02
Money Market Funds - Taxable	673,300.000	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860300D	Beaumont FA LARRB Ser A 7A1 Reserve	673,300.00	1.0000	673,300.00	2,319.06	27,268.95	4.05	2.29
Money Market Funds - Taxable	62,871.530	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860300M	Beaumont FA LARRB Ser A 7A1 Residual	62,871.53	1.0000	62,871.53	216.49	2,546.33	4.05	0.21
Money Market Funds - Taxable	117,683.450	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301A	Beaumont FA LARRB 2015B IA 19A Revenue	117,683.45	1.0000	117,683.45	379.01	4,766.23	4.05	0.40
Money Market Funds - Taxable	35,962.840	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301B	Beaumont FA LARRB 2015B IA 19A Interest	35,962.84	1.0000	35,962.84	150.08	1,456.51	4.05	0.12
Money Market Funds - Taxable	0.640	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301C	Beaumont FA LARRB 2015B IA 19A Principal	0.64	1.0000	0.64	0.00	0.03	4.05	0.00
Money Market Funds - Taxable	1,505,732.310	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301D	Beaumont FA LARRB 2015B IA 19A Reserve	1,505,732.31	1.0000	1,505,732.31	5,185.19	60,982.84	4.05	5.12
Money Market Funds - Taxable	25,204.950	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301I	Beaumont FA LARRB 2015B IA 19A Expense	25,204.95	1.0000	25,204.95	86.84	1,020.81	4.05	0.09
Money Market Funds - Taxable	110,252.490	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301M	Beaumont FA LARRB 2015B IA 19A Residual	110,252.49	1.0000	110,252.49	379.68	4,465.28	4.05	0.37
Money Market Funds - Taxable	298.030	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301N	Beaumont FA LARRB 2015B IA 19A Redempt	298.03	1.0000	298.03	0.93	12.07	4.05	0.00
Money Market Funds - Taxable	251.410	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860301R	Beaumont FA LARRB 2015B IA 19A TTE	251.41	1.0000	251.41	0.93	10.18	4.05	0.00
Money Market Funds - Taxable	30,161.520	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	30,161.52	1.0000	30,161.52	97.18	1,221.56	4.05	0.10
Money Market Funds - Taxable	9,218.340	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860302B	Beaumont FA LARRB 2015C IA 18 Interest	9,218.34	1.0000	9,218.34	38.45	373.35	4.05	0.03
Money Market Funds - Taxable	385,966.730	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860302D	Beaumont FA LARRB 2015C IA 18 Reserve	385,966.73	1.0000	385,966.73	1,329.13	15,631.83	4.05	1.31
Money Market Funds - Taxable	27,736.580	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860302M	Beaumont FA LARRB 2015C IA 18 Residual	27,736.58	1.0000	27,736.58	95.53	1,123.34	4.05	0.09
Money Market Funds - Taxable	65.240	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860302R	Beaumont FA LARRB 2015C IA 18 TTE	65.24	1.0000	65.24	0.31	2.64	4.05	0.00
Money Market Funds - Taxable	19,220.910	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	19,220.91	1.0000	19,220.91	61.88	778.46	4.05	0.07
Money Market Funds - Taxable	13,378.530	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860303B	Beaumont FA LARRB 2015D IA 16 Interest	13,378.53	1.0000	13,378.53	50.31	541.84	4.05	0.05
Money Market Funds - Taxable	571,522.900	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860303D	Beaumont FA LARRB 2015D IA 16 Reserve	571,522.90	1.0000	571,522.90	1,968.10	23,146.93	4.05	1.94
Money Market Funds - Taxable	66,774.690	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860303M	Beaumont FA LARRB 2015D IA 16 Residual	66,774.69	1.0000	66,774.69	229.96	2,704.40	4.05	0.23
Money Market Funds - Taxable	94.110	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860303R	Beaumont FA LARRB 2015D IA 16 TTE	94.11	1.0000	94.11	0.31	3.81	4.05	0.00
Money Market Funds - Taxable	424,555.220	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304A	Beaumont CFD 93-1 IA 8C Spec Tax Fd	424,555.22	1.0000	424,555.22	1,462.17	17,194.68	4.05	1.44
Money Market Funds - Taxable	40,045.290	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304B	Beaumont CFD 93-1 IA 8C Interest	40,045.29	1.0000	40,045.29	259.21	1,621.85	4.05	0.14
Money Market Funds - Taxable	1,124.590	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304C	Beaumont CFD 93-1 IA 8C Principal	1,124.59	1.0000	1,124.59	3.83	45.55	4.05	0.00
Money Market Funds - Taxable	157,466.570	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304D	Beaumont CFD 93-1 IA 8C 2017A Reserve	157,466.57	1.0000	157,466.57	542.25	6,377.47	4.05	0.54
Money Market Funds - Taxable	70.020	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304I	Beaumont CFD 93-1 IA 8C Admin Exp	70.02	1.0000	70.02	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	1,996.130	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304L	Beaumont CFD 93-1 IA 8C 2017A Redempt	1,996.13	1.0000	1,996.13	6.82	80.84	4.05	0.01
Money Market Funds - Taxable	1,474,257.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304Q	Beaumont CFD 93-1 IA 8C 2018 Reserve	1,474,257.37	1.0000	1,474,257.37	5,076.80	59,708.09	4.05	5.01
Money Market Funds - Taxable	174,756.060	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304R	Beaumont CFD 93-1 IA 8C 2017A Rate Stab	174,756.06	1.0000	174,756.06	601.81	7,077.70	4.05	0.59
Money Market Funds - Taxable	623,055.590	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860304S	Beaumont CFD 93-1 IA 8C 2017A Residual	623,055.59	1.0000	623,055.59	2,145.60	25,234.03	4.05	2.12
Money Market Funds - Taxable	110,432.040	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305A	Beaumont CFD 93-1 IA 8D Spec Tax Fd	110,432.04	1.0000	110,432.04	380.34	4,472.55	4.05	0.38
Money Market Funds - Taxable	16,341.380	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305B	Beaumont CFD 93-1 IA 8D Interest	16,341.38	1.0000	16,341.38	96.88	661.83	4.05	0.06
Money Market Funds - Taxable	221.130	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305C	Beaumont CFD 93-1 IA 8D Principal	221.13	1.0000	221.13	0.62	8.96	4.05	0.00
Money Market Funds - Taxable	13,138.020	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305D	Beaumont CFD 93-1 IA 8D 2017A Reserve	13,138.02	1.0000	13,138.02	45.27	532.10	4.05	0.04
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305I	Beaumont CFD 93-1 IA 8D Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	655,400.550	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305N	Beaumont CFD 93-1 IA 8D 2018A Reserve	655,400.55	1.0000	655,400.55	2,256.97	26,544.02	4.05	2.23
Money Market Funds - Taxable	197,157.780	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860305S	Beaumont CFD 93-1 IA 8D Surplus	197,157.78	1.0000	197,157.78	678.92	7,984.98	4.05	0.67
Money Market Funds - Taxable	250,852.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306A	Beaumont CFD 93-1 IA 14 2017A Spec Tax	250,852.37	1.0000	250,852.37	863.88	10,159.63	4.05	0.85
Money Market Funds - Taxable	3,743.420	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306B	Beaumont CFD 93-1 IA 14 2017A Interest	3,743.42	1.0000	3,743.42	28.78	151.61	4.05	0.01
Money Market Funds - Taxable	1,199.540	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306C	Beaumont CFD 93-1 IA 14 2017A Principal	1,199.54	1.0000	1,199.54	4.03	48.58	4.05	0.00
Money Market Funds - Taxable	152,525.740	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306D	Beaumont CFD 93-1 IA 14 2017A Reserve	152,525.74	1.0000	152,525.74	525.23	6,177.36	4.05	0.52
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306I	Beaumont CFD 93-1 IA 14 2017A Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	5,130.970	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306L	Beaumont CFD 93-1 IA 14 2017A Redempt	5,130.97	1.0000	5,130.97	17.67	207.81	4.05	0.02
Money Market Funds - Taxable	1,576.090	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306M	Beaumont CFD 93-1 IA 14 2017A Sp Man Red	1,576.09	1.0000	1,576.09	5.41	63.83	4.05	0.01
Money Market Funds - Taxable	91,268.650	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860306S	Beaumont CFD 93-1 IA 14 2017A Surplus	91,268.65	1.0000	91,268.65	314.28	3,696.42	4.05	0.31
Money Market Funds - Taxable	475,459.640	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307A	Beaumont CFD 93-1 IA 14A Spec Tax	475,459.64	1.0000	475,459.64	1,637.46	19,256.33	4.05	1.62
Money Market Funds - Taxable	6,932.970	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307B	Beaumont CFD 93-1 IA 14A 2017A Interest	6,932.97	1.0000	6,932.97	56.91	280.79	4.05	0.02
Money Market Funds - Taxable	2,066.100	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307C	Beaumont CFD 93-1 IA 14A 2017A Principal	2,066.10	1.0000	2,066.10	7.13	83.68	4.05	0.01
Money Market Funds - Taxable	281,326.560	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307D	Beaumont CFD 93-1 IA 14A 2017A Reserve	281,326.56	1.0000	281,326.56	968.79	11,393.85	4.05	0.96
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307I	Beaumont CFD 93-1 IA 14A Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	10,956.500	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307L	Beaumont CFD 93-1 IA 14A 2017A Redempt	10,956.50	1.0000	10,956.50	37.76	443.74	4.05	0.04
Money Market Funds - Taxable	4,185.420	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307M	Beaumont CFD 93-1 IA 14A 2017A Sp Man Re	4,185.42	1.0000	4,185.42	14.38	169.51	4.05	0.01
Money Market Funds - Taxable	170,679.960	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860307S	Beaumont CFD 93-1 IA 14A 2017A Surplus	170,679.96	1.0000	170,679.96	587.75	6,912.62	4.05	0.58
Money Market Funds - Taxable	100,321.660	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308A	Beaumont CFD 93-1 IA 14B Spec Tax	100,321.66	1.0000	100,321.66	345.52	4,063.07	4.05	0.34
Money Market Funds - Taxable	9,197.260	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308B	Beaumont CFD 93-1 IA 14B 2017A Interest	9,197.26	1.0000	9,197.26	43.71	372.49	4.05	0.03
Money Market Funds - Taxable	432.350	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308C	Beaumont CFD 93-1 IA 14B 2017A Principal	432.35	1.0000	432.35	1.55	17.51	4.05	0.00
Money Market Funds - Taxable	385,954.330	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308D	Beaumont CFD 93-1 IA 14B 2017A Reserve	385,954.33	1.0000	385,954.33	1,329.12	15,631.32	4.05	1.31
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308I	Beaumont CFD 93-1 IA 14B Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	59,555.100	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860308S	Beaumont CFD 93-1 IA 14B 2017A Surplus	59,555.10	1.0000	59,555.10	205.11	2,412.01	4.05	0.20
Money Market Funds - Taxable	616,075.350	316175835	Fidelity Treasury Portfolio II FCEXX	4.050		0860309A	Beaumont CFD 93-1 IA 19C Spec Tax	616,075.35	1.0000	616,075.35	2,121.73	24,951.33	4.05	2.09

Money Market Funds - Taxable	91,534.690	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319A	Beaumont CFD 93-1 IA 8F 2020 Spec Tax	91,534.69	1.0000	91,534.69	315.21	3,707.20	4.05	0.31
Money Market Funds - Taxable	23,500.180	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319B	Beaumont CFD 93-1 IA 8F 2020 Interest	23,500.18	1.0000	23,500.18	136.99	951.77	4.05	0.08
Money Market Funds - Taxable	279.460	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319C	Beaumont CFD 93-1 IA 8F 2020 Principal	279.46	1.0000	279.46	0.93	11.32	4.05	0.00
Money Market Funds - Taxable	984,060.340	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319D	Beaumont CFD 93-1 IA 8F 2020 Reserve	984,060.34	1.0000	984,060.34	3,388.79	39,854.89	4.05	3.35
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319I	Beaumont CFD 93-1 IA 8F 2020 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	271,429.470	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860319S	Beaumont CFD 93-1 IA 8F 2020 Surplus	271,429.47	1.0000	271,429.47	934.68	10,993.02	4.05	0.92
Money Market Funds - Taxable	118,237.630	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320A	Beaumont CFD 93-1 IA 7B Spec Tax	118,237.63	1.0000	118,237.63	407.27	4,788.68	4.05	0.40
Money Market Funds - Taxable	4,191.740	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320B	Beaumont CFD 93-1 IA 7B Interest	4,191.74	1.0000	4,191.74	25.29	169.77	4.05	0.01
Money Market Funds - Taxable	453.090	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320C	Beaumont CFD 93-1 IA 7B Principal	453.09	1.0000	453.09	1.55	18.35	4.05	0.00
Money Market Funds - Taxable	169,724.610	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320D	Beaumont CFD 93-1 IA 7B 2018A Reserve	169,724.61	1.0000	169,724.61	584.46	6,873.92	4.05	0.58
Money Market Funds - Taxable	33.690	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320E	Beaumont CFD 93-1 IA 7B 2018A Construct	33.69	1.0000	33.69	0.00	1.36	4.04	0.00
Money Market Funds - Taxable	47.590	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320I	Beaumont CFD 93-1 IA 7B 2018A Admin Exp	47.59	1.0000	47.59	0.31	1.93	4.06	0.00
Money Market Funds - Taxable	5,129.770	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320M	Beaumont CFD 93-1 IA 7B 2018A Sp Man Red	5,129.77	1.0000	5,129.77	17.67	207.76	4.05	0.02
Money Market Funds - Taxable	29.760	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320N	BEAUMONT 93-1 7B SPEC TAX FD	29.76	1.0000	29.76	0.00	1.21	4.07	0.00
Money Market Funds - Taxable	74.830	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320P	BEAUMONT 93-1 7B BF INT ACCT	74.83	1.0000	74.83	0.31	3.03	4.05	0.00
Money Market Funds - Taxable	172.840	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320Q	BEAUMONT 93-1 7B BF PRIN ACC	172.84	1.0000	172.84	0.62	7.00	4.05	0.00
Money Market Funds - Taxable	0.630	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320R	BEAUMONT 93-1 7B SER D CONST FND	0.63	1.0000	0.63	0.00	0.03	4.76	0.00
Money Market Funds - Taxable	58,263.660	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320S	Beaumont CFD 93-1 IA 7B Surplus	58,263.66	1.0000	58,263.66	200.55	2,359.70	4.05	0.20
Money Market Funds - Taxable	0.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860320T	BEAUMONT 93-1 7B SPEC MAND RDPT ACCT	0.01	1.0000	0.01	0.00	0.00	0.00	0.00
Money Market Funds - Taxable	60,066.850	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321A	Beaumont CFD 93-1 IA 7D Spec Tax	60,066.85	1.0000	60,066.85	206.86	2,432.73	4.05	0.20
Money Market Funds - Taxable	5,227.160	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321B	Beaumont CFD 93-1 IA 7D Interest	5,227.16	1.0000	5,227.16	32.18	211.70	4.05	0.02
Money Market Funds - Taxable	216.980	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321C	Beaumont CFD 93-1 IA 7D Principal	216.98	1.0000	216.98	0.62	8.79	4.05	0.00
Money Market Funds - Taxable	215,671.620	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321D	Beaumont CFD 93-1 IA 7D Reserve	215,671.62	1.0000	215,671.62	742.70	8,734.80	4.05	0.73
Money Market Funds - Taxable	47.590	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321I	Beaumont CFD 93-1 IA 7D Admin Exp	47.59	1.0000	47.59	0.31	1.93	4.06	0.00
Money Market Funds - Taxable	69,847.970	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860321S	Beaumont CFD 93-1 IA 7D Surplus	69,847.97	1.0000	69,847.97	240.55	2,828.87	4.05	0.24
Money Market Funds - Taxable	145,599.390	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322A	Beaumont CFD 93-1 IA 8E 2018 Spec Tax	145,599.39	1.0000	145,599.39	501.43	5,896.84	4.05	0.50
Money Market Funds - Taxable	25,341.460	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322B	Beaumont CFD 93-1 IA 8E 2018 Interest	25,341.46	1.0000	25,341.46	148.08	1,026.34	4.05	0.09
Money Market Funds - Taxable	387.730	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322C	Beaumont CFD 93-1 IA 8E 2018 Principal	387.73	1.0000	387.73	1.24	15.70	4.05	0.00
Money Market Funds - Taxable	1,048,146.360	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322D	Beaumont CFD 93-1 IA 8E 2018 Reserve	1,048,146.36	1.0000	1,048,146.36	3,609.42	42,450.40	4.05	3.56
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322I	Beaumont CFD 93-1 IA 8E 2018 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	297,603.510	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860322S	Beaumont CFD 93-1 IA 8E 2018 Surplus	297,603.51	1.0000	297,603.51	1,024.84	12,053.08	4.05	1.01
Money Market Funds - Taxable	115,385.120	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323A	Beaumont CFD 93-1 IA 17C 2018A Spec Tax	115,385.12	1.0000	115,385.12	397.42	4,673.15	4.05	0.39
Money Market Funds - Taxable	17,800.460	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323B	Beaumont CFD 93-1 IA 17C 2018 Interest	17,800.46	1.0000	17,800.46	103.61	720.93	4.05	0.06
Money Market Funds - Taxable	227.240	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323C	Beaumont CFD 93-1 IA 17C 2018 Principal	227.24	1.0000	227.24	0.93	9.20	4.05	0.00
Money Market Funds - Taxable	728,703.530	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323D	Beaumont CFD 93-1 IA 17C 2018 Reserve	728,703.53	1.0000	728,703.53	2,509.37	29,512.82	4.05	2.48
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323I	Beaumont CFD 93-1 IA 17C 2018 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	207,537.220	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860323S	Beaumont CFD 93-1 IA 17C 2018 Surplus	207,537.22	1.0000	207,537.22	714.69	8,405.35	4.05	0.71
Money Market Funds - Taxable	143,570.520	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324A	Beaumont CFD 2016-2 Sundance 2019 Sp Tax	143,570.52	1.0000	143,570.52	494.44	5,814.67	4.05	0.49
Money Market Funds - Taxable	15,581.900	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324B	Beaumont CFD 2016-2 Sundance 2019 Int	15,581.90	1.0000	15,581.90	100.25	631.07	4.05	0.05
Money Market Funds - Taxable	561.240	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324C	Beaumont CFD 2016-2 Sundance 2019 Prin	561.24	1.0000	561.24	1.86	22.73	4.05	0.00
Money Market Funds - Taxable	641,553.620	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324D	Beaumont CFD 2016-2 Sundance 2019 Reserv	641,553.62	1.0000	641,553.62	2,209.29	25,983.21	4.05	2.18
Money Market Funds - Taxable	10,741.450	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324E	Beaumont CFD 2016-2 Sundance 2019 Acq Co	10,741.45	1.0000	10,741.45	37.00	435.03	4.05	0.04
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324I	Beaumont CFD 2016-2 Sundance 2019 Adm Ex	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	229,313.390	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860324S	Beaumont CFD 2016-2 Sundance 2019 Surpl	229,313.39	1.0000	229,313.39	789.63	9,287.30	4.05	0.78
Money Market Funds - Taxable	248,898.210	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325A	Beaumont CFD 2016-3 Sundance Sp Tax	248,898.21	1.0000	248,898.21	857.23	10,080.49	4.05	0.85
Money Market Funds - Taxable	13,976.660	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325B	Beaumont CFD 2016-3 Sundance Int	13,976.66	1.0000	13,976.66	96.48	566.06	4.05	0.05
Money Market Funds - Taxable	359.600	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325C	Beaumont CFD 2016-3 Sundance Prin	359.6	1.0000	359.6	1.24	14.56	4.05	0.00
Money Market Funds - Taxable	576,595.600	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325D	Beaumont CFD 2016-3 Sundance 2023 Reserv	576,595.60	1.0000	576,595.60	1,985.58	23,352.38	4.05	1.96
Money Market Funds - Taxable	1,075,807.610	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325E	Beaumont CFD 2016-3 Sundanc City Fac Con	1,075,807.61	1.0000	1,075,807.61	3,704.68	43,570.69	4.05	3.66
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325I	Beaumont CFD 2016-3 Sundance Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	508,192.060	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860325S	Beaumont CFD 2016-3 Sundance 2023 Surplu	508,192.06	1.0000	508,192.06	1,750.05	20,582.01	4.05	1.73
Money Market Funds - Taxable	62,430.860	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326A	Beaumont CFD 2016-4 2019 Special Tax Fun	62,430.86	1.0000	62,430.86	215.00	2,528.48	4.05	0.21
Money Market Funds - Taxable	5,990.070	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326B	Beaumont CFD 2016-4 2019 Interest	5,990.07	1.0000	5,990.07	37.98	242.60	4.05	0.02
Money Market Funds - Taxable	227.690	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326C	Beaumont CFD 2016-4 2019 Principal	227.69	1.0000	227.69	0.93	9.22	4.05	0.00
Money Market Funds - Taxable	246,664.570	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326D	Beaumont CFD 2016-4 2019 Reserve	246,664.57	1.0000	246,664.57	849.40	9,990.03	4.05	0.84
Money Market Funds - Taxable	26,319.350	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326E	Beaumont CFD 2016-4 2019 Acq Const	26,319.35	1.0000	26,319.35	90.64	1,065.95	4.05	0.09
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326I	Beaumont CFD 2016-4 2019 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	80,398.110	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860326S	Beaumont CFD 2016-4 2019 Surplus	80,398.11	1.0000	80,398.11	276.88	3,256.16	4.05	0.27
Money Market Funds - Taxable	137,548.960	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327A	Beaumont CFD 2016-1 Fairway 2019 Spec Tx	137,548.96	1.0000	137,548.96	473.71	5,570.79	4.05	0.47
Money Market Funds - Taxable	13,397.650	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327B	Beaumont CFD 2016-1 Fairway 2019 Int	13,397.65	1.0000	13,397.65	86.35	542.61	4.05	0.05
Money Market Funds - Taxable	480.670	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327C	Beaumont CFD 2016-1 Fairway 2019 Prin	480.67	1.0000	480.67	1.55	19.47	4.05	0.00
Money Market Funds - Taxable	548,894.000	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327D	Beaumont CFD 2016-1 Fairway 2019 Reserve	548,894.00	1.0000	548,894.00	1,889.50	22,222.35	4.05	1.87
Money Market Funds - Taxable	928.270	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327E	Beaumont CFD 2016-1 Fairway 2019 Acq Con	928.27	1.0000	928.27	3.10	37.60	4.05	0.00
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327I	Beaumont CFD 2016-1 Fairway 2019 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00
Money Market Funds - Taxable	197,718.640	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860327S	Beaumont CFD 2016-1 Fairway 2019 Surplus	197,718.64	1.0000	197,718.64	680.83	8,007.69	4.05	0.67
Money Market Funds - Taxable	4,165.410	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860328A	Beaumont CFD93-1 IA#9 2019 Spec Tax	4,165.41	1.0000	4,165.41	14.26	168.70	4.05	0.01
Money Market Funds - Taxable	9.820	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860328B	Beaumont CFD93-1 IA9 2019 Interest Acct	9.82	1.0000	9.82	1.30	0.40	4.07	0.00
Money Market Funds - Taxable	67.100	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860328C	Beaumont CFD93-1 IA9 2019 Principal Acct	67.1	1.0000	67.1	0.31	2.72	4.05	0.00

Money Market Funds - Taxable	47,590	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860328I	Beaumont CFD93-1 IA9 2019 Admin Exp Acct	47.59	1.0000	47.59	0.31	1.93	4.06	0.00		
Money Market Funds - Taxable	7,554.720	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860328S	Beaumont CFD93-1 IA9 2019 Surplus Fund	7,554.72	1.0000	7,554.72	26.04	305.97	4.05	0.03		
Money Market Funds - Taxable	36,361.450	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860329A	Beaumont CFD93-1 IA 10A 2019 Spec Tax	36,361.45	1.0000	36,361.45	125.24	1,472.66	4.05	0.12		
Money Market Funds - Taxable	35.50	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860329B	Beaumont CFD93-1 IA 10A 2019 Interest	35.55	1.0000	35.55	4.68	1.44	4.05	0.00		
Money Market Funds - Taxable	240.780	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860329C	Beaumont CFD93-1 IA 10A 2019 Principal	240.78	1.0000	240.78	0.93	9.75	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860329I	Beaumont CFD93-1 IA 10A 2019 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	24,900.660	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860329S	Beaumont CFD93-1 IA 10A 2019 Surplus FD	24,900.66	1.0000	24,900.66	85.70	1,008.49	4.05	0.08		
Money Market Funds - Taxable	18,020.960	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860330A	Beaumont CFD93-1 IA 12A 2019 Spec Tax	18,020.96	1.0000	18,020.96	62.11	728.86	4.05	0.06		
Money Market Funds - Taxable	21.920	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860330B	Beaumont CFD93-1 IA 12A 2019 Interest	21.92	1.0000	21.92	2.92	0.89	4.06	0.00		
Money Market Funds - Taxable	147.610	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860330C	Beaumont CFD93-1 IA 12A 2019 Principal	147.61	1.0000	147.61	0.62	5.98	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860330I	Beaumont CFD93-1 IA 12A 2019 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	14,523.080	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860330S	Beaumont CFD93-1 IA 12A 2019 Surplus	14,523.08	1.0000	14,523.08	50.02	588.19	4.05	0.05		
Money Market Funds - Taxable	63,819.780	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860331A	Beaumont CFD93-1 IA 3 2019 Special Tax	63,819.78	1.0000	63,819.78	219.80	2,584.73	4.05	0.22		
Money Market Funds - Taxable	53.700	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860331B	Beaumont CFD93-1 IA 3 2019 Interest	53.7	1.0000	53.7	7.39	2.17	4.04	0.00		
Money Market Funds - Taxable	373.890	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860331C	Beaumont CFD93-1 IA 3 2019 Principal	373.89	1.0000	373.89	1.24	15.14	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860331I	Beaumont CFD93-1 IA 3 2019 Admin Expense	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	38,387.700	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860331S	Beaumont CFD93-1 IA 3 2019 Surplus Fund	38,387.70	1.0000	38,387.70	132.16	1,554.72	4.05	0.13		
Money Market Funds - Taxable	16,706.550	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860332A	Beaumont CFD93-1 IA 11 2019 Special Tax	16,706.55	1.0000	16,706.55	57.49	676.62	4.05	0.06		
Money Market Funds - Taxable	21.920	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860332B	Beaumont CFD93-1 IA 11 2019 Interest	21.92	1.0000	21.92	2.92	0.89	4.06	0.00		
Money Market Funds - Taxable	147.610	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860332C	Beaumont CFD93-1 IA 11 2019 Principal	147.61	1.0000	147.61	0.62	5.98	4.05	0.00		
Money Market Funds - Taxable	70.110	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860332I	Beaumont CFD93-1 IA 11 2019 Admin Exp	70.11	1.0000	70.11	0.31	2.84	4.05	0.00		
Money Market Funds - Taxable	16,284.700	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860332S	Beaumont CFD93-1 IA 11 2019 Surplus Fund	16,284.70	1.0000	16,284.70	56.06	658.54	4.05	0.06		
Money Market Funds - Taxable	29,621.640	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860333A	BEAUMONT CFD 93-1 IA-7C 2021 SPEC TAX	29,621.64	1.0000	29,621.64	102.04	1,199.69	4.05	0.10		
Money Market Funds - Taxable	24.110	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860333B	BEAUMONT CFD 93-1 IA-7C 2021 Interest	24.11	1.0000	24.11	3.20	0.98	4.06	0.00		
Money Market Funds - Taxable	200.390	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860333C	BEAUMONT CFD 93-1 IA-7C 2021 Principal	200.39	1.0000	200.39	0.62	8.12	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860333I	BEAUMONT CFD 93-1 IA-7C 2021 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	13,097.910	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860333S	BEAUMONT CFD 93-1 IA-7C 2021 Surplus	13,097.91	1.0000	13,097.91	45.07	530.47	4.05	0.04		
Money Market Funds - Taxable	314,696.060	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334A	Beaumont CFD 93-1 IA 17A Spec Tax	314,696.06	1.0000	314,696.06	1,083.80	12,745.33	4.05	1.07		
Money Market Funds - Taxable	104.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334B	Beaumont CFD 93-1 IA 17A 2021 Interest	104.37	1.0000	104.37	14.07	4.23	4.05	0.00		
Money Market Funds - Taxable	1,559.420	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334C	Beaumont CFD 93-1 IA 17A 2021 Principal	1,559.42	1.0000	1,559.42	5.27	63.16	4.05	0.01		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334I	Beaumont CFD 93-1 IA 17A 2021 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	1,229.040	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334N	Beaumont CFD 93-1 IA 17A 2021 Redemp	1,229.04	1.0000	1,229.04	4.34	49.78	4.05	0.00		
Money Market Funds - Taxable	68,608.680	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860334S	Beaumont CFD 93-1 IA 17A 2021 Surplus	68,608.68	1.0000	68,608.68	236.24	2,778.68	4.05	0.23		
Money Market Funds - Taxable	75,014.150	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860336A	Beaumont CFD 93-1 IA 20 2021 Spec Tax Fd	75,014.15	1.0000	75,014.15	258.33	3,038.11	4.05	0.26		
Money Market Funds - Taxable	36.730	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860336B	Beaumont CFD 93-1 IA 20 2021 Interest	36.73	1.0000	36.73	4.82	1.49	4.06	0.00		
Money Market Funds - Taxable	466.540	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860336C	Beaumont CFD 93-1 IA 20 2021 Principal	466.54	1.0000	466.54	1.55	18.90	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860336I	Beaumont CFD 93-1 IA 20 2021 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	28,762.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860336S	Beaumont CFD 93-1 IA 20 2021 Surplus	28,762.37	1.0000	28,762.37	99.03	1,164.89	4.05	0.10		
Money Market Funds - Taxable	224,834.380	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860338A	Beaumont CFD 93-1 IA 17B 2020 Spec Tax	224,834.38	1.0000	224,834.38	774.34	9,105.89	4.05	0.76		
Money Market Funds - Taxable	216.910	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860338B	Beaumont CFD 93-1 IA 17B 2020 Interest	216.91	1.0000	216.91	29.22	8.78	4.05	0.00		
Money Market Funds - Taxable	1,186.240	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860338C	Beaumont CFD 93-1 IA 17B 2020 Principal	1,186.24	1.0000	1,186.24	4.03	48.04	4.05	0.00		
Money Market Funds - Taxable	70.010	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860338I	Beaumont CFD 93-1 IA 17B 2020 Admin Exp	70.01	1.0000	70.01	0.31	2.84	4.06	0.00		
Money Market Funds - Taxable	140,826.400	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860338S	Beaumont CFD 93-1 IA 17B 2020 Surplus	140,826.40	1.0000	140,826.40	484.96	5,703.53	4.05	0.48		
Money Market Funds - Taxable	36.540	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860340A	Beaumont PIA VW Rev Bds 2018 Bond Pyrm	36.54	1.0000	36.54	0.00	1.48	4.05	0.00		
Money Market Funds - Taxable	2,975.950	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860340B	Beaumont PIA VW Rev Bds 2018 Interest	2,975.95	1.0000	2,975.95	404.95	120.53	4.05	0.01		
Money Market Funds - Taxable	835.670	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860340C	Beaumont PIA VW Rev Bds 2018 Principal	835.67	1.0000	835.67	2.79	33.85	4.05	0.00		
Money Market Funds - Taxable	17.650	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	17.65	1.0000	17.65	0.00	0.71	4.02	0.00		
Money Market Funds - Taxable	10,735.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860341I	Beaumont BPIA LRBS Ser 2019 Admin Exp	10,735.37	1.0000	10,735.37	36.99	434.79	4.05	0.04		
Money Market Funds - Taxable	17,432.370	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860342A	Beaumont PIA LARB 2020A Revenue	17,432.37	1.0000	17,432.37	59.98	706.02	4.05	0.06		
Money Market Funds - Taxable	21,810.440	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860343A	Beaumont PIA LRBS 2021 Revenue Fund	21,810.44	1.0000	21,810.44	75.13	883.33	4.05	0.07		
Money Market Funds - Taxable	96,439.230	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860345A	Beaumont CFD 93-1 IA 17D Special Tax	96,439.23	1.0000	96,439.23	332.18	3,905.83	4.05	0.33		
Money Market Funds - Taxable	8,598.620	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860345B	Beaumont CFD 93-1 IA 17D Interest	8,598.62	1.0000	8,598.62	63.08	348.25	4.05	0.03		
Money Market Funds - Taxable	823,917.930	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860345D	Beaumont CFD 93-1 IA 17D Reserve	823,917.93	1.0000	823,917.93	2,837.25	33,369.05	4.05	2.80		
Money Market Funds - Taxable	32,266.280	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860345E	Beaumont CFD 93-1 IA 17D Acq & Const	32,266.28	1.0000	32,266.28	111.11	1,306.80	4.05	0.11		
Money Market Funds - Taxable	5,877.900	316175835	Fidelity Treasury Portfolio II FCEXX	4.050	0860345J	Beaumont CFD 93-1 IA 17D COI	5,877.90	1.0000	5,877.90	20.17	238.06	4.05	0.02		
Money Market Funds - Taxable	163,537.170	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344A	Beaumont CFD 2021-1 Special Tax	163,537.17	1.0000	163,537.17	561.88	6,619.34	4.05	0.56		
Money Market Funds - Taxable	22,351.490	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344B	Beaumont CFD 2021-1 Interest	22,351.49	1.0000	22,351.49	156.27	904.70	4.05	0.08		
Money Market Funds - Taxable	818.580	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344C	Beaumont CFD 2021-1 Principal	818.58	1.0000	818.58	2.81	33.13	4.05	0.00		
Money Market Funds - Taxable	932,724.150	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344D	Beaumont CFD 2021-1 2024 Reserve	932,724.15	1.0000	932,724.15	3,204.31	37,752.97	4.05	3.17		
Money Market Funds - Taxable	136,158.670	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344E	Beaumont CFD 2021-1 City Facilities	136,158.67	1.0000	136,158.67	467.77	5,511.16	4.05	0.46		
Money Market Funds - Taxable	68.910	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344I	Beaumont CFD 2021-1 Admin Exp	68.91	1.0000	68.91	0.24	2.79	4.05	0.00		
Money Market Funds - Taxable	88,265.390	61747C616	Morgan Stanley Ins Liq Treasury ADM MTXX	4.048	0860344S	Beaumont CFD 2021-1 Surplus	88,265.39	1.0000	88,265.39	303.23	3,572.63	4.05	0.30		
							29,409,983.30								
Municipal Bonds Tax Exempt	25,000.000	BC90025	BEUMONT CFD 93-1 2019	5.0000% 09/01/25	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	25,000.00	0.0000	0	101.26	1,250.00	0.00	0.00
Municipal Bonds Tax Exempt	80,000.000	BC90031	Beaumont CFD 93-1 IA II	2.4.0000% 09/01/31	4.000	09/01/2031	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	80,000.00	0.0000	0	259.22	3,200.00	0.00	0.00
Municipal Bonds Tax Exempt	65,000.000	BC91025	Beaumont CFO 93-1 STRB S	1.0340% 09/01/25	1.034	09/01/2025	0860343A	Beaumont PIA LRBS 2021 Revenue Fund	65,000.00	0.0000	0	54.44	672.10	0.00	0.00
Municipal Bonds Tax Exempt	75,000.000	BC91025	Beaumont CFD 93-1 IA 7C 20	1.0340% 09/01/25	1.034	09/01/2025	0860343A	Beaumont PIA LRBS 2021 Revenue Fund	75,000.00	0.0000	0	62.82	775.50	0.00	0.00

Municipal Bonds Tax Exempt	270,000.000	BC93526	Beaumont CFD 93-1 20 15 Ser 3.5000% 09/01/26	3.500	09/01/2026	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	270,000.00	0.0000	0	765.50	9,450.00	0.00	0.00
Municipal Bonds Tax Exempt	395,000.000	BC935260	Beaumont CFO 93-1 STRB 201 3.5000% 09/01/26	3.500	09/01/2026	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	395,000.00	0.0000	0	1,119.90	13,825.00	0.00	0.00
Municipal Bonds Tax Exempt	1,075,000.000	BC93529	Beaumont CFD 93-1 STRB 20 1 3.5000% 09/01/29	3.500	09/01/2029	0860301A	Beaumont FA LARRB 2015B IA 19A Revenue	1,075,000.00	0.0000	0	3,047.84	37,625.00	0.00	0.00
Municipal Bonds Tax Exempt	280,000.000	BC93627	Beaumont CFD 93-1 20 15 Ser 3.6250% 09/01/27	3.625	09/01/2027	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	280,000.00	0.0000	0	822.21	10,150.00	0.00	0.00
Municipal Bonds Tax Exempt	410,000.000	BC936270	Beaumont CFO 93-1 STRB 201 3.6250% 09/01/27	3.625	09/01/2027	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	410,000.00	0.0000	0	1,203.95	14,862.50	0.00	0.00
Municipal Bonds Tax Exempt	330,000.000	BC93630	BEUMONT CFD 93-1 2015 3.6250% 09/01/30	3.625	09/01/2030	0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	330,000.00	0.0000	0	969.03	11,962.50	0.00	0.00
Municipal Bonds Tax Exempt	290,000.000	BC93728	Beaumont CFD 93-1 20 15 Ser 3.7500% 09/01/28	3.750	09/01/2028	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	290,000.00	0.0000	0	880.94	10,875.00	0.00	0.00
Municipal Bonds Tax Exempt	430,000.000	BC937280	Beaumont CFO 93-1 STRB 201 3.7500% 09/01/28	3.750	09/01/2028	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	430,000.00	0.0000	0	1,306.22	16,125.00	0.00	0.00
Municipal Bonds Tax Exempt	315,000.000	BC93729	BEUMONT CFD 93-1 2015 3.7500% 09/01/29	3.750	09/01/2029	0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	315,000.00	0.0000	0	956.88	11,812.50	0.00	0.00
Municipal Bonds Tax Exempt	300,000.000	BC93829	Beaumont CFD 93-1 20 15 Ser 3.8750% 09/01/29	3.875	09/01/2029	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	300,000.00	0.0000	0	941.69	11,625.00	0.00	0.00
Municipal Bonds Tax Exempt	445,000.000	BC938290	Beaumont CFO 93-1 STRB 201 3.8750% 09/01/29	3.875	09/01/2029	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	445,000.00	0.0000	0	1,396.84	17,243.75	0.00	0.00
Municipal Bonds Tax Exempt	315,000.000	BC94030	Beaumont CFD 93-1 20 15 Ser 4.0000% 09/01/30	4.000	09/01/2030	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	315,000.00	0.0000	0	1,020.67	12,600.00	0.00	0.00
Municipal Bonds Tax Exempt	455,000.000	BC940300	Beaumont CFO 93-1 STRB 201 4.0000% 09/01/30	4.000	09/01/2030	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	455,000.00	0.0000	0	1,474.30	18,200.00	0.00	0.00
Municipal Bonds Tax Exempt	185,000.000	BC940302	Beaumont CFO 93-1 IA 3 2019 4.0000% 09/01/30	4.000	09/01/2030	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	185,000.00	0.0000	0	599.44	7,400.00	0.00	0.00
Municipal Bonds Tax Exempt	75,000.000	BC940303	Beaumont CFD 93 -1 IA I 2 4.0000% 09/01/30	4.000	09/01/2030	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	75,000.00	0.0000	0	243.02	3,000.00	0.00	0.00
Municipal Bonds Tax Exempt	125,000.000	BC940304	Beaumont CFO 93-1 IA I 0A W 4.0000% 09/01/30	4.000	09/01/2030	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	125,000.00	0.0000	0	405.03	5,000.00	0.00	0.00
Municipal Bonds Tax Exempt	75,000.000	BC940305	BEUMONT CFD 93-1 2019 STB 4.0000% 09/01/30	4.000	09/01/2030	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	75,000.00	0.0000	0	243.02	3,000.00	0.00	0.00
Municipal Bonds Tax Exempt	195,000.000	BC940310	Beaumont CFO 93-1 IA 3 2019 4.0000% 09/01/31	4.000	09/01/2031	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	195,000.00	0.0000	0	631.84	7,800.00	0.00	0.00
Municipal Bonds Tax Exempt	35,000.000	BC940311	BEUMONT CFD 93-1 2019 4.0000% 09/01/31	4.000	09/01/2031	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	35,000.00	0.0000	0	113.41	1,400.00	0.00	0.00
Municipal Bonds Tax Exempt	130,000.000	BC940312	Beaumont CFO 93-1 IA I 0A 4.0000% 09/01/31	4.000	09/01/2031	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	130,000.00	0.0000	0	421.23	5,200.00	0.00	0.00
Municipal Bonds Tax Exempt	80,000.000	BC940313	BEUMONT CFD 93-1 2019 STB 4.0000% 09/01/31	4.000	09/01/2031	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	80,000.00	0.0000	0	259.22	3,200.00	0.00	0.00
Municipal Bonds Tax Exempt	200,000.000	BC94032	Beaumont CFO 93-1 IA 3 2019 4.0000% 09/01/32	4.000	09/01/2032	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	200,000.00	0.0000	0	648.04	8,000.00	0.00	0.00
Municipal Bonds Tax Exempt	80,000.000	BC940320	Beaumont CFD 93 -1 IA I 2 4.0000% 09/01/32	4.000	09/01/2032	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	80,000.00	0.0000	0	259.22	3,200.00	0.00	0.00
Municipal Bonds Tax Exempt	35,000.000	BC940321	BEUMONT CFD 93-1 2019 4.0000% 09/01/32	4.000	09/01/2032	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	35,000.00	0.0000	0	113.41	1,400.00	0.00	0.00
Municipal Bonds Tax Exempt	135,000.000	BC940322	Beaumont CFO 93-1 IA I 0A 4.0000% 09/01/32	4.000	09/01/2032	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	135,000.00	0.0000	0	437.43	5,400.00	0.00	0.00
Municipal Bonds Tax Exempt	80,000.000	BC940323	BEUMONT CFD 93-1 2019 STB 4.0000% 09/01/32	4.000	09/01/2032	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	80,000.00	0.0000	0	259.22	3,200.00	0.00	0.00
Municipal Bonds Tax Exempt	1,840,000.000	BC94035	BEUMONT CFD 93-1 2015 4.0000% 09/01/35	4.000	09/01/2035	0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	1,840,000.00	0.0000	0	5,962.01	73,600.00	0.00	0.00
Municipal Bonds Tax Exempt	1,385,000.000	BC94134	Beaumont CFD 93-1 20 15 Ser 4.1250% 09/01/34	4.125	09/01/2034	0860302A	Beaumont FA LARRB 2015C IA 18 Revenue	1,385,000.00	0.0000	0	4,627.95	57,131.25	0.00	0.00
Municipal Bonds Tax Exempt	2,030,000.000	BC94234	Beaumont CFO 93-1 STRB 201 4.2500% 09/01/34	4.250	09/01/2034	0860303A	Beaumont FA LARRB 2015D IA 16 Revenue	2,030,000.00	0.0000	0	6,988.76	86,275.00	0.00	0.00
Municipal Bonds Tax Exempt	935,000.000	BC950253	Beaumont CFD 93-1 STRB 20 1 5.0000% 09/01/25	5.000	09/01/2025	0860301A	Beaumont FA LARRB 2015B IA 19A Revenue	935,000.00	0.0000	0	3,787.01	46,750.00	0.00	0.00
Municipal Bonds Tax Exempt	145,000.000	BC950254	Beaumont CFO 93-1 IA 3 2019 5.0000% 09/01/25	5.000	09/01/2025	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	145,000.00	0.0000	0	587.29	7,250.00	0.00	0.00
Municipal Bonds Tax Exempt	60,000.000	BC950255	Beaumont CFD 93 -1 IA I 2 5.0000% 09/01/25	5.000	09/01/2025	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	60,000.00	0.0000	0	243.02	3,000.00	0.00	0.00
Municipal Bonds Tax Exempt	95,000.000	BC950256	Beaumont CFO 93-1 IA I 0A 5.0000% 09/01/25	5.000	09/01/2025	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	95,000.00	0.0000	0	384.78	4,750.00	0.00	0.00
Municipal Bonds Tax Exempt	60,000.000	BC950257	BEUMONT CFD 93-1 2019 STB 5.0000% 09/01/25	5.000	09/01/2025	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	60,000.00	0.0000	0	243.02	3,000.00	0.00	0.00
Municipal Bonds Tax Exempt	155,000.000	BC950263	Beaumont CFO 93-1 IA 3 2019 5.0000% 09/01/26	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	155,000.00	0.0000	0	627.79	7,750.00	0.00	0.00
Municipal Bonds Tax Exempt	65,000.000	BC950264	Beaumont CFD 93 -1 IA I 2 5.0000% 09/01/26	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	65,000.00	0.0000	0	263.27	3,250.00	0.00	0.00
Municipal Bonds Tax Exempt	30,000.000	BC950265	BEUMONT CFD 93-1 2019 5.0000% 09/01/26	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	30,000.00	0.0000	0	121.51	1,500.00	0.00	0.00
Municipal Bonds Tax Exempt	100,000.000	BC950266	Beaumont CFO 93-1 IA I 0A W 5.0000% 09/01/26	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	100,000.00	0.0000	0	405.03	5,000.00	0.00	0.00
Municipal Bonds Tax Exempt	160,000.000	BC950271	Beaumont CFO 93-1 IA 3 2019 5.0000% 09/01/27	5.000	09/01/2027	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	160,000.00	0.0000	0	648.04	8,000.00	0.00	0.00
Municipal Bonds Tax Exempt	65,000.000	BC950272	Beaumont CFD 93 -1 IA I 2 5.0000% 09/01/27	5.000	09/01/2027	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	65,000.00	0.0000	0	263.27	3,250.00	0.00	0.00
Municipal Bonds Tax Exempt	30,000.000	BC950273	BEUMONT CFD 93-1 2019 5.0000% 09/01/27	5.000	09/01/2027	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	30,000.00	0.0000	0	121.51	1,500.00	0.00	0.00
Municipal Bonds Tax Exempt	105,000.000	BC950274	Beaumont CFO 93-1 IA I 0A 5.0000% 09/01/27	5.000	09/01/2027	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	105,000.00	0.0000	0	425.28	5,250.00	0.00	0.00
Municipal Bonds Tax Exempt	65,000.000	BC950275	BEUMONT CFD 93-1 2019 STB 5.0000% 09/01/26	5.000	09/01/2026	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	65,000.00	0.0000	0	263.27	3,250.00	0.00	0.00
Municipal Bonds Tax Exempt	1,120,000.000	BC950280	BEUMONT CFD 93-1 2015 5.0000% 09/01/28	5.000	09/01/2028	0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	1,120,000.00	0.0000	0	4,536.31	56,000.00	0.00	0.00
Municipal Bonds Tax Exempt	170,000.000	BC950281	Beaumont CFO 93-1 IA 3 2019 5.0000% 09/01/28	5.000	09/01/2028	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	170,000.00	0.0000	0	688.55	8,500.00	0.00	0.00
Municipal Bonds Tax Exempt	70,000.000	BC9502820	Beaumont CFD 93 -1 IA I 2 5.0000% 09/01/28	5.000	09/01/2028	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	70,000.00	0.0000	0	283.52	3,500.00	0.00	0.00
Municipal Bonds Tax Exempt	30,000.000	BC950283	BEUMONT CFD 93-1 2019 5.0000% 09/01/28	5.000	09/01/2028	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	30,000.00	0.0000	0	121.51	1,500.00	0.00	0.00
Municipal Bonds Tax Exempt	110,000.000	BC950284	Beaumont CFO 93-1 IA I 0A 5.0000% 09/01/28	5.000	09/01/2028	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	110,000.00	0.0000	0	445.53	5,500.00	0.00	0.00
Municipal Bonds Tax Exempt	65,000.000	BC950285	BEUMONT CFD 93-1 2019 STB 5.0000% 09/01/27	5.000	09/01/2027	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	65,000.00	0.0000	0	263.27	3,250.00	0.00	0.00
Municipal Bonds Tax Exempt	70,000.000	BC9502850	BEUMONT CFD 93-1 2019 STB 5.0000% 09/01/28	5.000	09/01/2028	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	70,000.00	0.0000	0	283.52	3,500.00	0.00	0.00
Municipal Bonds Tax Exempt	175,000.000	BC950290	Beaumont CFO 93-1 IA 3 2019 5.0000% 09/01/29	5.000	09/01/2029	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	175,000.00	0.0000	0	708.80	8,750.00	0.00	0.00
Municipal Bonds Tax Exempt	75,000.000	BC950291	Beaumont CFD 93 -1 IA I 2 5.0000% 09/01/29	5.000	09/01/2029	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	75,000.00	0.0000	0	303.77	3,750.00	0.00	0.00
Municipal Bonds Tax Exempt	35,000.000	BC950292	BEUMONT CFD 93-1 2019 5.0000% 09/01/29	5.000	09/01/2029	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	35,000.00	0.0000	0	141.76	1,750.00	0.00	0.00
Municipal Bonds Tax Exempt	115,000.000	BC950293	Beaumont CFO 93-1 IA I 0A 5.0000% 09/01/29	5.000	09/01/2029	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	115,000.00	0.0000	0	465.78	5,750.00	0.00	0.00
Municipal Bonds Tax Exempt	75,000.000	BC950294	BEUMONT CFD 93-1 2019 STB 5.0000% 09/01/29	5.000	09/01/2029	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	75,000.00	0.0000	0	303.77	3,750.00	0.00	0.00
Municipal Bonds Tax Exempt	35,000.000	BC950300	BEUMONT CFD 93-1 2019 4.0000% 09/01/30	4.000	09/01/2030	0860341A	Beaumont BPIA LRBS Ser 2019 Revenue	35,000.00	0.0000	0	113.41	1,400.00	0.00	0.00
Municipal Bonds Tax Exempt	7,585,000.000	BC95035	Beaumont CFD 93-1 STRB 20 1 5.0000% 09/01/35	5.000	09/01/2035	0860301A	Beaumont FA LARRB 2015B IA 19A Revenue	7,585,000.00	0.0000	0	30,721.37	379,250.00	0.00	0.00
Municipal Bonds Tax Exempt	5,150,000.000	BC95045	BEUMONT CFD 93-1 2015 5.0000% 09/01/45	5.000	09/01/2045	0860300A	Beaumont FA LARRB Ser A IA 7A1 Revenue	5,150,000.00						

91,819,999.30	Total Investments	91,819,983.30	29,409,983.30	276,499.14	3,336,007.41	11.34	100
	Consolidated Plus Cash		0				
	Accrued Income		276,499.14				
	Total Market Value		29,686,482.44				

Portfolio components may not equal 100% due to rounding.
* Denotes Invested Income Portfolio.



Board Package

City of Beaumont, CA (257428)

[01-01-2025]--[03-31-2025]

01/01/2025 - 03/31/2025

Dated: 04/23/2025

Locked Down

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Dated: 04/23/2025

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Risk Summary (1)

01/01/2025 - 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

Balance Sheet

Book Value + Accrued	75,974,704.25
Net Unrealized Gain/Loss	455,328.16
Market Value + Accrued	76,430,032.40

Cash and Fixed Income Summary

Risk Metric	Value
Cash	2,161.77
MMFund	442,092.94
Fixed Income	75,985,777.69
Duration	1.749
Convexity	0.043
WAL	1.855
Years to Final Maturity	1.892
Years to Effective Maturity	1.869
Yield	3.984
Book Yield	4.381
Avg Credit Rating	AAA/Aaa/AAA

Issuer Concentration

Issuer Concentration	% of Base Market Value + Accrued
Other	3.719%
Hyundai Auto Receivables Trust 2023-B	1.157%
Government of The United States	76.764%
Federal Home Loan Banks	4.668%
Farm Credit System	6.131%
Eli Lilly and Company	1.518%
Discover Financial Services	1.217%
Deere & Company	1.390%
Caterpillar Inc.	1.324%
Capital One Multi-Asset Execution Trust, Series 2022-3	1.150%
Apple Inc.	0.963%

--- 100.000%

Footnotes: 1,2

Asset Class

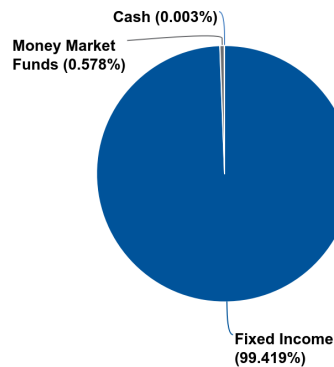


Chart calculated by: Base Market Value + Accrued

Security Type

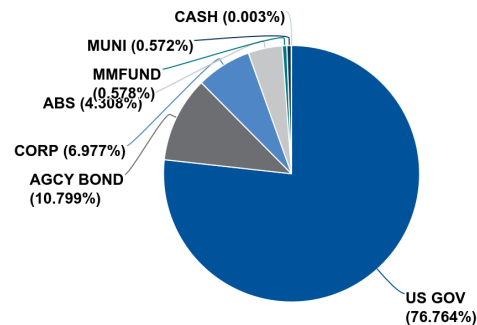


Chart calculated by: Base Market Value + Accrued

Market Sector

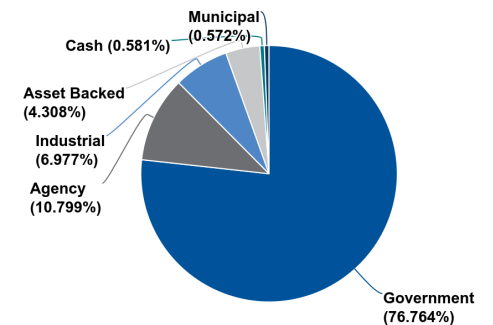


Chart calculated by: Base Market Value + Accrued

Risk Summary (1)

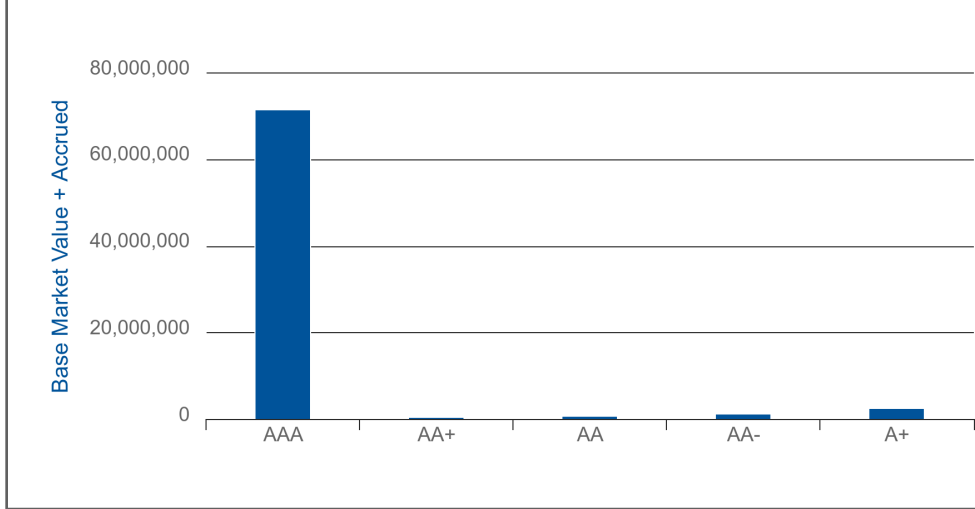
01/01/2025 - 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

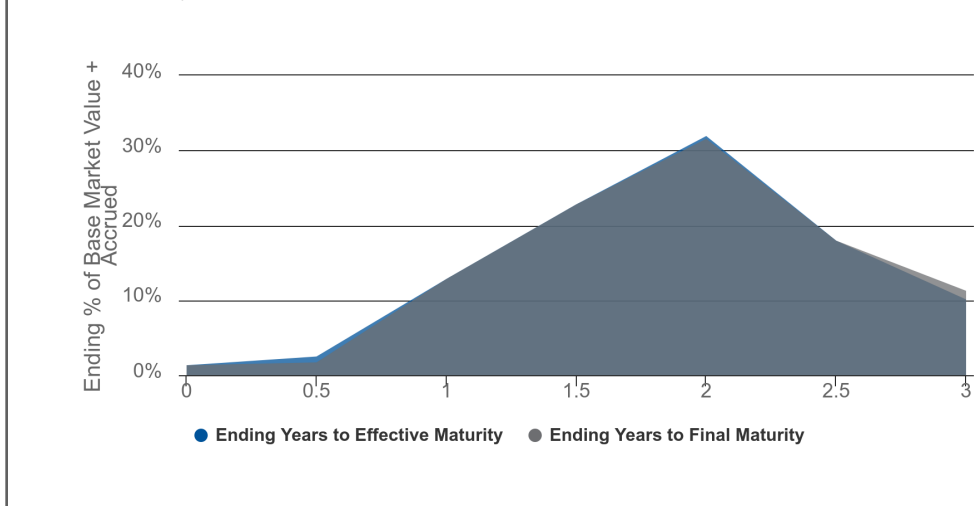
Credit Rating



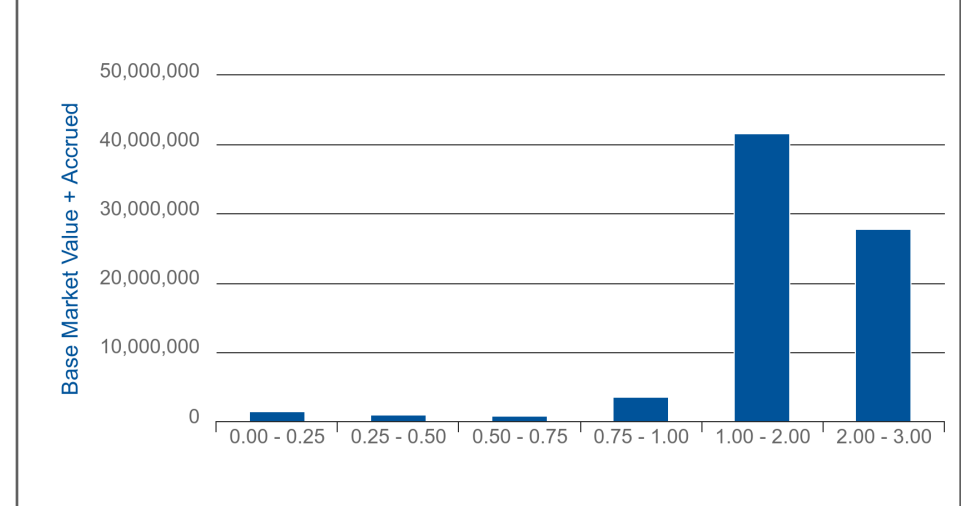
Credit Duration Heat Map

Rating	0 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5 - 7	7 - 10	10 - 15	15 - 30
AAA	7.143%	49.875%	36.396%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
AA	0.557%	2.733%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
A	1.324%	1.972%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
BBB	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
BB	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
B	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
CCC	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
CC	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
C	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
NA	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Time To Maturity



Duration



Risk Summary (1)

01/01/2025 - 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

MMF Asset Allocation

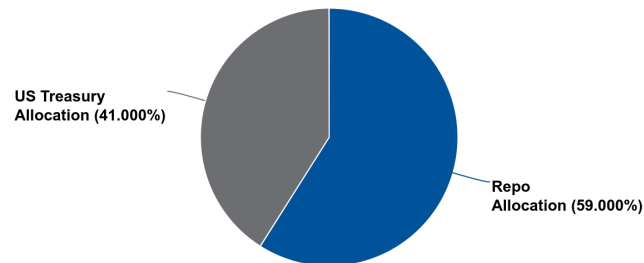


Chart calculated by: Base Market Value

Industry Sector

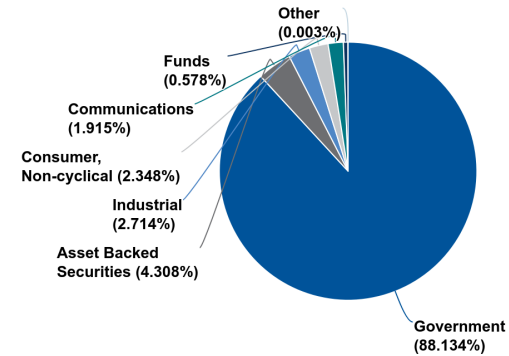


Chart calculated by: Base Market Value + Accrued

Industry Group

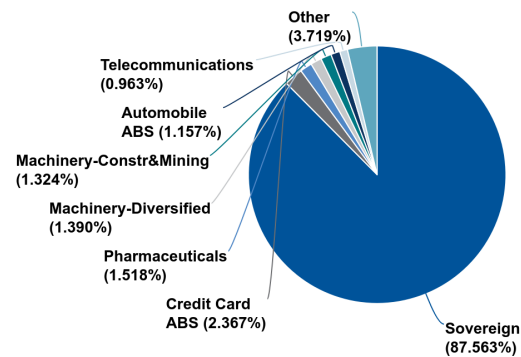


Chart calculated by: Base Market Value + Accrued

Industry Subgroup

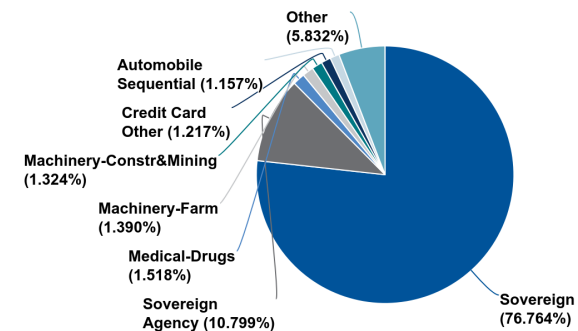


Chart calculated by: Base Market Value + Accrued

Risk Summary (1)

01/01/2025 - 03/31/2025

City of Beaumont, CA (257428)

Dated: 04/23/2025

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1: * Grouped by: Issuer Concentration. 2: * Groups Sorted by: % of Base Market Value + Accrued.

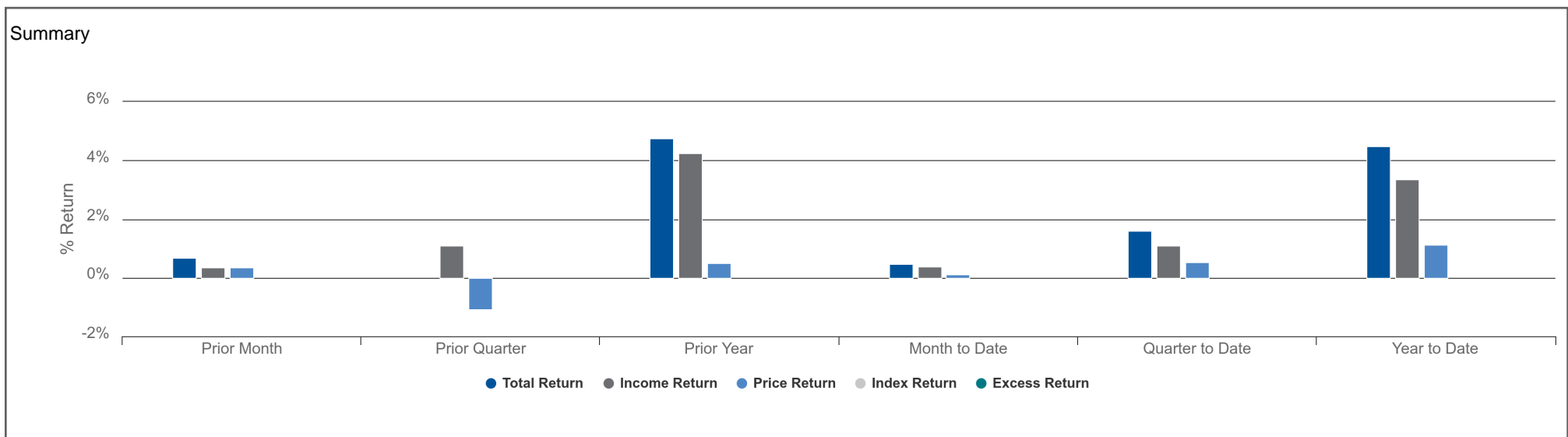
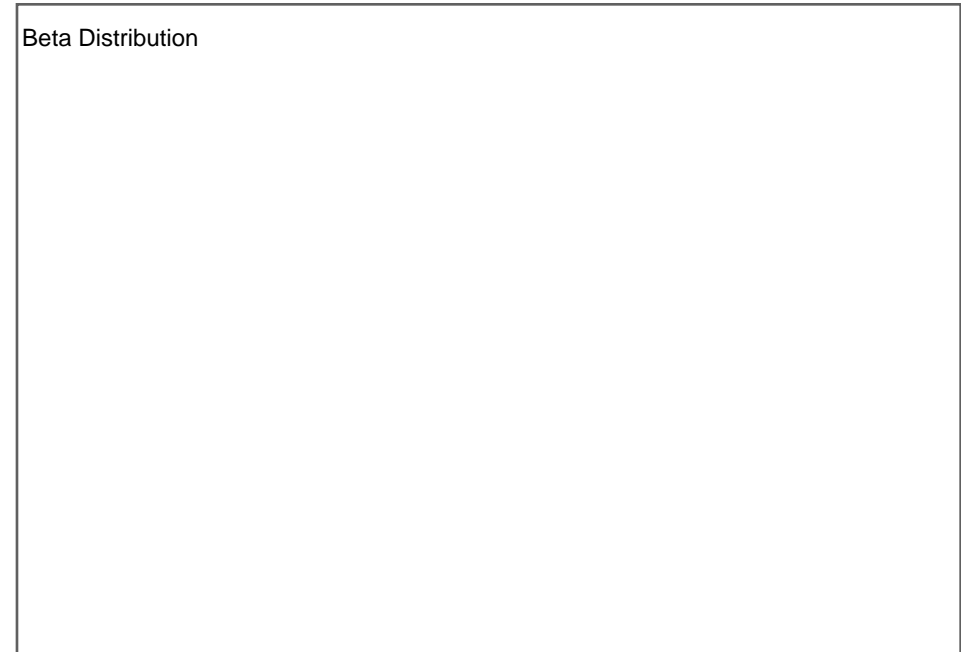
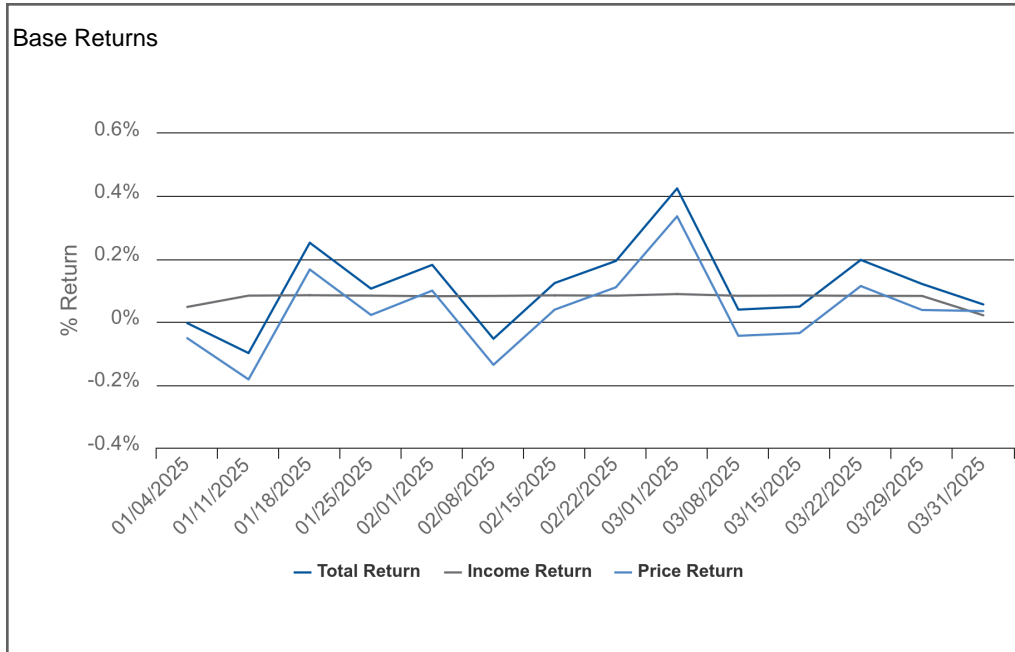
Performance Overview

01/01/2025 - 03/31/2025

City of Beaumont, CA (257428)

Dated: 04/23/2025

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Performance Overview

01/01/2025 - 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

Index: NO BENCHMARK REQUIRED.

1: * Grouped by: Asset Class.

Index Comparison

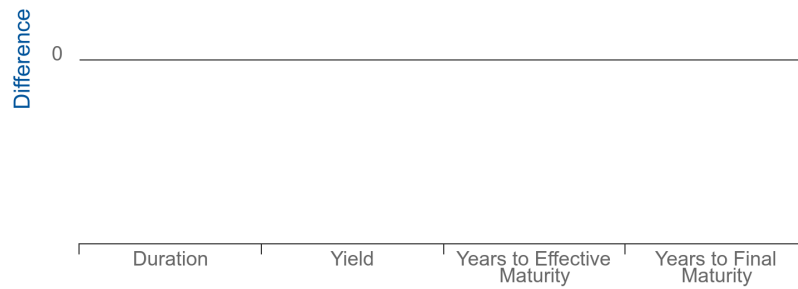
01/01/2025 - 03/31/2025

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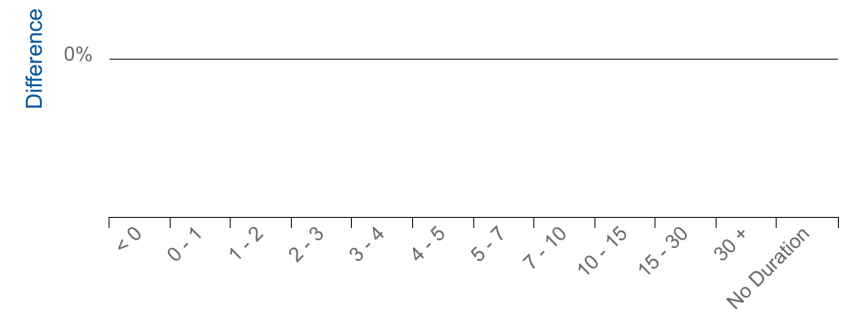
City of Beaumont, CA (257428)

Dated: 04/23/2025

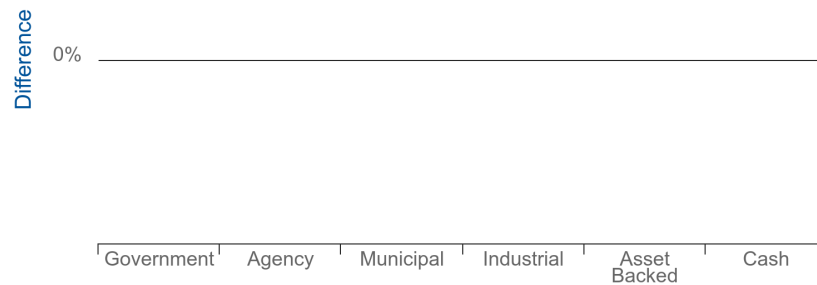
Index Comparison Summary



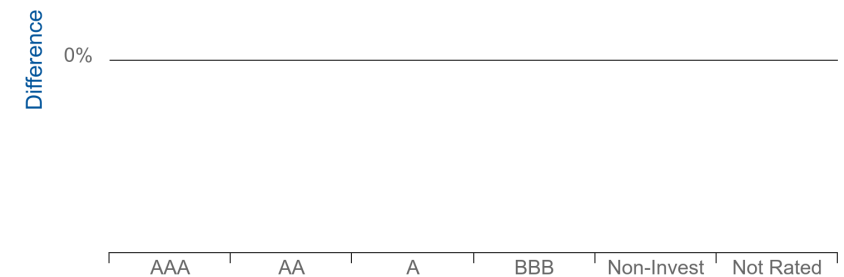
Index Comparison Duration



Index Comparison Market Sector



Index Comparison Credit Rating



Index Comparison

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City of Beaumont, CA (257428)

Dated: 04/23/2025

Index Comparison Summary

<i>Risk Metric</i>	<i>Portfolio</i>	<i>Index</i>	<i>Difference</i>
Duration	1.749	---	---
Yield	3.984	---	---
Years to Effective Maturity	1.869	---	---
Years to Final Maturity	1.892	---	---
Average Credit Rating	AAA	---	---

Footnote: 1

Index Comparison Duration

<i>Duration</i>	<i>Portfolio</i>	<i>Index</i>	<i>Difference</i>
< 0	0.000%	---	---
0 - 1	9.024%	---	---
1 - 2	54.579%	---	---
2 - 3	36.396%	---	---
3 - 4	0.000%	---	---
4 - 5	0.000%	---	---
5 - 7	0.000%	---	---
7 - 10	0.000%	---	---
10 - 15	0.000%	---	---
15 - 30	0.000%	---	---
30 +	0.000%	---	---
No Duration	0.000%	---	---

Footnote: 3

Index Comparison Market Sector

<i>Market Sector</i>	<i>Portfolio</i>	<i>Index</i>	<i>Difference</i>
Government	76.764%	---	---
Agency	10.799%	---	---
Municipal	0.572%	---	---
Industrial	6.977%	---	---
Asset Backed	4.308%	---	---
Cash	0.581%	---	---

Footnote: 2

Index Comparison Credit Rating

<i>Credit Rating</i>	<i>Portfolio</i>	<i>Index</i>	<i>Difference</i>
AAA	93.415%	---	---
AA	3.290%	---	---
A	3.295%	---	---
BBB	0.000%	---	---
Non-Invest	0.000%	---	---
Not Rated	0.000%	---	---

Footnote: 4

Index Comparison

01/01/2025 - 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

Index: NO BENCHMARK REQUIRED.

1: * Grouped by: Risk Metric. 2: * Grouped by: Market Sector. 3: * Grouped by: Duration. 4: * Grouped by: Credit Rating.

GAAP Financials

01/01/2025 - 03/31/2025

City of Beaumont, CA (257428)

Dated: 04/23/2025

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Balance Sheet			
City of Beaumont, CA			
As of:	12/31/2024	03/31/2025	
Book Value	74,453,059.19	75,301,813.45	
Accrued Balance	695,989.67	672,890.80	
Book Value + Accrued	75,149,048.86	75,974,704.25	
Net Unrealized Carrying Value Gain	77,781.47	455,328.16	
Carrying Value and Accrued	75,226,830.33	76,430,032.40	

Income Statement			
City of Beaumont, CA			
	Begin Date	01/01/2025	
	End Date	03/31/2025	
Net Amortization/Accretion Income		90,710.62	
Interest Income	724,492.93		
Dividend Income	0.00		
Foreign Tax Withheld Expense	0.00		
Misc Income	0.00		
Net Allowance Expense	0.00		
Income Subtotal		724,492.93	
Net Realized Gain/Loss	10,451.84		
Net Holding Gain/Loss	0.00		
Impairment Loss	0.00		
Net Gain/Loss		10,451.84	
Expense	0.00		
Net Income		825,655.39	
Transfers In/Out		0.00	
Change in Unrealized Gain/Loss		377,546.69	

Statement of Cash Flows			
City of Beaumont, CA			
	Begin Date	01/01/2025	
	End Date	03/31/2025	
Net Income		825,655.39	
Amortization/Accretion on MS	-90,710.62		
Change in Accrued on MS	96,622.72		
Net Gain/Loss on MS	-10,451.84		
Change in Unrealized G/L on CE	0.00		
Subtotal		-4,539.74	
Purchase of MS	-11,222,365.24		
Purchased Accrued of MS	-128,454.96		
Sales of MS	10,481,210.68		
Sold Accrued of MS	54,931.10		
Maturities of MS	0.00		
Net Purchases/Sales		-814,678.42	
Transfers of Cash & CE		0.00	
Total Change in Cash & CE		6,437.23	
Beginning Cash & CE		437,817.48	
Ending Cash & CE		444,254.71	

Current Holdings

City of Beaumont, CA (257428)

Base Currency: USD As of 03/31/2025

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Dated: 04/23/2025

Security Type	Base Original Units	Base Current Units	Final Maturity	Base Original Cost	Base Book Value	Base Net Total Unrealized Gain/ Loss	Base Interest/ Dividend Due	Base Accrued Balance	Market Price	Base Market Value	Base Market Value + Accrued
ABS	3,600,000.00	3,322,640.56	12/13/2026	3,177,371.60	3,250,841.26	35,792.63	0.00	5,761.47	98.9714	3,286,633.89	3,292,395.36
AGCY BOND	8,100,000.00	8,100,000.00	07/21/2026	8,140,839.00	8,117,400.24	60,786.48	0.00	75,552.78	100.9653	8,178,186.72	8,253,739.50
CASH	2,161.77	2,161.77	03/31/2025	2,161.77	2,161.77	0.00	0.00	0.00	1.0000	2,161.77	2,161.77
CORP	5,365,000.00	5,365,000.00	05/27/2026	5,113,328.74	5,257,106.98	36,288.86	0.00	39,001.67	98.7085	5,293,395.85	5,332,397.52
MMFUND	442,092.94	442,092.94	03/31/2025	442,092.94	442,092.94	0.00	2,161.77	0.00	1.0000	442,092.94	442,092.94
MUNI	425,000.00	425,000.00	03/18/2026	425,000.00	425,000.00	1,855.80	0.00	9,994.45	100.4370	426,855.80	436,850.25
US GOV	58,220,000.00	58,220,000.00	04/27/2027	57,570,939.86	57,807,210.25	320,604.39	0.00	542,580.43	99.8632	58,127,814.63	58,670,395.06
---	76,154,254.71	75,876,895.27	02/20/2027	74,871,733.91	75,301,813.45	455,328.16	2,161.77	672,890.80	99.2919	75,757,141.60	76,430,032.40

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Base Market Value + Accrued. * Holdings Displayed by: Position.

Realized Gain/Loss

City of Beaumont, CA (257428)

Base Currency: USD 01/01/2025 - 03/31/2025

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Dated: 04/23/2025

Security Type	BS Class	Market Sector	Ending Base Current Units	Base Disposed Book Value	Base Total Impairment Loss	Base Net Total Gain/Loss	Ending Market Value + Accrued
ABS	---	Asset Backed	3,322,640.56	-230,438.02	0.00	0.00	3,292,395.36
AGCY BOND	LT	Agency	8,100,000.00	0.00	0.00	0.00	8,253,739.50
CASH	RCV	Cash	2,161.77	0.00	0.00	0.00	2,161.77
CORP	---	Industrial	5,365,000.00	0.00	0.00	0.00	5,332,397.52
MMFUND	CE	Cash	442,092.94	-1,045,116.44	0.00	0.00	442,092.94
MUNI	---	Municipal	425,000.00	0.00	0.00	0.00	436,850.25
US GOV	---	Government	58,220,000.00	-10,240,320.82	0.00	10,451.84	58,670,395.06
---	---	---	75,876,895.27	-11,515,875.28	0.00	10,451.84	76,430,032.40

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Ending Market Value + Accrued. * Holdings Displayed by: Lot.

Income Detail

City of Beaumont, CA (257428)

Base Currency: USD 01/01/2025 - 03/31/2025

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Dated: 04/23/2025

Security Type	BS Class	Ending Base Current Units	Base Accretion Income	Base Misc Income	Base Expense	Base Interest/Dividend Income	Base Amortization Expense	Base Net Income
ABS	---	3,322,640.56	15,109.05	0.00	0.00	33,697.06	0.00	48,806.11
AGCY BOND	LT	8,100,000.00	198.32	0.00	0.00	97,156.25	-3,665.92	93,688.65
CASH	RCV	2,161.77	0.00	0.00	0.00	0.00	0.00	0.00
CORP	---	5,365,000.00	22,699.11	0.00	0.00	37,719.38	0.00	60,418.49
MMFUND	CE	442,092.94	0.00	0.00	0.00	5,631.86	0.00	5,631.86
MUNI	---	425,000.00	0.00	0.00	0.00	4,997.23	0.00	4,997.23
US GOV	---	58,220,000.00	68,925.41	0.00	0.00	545,291.15	-12,555.35	612,113.06
---	---	75,876,895.27	106,931.90	0.00	0.00	724,492.93	-16,221.27	825,655.39

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Ending Base Market Value + Accrued. * Holdings Displayed by: Lot.

Issuer Concentration (> \$550K)

Base Currency: USD As of 03/31/2025

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City of Beaumont, CA (257428)

Dated: 04/23/2025

Issuer Concentration

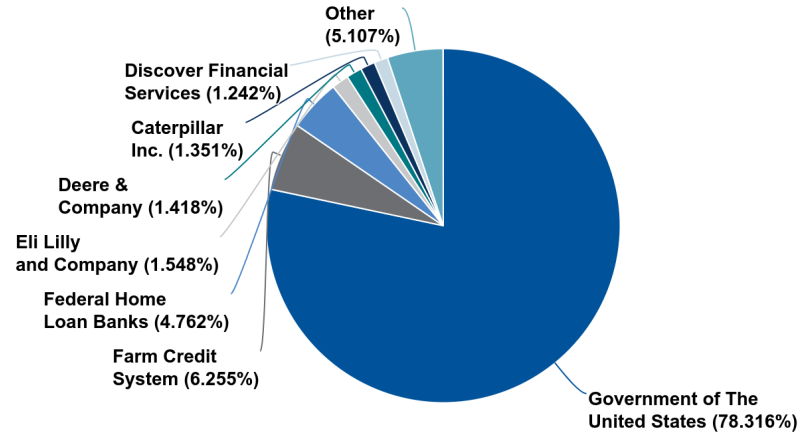


Chart calculated by: Base Market Value + Accrued

Issuer Concentration	Security Type	Ending Base Current Units	Ending Effective Maturity	Final Maturity	Base Net Market Unrealized Gain/Loss	Base Net FX Unrealized Security Gain/Loss	Base Market Value + Accrued	% of Base Market Value + Accrued
Government of The United States	US GOV	58,220,000.00	04/27/2027	04/27/2027	320,604.39	0.00	58,670,395.06	78.316%
Farm Credit System	AGCY BOND	4,600,000.00	07/23/2026	07/23/2026	35,485.19	0.00	4,686,223.37	6.255%
Federal Home Loan Banks	AGCY BOND	3,500,000.00	07/18/2026	07/18/2026	25,301.29	0.00	3,567,516.13	4.762%
Eli Lilly and Company	CORP	1,145,000.00	01/09/2027	02/09/2027	7,914.68	0.00	1,159,981.23	1.548%
Deere & Company	CORP	1,100,000.00	06/17/2026	06/17/2026	8,891.81	0.00	1,062,400.53	1.418%
Caterpillar Inc.	CORP	1,000,000.00	05/13/2025	05/13/2025	-950.53	0.00	1,011,736.85	1.351%
Discover Financial Services	ABS	975,000.00	09/15/2026	09/15/2026	14,919.59	0.00	930,407.38	1.242%
Hyundai Auto Receivables Trust 2023-B	ABS	875,000.00	03/15/2027	04/17/2028	9,943.54	0.00	884,122.36	1.180%
Capital One Multi-Asset Execution Trust, Series 2022-3	ABS	875,000.00	10/15/2025	10/15/2025	5,059.01	0.00	878,673.43	1.173%
Apple Inc.	CORP	750,000.00	08/04/2026	08/04/2026	8,361.65	0.00	736,146.54	0.983%
Amazon.com, Inc.	CORP	750,000.00	05/12/2026	05/12/2026	7,067.94	0.00	727,828.96	0.972%
Mercedes-Benz Auto Lease Trust 2023-A	ABS	597,640.56	12/15/2025	01/15/2027	5,870.50	0.00	599,192.20	0.800%
---	---	74,387,640.56	02/20/2027	02/28/2027	448,469.05	0.00	74,914,624.03	100.000%

* Grouped by: Issuer Concentration. * Groups Sorted by: Base Market Value + Accrued. * Filtered By: Base Market Value + Accrued > 550,000.00. * Weighted by: Base Market Value + Accrued.

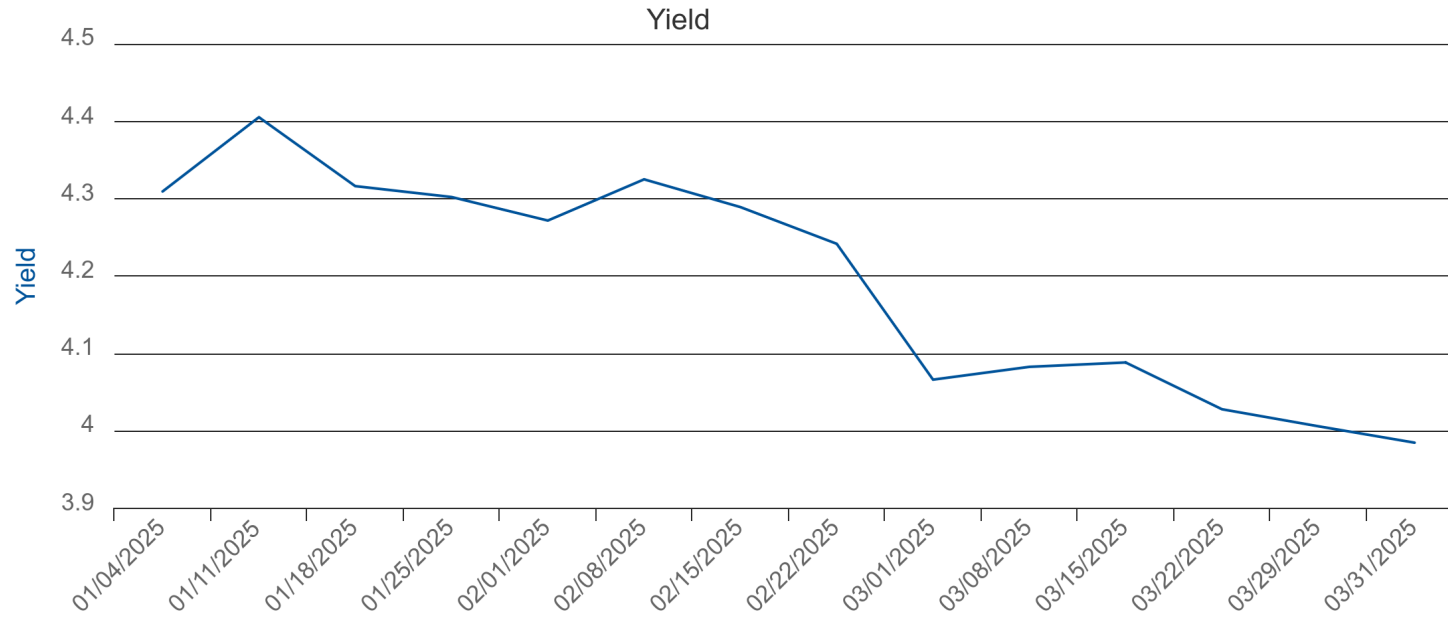
Historical Trends

City of Beaumont, CA (257428)

Base Currency: USD 01/01/2025 - 03/31/2025

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Dated: 04/23/2025



Yield	Base Market Value + Accrued	Period Begin	Period End	Duration	Complex Credit Rating	Years to Effective Maturity	Years to Final Maturity
4.309	75,223,970.97	01/01/2025	01/04/2025	1.741	AAA	1.862	1.889
4.405	75,149,477.79	01/05/2025	01/11/2025	1.721	AAA	1.844	1.869
4.316	75,338,939.83	01/12/2025	01/18/2025	1.704	AAA	1.820	1.845
4.302	75,418,818.19	01/19/2025	01/25/2025	1.685	AAA	1.801	1.826
4.271	75,555,843.33	01/26/2025	02/01/2025	1.801	AAA	1.929	1.954
4.325	75,515,430.82	02/02/2025	02/08/2025	1.781	AAA	1.909	1.934
4.289	75,608,997.79	02/09/2025	02/15/2025	1.760	AAA	1.885	1.909
4.241	75,755,747.41	02/16/2025	02/22/2025	1.745	AAA	1.866	1.890
4.066	76,077,724.45	02/23/2025	03/01/2025	1.729	AAA	1.845	1.869
4.082	76,107,622.71	03/02/2025	03/08/2025	1.709	AAA	1.826	1.850
4.088	76,144,705.73	03/09/2025	03/15/2025	1.686	AAA	1.802	1.825
4.027	76,295,080.03	03/16/2025	03/22/2025	1.776	AAA	1.896	1.919
4.005	76,387,382.32	03/23/2025	03/29/2025	1.757	AAA	1.877	1.900
3.984	76,430,032.40	03/30/2025	03/31/2025	1.749	AAA	1.869	1.892

* Weighted by: Base Market Value + Accrued.

Credit Events

City of Beaumont, CA (257428)

Base Currency: USD 01/01/2025 - 03/31/2025

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Dated: 04/23/2025

Account	Identifier	Description	Effective Date	Agency	Old Value	New Value	Event Type
---------	------------	-------------	----------------	--------	-----------	-----------	------------

* Grouped by: Event Type. * Groups Sorted by: Event Type. * Filtered By: Agency ≠ DBRS and Agency ≠ Moodys.

Additional Disclosure:

This information is for the sole purposes of the client and is not intended to provide specific advice or recommendations. Please review the contents of this information carefully. Should you have any questions regarding the information presented, calculation methodology, investment portfolio, security detail, or any other facet of this information, please feel free to contact us.

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Public Trust does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls, and generating ledger entries or otherwise recording transactions. The total market value represents prices obtained from various sources; it may be impacted by the frequency at which prices are reported, and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes but when such quotes are not available, the pricing vendors use a variety of techniques to estimate value. These estimates, particularly for fixed-income securities, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all the factors that affect the value of the security including liquidity risk. The prices provided are not firm bids or offers. Certain securities may reflect N/A or unavailable where the price for such security is generally not available from a pricing source. The market value of a security, including those priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. The securities in this investment portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by Public Trust, the FDIC (except for certain non-negotiable certificates of deposit), or any government agency unless specifically stated otherwise.

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Beginning and ending balances are based on market value plus accrued interest on a trade date basis. Statements and reports made available to the end user either from Public Trust or through the online reporting platform may present information and portfolio analytics using various optional methods including, but not limited to, historical cost, amortized cost, and market value. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The data in this report is unaudited and is only applicable for the date denoted on the report. Market values may change day-to-day based on numerous circumstances such as trading volume, news released about the underlying issuer, issuer performance, etc. Underlying market values may be priced via numerous aspects as certain securities are short term in nature and not readily traded. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings.

Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.

The investment advisor providing these services is Public Trust Advisors, LLC, an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. Public Trust is required to maintain a written disclosure brochure of our background and business experience. If you would like to receive a copy of our current disclosure brochure, Privacy Policy, or Code of Ethics, or have any questions regarding your account please contact us.

Public Trust Advisors
717 17th St. Suite 1850
Denver, CO 80202

CITY OF BEAUMONT
PARS Post-Employment Benefits Trust

Account Report for the Period
3/1/2025 to 3/31/2025

Elizabeth Gibbs
City Manager
City of Beaumont
550 East 6th St.
Beaumont, CA 92223

Account Summary

Source	Balance as of 3/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 3/31/2025
PENSION	\$3,650,410.23	\$0.00	-\$81,560.59	\$1,783.61	\$0.00	\$0.00	\$3,567,066.03
Totals	\$3,650,410.23	\$0.00	-\$81,560.59	\$1,783.61	\$0.00	\$0.00	\$3,567,066.03

Investment Selection

Source	
PENSION	Moderate - Strategic Blend

Investment Objective

Source	
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
PENSION	-2.23%	0.23%	5.53%	5.56%	-	-	3/14/2022

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Headquarters - 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660 800.540.6369 Fax 949.250.1250 www.pars.org



Staff Report

TO: Finance and Audit Committee Members
FROM: Jennifer Ustation, Finance Director
DATE April 28, 2025
SUBJECT: FY2024-2025 3rd Quarter Budget to Actual Report

Description Receive a report on the financial status of the FY2025 budget as of March 31, 2025.

Background and Analysis:

The Fiscal Year 2024-25 3rd quarter financials provide an update to the City's financial position relative to the Fiscal Year 2024-25 budget.

Finance Department will maintain a system of tools for departments to manage their budgets and for financial monitoring and control of the City's budget during the fiscal year. This system will provide the departments and City Council with information on revenue, expenditures, and budget performance at both the department and fund level.

General Fund Summary

Most of the General Fund revenue budget is from taxes. Property tax is usually recorded in December and May. Sales tax is received in monthly advanced estimated payments and then a quarterly actual clean-up payment. Other taxes include Motor Vehicle In-Lieu, which is received in February and June, as well as Utility Users tax which is received monthly.

General Fund Revenues

As of March 31, 2025, the City has collected 68% of FY2024-25 budgeted revenues. Sales tax has been recorded through January. Interest from all accounts is creating the Miscellaneous category to look over budget, however, staff still needs to allocate other funds their portion. Below is a table for General Fund Revenues as of March 31, 2025.

	GENERAL FUND			
	CURRENT BUDGET FY2024/25	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Taxes	48,657,531.00	35,776,113.97	54,859,743.00	75%
Licenses	398,437.00	190,715.30	425,000.00	48%
Permits	2,204,998.00	1,471,320.22	1,961,760.00	67%
Franchise Fees	3,421,662.00	1,800,073.76	3,349,171.00	53%
Charges for Services	2,666,801.00	2,090,116.09	2,790,646.00	78%
Fines and Forfeitures	174,194.00	166,808.09	222,410.00	96%
Cost Recovery	950,988.00	639,816.96	853,089.00	67%
Miscellaneous	1,749,915.00	3,583,178.12	2,672,535.00	205%
Other Financing Sources	1,589,468.00	794,712.51	1,589,680.00	50%
Transfers	7,341,076.00	633,857.67	7,341,076.00	9%
TOTAL REVENUES	69,155,070.00	47,146,712.69	76,065,110.00	68%

General Fund Departments

The table below provides an overview of the general fund department budgets through March 31, 2025.

General Fund Expenditures			
DEPARTMENT	CURRENT FY 2025 BUDGET	FY 2025 ACTUAL	%
Non-Departmental	17,100,845.00	907,086.61	5.3%
City Council	358,132.00	186,279.05	52.0%
City Clerk	736,213.00	367,230.65	49.9%
Administration	1,446,925.00	848,261.16	58.6%
Communications	603,904.00	385,522.50	63.8%
Finance	2,930,837.00	2,394,511.04	81.7%
IT	1,977,193.00	1,563,221.37	79.1%
Economic Development	2,005,145.00	380,762.95	19.0%
Risk and HR	3,780,143.00	3,186,113.99	84.3%
Legal	1,500,000.00	830,790.87	55.4%
Community Development	999,478.00	515,026.80	51.5%
Community Services	2,194,756.00	1,185,977.54	54.0%
Animal Control	372,247.00	234,051.09	62.9%
Community Enhancement	425,068.00	229,546.11	54.0%
Police	17,489,096.00	12,744,082.64	72.9%
K-9	17,463.00	21,969.75	125.8%
Police Support	3,310,412.00	2,090,703.94	63.2%
Fire	9,271,237.00	3,353,389.58	36.2%
Building and Safety	1,449,509.00	1,014,878.05	70.0%
Public Works	2,916,507.00	1,656,368.28	56.8%
Street Maintenance	3,017,744.00	1,818,210.01	60.3%
Building Maintenance	1,391,247.00	695,867.47	50.0%
Parks and Grounds	4,739,735.00	2,894,690.66	61.1%
TOTAL EXPENDITURES	80,033,836.00	39,504,542.11	49.4%

Departments that have been highlighted are outside of the +/- 10% from the 25% threshold. Legal and Fire are contractual services.

The table below provides for expenditures by type. Personnel costs make up 56% of the actuals to date. Operating costs are 39% of actuals followed by capital at 3%. Currently, there are no categories over budget. Overall, estimated actuals have revenues coming

in \$6.9M above budget mostly due to a one-time sales tax audit correction of \$6.2m, and expenditures \$8.7M below budget for an overall estimated surplus of \$15.6M.

	EXPENSE TYPE	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel					
	Salaries and Wages	22,001,203.00	15,271,311.51	21,045,340.00	69%
	Benefits	9,574,901.00	6,366,557.46	7,878,605.00	66%
	Other	565,708.00	327,353.63	396,137.00	58%
	TOTAL PERSONNEL	32,141,812.00	21,965,222.60	29,320,081.99	68%
Operating					
	Utilities	2,024,510.00	1,519,297.06	2,187,787.00	75%
	Administration	1,307,835.00	939,431.81	1,277,627.00	72%
	Fleet Costs	888,860.00	623,634.99	848,143.00	70%
	Program Costs	2,840,879.00	1,162,767.84	1,391,690.00	41%
	Repairs & Maintenance	1,480,708.00	952,721.99	1,295,701.00	64%
	Supplies	1,358,740.00	640,815.70	1,109,284.00	47%
	Special Services	399,471.00	259,194.78	396,568.00	65%
	Contractual Services	15,534,915.00	6,648,276.18	11,614,761.00	43%
	Other	3,200,316.00	2,752,405.47	2,957,106.00	86%
	TOTAL OPERATING	29,036,234.00	15,498,545.82	23,078,666.99	53%
Capital					
	Equipment	858,719.00	349,514.90	858,719.00	41%
	Furniture	-	-	-	0%
	Vehicle	1,000,867.00	603,779.71	1,000,867.00	60%
	Structure	308,456.00	154,228.00	308,456.00	50%
	Debt Service (Leases)	120,005.00	-	120,005.00	
	TOTAL CAPITAL	2,288,047.00	1,107,522.61	2,288,047.00	48%
Contingency					
	CONTINGENCY	75,000.00	15,414.96	75,000.00	21%
Transfers					
	TRANSFERS	10,792,743.00	917,836.12	10,792,743.00	9%
Total Expenditures		74,333,836.00	39,504,542.11	65,554,538.98	53%

Recommended Budget Amendments

Per the City of Beaumont Financial Policy, there will be provisions amending the budget during the year to comply with the policy and adopted budget's financial planning goals.

The following budget amendments are recommended:

Department	Amount	Reason
K-9	\$9,864	Dental cost
Building & Safety	\$250,000	Plan check fees
Total	\$259,864	

Wastewater Fund Summary

Revenues

Wastewater revenues are collected in arrears. Billing is completed bi-monthly. As of March 31, 2025, the Wastewater Fund has collected 76% of its budgeted revenues. Below is the summary for FY2024-25 3rd quarter.

	WASTEWATER REVENUES				
	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Fines and Forfeitures	-	-	69,500.16	-	0%
Cost Recovery	3,500.00	3,500.00	167,304.11	167,304.00	4780%
Miscellaneous	113,921.00	113,921.00	258,210.05	516,420.00	227%
Proprietary Revenues	14,712,628.00	14,712,628.00	10,799,429.32	15,389,186.00	73%
Other Financing Sources			172.86	172.00	0%
Transfers	-	-	-	-	0%
TOTAL REVENUES	14,830,049.00	14,830,049.00	11,294,616.50	16,073,082.00	76%

Expenses

Wastewater expenses as of March 31, 2025, total \$8.6m which is 58% of the FY2025 budget. Personnel costs make up 21% of the actuals to date, operating costs make up 40%, and Transfers Out for debt service make up the remaining 38%.

Wastewater Expenses						
	EXPENSE TYPE	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel	Salaries and Wages	1,794,395.00	1,794,395.00	1,343,788.42	1,781,863.00	75%
	Benefits	675,743.00	675,743.00	475,907.05	636,551.00	70%
	Other	39,706.00	39,706.00	24,366.45	38,880.00	61%
	TOTAL PERSONNEL	2,509,844.00	2,509,844.00	1,844,061.92	2,418,414.01	73%
Operating	Utilities	1,249,800.00	1,249,800.00	847,141.84	1,334,248.00	68%
	Administration	283,633.00	283,633.00	211,023.12	295,432.00	74%
	Fleet Costs	93,810.00	93,810.00	50,546.81	70,765.00	54%
	Repairs & Maintenance	237,028.00	237,028.00	88,948.93	120,970.00	38%
	Supplies	941,500.00	941,500.00	511,532.71	821,010.00	54%
	Contractual Services	1,776,026.00	1,820,226.00	784,572.82	1,426,859.00	43%
	Admin Overhead	1,489,000.00	1,489,000.00	744,500.00	1,489,000.00	50%
	Other	504,312.00	504,312.00	237,409.79	332,373.00	47%
Capital	TOTAL OPERATING	6,575,109.00	6,619,309.00	3,475,676.02	5,890,657.00	53%
	Equipment	-	-	-		
	TOTAL CAPITAL	-	-	-	-	#DIV/0!
Contingency	CONTINGENCY	220,500.00	237,440.00	30,598.09	237,440.00	13%
	Debt Service	346.00	346.00	-	346.00	
Transfers	TRANSFERS	5,524,250.00	5,524,250.00	3,301,543.75	5,524,250.00	60%
Total Expenses		14,830,049.00	14,891,189.00	8,651,879.78	14,070,761.01	58%

Currently, all categories are within budget. Overall, estimated actuals have revenues coming in \$1.2m above budget and expenses coming in \$867k below budget for an overall estimated surplus of \$2.1m.

Transit Fund Summary

Revenues

Most of the transit fund revenues consist of funding from the Riverside County Transportation Commission (RCTC). Revenue from RCTC is received on a monthly basis. Other revenues received include ridership fares, Measure A taxes, and interest and EV charging station revenue recorded in Miscellaneous revenue. As of March 31, 2025, the Transit Fund has collected 77.2% of its budgeted revenues. The miscellaneous line has collected over budget due to lease revenue that wasn't included in the budget.

	TRANSIT REVENUES				
	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Taxes	199,000.00	199,000.00	149,250.00	199,000.00	75%
Intergovernmental	2,989,021.00	2,989,021.00	2,206,925.34	2,989,021.00	74%
Miscellaneous	42,500.00	42,500.00	132,328.31	176,437.00	311%
Proprietary Revenues	47,550.00	47,550.00	42,268.04	56,357.00	89%
Other Financing Sources	-	-	-		0%
Transfers	-	-	-		0%
TOTAL REVENUES	3,278,071.00	3,278,071.00	2,530,771.69	3,420,815.00	77.2%

Expenses

Transit expenses as of March 31, 2025, total \$2.2m which is 66% of the FY2024-25 budget. Personnel costs make up 83% of the actuals to date and operating costs make up 17%.

Transit Expenses						
	EXPENSE TYPE	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	1,810,792.00	1,810,792.00	1,263,387.24	1,724,523.00	70%
	Benefits	662,522.00	662,522.00	522,247.28	582,917.00	79%
	Other	54,368.00	54,368.00	24,039.02	39,672.00	44%
	TOTAL PERSONNEL	2,527,682.00	2,527,682.00	1,809,673.54	2,347,112.00	72%
Operating						
	Utilities	80,780.00	80,780.00	72,135.71	106,930.00	89%
	Administration	90,505.00	90,505.00	41,697.81	61,810.00	46%
	Fleet Costs	318,400.00	318,400.00	122,969.98	193,677.00	39%
	Program Costs	17,638.00	34,288.00	15,238.80	20,318.00	44%
	Repairs & Maintenance	65,540.00	65,540.00	43,897.31	59,700.00	67%
	Supplies	11,000.00	11,000.00	5,509.07	7,712.00	50%
	Contractual Services	50,080.00	50,080.00	20,497.50	36,895.00	41%
	Admin Overhead	100,000.00	100,000.00	50,000.00	100,000.00	50%
	Other	8,750.00	8,750.00	3,340.92	4,677.00	38%
Capital	TOTAL OPERATING	742,693.00	759,343.00	375,287.10	591,719.00	49%
	Structure	7,696.00	7,696.00	3,848.00	7,969.00	0%
	TOTAL CAPITAL	7,696.00	7,696.00	3,848.00	7,696.00	50%
Transfers						
	TRANSFERS					
Total Expenses		3,278,071.00	3,294,721.00	2,188,808.64	2,946,527.00	66%

Currently, no categories are over budget.

Transit Expenses						
	EXPENSE TYPE	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	1,810,792.00	1,810,792.00	1,263,387.24	1,724,523.00	70%
	Benefits	662,522.00	662,522.00	522,247.28	582,917.00	79%
	Other	54,368.00	54,368.00	24,039.02	39,672.00	44%
	TOTAL PERSONNEL	2,527,682.00	2,527,682.00	1,809,673.54	2,347,112.00	72%
Operating						
	Utilities	80,780.00	80,780.00	72,135.71	106,930.00	89%
	Administration	90,505.00	90,505.00	41,697.81	61,810.00	46%
	Fleet Costs	318,400.00	318,400.00	122,969.98	193,677.00	39%
	Program Costs	17,638.00	34,288.00	15,238.80	20,318.00	44%
	Repairs & Maintenance	65,540.00	65,540.00	43,897.31	59,700.00	67%
	Supplies	11,000.00	11,000.00	5,509.07	7,712.00	50%
	Contractual Services	50,080.00	50,080.00	20,497.50	36,895.00	41%
	Admin Overhead	100,000.00	100,000.00	50,000.00	100,000.00	50%
	Other	8,750.00	8,750.00	3,340.92	4,677.00	38%
Capital	TOTAL OPERATING	742,693.00	759,343.00	375,287.10	591,719.00	49%
	Structure	7,696.00	7,696.00	3,848.00	7,969.00	0%
	TOTAL CAPITAL	7,696.00	7,696.00	3,848.00	7,969.00	50%
Transfers						
	TRANSFERS					
Total Expenses		3,278,071.00	3,294,721.00	2,188,808.64	2,946,527.00	66%

Other Recommended Budget Adjustments

The following table comprises of recommended budget adjustments for other special funds.

Fund	Amount	Reason
Self-Insurance	\$50,000	Settlement Costs
PEG	\$17,634.40	Equipment Supplies

Recommended Action:

Receive and file report.

Attachments:

A. Recommended Budget Amendments

City of Beaumont
Budget Adjustment Form
FY 2024/2025

Department Approval: _____
City Manager Approval: Elizabeth M. Kilds
City Council Approval: _____

*Account Number for Example only		Revenue = (Credit) Expense = Debit	Revenue = (Credit) Expense = Debit	Debit (Credit)	
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT BUDGET	ADJUSTMENT	NEW BUDGET AMT	Explanations / Justification
120-9663-7500-0000	SETTLEMENTS	160,000.00	50,000.00	210,000.00	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
TOTALS			\$ 50,000.00		



City of Beaumont Budget Adjustment Form FY 2024/2025

DATE: 4/23/2025

DEPARTMENT NAME: PEG-City Council

PREPARED BY: Marcia Mason

Department Approval: *[Signature]*

City Manager Approval: *[Signature]*

City Council Approval: _____

*Account Number for Example only

		Revenue = (Credit) Expense = Debit	Revenue = (Credit) Expense = Debit	Debit (Credit)	
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT BUDGET	ADJUSTMENT	NEW BUDGET AMT	Explanations / Justification
210-0000-7090-0000	EQUIP SUPP/MAINT	3,000.00	17,634.40	20,634.40	Replacement of old and damaged equipment in Council Chambers
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
TOTALS			\$ 17,634.40		