



City of Beaumont

Beaumont, California

Annual Comprehensive Financial Report

For the year ended June 30, 2024

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City of Beaumont, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended June 30, 2024

Prepared by the Finance Department

Jennifer Ustation, Finance Director
Lisa Leach, CPA, Assistant Finance Director
Jacqueline Miranda, Accounting Technician II
Sheryl Gomez, Accountant
Candace Vogel, Accounting Technician
Carolina DeLaCruz, Accounting Technician
Raveena Chara, Procurement Contract Specialist
Brittany Navas, Grants Analyst

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City of Beaumont
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Table of Contents

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CITY OF BEAUMONT

**Annual Comprehensive Financial Report
For the year ended June 30, 2024**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of transmittal	i
Principal Officials	xi
Organization Chart	xii
GFOA Certificate of Achievement	xiii
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	25
<i>Proprietary Fund Financial Statements:</i>	
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows	29
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to the Basic Financial Statements	36
Required Supplementary Information (Unaudited):	
Budgetary Information	83
Budgetary Comparison Schedule – General Fund	84

CITY OF BEAUMONT

**Annual Comprehensive Financial Report
For the year ended June 30, 2024**

Table of Contents (Continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
Required Supplementary Information (Unaudited) (continued):	
Budgetary Comparison Schedule – Development Impact Fees (DIF) Special Revenue Fund	85
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios	86
Schedule of Pension Plan Contributions	88
Supplementary Information:	
<i>Major Governmental Funds:</i>	
<i>Budgetary Comparison Schedules</i>	
Community Facilities District (CFD) - Capital Projects Fund	90
General Capital Projects - Capital Projects Fund	91
Beaumont Financing Authority - Debt Service Fund	92
<i>Non-Major Governmental Funds:</i>	
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	96
<i>Budgetary Comparison Schedules</i>	
State Gas Tax Fund	99
Road Maintenance and Rehabilitation Act Fund	100
Measure A Fund	101
AB 2766 Fund	102
PEG Fees Fund	103
Other Federal Grants Fund	104
COPS Grand Fund	105
State Asset Seizure Fund	106
Other Special Revenue Fund	107
Community Facilities Districts (CFD)	108
<i>Fiduciary Funds:</i>	
Combining Statement of Fiduciary Net Position	109
Combining Statement of Changes in Fiduciary Net Position	110

CITY OF BEAUMONT

**Annual Comprehensive Financial Report
For the year ended June 30, 2024**

Table of Contents (Continued)

	<u>Page</u>
<i>STATISTICAL SECTION (UNAUDITED)</i>	
Net Position by Component	111
Changes in Net Position	113
Fund Balances of Governmental Funds	117
Changes in Fund Balances of Governmental Funds	119
General Fund Tax Revenue by Source	121
Top 25 Sales Tax Producers	122
Taxable Sales by Category	124
Assessed Value and Estimated Actual Value of Taxable Property	125
Direct and Overlapping Property Tax Rate	127
Principal Property Taxpayers	128
Property Tax Levies and Collections	129
Ratios of Outstanding Debt by Type	130
Direct and Overlapping Governmental Activities Debt	131
Computation of Legal Debt Margin	133
Pledge Revenue Coverage	135
Demographic and Economic Statistics	136
Principal Employers	137
Full-Time Equivalent City Governmental Employees by Function	138
Operating Indicators by Function	139
Capital Assets Statistics by Function	140

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December 6, 2024

To the Honorable Mayor, Members of the City Council, and the Citizens of Beaumont:

It is with great pleasure that we present to you the City of Beaumont's (City's) audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The financial statements within this report are presented in conformity with the generally accepted accounting principles (GAAP) and have been audited in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards* (GAGAS) by an independent certified public accounting firm.

The ACFR includes the financial activity for all funds of the City, Financing Authority, Public Improvement Authority and Fiduciary Funds. The report is organized into three major sections which include the Introductory Section, the Financial Section, and the Statistical Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose, which include an array of administrative procedures. These controls are designed to provide reasonable, but not absolute, assurance to safeguard City assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation involves estimates and judgements by management. It is believed that the City's internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

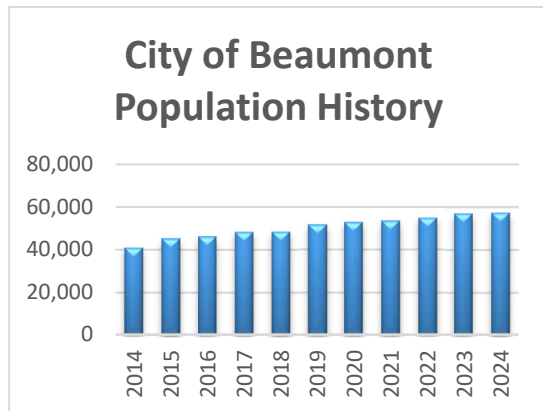
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Beaumont's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Beaumont has a rich history and is nestled in the foothills of the San Bernardino National Forest. Originally settled in the mid-1800s as a stop along the Southern Pacific Railroad, people drawn to the beautiful mountain views, crisp air and abundance of apple orchards remained in the area and the City of Beaumont was incorporated on November 18, 1912. The city is located 79 miles east of Los Angeles, 111 miles northeast of San Diego and 28 miles west of Palm Springs. Beaumont's incorporated area encompasses two of the region's most important highway interchanges, IH-10 and SR-60 and IH-10 and SR-79. Beaumont (beautiful mountain), originally the community of the San Gorgonio Pass, began its roots as an ideal route for the transport of goods and services from the Missouri River to the Pacific Ocean. The Pass Area remains an important route for the transportation of goods and services from the West Coast today.

Beaumont’s continued growth can be attributed to its desirable location and its reputation as an affordable community that offers a high quality of life. Local officials, supported by engaged community members, have worked tirelessly to prepare for a sustainable future and a vibrant community. Since the early 2000s Beaumont has undergone a major building boom and for several years has remained one of the fastest growing cities in Riverside County, mainly due to its housing affordability and convenient proximity to major urban centers. Beaumont’s median income is \$102,469 which is 21.25% higher than the average for Riverside County.



As presented in the ten-year population history chart, Beaumont’s population has significantly increased over the past 10 years. The 2023 US Census estimated the population to be 56,987. The California Department of Finance now estimates the 2024 population has grown to 57,416, an increase of 429 from 2023 (.075% growth).

Beaumont is a “general law” city governed by a city council/city manager form of government. Within the City are multiple special districts which are separate entities with their own, duly elected governing boards. Beaumont is governed by a 5-member City Council, from which the Mayor and the Mayor Pro tempore are selected annually. The City Council appoints the City Manager, who is responsible for the daily operations of all City departments, and the City Attorney. The City’s operating departments are City Council, City Clerk, Administration, Finance/Budget, Community Development, Economic Development, Community Services, Public Safety, Public Works, Transit, and Wastewater.

Basic local governmental services are provided including police, fire protection (through contract with Riverside County), maintenance and construction of public improvements, cultural, recreation, planning, zoning, transportation, sewer, and general administration. Financial administration of the City is the responsibility of the Finance Director, who supervises the City’s fiscal administration and includes the day-to-day accounting, budgetary and reporting compliance, revenue and cash management, and debt administration operations.

THE REPORTING ENTITY

The ACFR includes all activities carried out by the City as a legal entity, including the activities of the Beaumont Utility Authority (BUA), Beaumont Financing Authority (BFA), Beaumont Parking Authority (BPA), and the Beaumont Public Improvement Authority (BPIA). The City is financially accountable for each of these authorities as specified by the guidance of the Governmental Accounting Standards Board (GASB).

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The City's fund accounting records are maintained using a modified accrual basis of accounting, as explained in the Notes to the Financial Statements, and is subject to the accounting practices for governmental units as mandated by (GASB). Basic City operations are accounted for in the City's General Fund, with other activities accounted for in separate funds as required by law or determined by management discretion.

The Government-Wide financial statements (Statement of Net Position and Statement of Activities) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements. These reconciliation schedules are presented on pages 22 and 25 in the body of the financial statements.

The Finance Director is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is the level at which expenditures are not to exceed Council approved appropriations, is established at the fund and department level. The City Manager has authority to amend the budget within a departmental appropriation; however, changes in employee counts must be approved by the City Council. Adjustments at the object level within major categories of expenditures are permissible at the department level, however, adjustments involving transfers between major categories of expenditures such as movement from personnel budget to operating budget, or capital budget to operating budget, between departmental and division budgets, or between departments within the same fund, require Finance Director recommendation and City Manager approval. The legal level of control lies within the total department budget for the General Fund. All other funds legal budgetary control is at the fund level. All appropriations lapse at year-end and become available for re-appropriation the following year through the appropriate budgetary process, upon recommendation by the City Manager for City Council consideration.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Economic Development

The City developed and launched a Downtown Business Incentive Program designed to encourage investment in the Downtown and to attract new businesses. The City also launched a new Economic Development Website, creating a user-friendly interface where businesses can access resources, grant and incentive information, and businesses and developers can view available properties throughout the City. The City initiated development of the Downtown Beaumont Revitalization Plan with the help of GHD, an urban planning and engineering firm, which will provide an implementation plan to achieve City Council's vision for the Downtown established in the 2040 General Plan Update. The DBRP was completed during the first quarter of the 2025 fiscal year.

Community Development

Beaumont adopted the 2040 General Plan Update which was a major update to the 2007 General Plan. The update was recognized by the American Planning Association and awarded the 2021 Comprehensive Plan Small Jurisdiction Award. The City also completed a Downtown Area Plan that provides a detailed vision, guiding principles, and goals and policies for the City's historic core. It recognizes the importance of this area to the identity of the community and is the guiding document for the revitalization and redevelopment of the downtown core. The city also completed the Housing Element Update process and implemented new Housing Element programs.

Housing Element Program 19 identifies that the Planning Department shall facilitate the adoption of Objective Design Standards for residential and mixed-use project, in order to expedite the approval process for such project and support the City in meeting its housing goals. The Objective Design Standards were adopted by the City Council on September 28, 2023.

Planning staff in implementing the Downtown Vision and the 2040 General Plan, more specifically the first line item in the implementation Chapter 12 the Land Use and Community Design Implementation Action LUCD1 that states following, upon the adoption of the General Plan, review of the existing, adopted Specific Plans and make changes to ensure consistency with the General Plan. This implementation action is designated as a high priority to be performed in a short time by the Planning Department and was approved by the City Council on October 17, 2023.

Community Services

In alignment with the City of Beaumont's Strategic Plan's goal to enhance residents' quality of life, Beaumont Parks and Recreation has prioritized expanding community events and cultural inclusivity. In 2024, we launched the popular "Beaumont Nights" at Town Centre, which ran for seven weeks, attracting approximately 1,500-2,000 visitors weekly for live music, local vendors, and family entertainment. Our programming also saw significant growth with the launch of a youth volleyball league and the Learn to Swim program. Through 27 sessions, our team of dedicated lifeguards taught water safety and essential swimming skills to 134 youth participants, supporting our commitment to wellness and safety in our community.

The Community Services Master Plan is actively progressing, marking a transformative period for the city's recreational areas. This comprehensive plan is already making strides in enhancing current parks, developing new spaces, and expanding recreational programming, all with the goal of fostering a greener, more vibrant future for Beaumont. With its ambitious scope, the plan is set to strategically guide future investments, park improvements, and recreational services to meet the needs of all residents. These forward-thinking improvements reflect Beaumont Parks and Recreation's dedication to creating high-quality recreational spaces that celebrate and serve the diverse needs of our community.

Stewart Park is at the center of this transformation. We broke ground on an \$11 million revitalization in summer 2024, with Phase 1 including a splash pad, multigenerational inclusive playground, shade structures, ADA pathways, and lighting throughout. Phase 2 will feature a new bandshell, additional picnic shelters, relocated basketball court, skate park upgrades, and additional playground areas. Planned improvements at Nicklaus Park will repurpose the existing dog park as a baseball field, add new restrooms, expand pickleball courts, and create more multi-sport field areas. A new dog park is proposed for Palmer Park to enhance community access and convenience.

Lastly, in fiscal year 2023-2024 our Building Maintenance department implemented a robust preventative maintenance work order schedule covering all existing building assets, such as HVAC systems, lighting, generators, and various other components. This schedule provides guidance to staff on routine maintenance tasks and ensures timely replacement of parts, thereby prolonging the lifespan of mechanical assets and minimizing downtime. The department also continued to improve parks, facilities, and city walkway lighting by installing LED fixtures, today's most energy-efficient lighting technology. The LED light bulbs last longer and provide brighter community spaces for residents. The department also successfully kicked off two major construction projects awarding Public Works Agreements for the Veterans and First Responders Memorial Plaza at City Hall, and the renovation of the 6th Street Medians.

Public Safety

In the fiscal year 2023/2024, the Beaumont Police Department has successfully expanded its staffing to better serve our growing community. This enhancement is crucial for maintaining public safety and fostering positive relationships between law enforcement and residents.

Staff Additions included Administrative Staff, an Executive Assistant and Management Analyst position have been added to support the Office of the Chief and manage the financial and budgetary needs of the department, which oversees approximately half of the city's budget. A School Resource Officers (SROs) which has been contracted, funded through a strategic partnership with the Beaumont Unified School District. This brings the total number of SROs to three, significantly enhancing safety and support within our schools. Community Service Officers (CSOs), two new CSOs have been added, increasing our total to five. CSOs play a vital role in community engagement and help free up sworn officers for more critical law enforcement tasks. Finally, Patrol Officers, two additional patrol officers have been hired, bringing our total number of sworn officers to 60. This increase will improve community safety, response times, and enhance the visibility of law enforcement in neighborhoods.

Operational Enhancements in the current fiscal year included adding Surveillance Cameras and Mental Health Wellness App. The department has invested in leasing ten additional surveillance cameras, complementing the two previously purchased. This brings our total to twelve cameras strategically placed throughout the city to assist in tracking vehicles involved in crimes. We have subscribed to a wellness app for all police department personnel and their families, funded by a wellness grant for the next two years. This initiative aims to support the mental health of our officers, which is crucial for delivering quality service to the community.

The additions to staffing and resources this fiscal year represent a significant step forward in our commitment to ensuring the safety and well-being of Beaumont's residents. By enhancing our personnel and operational capabilities, we are better equipped to meet the needs of our growing community.

Public Works

The city achieved notable accomplishments in infrastructure development, enhancing the overall functionality of our community. Key projects include 2nd Street Extension, Pennsylvania Grade Separation, Potrero Interchange Phase II, and a new traffic signal at 1st and Beaumont Ave. The Second Street Extension project will extend 2nd Street from its current terminus to Pennsylvania Avenue. Pennsylvania Avenue Grade Separation Project is currently in design. The project will eliminate the at-grade crossing with Union Pacific Railroad. Completion of the design phase is anticipated in late 2024. Phase 2 of the Potrero Interchange Project includes the addition of on

and off ramps to SR 60. The City has recently obtained \$33.5 million in Trade Corridor Enhancement Program funding and \$8 million in funding from RCTC. Construction is anticipated to begin in 2025. The City successfully completed some much-anticipated projects. Pennsylvania Avenue Widening was completed in February of 2024 which added four lanes to Pennsylvania between First Street and Sixth Street to help alleviate traffic. The completion of the new traffic signal at 1st and Beaumont Ave now contains a protected left-turn lane on 1st Street. With the City of Beaumont continuing to grow, we are excited to announce the recently completed Fire Station No. 106 is fully operational. This provides residents on the west side of the City with shorter response times and expands Beaumont's public safety coverage. The Public Works Streets Department is currently installing street and pedestrian lighting in the Downtown area to increase safety and enhance the streets along the downtown market night area. The City is continuing its ongoing effort to implement SB 1383, the organics recycling state mandate. The City held two community cleanup events that collected a total of 274.97 tons of waste, hosted free composting classes for residents and held a mulch giveaway event to help beautify Beaumont. These accomplishments highlight the City's commitment to fostering a safe, sustainable, and thriving environment for our residents.

Wastewater

The City is making significant progress on important sewer infrastructure improvements, including the Mesa Lift Station and the force mains conveying wastewater from this lift station. Mesa Lift Station is located on Potrero Blvd next to San Timoteo Canyon and is a critical facility receiving wastewater conveyed from five smaller lift stations. The capital improvements to Mesa Lift Station involve two complementary capital projects. The force main project comprised a new 1.4-mile sewer force main having a 16-inch diameter which addresses the current limited capacity of the existing 12-inch force main to enable the lift station to convey wastewater to the treatment plant to meet the demands of the current and future development in the northwestern part of the City. The construction cost of this force main project is approximately \$3.2M and was substantially completed in October 2024.

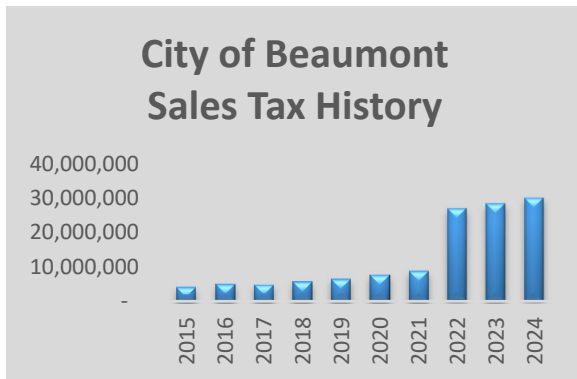
In 2024, the City also awarded a construction contract for \$6.8M to upgrade of the Mesa lift station to increase pump and storage capacity needed to accommodate future growth in this western area of the City to be completed in Fall 2025. In total, the combined capital improvements for the Mesa Lift Station are estimated to be \$10M in construction value. The City is also anticipating completion and acceptance of three other developer-built lift stations in 2024 and is seeking of bids for the construction of a Vactor Dump Station and other improvements at the City's WWTP.

The city has acquired a van equipped with video-scoping equipment and has commenced a citywide sewer inspection program to assess the current condition of the sewer system. City staff are performing inspections on a periodic basis, and it is anticipated that all critical areas will be inspected within the next year. The resulting condition information will be added to the City's GIS for future planning purposes.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

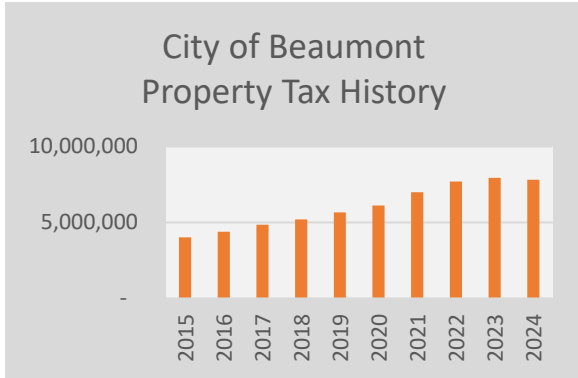
As presented in the 2040 General Plan Update, the City will support downtown revitalizations as well as growth and business expansion in targeted industries that include healthcare, retail, and technology-based industries. Beaumont has continued to experience growth in its retail, commercial and industrial sectors. The City is approximately 70% built out and has significant land available to add to its numerous retail anchors that include Walmart, Home Depot, Kohls, Best Buy and Ross Dress for Less. The City's commercial and industrial sectors include major like Amazon, Duraplastics, Perricone Juices, iFit Health and Fitness, United Legwear, Wolverine Worldwide, CJ Foods, and Rudolph Foods. Amazon and these other national brands provide much of the economic base of the community through the employment of the local labor force. Due to Beaumont's prime location, available land, and growing population base it is anticipated that it will remain attractive to future commercial and industrial prospects. Planning policies have been adopted to support balanced growth the achieve fiscal sustainability while maintaining a high quality of life. These policies are in concert with the City Council's official goals and objectives in the areas of public safety, quality of life, economic development, sustainable community, and intergovernmental/interagency relationships.

In 2024, the median price of a home in Beaumont has remained flat at \$520,000, a decrease of \$15,000 or 2% from \$535,000 in 2023, according to the Riverside County Recorder via HDL, Coren & Cone. Beaumont continues to see a steady pace in new, single-family residential development which is expected to continue over the next couple of years. This growth is expected to continue attracting skilled and educated residents who are expanding the local workforce with the requisite skills to meet the City's economic development objectives.



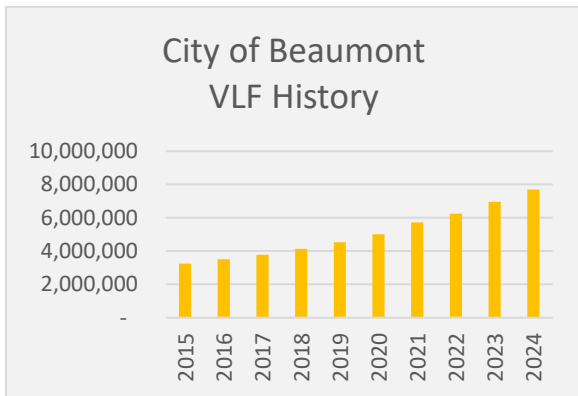
The Sales Tax History chart is a ten-year historical presentation of the City's sales tax revenue through fiscal year ending June 30, 2024. In 2024, the city received \$30,085,425 in sales tax revenues, an increase of 5.52% or \$1,575,522 from \$28,869,849.

As with most California communities, a large portion of General Fund revenues are derived from sales and use tax receipts. Continued growth in the retail and commercial sectors will be critically vital to the long-term fiscal health of the community. A retail-oriented economic development program has been launched to expand local business and attract new prospects. Existing, entitled land exists for significant expansion of the retail center at Highland Springs and Second Street with other vacant sites at key locations being targeted for retail-specific economic development recruitment. The City also launched a Downtown Business Incentive Program to attract new businesses.



On June 30, 2024, property tax revenues were reported at \$7,806,832, a net decrease of \$125,990 or 1.58% from fiscal year 2022 due to a slow down in the sale of new homes.

The Property Tax History chart is a ten-year historical presentation of the City's property taxes through fiscal year ending June 30, 2024



program provides for the exchange of the current VLF backfill from the State's general fund for an equivalent amount of property tax revenues in FY2004/2005. Any future growth in VLF revenue would be calculated in proportion to growth in gross assessed valuation. As presented in the ten-year history chart, VLF has steadily increased. In fiscal year 2023/2024, the City collected \$7,693,382 in VLF revenue, an increase of \$741,234 or 10.66% due to an increase in property values within the City.

In fiscal year 2004/2005, as part of the California Governor's Budget/Constitutional Protection Package, a Vehicle License Fee (VLF) program was implemented. The

LONG-TERM FINANCIAL PLANING AND FINANCIAL POLICIES

The City develops a five-year financial projection for all city funds, covering all foreseeable elements of revenue and expenditures. This practice allows the City to identify potential fiscal challenges early on and gives it time to plan strategically to weather economic cycles and provide stable and consistent services to its readers.

For capital projects, the City maintains a five-year capital improvement plan which is updated annually. This plan provides a long-term forecast of identified capital improvement projects and serves as a tool for the City management and City Council to plan, prioritize and monitor the City's capital projects.

The City has established a reserve policy to set aside unrestricted general fund balance for working capital, budget stabilization and emergency disaster Reserves. Working capital reserve requirements are 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 to \$1M to provide funds that may not be available within the budget to address unforeseen emergency disaster brought upon by nature or huma. The City plans to continue to enhance financial policies including the reserve policy and to review these policies each year.

INDEPENDENT AUDIT

An independent audit of the City's records was performed for the year ended June 30, 2024, by the certified public accounting firm Rogers, Anderson, Malody & Scott, LLP. The auditor's report on the basic financial statements (government-wide financial statements and the fund financial statements), the notes to the basic financial statements and supplementary information is included in the Financial Section of the ACFR.

In general, the auditors concluded that the basic financial statements and supplementary information referred to above present fairly, in all material respects, the financial position of the City of Beaumont, Beaumont Successor Agency, Beaumont Financing Authority and the Beaumont Public Improvement Authority, as of June 30, 2024, and the results of its operations and cash flows of its proprietary fund types for the year ended in accordance with accounting principles generally accepted in the United States of America. The professionalism and knowledge by Rogers, Anderson, Malody & Scott, LLP during the audit is appreciated.

AWARD AND ACKNOWLEDGMENTS


The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beaumont for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the second year the City received the extinguished award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year

only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and other City Departments that provided data for preparation of the Statistical section of the Report. We would like to express our appreciation to the members of all departments who assisted and contributed to the preparation of this report. We would like to extend our appreciation to the Mayor, City Council, and each City Department for their cooperation and support in conducting fiscal operations of the City.

Lastly, we would like to thank the City's independent auditors, Rogers, Anderson, Malady & Scott, for their assistance in preparing this important financial document.

Respectfully submitted,

X 

Jennifer Ustafon
Finance Director

CITY OF BEAUMONT

PRINCIPAL OFFICIALS

Elected Officials

David Fenn
Mayor

Mike Lara
Mayor Pro Tem

Julio Martinez III
Council Member

Lloyd White
Council Member

Jessica Voigt
Council Member

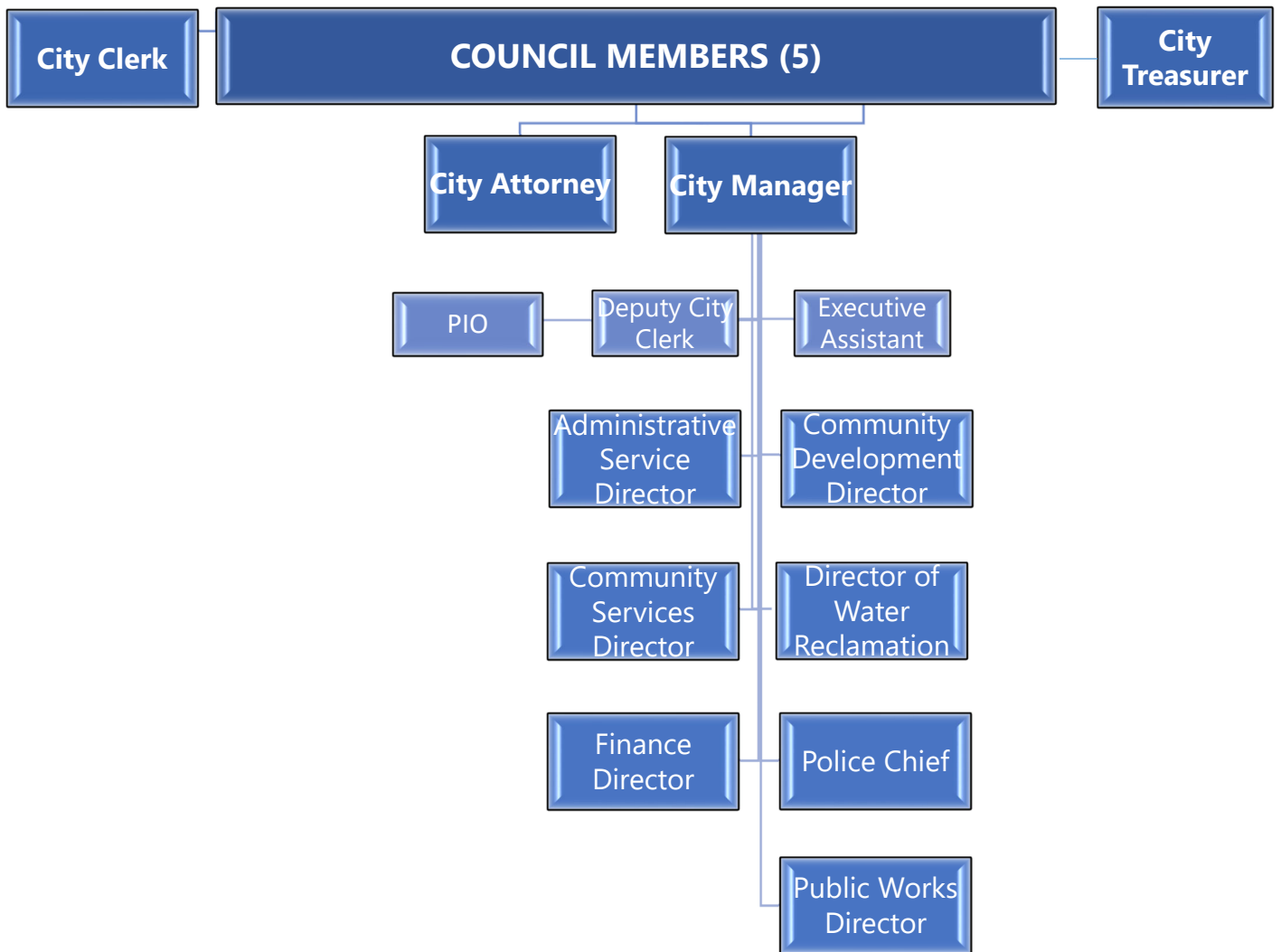
APPOINTED OFFICIALS

Elizabeth Gibbs
City Manager

John Pinkney
City Attorney

Elain Morgan City Clerk
Nicole Wheelwright Deputy City Clerk
AJ Patel City Treasurer
Shannon Doyle Executive Assistant
Kari Mendoza Administrative Services Director
Sean Thuilliez Chief of Police
Jennifer Ustation Finance Director

**City of Beaumont
Organizational Chart**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Beaumont
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

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

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
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Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

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To the Honorable Mayor and Members
of the City Council of the
City of Beaumont
Beaumont, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont (the City), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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



Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2024, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, and schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Beaumont's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- In the Government-Wide – Statement of Net Position: The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$587,256m (net position); of this amount \$454,696m is from governmental activities and \$132,560m is from business-type activities, with \$32,690m positive and \$8,512m positive unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's overall net position increased 9.12% or \$49,065m from the \$538,191m at the beginning of the year, to \$587,256m at the end of the year. The increase is the net result of positive changes of \$47,157m in governmental activities and negative change of \$1,906m in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues increased by \$10,122m due to an increase of combined operating grants and contributions and capital grants and contributions of \$10,122m. Business-type program revenues decreased by a net \$2,809m due to a decrease in charges for services and capital grants and contributions.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a positive net change in fund balance of \$6,263m due to \$12,724m of revenues over expenditures combined with reduction of other financing uses of \$6,462m. The majority of the increase in other financing uses was due to transfers out of \$14,605m for one-time Project Funding.
- In the Required Supplementary Information – Budgetary Comparison Schedule: For the General Fund, the actual revenues available for appropriation were more than the final budget by \$4,051m, while actual expenditures were \$9,514mm less than the final budget. Net actual other financing sources were \$323k more than the final budget, resulting in a positive \$13,887m net change in budgetary variance and an actual positive fund balance change of \$6,263m.
- In the 2023/2024 Adopted Budget – the City Council and management annually make great efforts to adopt a balanced budget that preserves general fund - fund balance. This year City Council adopted a General Fund budget which is projected to have a negative change in net position of \$7,625m. Overall, the General Fund maintains a solid financial position with committed funds of \$6,808m (self-insurance) and \$3,865m (capital projects) and assigned funds of \$1,319m (re-appropriation). In the adopted budget for fiscal year 2023/2024, committed fund balance represent 19.7% of the General Fund annual budget.

USING THIS ANNUAL REPORT

The discussion and analysis is intended to serve as an introduction to the City of Beaumont's basic financial statements. The basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes* to the financial statements.

The *government-wide statements* provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements consist of the *statement of net position* and *statement of activities*.

The *fund financial statements*, which consist of the *governmental funds*, *proprietary funds*, and *fiduciary funds*, report the City's operations in more detail than the government-wide statements by providing information about the City's most significant (major) funds. The *governmental fund* statements also tell how City services were financed in the short term as well as what remains for future spending. The *proprietary funds* statements use the same accounting method as the business-type activities but provide more detail of the activities. The *fiduciary fund* statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in it. The reader can think of the City's net position - the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities - as one way to measure the City's financial health. Over time, *increases* or *decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. However, to assess the *overall health* of the City the reader will need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The *statement of net position* and the *statement of activities* present information about the following:

- Governmental activities - All the City's basic services are governmental activities, including general government, community development, public safety and public works. General revenues, including property taxes, motor vehicle in lieu, sales taxes, and franchise fees, finance 64% of these activities.
- Business-type activities – All Proprietary Funds (enterprise funds), wastewater, wastewater capital, wastewater developer impact fees, recycling water impact fees, transit, and transit capital, which receive funding through charges for services and developer contributions.
- Component units - The City's governmental activities include the Beaumont Financing Authority (BFA) and the Beaumont Public Improvement Authority (BPIA).

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – *governmental*, *proprietary*, and *fiduciary* - use different accounting approaches.

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

The City of Beaumont maintains forty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, Beaumont Financing Authority/Beaumont Public Improvement Authority, Community Facilities District (CFD), Development Impact Fees (DIF), Capital Projects Fund and General Capital Projects Fund, which are *major* funds. The remaining eleven *nonmajor* funds are combined and presented in the *nonmajor* governmental funds column. Individual fund detail for the *nonmajor* funds is presented in the *combining statements* which is located as listed in the table of contents under *Supplementary Information*.

Proprietary funds - When the City charges customers for certain services it provides, these services are generally reported in proprietary funds. There are two types of proprietary funds: enterprise fund (*business-type activities*) and internal service funds (internal allocation of costs). Proprietary funds are reported on the full accrual basis of accounting, which is the same method that all activities are reported in the *statement of net position* and the *statement of activities*.

The City of Beaumont maintains eight enterprise funds to account for Wastewater (Four funds), Transit (Three funds) and one Internal Service Fund. The Wastewater and Transit funds are *major* funds and as such detail activity is presented in the *statement of net position*, *statement of revenues, expenses and changes in net position*, and *statement of cash flows* which is located as listed in the table of contents under *Fund Financial Statements*.

Fiduciary Funds - The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City acting as Successor Agency to the Former Beaumont Redevelopment Agency (Successor Agency) is the trustee, or fiduciary, for amounts held on behalf of bond holders, enforceable obligations, and taxing entities. The City's fiduciary activities are reported in separate *statement of fiduciary net position* and *changes in fiduciary net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of fiduciary net position and statement of changes in fiduciary net position are located as listed in the table of contents under *Fund Financial Statements*.

Notes to the financial statements – Additional information that is crucial to a full understanding of the figures provided in the government-wide and fund financial statements is provided in the notes to the financial statements. The notes to the financial statements can be found on as listed in the table of contents under *Notes to the Basic Financial Statements*.

Required supplementary information - The *budget and budgetary accounting and postemployment benefit plans* information is located as listed in the table of contents under *Required Supplementary Information*.

Government-Wide Financial Analysis

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities reported in the government-wide statements.

Net Position

As shown in Table 1, the City's net position from governmental activities increased 11.57% from \$407,539m to \$454,696m. The \$47,157m positive change in net position is the result of a negative \$16,905m in program operations, netted with \$64,063m in general revenues. In the business-type activities the increase was 1.46% or \$1,907m, net position changed from \$130,652m to \$132,560m, the net result of a positive net revenue over expenses of \$429k and a positive \$1,477m in general revenues and transfers. These changes are recorded in the *statement of activities* (Table 2) which flows through to the *statement of net position*.

Table 1
Statement of Net Position
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 259,709	\$ 259,894	\$ 27,307	\$ 25,506	\$ 287,016	\$ 285,400
Capital assets	314,934	293,377	192,188	193,989	507,122	487,366
Total assets	<u>574,643</u>	<u>553,271</u>	<u>219,495</u>	<u>219,495</u>	<u>794,138</u>	<u>772,766</u>
Deferred outflows:						
Deferred outflows related to pension	12,108	11,852	1,504	1,558	13,612	13,410
Liabilities:						
Current and other liabilities	38,302	52,471	6,266	6,093	44,568	58,564
Noncurrent liabilities	91,597	102,938	82,129	84,231	173,726	187,169
Total liabilities	<u>129,899</u>	<u>155,409</u>	<u>88,395</u>	<u>90,324</u>	<u>218,294</u>	<u>245,733</u>
Deferred inflows:						
Deferred inflows related to pension	913	1,564	46	77	959	1,641
Deferred inflows related to leases	1,243	611	-	-	1,243	611
Total deferred inflows	<u>2,156</u>	<u>2,175</u>	<u>46</u>	<u>77</u>	<u>2,202</u>	<u>2,252</u>
Net position:						
Net investment in capital assets	250,261	212,055	111,188	110,914	361,449	322,969
Restricted	171,745	165,793	12,860	12,860	184,605	178,653
Unrestricted	32,690	29,691	8,510	6,878	41,200	36,569
Total net position	<u>\$ 454,696</u>	<u>\$ 407,539</u>	<u>\$ 132,558</u>	<u>\$ 130,652</u>	<u>\$ 587,254</u>	<u>\$ 538,191</u>

As shown in Table 2, the change in net position is a positive \$47,157m for *governmental activities* and positive \$1,906m for *business-type activities*, with a combined total increase in net position of \$49,063m for the fiscal year ending June 30, 2024.

Table 2
Statement of Activities
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 9,193	\$ 9,460	\$ 17,009	\$ 20,773	\$ 26,202	\$ 30,233
Operating grants	5,881	4,912	3,867	2,500	9,748	7,412
Capital grants	25,432	16,012	1,669	2,081	27,101	18,093
General Revenues:						
Property taxes/in-lieu	15,500	14,885	-	-	15,500	14,885
Sales taxes	30,085	28,510	-	-	30,085	28,510
Motor vehicle in lieu taxes	70	56	-	-	70	56
Utility users tax	2,549	2,702	-	-	2,549	2,702
Franchise taxes	3,347	3,254	-	-	3,347	3,254
Transient occupancy taxes	397	433	-	-	397	433
Business licenses	430	381	-	-	430	381
Other taxes	753	973	-	-	753	973
Investment earnings	10,446	5,239	1,039	638	11,485	5,877
Miscellaneous	562	4,514	361	24	923	4,538
Loss on sale of assets	-	-	-	(23,005)	-	(23,005)
Total revenues	<u>104,645</u>	<u>91,331</u>	<u>23,945</u>	<u>3,011</u>	<u>128,590</u>	<u>94,342</u>
Expenses:						
General government	9,732	10,643	-	-	9,732	10,643
Public safety	23,792	23,317	-	-	23,792	23,317
Public works	10,238	9,863	-	-	10,238	9,863
Community development	2,774	3,202	-	-	2,774	3,202
Community services	7,612	4,988	-	-	7,612	4,988
Interest and fiscal charges	3,263	2,564	-	-	3,263	2,564
Sewer	-	-	18,723	16,398	18,723	16,398
Transit	-	-	3,393	2,865	3,393	2,865
Total expenses	<u>57,411</u>	<u>54,577</u>	<u>22,116</u>	<u>19,263</u>	<u>79,527</u>	<u>73,840</u>
Changes in net position before Transfers	<u>47,234</u>	<u>36,754</u>	<u>1,829</u>	<u>(16,252)</u>	<u>49,063</u>	<u>20,502</u>
Transfers	(77)	(616)	77	616	-	-
Change in net position	<u>47,157</u>	<u>36,138</u>	<u>1,906</u>	<u>(15,636)</u>	<u>49,063</u>	<u>20,502</u>
Net position, beginning of year, as restated	<u>407,539</u>	<u>371,401</u>	<u>130,653</u>	<u>146,289</u>	<u>538,192</u>	<u>517,690</u>
Net position, end of year	<u>\$ 454,696</u>	<u>\$ 407,539</u>	<u>\$ 132,559</u>	<u>\$ 130,653</u>	<u>\$ 587,255</u>	<u>\$ 538,192</u>

Governmental activity program revenues increased over last year by \$10,122m, and general revenues increased by \$3,193m. Net increase in operating contributions and grants of \$969k was a result of \$1m of American Rescue Funds received related expenditures. Increase in Capital grants of \$9.4m was a result of the recognition of revenue from Mitigation fees of \$4m for the new Potrero fire station, \$3.4 m for Pennsylvania road widening, and \$1m in Community Facilities District additional revenue. Public Safety program revenues increased by a net of \$4.1m due to an increase in capital contributions for the new fire station. Public Works program revenue increased by \$7m mainly due to an increase mitigation fee recognition for Pennsylvania widening and other road improvements.

Capital grants and contributions increased by \$9,420m mostly due to an increase in mitigation fees.

Overall general revenues increased by \$3,193m, due to the following changes in all major tax categories: property taxes increased - \$615k (current secured - \$146k, unsecured property decrease - \$381k, property transfer tax increase - \$109k), sales tax increase - \$1,575m, franchise tax increase - \$93k (due to an increase of utilities franchise taxes), and property taxes in-lieu of motor vehicle taxes increased \$14k. Investment revenues increased a net of \$5,207m (due to rising interest rates on investments), and utility user taxes decreased \$153k. Miscellaneous revenues decreased \$3,952m due to collections from WRCOG settlement agreement in previous year. And finally, net transfers between governmental and business-type funds decreased \$539k due to one-time bonus funds paid, the final payment for Vactor truck payment and funding of wastewater equipment replacement fund in the previous year.

Business-type program revenues were down a net of \$2,853m, when compared to last year. Primary decreases were related to a decrease in wastewater mitigation fees. The decrease in wastewater operations service charges were \$3,764m and decrease of capital contributions of \$412k. Transit operating revenues had a decrease of \$15k. Operating grants increased by \$1.367 m mainly attributable to an increase of transit bus purchases.

Governmental activities program expenses increased by \$2,834m. The result was increases within personnel costs within specific programs during the fiscal year. An increase of \$475k occurred in Public Safety mostly due to an increase in personnel and the fire services contract with Riverside County. A \$375k increase in Public Works is mainly attributed to increases in personnel and depreciation expense. Furthermore, there was a \$428k decrease in Community Development is mainly due to decreases in grant activities and Community Services increased by \$2.6m due to a \$500k increase in recreation programs, the purchase of vehicles for \$500k and increase in parks and grounds maintenance and personnel cost of \$1m. General Government operations decrease of \$911k is primarily due to decrease in the net pension liability (and related deferred amounts) and decrease in insurance claims payable.

The business-type activities expenses reflected a net increase of \$2,853m in program expenses. The Wastewater Enterprise fund had an increase of \$2,325m which is made up of an increase in pension obligation payment and operating expenses such as depreciation, supplies and contractual services. The Transit Enterprise fund had an increase of \$528k mostly due to an increase in personnel and pension obligation costs.

In comparison to fiscal year 2023, the overall change in net position from operations for *governmental activities* was an increase of \$47,157m and *business-type activities* increased by \$1,906m resulting in an overall City net position increase of \$40,063m for fiscal year 2024.

Government Activities

Table 3 presents the *total cost* (expenses) of each of the City's major public services in general government, public safety, community development, public works, and interest expense. Also included is each program's *net cost* (total cost less program revenues generated by the activities). The *net cost* shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(Dollars in Thousands)

	Total Cost			Net Cost		
	2024	2023	Change	2024	2023	Change
Functions:						
General government	\$ 9,732	\$ 10,643	\$ (911)	\$ 5,650	\$ 7,061	\$ (1,411)
Public safety	23,792	23,317	475	13,186	16,902	(3,716)
Public works	10,238	9,863	375	(5,697)	1,290	(6,987)
Community development	2,774	3,202	(428)	(1,482)	(2,176)	694
Community services	7,612	4,988	2,624	1,986	(1,301)	3,287
Refuse	-	-	-	-	-	-
Interest and fiscal charges	3,263	2,564	699	3,263	2,564	699
Total Governmental Activities	<u>\$ 57,411</u>	<u>\$ 54,577</u>	<u>\$ 2,834</u>	<u>\$ 16,906</u>	<u>\$ 24,340</u>	<u>\$ (7,434)</u>

In looking at table 3, you will note the major changes both in total cost and net cost. In 2024, total costs increased by \$2,834m, a result of increase in public safety, public works and community services, and interest and fiscal charged, and a decrease in general government and community development. Specific changes in program costs were discussed in the previous section.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At year-end, the City's *governmental funds* reported combined fund balances of \$220,248m a net increase of \$15,336m in fund balance; included in this amount are increase in fund balance for General Fund of \$6,263m, an increase in Development Impact Fees (DIF) \$9,233m, Other Government Funds \$1,175m, General Capital Projects \$11,956; combined with a decrease in the Community Facilities District Capital Projects Fund \$598k, and Beaumont Financing Authority \$3,892m. The General Fund had a net increase in fund balance of \$6,263m, resulting from net revenue exceeding expenditures by \$12,724m, netted with total other financing uses of (\$6,462m). The significant change from the previous year is mainly due to the transfer of funds to cover capital projects.

In total the *Proprietary Funds* reported a positive change in net position of \$1,906m, with the Wastewater Enterprise showing a negative change of \$478k and the Transit Enterprise showing a positive change of \$2,384m. The Wastewater Enterprise ended with a positive change in net position of \$1,906m, because of nonoperating revenues exceeding expenses by \$1,376m netted against ongoing operating expenses exceeding operating revenues by \$1,904m, and a positive change in transfers and capital contributions of \$49k. The Transit Fund ended the year with a positive change of \$2,384m, because of ongoing operating expenses exceeding operating revenues by \$3,290 offset by nonoperating revenues of \$3,978m and transfers and capital contributions of \$688k.

General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$12,724m less than the actual revenues. The positive budget-to-actual variance of \$13,564m was due to a positive increase in tax revenues and use of money and property and conservative spending citywide with saving in administration services, fire, community development and community services. Of the unspent budget, actual revenues were \$4,051m more than anticipated compared to the final budget due to higher tax revenues in sales tax than anticipated. Use of money and property was the significant variable from higher than anticipated earnings in investments from higher interest rates and unrealized gains. Other revenues came in higher than expected due to an increase in cost recovery. Favorable budget amendments and supplemental appropriations were made during the year to diminish budget overruns and capital improvement plan amendments. The original revenue budget was increased \$445k mainly for settlement receipts, while the expenditure appropriations budget was decreased in total by \$1,371m due to decreasing fund balance contingency as unprogrammed revenues were appropriated.

Although, the final adopted budget projected a \$7,625m negative change in fund balance, favorable results in revenues of \$4,051m, favorable results in expenditures of \$9,514m and favorable results in other financing sources of \$323k resulted in the combined favorable results of \$13,888m, as the actual positive net change in fund balance was \$6,263m for the fiscal year ending June 30, 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 4
Capital Assets (net of depreciation)
(Dollars in Thousands)

Asset Type:	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 32,803	\$ 32,661	\$ 3,458	\$ 3,458	\$ 36,261	\$ 36,119
Construction in progress	34,228	12,287	3,600	113,496	37,828	125,783
Structures, machinery & equipment	22,603	17,677	18,584	17,734	41,187	35,411
Infrastructure	223,997	229,579	166,262	59,040	390,259	288,619
Right-to-use assets	1,303	1,173	284	262	1,587	1,435
Total	\$ 314,934	\$ 293,377	\$ 192,188	\$ 193,990	\$ 507,122	\$ 487,367

At the end of fiscal year 2024, the City had \$507,122m invested in a broad range of capital assets, a total increase of \$20k (See Table 4 above). *Governmental activities* include equipment, buildings, vehicles, land, park facilities, roads, storm drains, sidewalks and curb and gutters. *Business-type* activities include transit and wastewater operations. The total increase in the City of Beaumont investment in capital assets for fiscal year 2024 was 4.05% (a 7.35% increase in *governmental activities* and .93% decrease in *business-type activities*). For fiscal year 2024, net decreases are the result of depreciation of \$5.6m on infrastructure. More information can be found in Note 5 of these financial statements.

Long-Term Liabilities

Under the GASB standards, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. These amounts are presented in the statement of net position, with detailed information in Note 10 to the financial statements.

Governmental Activities - The City governmental funds have \$97,087m in outstanding long-term liabilities as of June 30, 2024; with the majority (\$68m) related to Local Agency Revenue Bonds. In the Governmental Activities, pension related obligations total \$23,720m. Table 5 below and Notes 6, 7, 8, 9 and 10 to the financial statements offer a more detailed view of governmental long-term liabilities.

Table 5
Long-Term Liabilities
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
2015 Refunding Revenue Bonds, Series A	\$ 9,005	\$ 9,270	\$ -	\$ -	\$ 9,005	\$ 9,270
2015 Refunding Revenue Bonds, Series B	13,530	14,380	-	-	13,530	14,380
2015 Refunding Revenue Bonds, Series C	3,355	3,600	-	-	3,355	3,600
2015 Refunding Revenue Bonds, Series D	4,930	5,290	-	-	4,930	5,290
2019 Refunding Revenue Bonds, Series A	4,060	4,415	-	-	4,060	4,415
2020 Revenue Bonds, Series A	15,670	16,200	-	-	15,670	16,200
2021 Revenue Bonds, Series A	15,895	17,265	-	-	15,895	17,265
Bond premium						
2019 revenue bond series A	703	781	-	-	703	781
2023 Revenue Bonds, CFD 2016-3	-	8,800	-	-	-	8,800
Wastewater Revenue Bonds, Series 2018A	-	-	74,785	76,210	74,785	76,210
Bond premium	-	-	6,084	6,630	6,084	6,630
Lease Liability	1,015	1,018	109	-	1,124	1,018
Subscription liability	149	303	21	235	170	-
Compensated absences	3,511	3,465	437	478	3,948	3,943
Claims payable	1,544	2,302	-	-	1,544	2,302
Net pension liability	23,720	21,119	2,935	2,823	26,655	23,942
Total	\$ 97,087	\$ 108,208	\$ 84,371	\$ 86,376	\$ 181,458	\$ 194,046

Business-type Activities - The enterprise funds have \$84,371m in outstanding long-term liabilities as of June 30, 2024. The wastewater fund has bonded debt of \$74,785m consisting of the 2018 Wastewater Revenue Bonds originally issued for \$81,105m with the first payment made on September 1, 2019: and the premium on the bond with a current outstanding balance of \$6,084m. The Bond issue is paid with wastewater operating revenues. In the enterprise funds pension related obligations total \$2,935m. Additional detailed information for business-type long-term liabilities is shown in Note 6, 8 and 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As of November 7, 2024, the Inland Empire's economy continues to exhibit resilience amid broader economic fluctuations. The region's business activity expanded at an annualized rate of 2.8% during the third quarter of 2023 and is projected to grow between 2% and 3% over the next 12 months. While the residential real estate market has shown some signs of softening, this has been largely offset by robust growth in employment, consumer spending, building permits, and commercial real estate development.

The City of Beaumont has mirrored these positive trends, with sales tax revenue increasing by 9.1% over the previous fiscal year. Notably, the business and industry sector experienced a 12.8% rise, and contributions from state and county pools grew by 10.3%.

According to the Employment Development Department, between October 2023 and October 2024, total nonfarm employment in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area increased by 23,100 jobs, a 1.4% change. Private education and health services added the most jobs over the year, while government employment expanded by 9,900 jobs, with local government accounting for 9,600 of these positions. Reflecting this regional growth, the City of Beaumont increased its General Fund personnel by 21.75 full-time equivalents (FTE) in FY23 and by 21 FTE in FY24 to meet the demands of a growing population and to implement strategic initiatives set by the City Council.

As of September 2024, the Riverside-San Bernardino-Ontario Consumer Price Index (CPI) 12-month percentage change was 4.9%, up from 3.4% in July 2023. Although this is a decrease from the July 2022 12-month percentage change of 9.2%, inflationary pressures continue to challenge the procurement of goods and services within budgeted estimates. The City remains vigilant in monitoring inflation trends to ensure that budgetary processes align with current economic conditions.

City staff continue to update forecasting models to be better prepared for changes in economic conditions. Care must be given to ensure that planned ongoing costs do not exceed revenues over the next three to five years. One area of concern is rising pension costs which the City in fiscal year 2022 addressed by establishing a Pension 115 Trust with PARS. Additional assumptions are built into the budget to allow for annual contributions to the Pension 115 Trust. City staff have implemented a pension funding strategy and policy to continue efforts of budget stabilization from increasing pension costs should there be an economic downturn and reduction of revenues.

On June 4, 2024, the City Council adopted the City of Beaumont Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2024, and ending June 30, 2025. The General Fund operating budget totals \$66,735m and is funded by operating revenue of \$60,854m, transfers in and other financing sources of \$7,264m, leaving \$1,336m of appropriations available throughout the fiscal year. The approved CIP budget for fiscal year 2024/2025 totals \$33,692m with a five-year CIP investment plan estimated at \$62,506m.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. For any questions about this report or additional financial information, please contact the Finance and Administrative Services Department of the City of Beaumont, located at 550 E. 6th Street, Beaumont, CA 92223, (951) 572-3236 or finance@beaumontca.gov

Government-Wide Financial Statements

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CITY OF BEAUMONT

**Statement of Net Position
June 30, 2024**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 175,581,765	\$ 23,030,711	\$ 198,612,476
Restricted cash and investments	3,436,595	-	3,436,595
Receivables:			
Accounts	1,496,072	2,664,986	4,161,058
Interest	701,396	1,263	702,659
Intergovernmental	6,197,881	1,601,862	7,799,743
Leases	1,213,814	-	1,213,814
Deposits	-	-	-
Inventory	-	-	-
Prepaid items	295,986	1,000	296,986
Total current assets	188,923,509	27,299,822	216,223,331
Noncurrent assets:			
Restricted cash and investments with fiscal agent	3,638,015	8,815	3,646,830
Restricted investment in CFDs	67,147,636	-	67,147,636
Capital assets:			
Nondepreciable	67,031,574	7,058,358	74,089,932
Depreciable, net	247,902,664	185,129,364	433,032,028
Total capital assets, net	314,934,238	192,187,722	507,121,960
Total noncurrent assets	385,719,889	192,196,537	577,916,426
Total assets	574,643,398	219,496,359	794,139,757
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	12,108,247	1,503,636	13,611,883
Total deferred outflows of resources	12,108,247	1,503,636	13,611,883

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Net Position (Continued)
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,937,557	\$ 1,363,770	\$ 8,301,327
Salaries payable and related liabilities	267,610	77,935	345,545
Interest payable	1,008,750	1,197,817	2,206,567
Deposits payable	4,609,786	-	4,609,786
Unearned revenue	19,988,880	1,385,100	21,373,980
Compensated absences - due within one year	877,773	152,790	1,030,563
Claims payable - due within one year	197,453	-	197,453
Long-term liabilities - due within one year	4,414,491	2,088,659	6,503,150
Total current liabilities	38,302,300	6,266,071	44,568,371
Long-term liabilities:			
Compensated absences - due in more than one year	2,633,318	283,752	2,917,070
Claims payable - due in more than one year	1,346,503	-	1,346,503
Long-term liabilities - due in more than one year	63,896,868	78,910,946	142,807,814
Aggregate net pension liability	23,720,425	2,934,620	26,655,045
Total long-term liabilities	91,597,114	82,129,318	173,726,432
Total liabilities	129,899,414	88,395,389	218,294,803
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	913,180	45,979	959,159
Leases	1,242,628	-	1,242,628
Total deferred inflows of resources	2,155,808	45,979	2,201,787
NET POSITION			
Net investment in capital assets	250,260,894	111,188,117	361,449,011
Restricted for:			
Special projects	37,486,898	-	37,486,898
Debt service	67,147,636	-	67,147,636
Capital projects	63,674,368	12,860,020	76,534,388
Pension trust	3,436,595	-	3,436,595
Total restricted	171,745,497	12,860,020	184,605,517
Unrestricted	32,690,032	8,510,490	41,200,522
Total net position	\$ 454,696,423	\$ 132,558,627	\$ 587,255,050

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Activities
For the year ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 9,732,268	\$ 2,500,319	\$ 1,352,204	\$ 229,840	\$ 4,082,363
Public safety	23,792,153	1,610,143	745,967	8,249,884	10,605,994
Public works	10,238,467	877,152	3,614,112	11,444,449	15,935,713
Community development	2,773,721	4,086,518	169,122	-	4,255,640
Community services	7,612,112	118,393	-	5,507,975	5,626,368
Interest and fiscal charges	3,263,298	-	-	-	-
Total governmental activities	57,412,019	9,192,525	5,881,405	25,432,148	40,506,078
Business-type activities:					
Sewer	18,723,090	16,951,994	-	8,604	16,960,598
Transit	3,392,642	57,310	3,866,942	1,660,078	5,584,330
Total business-type activities	22,115,732	17,009,304	3,866,942	1,668,682	22,544,928
Total primary government	\$ 79,527,751	\$ 26,201,829	\$ 9,748,347	\$ 27,100,830	\$ 63,051,006

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Activities (Continued)
For the year ended June 30, 2024**

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (5,649,905)	\$ -	\$ (5,649,905)
Public safety	(13,186,159)	-	(13,186,159)
Public works	5,697,246	-	5,697,246
Community development	1,481,919	-	1,481,919
Community services	(1,985,744)	-	(1,985,744)
Interest and fiscal charges	(3,263,298)	-	(3,263,298)
Total governmental activities	(16,905,941)	-	(16,905,941)
Business-type activities:			
Sewer	-	(1,762,492)	(1,762,492)
Transit	-	2,191,688	2,191,688
Total business-type activities	-	429,196	429,196
Total primary government	(16,905,941)	429,196	(16,476,745)
General revenues:			
Taxes:			
Property taxes	7,806,832	-	7,806,832
Property taxes in-lieu of motor vehicle taxes	7,693,382	-	7,693,382
Sales taxes	30,085,425	-	30,085,425
Vehicle License	69,901	-	69,901
Utility users tax	2,549,379	-	2,549,379
Franchise tax	3,347,040	-	3,347,040
Transient occupancy tax	397,343	-	397,343
Business licenses	430,052	-	430,052
Other taxes	753,376	-	753,376
Total taxes	53,132,730	-	53,132,730
Investment earnings	10,445,726	1,038,707	11,484,433
Miscellaneous	561,982	360,695	922,677
Transfers	(77,363)	77,363	-
Total general revenues and transfers	64,063,075	1,476,765	65,539,840
Change in net position	47,157,134	1,905,961	49,063,095
Net position:			
Beginning of year	407,539,289	130,652,666	538,191,955
End of year	<u>\$ 454,696,423</u>	<u>\$ 132,558,627</u>	<u>\$ 587,255,050</u>

See accompanying Notes to the Basic Financial Statements

Governmental Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Governmental Funds of the City are outlined below:

General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Beaumont, these services include general government, public safety, public works, community development, community service, refuse and self-insurance.

Development Impact Fees Special (DIF) Special Revenue Fund - This fund is used to account for the receipt and expenditure of mitigation fees on specified capital projects.

Community Facilities Districts (CFD) Capital Projects Fund - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the fund accounts for services and administration assessments received annually.

General Capital Projects Fund - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

Beaumont Financing Authority/Beaumont Public Improvement Authority Debt Service Funds - These funds are authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

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CITY OF BEAUMONT

**Balance Sheet
Governmental Funds
June 30, 2024**

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
ASSETS			
Cash and investments	\$ 46,660,079	\$ 43,814,992	\$ 12,616,801
Cash and investments with fiscal agent	-	-	-
Restricted investments in Section 115 Trust	3,436,595	-	-
Investment in CFDs	-	-	-
Receivables:			
Accounts	916,209	76,287	-
Interest	701,396	-	-
Lease	1,213,814	-	-
Due from other governments	5,512,874	-	-
Prepays	42,305	-	-
Total assets	\$ 58,483,272	\$ 43,891,279	\$ 12,616,801
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,656,807	\$ 309,227	\$ -
Accrued payroll and related liabilities	267,610	-	-
Deposits payable	4,524,091	-	-
Unearned revenue	743,923	15,275,615	-
Total liabilities	9,192,431	15,584,842	-
Deferred Inflows of Resources:			
Leases	1,242,628	-	-
Total deferred inflows of resources	1,242,628	-	-
Fund Balances (deficit):			
Nonspendable	42,305	-	-
Restricted	3,436,595	28,306,437	12,616,801
Committed	10,672,713	-	-
Assigned	1,318,631	-	-
Unassigned	32,577,969	-	-
Total fund balances	48,048,213	28,306,437	12,616,801
Total liabilities, deferred inflows of resources and fund balances	\$ 58,483,272	\$ 43,891,279	\$ 12,616,801

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Balance Sheet (Continued)
Governmental Funds
June 30, 2024**

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 53,516,011	\$ -	\$ 12,559,994	\$ 169,167,877
Cash and investments with fiscal agent	-	3,638,015	-	3,638,015
Restricted investments in Section 115 Trust	-	-	-	3,436,595
Investment in CFDs	-	67,147,636	-	67,147,636
Receivables:				
Accounts	494,974	-	8,602	1,496,072
Interest	-	-	-	701,396
Lease	-	-	-	1,213,814
Due from other governments	7,175	-	677,832	6,197,881
Prepaid	-	253,346	-	295,651
Total assets	\$ 54,018,160	\$ 71,038,997	\$ 13,246,428	\$ 253,294,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,960,593	\$ -	\$ 10,930	\$ 6,937,557
Accrued payroll and related liabilities	-	-	-	267,610
Deposits payable	-	-	85,695	4,609,786
Unearned revenue	-	-	3,969,342	19,988,880
Total liabilities	2,960,593	-	4,065,967	31,803,833
Deferred Inflows of Resources:				
Leases	-	-	-	1,242,628
Total deferred inflows of resources	-	-	-	1,242,628
Fund Balances (deficit):				
Nonspendable	-	253,346	-	295,651
Restricted	-	70,785,651	9,180,461	124,325,945
Committed	51,057,567	-	-	61,730,280
Assigned	-	-	-	1,318,631
Unassigned	-	-	-	32,577,969
Total fund balances	51,057,567	71,038,997	9,180,461	220,248,476
Total liabilities, deferred inflows of resources and fund balances	\$ 54,018,160	\$ 71,038,997	\$ 13,246,428	\$ 253,294,937

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2024

Total Fund Balances - Total Governmental Funds	\$ 220,248,476
<p>Capital assets used in governmental activities were not financial resources and therefore, were not reported in governmental funds.</p>	
Capital assets, nondepreciable	67,031,574
Capital assets, depreciable/amortized	247,902,664
Less internal service fund capital assets	(3,305,663)
<p>Long-term liabilities were not due and payable in the current period and therefore, were not reported in the governmental funds.</p>	
Compensated absences	(3,511,091)
Claims payable	(1,543,956)
Long-term liabilities	(68,311,359)
Interest payable	(1,008,750)
<p>Aggregate collective net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.</p>	
	(23,720,425)
<p>Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.</p>	
Pension-related deferred outflows of resources	12,108,247
Pension-related deferred inflows of resources	(913,180)
<p>Internal service funds are used by management to charge the costs of certain activities, for equipment and risk management, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.</p>	
	<u>9,719,886</u>
Net Position of Governmental Activities	<u>\$ 454,696,423</u>

CITY OF BEAUMONT

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024**

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
REVENUES:			
Taxes	\$ 39,902,359	\$ -	\$ -
Franchise fees	3,347,040	-	-
Intergovernmental	7,768,111	-	-
License and permits	4,724,060	17,308,618	-
Fines and forfeitures	391,623	-	-
Assessments levied	753,376	-	7,593
Use of money and property	3,180,775	1,778,465	576,503
Charges for services	1,488,996	-	-
Other revenues	2,511,406	-	-
Total revenues	64,067,746	19,087,083	584,096
EXPENDITURES:			
Current:			
General government	10,077,070	-	-
Public safety	23,534,491	-	-
Public works	5,121,943	-	-
Community development	3,347,519	-	-
Community services	7,564,225	-	-
Capital outlay	1,060,491	-	-
Debt service:			
Principal	624,614	-	-
Interest, fiscal, and other charges	13,156	-	-
Total expenditures	51,343,509	-	-
REVENUES OVER (UNDER) EXPENDITURES	12,724,237	19,087,083	584,096
OTHER FINANCING SOURCES (USES):			
Lease acquisition	578,440	-	-
Subscription acquisition	173,241	-	-
Proceeds from sale of property	818	-	-
Transfers in	7,390,919	-	-
Transfers (out)	(14,604,940)	(9,854,142)	(1,181,609)
Total other financing sources (uses)	(6,461,522)	(9,854,142)	(1,181,609)
Net changes in fund balances	6,262,715	9,232,941	(597,513)
FUND BALANCES:			
Beginning of year, as previously reported	41,785,498	19,073,496	13,214,314
Correction of an error (Note 14)	-	-	-
Beginning of year, as restated	41,785,498	19,073,496	13,214,314
End of year	\$ 48,048,213	\$ 28,306,437	\$ 12,616,801

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Governmental Funds
For the year ended June 30, 2024

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ -	\$ -	\$ 8,484,947	\$ 48,387,306
Franchise fees	-	-	-	3,347,040
Intergovernmental	554,482	-	4,842,999	13,165,592
License and permits	-	-	20,129	22,052,807
Fines and forfeitures	-	-	-	391,623
Assessments levied	-	-	-	760,969
Use of money and property	1,792,374	2,402,880	479,901	10,210,898
Charges for services	-	-	-	1,488,996
Other revenues	1,940,087	-	99,278	4,550,771
Total revenues	4,286,943	2,402,880	13,927,254	104,356,002
EXPENDITURES:				
Current:				
General government	-	-	4,613	10,081,683
Public safety	-	-	350,163	23,884,654
Public works	-	-	-	5,121,943
Community development	-	-	338,114	3,685,633
Community services	-	-	1,490	7,565,715
Capital outlay	22,561,759	-	-	23,622,250
Debt service:				
Principal	-	3,975,600	-	4,600,214
Interest, fiscal, and other charges	-	2,319,143	-	2,332,299
Total expenditures	22,561,759	6,294,743	694,380	80,894,391
REVENUES OVER (UNDER) EXPENDITURES	(18,274,816)	(3,891,863)	13,232,874	23,461,611
OTHER FINANCING SOURCES (USES):				
Lease acquisition	-	-	-	578,440
Subscription acquisition	-	-	-	173,241
Proceeds from sale of property	-	-	-	818
Transfers in	30,230,765	-	401,567	38,023,251
Transfers (out)	-	-	(12,459,923)	(38,100,614)
Total other financing sources (uses)	30,230,765	-	(12,058,356)	675,136
Net changes in fund balances	11,955,949	(3,891,863)	1,174,518	24,136,747
FUND BALANCES:				
Beginning of year, as previously reported	39,101,618	83,730,860	8,005,943	204,911,729
Correction of an error (Note 14)	-	(8,800,000)	-	(8,800,000)
Beginning of year, as restated	<u>39,101,618</u>	<u>74,930,860</u>	<u>8,005,943</u>	<u>196,111,729</u>
End of year	<u>\$ 51,057,567</u>	<u>\$ 71,038,997</u>	<u>\$ 9,180,461</u>	<u>\$ 220,248,476</u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024**

Net Change in Fund Balances - Total Governmental Funds **\$ 24,136,747**

Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay capitalized (net of Internal Service Fund)	27,185,276
Depreciation expense (net of Internal Service Fund)	(7,733,020)

The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of long-term liabilities was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Principal payments on long term liabilities	4,871,334
Lease/SBITA acquisition	(751,681)
Premium amortization	78,071
Interest payable	(1,008,750)

Governmental funds report revenues and expenditures primarily pertaining to long-term liabilities, which are not reported in the statement of activities. At the government-wide level, these activities are reported in the statement of net position. This is the net expenditure reported in the governmental funds, which is not reported in the statement of activities.

Pension related net adjustments	(1,693,571)
---------------------------------	-------------

Certain long-term assets and liabilities were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, long-term assets and liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in long-term liabilities from prior year.

Changes in compensated absences	(45,884)
Changes in claims payable	757,900

Internal service funds are used by management to charge the costs of certain activities, for equipment and risk management, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.

1,360,712

Change in Net Position of Governmental Activities **\$ 47,157,134**

Proprietary Fund Financial Statements

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PROPRIETARY FUND FINANCIAL STATEMENTS

Enterprise Funds:

Sewer Fund - The Sewer Fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Transit Fund - The Transit Fund is intended to show the financial position and the operation and maintenance of the City's fixed route and dial-a-ride transit systems.

Internal Service Fund - The Internal Service Fund was established to account for future replacement of vehicles, equipment, and IT infrastructure. These funds are used to track goods and services shifted between departments on a cost reimbursement basis.

CITY OF BEAUMONT

**Statement of Net Position
Proprietary Funds
June 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Transit Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and investments	\$ 23,024,078	\$ 6,633	\$ 23,030,711	\$ 6,413,888
Receivables:				
Accounts	2,613,442	51,544	2,664,986	-
Interest	1,263	-	1,263	-
Due from other governments	11,211	1,590,651	1,601,862	-
Deposits	-	-	-	-
Inventory	-	-	-	-
Prepays	-	1,000	1,000	335
Total current assets	25,649,994	1,649,828	27,299,822	6,414,223
Noncurrent assets:				
Restricted cash and investments with fiscal agent	8,815	-	8,815	-
Capital assets:				
Nondepreciable	5,969,773	1,088,585	7,058,358	1,265,785
Depreciable	303,429,387	10,567,750	313,997,137	2,719,164
Less: accumulated depreciation and amortization	(122,271,546)	(6,596,227)	(128,867,773)	(679,286)
Total capital assets	187,127,614	5,060,108	192,187,722	3,305,663
Total noncurrent assets	187,136,429	5,060,108	192,196,537	3,305,663
Total assets	212,786,423	6,709,936	219,496,359	9,719,886
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	867,482	636,154	1,503,636	-
Total deferred outflows of resources	867,482	636,154	1,503,636	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,304,863	58,907	1,363,770	-
Salaries payable and related liabilities	41,429	36,506	77,935	-
Due to other funds	-	-	-	-
Interest payable	1,197,817	-	1,197,817	-
Unearned revenue	943,666	441,434	1,385,100	-
Compensated absences - due within one year	80,422	72,368	152,790	-
Long-term liabilities- due within one year	2,083,194	5,465	2,088,659	-
Total current liabilities	5,651,391	614,680	6,266,071	-
Noncurrent liabilities:				
Compensated absences - due in more than one year	149,355	134,397	283,752	-
Long-term liabilities - due in more than one year	78,910,946	-	78,910,946	-
Net pension liability	1,693,050	1,241,570	2,934,620	-
Total noncurrent liabilities	80,753,351	1,375,967	82,129,318	-
Total liabilities	86,404,742	1,990,647	88,395,389	-
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	26,527	19,452	45,979	-
Total deferred inflows of resources	26,527	19,452	45,979	-
NET POSITION (DEFICIT)				
Net investment in capital assets	106,133,474	5,054,643	111,188,117	3,305,663
Restricted for capital projects	12,860,020	-	12,860,020	-
Unrestricted	8,229,142	281,348	8,510,490	6,414,223
Total net position	\$ 127,222,636	\$ 5,335,991	\$ 132,558,627	\$ 9,719,886

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Transit	Total	Internal Service
	Fund	Fund		Fund
OPERATING REVENUES:				
Charges for services	\$ 13,555,693	\$ 57,310	\$ 13,613,003	\$ 1,814,483
Other revenue	190,030	44,665	234,695	-
Total operating revenues	13,745,723	101,975	13,847,698	1,814,483
OPERATING EXPENSES:				
Salaries	1,819,456	1,627,830	3,447,286	-
Fringe benefits	613,689	707,608	1,321,297	-
Administration	958,112	153,775	1,111,887	-
Contract services	1,938,502	34,458	1,972,960	-
Fuels, lubricants, and maintenance	851,917	109,858	961,775	-
Replacement expense	-	-	-	263,329
Supplies	873,692	17,592	891,284	-
Office	57,155	24,586	81,741	-
Utilities	1,326,887	71,668	1,398,555	-
Depreciation and amortization	7,210,562	644,992	7,855,554	483,659
Total operating expenses	15,649,972	3,392,367	19,042,339	746,988
OPERATING INCOME (LOSS)	(1,904,249)	(3,290,392)	(5,194,641)	1,067,495
NONOPERATING REVENUES (EXPENSES):				
Local transportation funds	-	2,291,220	2,291,220	-
Lease revenue	-	126,000	126,000	-
Gain on sale of capital assets	-	4	4	14,740
Mitigation fees	3,396,301	-	3,396,301	-
Intergovernmental	-	1,575,722	1,575,722	-
Investment earnings	1,053,265	(14,558)	1,038,707	278,797
Interest expense	(3,073,118)	(275)	(3,073,393)	(320)
Total nonoperating revenues (expenses)	1,376,448	3,978,113	5,354,561	293,217
Income (loss) before operating transfers and capital contributions	(527,801)	687,721	159,920	1,360,712
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Riverside County Transportation Commission	-	1,660,074	1,660,074	-
Developer capital contributions	8,604	-	8,604	-
Transfers in	40,790	36,573	77,363	-
Total transfers and capital contributions	49,394	1,696,647	1,746,041	-
Change in net position	(478,407)	2,384,368	1,905,961	1,360,712
NET POSITION:				
Beginning of year	127,701,043	2,951,623	130,652,666	8,359,174
End of year	\$ 127,222,636	\$ 5,335,991	\$ 132,558,627	\$ 9,719,886

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 13,566,786	\$ 5,984	\$ 13,572,770	\$ 1,814,483
Payments to suppliers for goods and services	(4,339,220)	(395,024)	(4,734,244)	91,043
Payments for general and administrative expenses	(3,370,112)	(2,400,445)	(5,770,557)	-
Cash received from developers and others	190,030	44,665	234,695	-
Other cash receipts	-	126,000	126,000	-
Net cash provided by (used in) operating activities	6,047,484	(2,618,820)	3,428,664	1,905,526
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Local transportation funds	-	2,291,220	2,291,220	-
Intergovernmental	-	150,958	150,958	-
Transfers in	40,790	36,573	77,363	-
Net cash provided by (used in) noncapital financial activities	40,790	2,478,751	2,519,541	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(2,955,645)	(2,989,293)	(5,944,938)	(2,589,019)
Proceeds from disposition of capital assets	-	4	4	14,740
Mitigation fees	3,396,301	-	3,396,301	-
Developer capital contributions	8,604	-	8,604	-
Capital grants received	-	1,660,074	1,660,074	-
Payment of principal on long-term liabilities	(1,446,326)	(191,954)	(1,638,280)	(12,483)
Payment of interest on long-term liabilities	(3,649,567)	(275)	(3,649,842)	(320)
Net cash provided by (used in) capital and related financing activities	(4,646,633)	(1,521,444)	(6,168,077)	(2,587,082)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	1,053,265	(14,558)	1,038,707	278,797
Net cash provided by (used in) investing activities	1,053,265	(14,558)	1,038,707	278,797
Net change in cash and cash equivalents	2,494,906	(1,676,071)	818,835	(402,759)
CASH AND CASH EQUIVALENTS:				
Beginning of year	20,537,987	1,682,704	22,220,691	6,816,647
End of year	<u>\$ 23,032,893</u>	<u>\$ 6,633</u>	<u>\$ 23,039,526</u>	<u>\$ 6,413,888</u>
RECONCILIATION TO STATEMENT OF NET POSITION:				
Cash and investments	\$ 23,024,078	\$ 6,633	\$ 23,030,711	\$ 6,413,888
Restricted cash and investments with fiscal agent	8,815	-	8,815	-
Total cash and cash equivalents	\$ 23,032,893	\$ 6,633	\$ 23,039,526	\$ 6,413,888

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Cash Flows (Continued)
Proprietary Funds
For the year ended June 30, 2024**

	Business-type Activities - Enterprise Funds		Total	Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,904,249)	\$ (3,290,392)	\$ (5,194,641)	\$ 1,067,495
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	7,210,562	644,992	7,855,554	483,659
Other adjustments	-	126,000	126,000	-
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	358,619	(51,326)	307,293	-
Due from other governments	117,226	-	117,226	-
Deposits	-	-	-	362,254
Inventories	97,424	-	97,424	-
Prepays	5,655	436	6,091	(335)
Pension-related deferred outflows of resources	78,620	(23,970)	54,650	-
Accounts payable and accrued liabilities	605,854	(137,298)	468,556	(7,547)
Salaries payable and related liabilities	9,110	6,830	15,940	-
Unearned revenue	(464,752)	-	(464,752)	-
Compensated absences	(25,841)	(16,083)	(41,924)	-
Aggregate net pension liability	(20,624)	132,722	112,098	-
Pension-related deferred inflows of resources	(20,120)	(10,731)	(30,851)	-
Total adjustments	<u>7,951,733</u>	<u>671,572</u>	<u>8,623,305</u>	<u>838,031</u>
Net cash provided by (used in) operating activities	<u>\$ 6,047,484</u>	<u>\$ (2,618,820)</u>	<u>\$ 3,428,664</u>	<u>\$ 1,905,526</u>

See accompanying Notes to the Basic Financial Statements

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Fiduciary Fund Financial Statements

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FIDUCIARY FUND FINANCIAL STATEMENTS

Custodial Funds - To account for collections received from special assessment district and their disbursement to bondholders.

CITY OF BEAUMONT

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 1,729,411
Cash and investments with fiscal agent	41,832,143
Due from other governments	<u>210,347</u>
Total assets	<u>43,771,901</u>
LIABILITIES	
Interest payable	2,398,000
Unearned revenue	10,803
Deposits payable	47,862
Due to other governments	67,147,636
Due to bondholders	<u>179,486,666</u>
Total liabilities	<u>249,090,967</u>
Net Position (Deficit)	
Restricted for:	
Individuals, organizations and other governments	<u>(205,319,066)</u>
Total net position	<u><u>\$ (205,319,066)</u></u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS:	
Investment Income	\$ 1,336,372
Assessments	21,866,939
Bond proceeds	<u>9,474,799</u>
Total additions	<u>32,678,110</u>
DEDUCTIONS:	
Administration	983,350
Payments to trustee	8,037,567
Interest expense	8,731,008
Bond proceeds to developer	15,485,019
Payment for infrastructure	<u>1,940,086</u>
Total deductions	<u>35,177,030</u>
Change in net position	(2,498,920)
NET POSITION (DEFICIT):	
Beginning of year	<u>(202,820,146)</u>
End of year	<u>\$ (205,319,066)</u>

See accompanying Notes to the Basic Financial Statements

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Notes to the Basic Financial Statements

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CITY OF BEAUMONT

**Index to the Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies	36
A. Reporting Entity	36
B. Basis of Accounting and Measurement Focus	38
C. Cash, Cash Equivalents and Investments	42
D. Restricted Cash and Investments	43
E. Prepaids and Inventory	43
F. Capital Assets	43
G. Long-Term Debt	44
H. Compensated Absences	44
I. Pensions	45
J. Property Taxes	45
K. Net Position	46
L. Fund Balances	46
M. Use of Estimates	47
N. Fair Value Measurement	47
O. Implementation of New GASB Pronouncements	48
P. Upcoming Governmental Standards Implementation.....	48
Note 2 – Cash and Investments	49
A. Summary	49
B. Investments	51
C. External Investment Pool	52
D. Investment in CFD Bonds	53
E. Risk Disclosures	53
Note 3 – Receivables	55
A. Governmental Activities	55
Note 4 – Interfund Balances and Transactions	56
A. Transfers	56
Note 5 – Capital Assets	57
A. Governmental Activities	57
B. Business-Type Activities	58
Note 6 – Long-Term Obligations	59
A. Governmental Activities	59
B. Business-Type Activities	64
Note 7 – Debt Without City Commitment	66

CITY OF BEAUMONT

**Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024**

Note 8 – Compensated Absences	68
A. Governmental Activities	68
B. Business-Type Activities	68
Note 9 – Risk Management	68
Note 10 – Pension Plans	69
Note 11 – Other Required Disclosures	78
A. Deficit Fund Balances	78
B. Expenditures Exceeding Appropriations	78
Note 12 – Equity Classification	79
A. Fund Balances	79
B. Net Position	80
Note 13 – Commitments and Contingencies	80
A. Litigation	80
B. Grants	81
C. Construction Commitments	81
D. WRCOG Related Settlement Agreement	81
Note 14 – Correction of Error	82

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the City of Beaumont, California (the "City") have been prepared in conformity with accounting principles generally accepted of the United States of America ("US GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated November 18, 1912 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides basic local governmental services including public safety (police and fire), maintenance and construction of public improvements, cultural, recreation, planning, zoning, transportation, sewer and general administration.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

The financial reporting entity consists of the primary government, the City, and its component units. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The following specific criteria were used in determining the status of the component unit:

- Members of the City Council also act as the governing body of the component unit.
- The City and the component unit are financially interdependent.
- The component unit is managed by employees of the City. A portion of the City's salary and overhead expenses is billed to the component unit each year.

Beaumont Financing Authority

The Beaumont Financing Authority (the "BFA") was founded by the execution of a joint exercise of powers agreement dated April 1, 1993, by the City of Beaumont and the former Beaumont Redevelopment Agency. The BFA is authorized to issue revenue bonds to be repaid from the proceeds of public obligations and to provide financing and refinancing for public capital improvements of public entities, including the City, the former Redevelopment Agency, and the Community Facilities Districts. The City Council of the City of Beaumont serves as the governing board for the BFA and the City has fiduciary responsibility for the BFA. The BFA exclusively benefits the City. Transactions are reported in the Beaumont Financing Authority Debt Service fund. There are no separate financial statements available.

Beaumont Utility Authority

The Beaumont Utility Authority (the "BUA") was established on May 15, 2001 by a joint powers agreement between the City of Beaumont and the former Beaumont Redevelopment Agency. The BUA was created to provide a binding framework for the relationship between the City's utility enterprise fund and the City's General Fund, to address possible impacts of Proposition 218, and to provide greater fiscal strength for the City's fund. The City Council serves as the governing board for the BUA and the City has operational responsibility for the BUA. Transactions are reported in an enterprise fund. There are no separate financial statements available.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Beaumont Parking Authority

The Beaumont Parking Authority (the "BPA") was established on May 1, 2018 by the City of Beaumont City Council through resolution 2018-12 that declared a need for a parking authority in the city. The BPA was created to establish the Beaumont Public Improvement Authority through a joint powers agreement. The City Council serves as the governing board for the BPA and the City has operational responsibility for the BPA. There was no financial activity for the BPA during the fiscal year ending June 30, 2024.

Beaumont Public Improvement Authority

The Beaumont Public Improvement Authority (the "BPIA") was established on May 15, 2018 by a joint powers agreement between the City of Beaumont and the Beaumont Parking Authority. The BPIA is authorized to issue revenue bonds to be repaid from the proceeds of wastewater services and to provide financing and refinancing for public capital improvements of the City's wastewater system. The City Council serves as the governing board for the BPIA and the City has operational responsibility for the BPIA. There was no financial activity for the BPIA since inception through the fiscal year ending June 30, 2024.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and therefore, are not recognized as revenue until that time.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in the government-wide financial statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, liabilities and deferred amounts, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues within three categories in the statement of activities:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from/to other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet the applicable criteria.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental funds of the City are outlined below:

General Fund - This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In the City, these services include general government, public safety, public works, community development, community service, and refuse.

Development Impact Fees (DIF) Special Revenue Fund - This fund is used to account for the receipt and expenditure of mitigation fees on specified capital projects.

Community Facilities Districts (CFD) Capital Projects Fund - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements.

General Capital Projects Fund - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Beaumont Financing Authority/Beaumont Public Improvement Authority Debt Service Funds - These funds are authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

Other Governmental Funds - Other Governmental Funds is the aggregate of all the non-major governmental funds.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major proprietary fund.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Proprietary funds of the City are outlined below:

Enterprise Funds

Sewer Fund - This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Transit Fund - The Transit Fund is intended to show the financial position and the operation and maintenance of the City's fixed route and dial-a-ride transit systems. The Transit Fund is presented separately since it is the only nonmajor proprietary fund type, it is not considered a major fund.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Internal Service Funds

Internal Service Fund - This fund was established to account for future replacement of vehicles, equipment, and IT infrastructure. These funds are used to track goods and services shifted between departments on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has one type of fiduciary fund presented: a custodial fund, which is used to account for Community Facilities District assessments, debt issuances, the financing of eligible public facilities and debt service. In addition, it also includes an Evidence Fund, used to store and manage evidence collected by law enforcement agencies.

The custodial funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. Custodial funds use the economic resource measurement focus.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments, (Continued)

The City holds investments in California Class securities, which are primarily comprised of municipal bonds issued by the State of California and other California-based local government securities. These investments are managed in accordance with the City's investment policy.

D. Restricted Cash and Investments

Certain restricted cash and investments are held 1) for transit related activities or 2) by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Prepaids and Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of repair parts.

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

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at acquisition value on the date of the donation. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	30
Infrastructure	35 - 120
Machinery and equipment	3 - 5
Furniture and fixtures	3 - 5
Vehicles	3
Computer equipment	3

The City defines infrastructure as the basic physical assets that allow the City to function. The infrastructure assets include streets (including bridges, streetlights, sidewalks, culverts and curbs), sewer system (including plant, collection systems, drains, lift stations), and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

F. Capital Assets, (Continued)

The appropriate operating department maintains information regarding the subsystems. Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

G. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts, as well as insurance premiums paid to bond insurers, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period when incurred.

Fund Financial Statements

The fund financial statements do not present long-term assets or liabilities. These amounts are shown in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

H. Compensated Absences

Government-Wide Financial Statements

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and related bargaining unit. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave balance accruals are capped at the employee's annual accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness or at separation from employment at different levels depending on the length of employment and the bargaining unit. There is no cap on the amount of sick leave that can be accrued but there is a cap on the amount that can be cashed out upon termination. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid. It is the City's policy to liquidate unpaid compensated absences from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation and/or sick leave is recorded as a liability in the governmental funds.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

H. Compensated Absences, (Continued)

In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

I. Pensions

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide a defined benefit pension plan for its employees and retirees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used.

Valuation date (VD)	June 30, 2022
Measurement date (MD)	June 30, 2023
Measurement period (MP)	July 1, 2022 to June 30, 2023

Gains and losses related to changes in CalPERS estimates and assumption for determining the total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources and are recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

J. Property Taxes

Property taxes are levied on January 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Riverside, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues as of June 30 available taxes or those collected within 60 days.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

J. Property Taxes, (Continued)

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received during the years 1976 to 1978.

K. Net Position

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

L. Fund Balances

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable - Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long-term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted - 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, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision-making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

L. Fund Balances (Continued)

Assigned - Assigned fund balances encompass the portion of net fund balance 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. On May 16, 2023, the City Council adopted the financial management policies that includes a fund balance policy authorizing the City Manager to make these determination.

Unassigned - This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

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 the unrestricted resources in the following order: committed, assigned, and unassigned.

M. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

N. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

O. Implementation of New GASB Pronouncements

GASB Statement No. 100 – the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. See Note 14 for details.

P. Upcoming Governmental Accounting Standards Implementation

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 102, Certain Risk Disclosures is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, Financial Reporting Model Changes is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, Disclosure of Certain Capital Assets is effective for fiscal years beginning after June 15, 2025.

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CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 2 - Cash and Investments

A. Summary

The following is a summary of pooled cash and investments and restricted cash and investments as of June 30, 2024:

Statement of Net Position	
Cash and investments	\$ 198,612,476
Restricted cash and investments	3,436,595
Restricted cash and investments with fiscal agent	3,646,830
Restricted investments in CFDs	67,147,636
Statement of Fiduciary Net Position	
Cash and investments	1,729,411
Restricted cash and investments with fiscal agent	<u>41,832,143</u>
Total	<u><u>\$ 316,405,091</u></u>

Cash, cash equivalents, and investments, consisted of the following as of June 30, 2024:

Deposits with financial institutions	\$ 16,150,788
Deposits with fiscal agents	45,478,972
Petty cash	4,255
Investments	<u>254,771,076</u>
Total cash and investments	<u><u>\$ 316,405,091</u></u>

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CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 2 - Cash and Investments (Continued)

A. Summary (Continued)

As of June 30, 2024, cash and investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall as of June 30, 2024:

<u>Investment Type</u>	<u>Total as of June 30, 2024</u>	<u>Measurement Inputs</u>
State investment pool	\$ 49,836,601	Uncategorized
California CLASS	32,625,627	Uncategorized
Certificate of deposit	5,110,271	Uncategorized
Medium Term Notes	14,301,871	Level 2
Money market funds	25,062,632	Level 2
US Treasury Bills	422,948	Level 2
US Treasury Notes	43,366,457	Level 2
Federal Home Loan Bank	7,096,226	Level 2
Federal Farm Credit Bank	6,364,212	Level 2
Highmark Plus	3,436,595	Uncategorized
Restricted investments in CFDs	<u>67,147,636</u>	Uncategorized
Total	<u><u>\$ 254,771,076</u></u>	

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 2 - Cash and Investments (Continued)

B. Investments

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of bond proceeds held by the City's bond trustee (fiscal agent) which is described below.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
Negotiable Certificates of Deposits	5 Years	5%	30%
Medium Term Notes	5 Years	5%	30%
Money Market Funds	N/A	None	20%
US Treasury Notes	5 Years	None	None
Federal Home Loan Banks	5 Years	5%	10%
Federal Farms Credit Banks	5 Years	5%	10%
Guaranteed Investment Contracts	5 Years	None	None
Local Obligation Bonds	5 Years	5%	30%

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 2 - Cash and Investments (Continued)

B. Investments (Continued)

Investments Authorized by Debt Agreements

Investments of bond proceeds held by the City's bond trustee are governed by provisions of the related debt agreement rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
Negotiable Certificates of Deposits	None	None	None
Medium Term Notes	N/A	None	None
Money Market Funds	N/A	None	None
US Treasury Notes	None	None	None
Federal Home Loan Banks	None	None	None
Federal Farms Credit Banks	None	None	None
Guaranteed Investment Contracts	None	None	None
Local Obligation Bonds	None	None	None

C. External Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The value of the City's position in the pool is the same as the value of the pool shares. LAIF is unrated as of June 30, 2024.

Currently, LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 2 - Cash and Investments (Continued)

D. Investment in CFD Bonds

The Beaumont Financing Authority (BFA) and the Beaumont Public Improvement Authority (BPIA) issued Local Agency Revenue Bonds ("Authority Bonds") for investment in the City of Beaumont Community Facilities District (CFD) Special Tax Bonds ("District Bonds"). The District Bonds are local obligation bonds secured solely by special assessments on property owners within the CFD. The Authority Bonds issued by the BFA are repaid solely by debt service payments made on the District Bonds to the BFA. The repayment schedules of the District Bonds, and interest thereon, to the BFA; are concurrent and sufficient to satisfy the debt service requirements of the respective Authority Bonds.

E. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Investments governed by the bond indentures may be longer. Maturities of investments vary and depend on liquidity needs of the City.

As of June 30, 2024, the City had the following investments and maturities:

Investment Type	Amount	Maturities		
		1 year or less	1 - 5 years	More than 5 years
State investment pool	\$ 49,836,601	\$ 49,836,601	\$ -	\$ -
California CLASS	32,625,627	32,625,627	-	-
Certificates of deposit	5,110,271	5,110,271	-	-
Medium Term Notes	14,301,871	2,930,720	11,371,151	-
Money market funds	25,062,632	25,062,632	-	-
Municipal bonds	422,948	-	422,948	-
US Treasury Notes	43,366,457	1,319,112	42,047,345	-
Federal Home Loan Bank	7,096,226	1,499,145	5,597,081	-
Federal Farm Credit Bank	6,364,212	-	6,364,212	-
Restricted:				
Investments in CFDs	67,147,636	4,015,000	21,135,000	41,997,636
Pension trust - Highmark Plus	3,436,595	3,436,595	-	-
Total	\$ 254,771,076	\$ 125,835,703	\$ 86,937,737	\$ 41,997,636

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 2 - Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only in the type of investments allowed for municipalities by the Government Code as listed on the City's investment policy and investing only in instruments that are most credit worthy.

<u>Investment Type</u>	<u>Amount</u>	<u>Credit Quality Ratings</u>	
		<u>Moody's</u>	<u>Standard & Poor's</u>
State investment pool	\$ 49,836,601	Not Rated	Not Rated
California CLASS	32,625,627	Not Rated	Not Rated
Certificates of deposit	5,110,271	Not Rated	Not Rated
Medium Term Notes	14,301,871	A1-Aaa	A1-Aaa
Money market funds	25,062,632	Aaa	AAAm
US Treasury Notes	43,366,457	A1-Aaa	A1-Aaa
Municipal bonds	422,948	A1-Aaa	A1-Aaa
Federal Home Loan Banks	7,096,226	A1-Aaa	A1-Aaa
Federal Farms Credit Banks	6,364,212	A1-Aaa	A1-Aaa
Restricted investments in CFDs	67,147,636	Not Rated	Not Rated
Pension trust - Highmark Plus	3,436,595	Not Rated	Not Rated
Total	\$ 254,771,076		

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 2 - Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. City investments that are greater than 5 percent of the total investments are in either an external investment pool or mutual funds and are therefore exempt. The City's investment in CFDs is restricted and is secured by special assessments from property owners and a tax lien on the underlying property.

<u>Investment Type</u>	<u>Total as of June 30, 2024</u>	<u>Percentage of Investments</u>
State investment pool	\$ 49,836,601	19.56%
California CLASS	32,625,627	12.81%
Certificates of deposit	5,110,271	2.01%
Medium Term Notes	14,301,871	5.61%
Money market funds	25,062,632	9.84%
US Treasury Notes	43,366,457	17.02%
Municipal bonds	422,948	0.17%
Federal Home Loan Banks	7,096,226	2.79%
Federal Farms Credit Banks	6,364,212	2.50%
Restricted investments in CFDs	67,147,636	26.36%
Pension trust - Highmark Plus	3,436,595	1.35%
Total	\$ 254,771,076	

Note 3 - Receivables

A. Governmental Activities

Lease receivables

The City has entered into a various cell tower leases as the lessor. The leases range from 26 to 59 months. The lessees are required to make monthly fixed payments ranging from \$3,324 to \$24,000. The leases have interest rates of 1.33% and 2.40%. The combined value of the lease receivable and deferred inflow of resources as of June 30, 2024 was \$1,213,814 and \$522,695, respectively. In addition, the City recognized lease revenue of \$105,532 during the fiscal year related to these leases.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 4 - Interfund Balances and Transactions

A. Transfers

Transfers in and out for the year ended June 30, 2024, were as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Non-major Funds	\$ 1,612,780	CFD - City maintenance/admin; Council approved project funding Project funding
		5,778,139	
	Subtotal	7,390,919	
Non-major Funds	General Fund	401,567	Capital projects
		401,567	
	Subtotal	401,567	
Wastewater Fund	General Fund	38,863	One time equity bonus Capital Projects
	Non-major Funds	1,927	
	Subtotal	40,790	
General Capital Projects Fund	General Fund	14,127,937	Capital projects Capital Projects Capital Projects Capital Projects
	CFD Capital Projects Fund	1,181,609	
	Development Impact Fund	9,854,142	
	Non-major fund	5,067,077	
	Subtotal	30,230,765	
Non-major Funds - Transit Fund	General Fund	36,573	One time equity bonus
		36,573	
	Subtotal	36,573	
	Total	\$ 38,100,614	

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CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 5 - Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Nondepreciable assets:				
Land	\$ 32,661,061	\$ 142,173	\$ -	\$ 32,803,234
Construction in progress	12,286,704	24,342,742	(2,401,106)	34,228,340
Total nondepreciable assets	<u>44,947,765</u>	<u>24,484,915</u>	<u>(2,401,106)</u>	<u>67,031,574</u>
Depreciable/amortized assets:				
Building and improvements	22,609,341	1,753,542	-	24,362,883
Machinery, furniture, and equipment	9,292,302	3,071,814	(140,000)	12,224,116
Vehicles	4,821,392	2,095,762	(224,057)	6,693,097
Infrastructure	460,752,867	21,530	-	460,774,397
Intangible right to use assets	1,838,948	751,681	-	2,590,629
Subtotal	<u>499,314,850</u>	<u>7,694,329</u>	<u>(364,057)</u>	<u>506,645,122</u>
Less accumulated depreciation/amortization:				
Building and improvements	(11,277,185)	(491,309)	-	(11,768,494)
Machinery, furniture, and equipment	(5,033,846)	(630,583)	140,000	(5,524,429)
Vehicles	(2,735,225)	(869,640)	220,215	(3,384,650)
Infrastructure	(231,173,736)	(5,603,170)	-	(236,776,906)
Intangible right to use assets	(666,002)	(621,977)	-	(1,287,979)
Subtotal	<u>(250,885,994)</u>	<u>(8,216,679)</u>	<u>360,215</u>	<u>(258,742,458)</u>
Total depreciable/amortized assets, net	<u>248,428,856</u>	<u>(522,350)</u>	<u>(3,842)</u>	<u>247,902,664</u>
Total	<u>\$ 293,376,621</u>	<u>\$ 23,962,565</u>	<u>\$ (2,404,948)</u>	<u>\$ 314,934,238</u>

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, are as follows:

General government	\$ 492,610
Public safety	913,179
Public works	5,949,818
Community development	159,293
Community services	701,779
Total depreciation/amortization expense	<u>\$ 8,216,679</u>

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 5 - Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Nondepreciable assets:				
Land and Land improvements	\$ 3,458,322	\$ -	\$ -	\$ 3,458,322
Construction in progress	113,496,163	2,814,974	(112,711,102)	3,600,035
Total nondepreciable assets	<u>116,954,485</u>	<u>2,814,974</u>	<u>(112,711,102)</u>	<u>7,058,357</u>
Depreciable/amortized assets:				
Building and improvements	730,835	-	-	730,835
Machinery, furniture, and equipment	44,468,730	13,900	-	44,482,630
Vehicles	6,293,683	3,221,565	-	9,515,248
Infrastructure	146,216,335	112,605,600	-	258,821,935
Intangible right to use assets	337,395	109,094	-	446,489
Subtotal	<u>198,046,978</u>	<u>115,950,159</u>	<u>-</u>	<u>313,997,137</u>
Less accumulated depreciation/amortization:				
Building and improvements	(650,608)	(39,966)	-	(690,574)
Machinery, furniture, and equipment	(28,082,395)	(1,781,542)	-	(29,863,937)
Vehicles	(5,026,689)	(563,594)	-	(5,590,283)
Infrastructure	(87,176,637)	(5,383,414)	-	(92,560,051)
Intangible right to use assets	(75,889)	(87,038)	-	(162,927)
Subtotal	<u>(121,012,218)</u>	<u>(7,855,554)</u>	<u>-</u>	<u>(128,867,772)</u>
Total depreciable/amortized assets, net	<u>77,034,760</u>	<u>108,094,605</u>	<u>-</u>	<u>185,129,365</u>
Total	<u>\$ 193,989,245</u>	<u>\$ 110,909,579</u>	<u>\$ (112,711,102)</u>	<u>\$ 192,187,722</u>

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, are as follows:

Sewer	\$ 7,210,562
Transit	644,992
Total depreciation/amortization expense	<u>\$ 7,855,554</u>

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 6 - Long-Term Liabilities

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due Within One Year	Due in More Than One Year
Governmental Activities:						
City						
Lease Liability	\$ 1,018,295	\$ 578,440	\$ (581,684)	\$ 1,015,051	\$ 243,411	\$ 771,640
Subscription Liability	302,563	173,241	(327,132)	148,672	58,009	90,663
Beaumont Public Financing Authority						
2015 Refunding Revenue Bonds, Series A	9,270,000	-	(265,000)	9,005,000	250,000	8,755,000
2015 Refunding Revenue Bonds, Series B	14,380,000	-	(850,000)	13,530,000	890,000	12,640,000
2015 Refunding Revenue Bonds, Series C	3,600,000	-	(245,000)	3,355,000	255,000	3,100,000
2015 Refunding Revenue Bonds, Series D	5,290,000	-	(360,000)	4,930,000	375,000	4,555,000
2019 Refunding Revenue Bonds, Series A	4,415,000	-	(355,000)	4,060,000	365,000	3,695,000
2020 Revenue Bonds, Series A	16,200,000	-	(530,000)	15,670,000	545,000	15,125,000
2021 Revenue Bonds, Series A	17,265,000	-	(1,370,000)	15,895,000	1,355,000	14,540,000
Bond premium 2019 Revenue Bond, Series A	780,707	-	(78,071)	702,636	78,071	624,565
2023 Revenue Bonds, CFD 2016-3	8,800,000	-	(8,800,000)	-	-	-
Total Revenue Bonds	80,000,707	-	(12,853,071)	67,147,636	4,113,071	63,034,565
Total governmental activities	\$ 81,321,565	\$ 751,681	\$ (13,761,887)	\$ 68,311,359	\$ 4,414,491	\$ 63,896,868

Lease liabilities

The City has entered into various leases for equipment, vehicles, and a building. The leases range from 24 to 72 months. The City is required to make annual fixed payments ranging from \$7,758 to \$331,429. In addition, certain leases require monthly fixed payments ranging from \$2,052 to \$3,727. The leases have interest rates ranging from 0.188% to 4.84%.

As of June 30, 2024, the City had total outstanding lease liability of \$1,015,051 and right to use asset of \$1,051,862, net of amortization.

Estimated future lease liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 243,411	\$ 34,085	\$ 277,496
2026	248,320	25,693	274,013
2027	261,497	16,919	278,416
2028	261,823	7,690	269,513
Totals	\$ 1,015,051	\$ 84,387	\$ 1,099,438

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription liabilities

The City has entered into several subscription-based IT arrangements for the use of various types of software. The agreements range from 18 to 60 months. The City is required to make annual fixed payments ranging from \$2,802 to \$90,000. The agreements have interest rates ranging from 1.71% to 2.894%.

As of June 30, 2024, the governmental activities of the City had total outstanding subscription liability of \$148,672 and right to use asset of \$250,788, net of amortization.

Estimated future subscription liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 58,009	\$ 673	\$ 58,682
2026	45,762	165	45,927
2027	22,450	-	22,450
2028	22,451	-	22,451
Totals	\$ 148,672	\$ 838	\$ 149,510

Revenue Bonds

Local Agency Refunding Revenue Bonds - 2015 Series A

On March 17, 2015, the BFA issued \$11,110,000 of 2015 Local Agency Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2005 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 5.00%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$9,005,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Local Agency Refunding Revenue Bonds - 2015 Series B

On April 23, 2015, the BFA issued \$20,095,000 of 2015 Local Agency Refunding Revenue Bonds, Series B (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series D.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 5.00%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$13,530,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

Local Agency Refunding Revenue Bonds - 2015 Series C

On May 15, 2015, the BFA issued \$5,335,000 of 2015 Local Agency Refunding Revenue Bonds, Series C (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series A.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 4.125%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$3,355,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Local Agency Refunding Revenue Bonds - 2015 Series D

On May 15, 2015, the BFA issued \$7,820,000 of 2015 Local Agency Refunding Revenue Bonds, Series D (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 4.25%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$4,930,000 for the Authority.

Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

Local Agency Refunding Revenue Bonds - 2019 Series A

On August 8, 2019, the BPIA issued \$5,375,000 of 2019 Local Agency Refunding Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority Local Agency Revenue Bonds Series 2007 A, C and D.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021 until maturity or earlier redemption. Interest on the bonds ranges from 3.0% to 5.0%.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$4,060,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

Local Agency Refunding Revenue Bonds - 2020 Series A

On August 13, 2020, the BPIA issued \$17,200,000 of 2020 Local Agency Refunding Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority Local Agency Revenue Bonds Series 2011 Series A & B and 2012 Series A.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2021 until maturity or earlier redemption. Interest on the bonds ranges from 0.773% to 2.245%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$15,670,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

Local Agency Refunding Revenue Bonds - 2021 Series A

On June 30, 2021, the BPIA issued \$18,675,000 of 2021 Local Agency Refunding Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority Local Agency Revenue Bonds Series 2012 Series B & C, 2013 Series A & B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022 until maturity or earlier redemption. Interest on the bonds ranges from 0.265% to 2.397%.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2024 was \$15,895,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves.

Annual Debt Service Requirements to Maturity

The annual debt service requirements to maturity are as follows:

Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2025	\$ 4,035,000	\$ 2,199,418	\$ 6,234,418
2026	4,120,000	2,084,450	6,204,450
2027	4,230,000	1,965,516	6,195,516
2028	4,320,000	1,845,558	6,165,558
2029	4,430,000	1,715,366	6,145,366
2030-2034	23,410,000	6,258,114	29,668,114
2035-2039	12,525,000	2,876,175	15,401,175
2040-2045	8,755,000	878,874	9,633,874
2046-2050	620,000	15,375	635,375
Totals	<u>\$ 66,445,000</u>	<u>\$ 19,838,846</u>	<u>\$ 86,283,846</u>

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2024, is as follows:

	Balance	Additions	Deletions	Balance	Classification	
					July 1, 2023	June 30, 2024
					One Year	Than One Year
Business-Type Activities:						
Wastewater Revenue Bonds	\$ 76,210,000	\$ -	\$ (1,425,000)	\$ 74,785,000	\$ 1,495,000	\$ 73,290,000
Bond Premium	6,630,347	-	(546,153)	6,084,194	546,153	5,538,041
Lease Liabilities	-	109,094	-	109,094	26,189	82,905
Subscription Liabilities	234,597	-	(213,280)	21,317	21,317	-
Total business-type activities	<u>\$ 83,074,944</u>	<u>\$ 109,094</u>	<u>\$ (2,184,433)</u>	<u>\$ 80,999,605</u>	<u>\$ 2,088,659</u>	<u>\$ 78,910,946</u>

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 6 - Long-Term Liabilities (Continued)

Lease liabilities

During the current fiscal year, the City entered into a lease agreement for the use of the SAWPA Brine Line (capacity rights). The agreement is for four years with the City making monthly payments of \$2,400. The agreement has an incremental borrowing rate of 2.69%. As of June 30, 2024, the business-type activities of the City had total outstanding lease liabilities of \$109,094 and right to use asset of \$107,050, net of amortization.

Estimated future lease liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 26,189	\$ 2,610	\$ 28,799
2026	26,895	1,904	28,799
2027	27,629	1,170	28,799
2028	28,381	416	28,797
Total	\$ 109,094	\$ 6,100	\$ 115,194

Subscription liabilities

The City entered into several subscription-based IT arrangements for the use of various types of software. The agreements range from 18 to 60 months. The City is required to make annual fixed payments ranging from \$2,802 to \$90,000. The agreements have interest rates ranging from 1.71% to 2.894%. As of June 30, 2024, the business-type activities of the City had total outstanding subscription liabilities of \$21,317 and right to use asset of \$176,512, net of amortization.

Estimated future subscription liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 21,317	\$ 390	\$ 21,707
Total	\$ 21,317	\$ 390	\$ 21,707

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 6 - Long-Term Liabilities (Continued)

Revenue Bonds

Wastewater Revenue Bonds, Series 2018A

On September 27, 2018, the Beaumont Public Improvement Authority issued \$81,105,000 of revenue bonds, to finance the acquisition and construction of certain improvements to the City's Wastewater System and to purchase a debt service reserve surety policy. The bonds were issued at a premium of \$9,698,952 which is amortized over the life of the bonds. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2049. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning on September 1, 2019. The bonds are a special limited obligation of the Authority payable solely from Authority Revenues.

The annual debt service requirements to maturity for the revenue bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,495,000	\$ 3,575,713	\$ 5,070,713
2026	1,570,000	3,499,088	5,069,088
2027	1,655,000	3,418,463	5,073,463
2028	1,740,000	3,333,558	5,073,558
2029	1,825,000	3,244,463	5,069,463
2030-2034	10,525,000	14,829,813	25,354,813
2035-2039	13,060,000	12,291,669	25,351,669
2040-2044	16,620,000	8,734,250	25,354,250
2045-2049	21,345,000	4,011,875	25,356,875
2050-2051	4,950,000	123,750	5,073,750
Totals	\$ 74,785,000	\$ 57,062,642	\$ 131,847,642

Note 7 - Debt Without City Commitment

The City authorized the formation of the various Community Facilities District's (the "CFD's") for purpose of the issuance of bonds under improvement acts of the State of California to finance eligible public facilities to serve developing commercial, industrial, residential, and/or mixed-use developments. Bonds issued by the CFD's are secured by annual special tax levies or liens placed on properties within each CFD. The City, and the BFA, are not liable for repayment and the City, acting as an agent on behalf of the CFD's, is only responsible for levying and collecting the special tax assessments, forwarding the collections to the bond trustee on behalf of bondholders, and initiating foreclosure proceedings on faulted special tax payments when necessary.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 7 - Debt Without City Commitment (Continued)

The bonds issued by the CFD are limited obligations and are payable solely from special tax assessments, specific bond reserves, and the proceeds from property foreclosures. Since these debts do not constitute an obligation of the City or the BFA/BPIA and the City or BFA/BPIA is not obligated to make payments on the bonds, the District Bonds (whose terms are disclosed in Note 6) are not reported as long-term liabilities in the accompanying City financial statements. The activities related to the District Bond reserves, special assessment tax collection, remittance to the bond trustee, repayment of District Bonds and use of new bond proceeds for developer capital projects for infrastructure, are reported as a custodial fund.

As of June 30, 2024, debt without City or BFA/BPIA commitment is as follows:

	Balance June 30, 2024
2015 Special Tax Bonds, Series A	\$ 9,005,000
2015 Special Tax Bonds, Series B	13,530,000
2015 Special Tax Bonds, Series C	3,355,000
2015 Special Tax Bonds, Series D	4,930,000
2019 Refunding Revenue Bonds, Series A	4,060,000
2020 Refunding Revenue Bond, Series A	15,670,000
2021 Refunding Revenue Bond, Series A	15,895,000
Premium	702,636
Subtotal	67,147,636
2017 Special Tax Refunding Bonds, Series A	69,198,256
2018 Special Tax Bonds, Series A	32,655,000
2018 Special Tax Bonds, 1A 7B	1,800,000
2018 Special Tax Bonds, 1A 7D	3,330,000
2018 Special Tax Bonds, 1A 8E	12,195,000
2019 Special Tax Bonds, 1A 2016-1	8,120,000
2019 Revenue Bonds, IA 2016-2	9,545,000
2019 Revenue Bonds, IA 2016-4	3,845,000
2020 Revenue Bonds, IA 8F	12,555,000
2020 Revenue Bonds, CFD 2019-1	2,215,000
2023 Revenue Bonds, CFD 2016-3	8,800,000
2024 Revenue Bonds, CFD	14,550,000
Total Limited Obligation Bond Debt	\$ 245,955,892

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 8 - Compensated Absences

The City's total liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$3,947,633 as of June 30, 2024.

A. Governmental Activities

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Summary of changes in compensated absences for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due Within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences	\$ 3,465,207	\$ 1,335,952	\$ (1,290,068)	\$ 3,511,091	\$ 877,773	\$ 2,633,318
Total governmental activities	<u>\$ 3,465,207</u>	<u>\$ 1,335,952</u>	<u>\$ (1,290,068)</u>	<u>\$ 3,511,091</u>	<u>\$ 877,773</u>	<u>\$ 2,633,318</u>

B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due Within One Year	Due in More Than One Year
Business-Type Activities:						
Compensated absences	\$ 478,466	\$ 154,342	\$ (196,266)	\$ 436,542	\$ 152,790	\$ 283,752
Total governmental activities	<u>\$ 478,466</u>	<u>\$ 154,342</u>	<u>\$ (196,266)</u>	<u>\$ 436,542</u>	<u>\$ 152,790</u>	<u>\$ 283,752</u>

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City, including its component units, uses the General Fund to account for and finance risks for general liability, workers' compensation, and property damage. There were no settlements in excess of insurance coverage in any of the three prior fiscal years. There were no reductions in the City's limits of coverage during the fiscal year ended June 30, 2024.

General Liability and Property Damage Insurance

The City is self-insured to some extent for general liability claims. The City maintains a self-insured retention level of \$250,000 for general liability with excess coverage up to \$50,000,000, as a participant in the Exclusive Risk Management Authority of California (ERMAC), a Joint Powers Authority. Property damage is also insured through participation in ERMAC.

The City has entered into contracts with claims administrators to process claims against the City for general liability claims.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 9 - Risk Management (Continued)

Workers' Compensation

The City of Beaumont maintains a self-insured workers' compensation plan, whereby the City covers the cost of medical claims its employees incur. The City has stop loss coverage for this plan to cover claims in excess of \$300,000 per participant per year. The City utilizes a third-party administrator to manage claims in accordance with state law.

Government Crime Policy

The City carries government crime insurance, including faithful performance/employee dishonesty, forgery or alteration, computer fraud, etc., in the amount of \$15 million, with a \$2,500 deductible.

The change in claims for the year was as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2021-2022	\$ 2,806,120	\$ 84,356	\$ (599,725)	\$ 2,290,751
2022-2023	2,290,751	70,625	(59,520)	2,301,856
2023-2024	2,301,856	(578,397)	(179,503)	1,543,956

Note 10 - Pension Plans

For the governmental activities, pensions are generally liquidated by the General Fund.

Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
CalPERS Miscellaneous	\$ 4,279,575	\$ 1,503,636	\$ 5,783,211
CalPERS Safety	7,828,672	-	7,828,672
Total deferred outflows of resources	<u>\$ 12,108,247</u>	<u>\$ 1,503,636</u>	<u>\$ 13,611,883</u>
Deferred inflows of resources:			
CalPERS Miscellaneous	\$ 130,863	\$ 45,979	\$ 176,842
CalPERS Safety	782,317	-	782,317
Total deferred inflows of resources	<u>\$ 913,180</u>	<u>\$ 45,979</u>	<u>\$ 959,159</u>
Net pension liabilities:			
CalPERS Miscellaneous	\$ 8,352,383	\$ 2,934,620	\$ 11,287,003
CalPERS Safety	15,368,042	-	15,368,042
Total net pension liabilities	<u>\$ 23,720,425</u>	<u>\$ 2,934,620</u>	<u>\$ 26,655,045</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 2,852,678	\$ -	\$ 2,852,678
CalPERS Safety	3,448,833	-	3,448,833
Total net pension expenses	<u>\$ 6,301,511</u>	<u>\$ -</u>	<u>\$ 6,301,511</u>

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 10 - Pension Plans (Continued)

General Information about the Pension Plans

Plan Description

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

Benefit Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect on June 30, 2024 are summarized as follows:

<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
3.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
5 years service	5 years service	5 years service	5 years service
Monthly for life	Monthly for life	Monthly for life	Monthly for life
50-67	52-67	50-55	50-57
2.0% to 3.0%	1.0% to 2.5%	3.0%	2.0% to 2.7%
17.26%	7.68%	27.11%	13.54%

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 10 - Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024 were \$1,961,630 and \$2,510,413, for the Miscellaneous and Safety plans, respectively. The actual employer payments of \$4,243,619 made to CalPERS by the City during the measurement period ended June 30, 2023 differed from the City's proportionate share of the employer's contributions of \$3,522,379 by \$721,240, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2024

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

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

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

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

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

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

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

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability

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

	Increase(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Miscellaneous			
Balance at: 6/30/22 (Valuation date)	\$ 45,894,203	\$ 35,813,769	\$ 10,080,434
Balance at: 6/30/23 (Measurement date)	<u>49,834,513</u>	<u>38,547,510</u>	<u>11,287,003</u>
Net changes during 2022-2023	<u>\$ 3,940,310</u>	<u>\$ 2,733,741</u>	<u>\$ 1,206,569</u>
<small>Valuation Date (VD), Measurement Date (MD).</small>			
Safety			
Balance at: 6/30/22 (Valuation date)	\$ 60,447,793	\$ 46,586,284	\$ 13,861,509
Balance at: 6/30/23 (Measurement date)	<u>63,546,139</u>	<u>48,178,097</u>	<u>15,368,042</u>
Net changes during 2022-2023	<u>\$ 3,098,346</u>	<u>\$ 1,591,813</u>	<u>\$ 1,506,533</u>
<small>Valuation Date (VD), Measurement Date (MD).</small>			

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability (Continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2023 and 2024 fiscal years was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2023	0.21543%	0.20172%	0.20728%
Proportion - June 30, 2024	0.22572%	0.20559%	0.21366%
Change - Increase (Decrease)	<u>0.01029%</u>	<u>0.00387%</u>	<u>0.00638%</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u> <u>(5.90%)</u>	<u>Current Discount</u> <u>Rate (6.90%)</u>	<u>Discount Rate + 1%</u> <u>(7.90%)</u>
Miscellaneous	\$ 18,026,909	\$ 11,287,003	\$ 5,739,482
Safety	24,085,441	15,368,042	8,240,947
Total	<u>\$ 42,112,350</u>	<u>\$ 26,655,045</u>	<u>\$ 13,980,429</u>

CITY OF BEAUMONT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2022), the City's net pension liabilities were \$10,080,434 and \$13,861,509, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a pension expense of \$2,852,678 and \$3,448,833 for the Miscellaneous and Safety Plans, respectively.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 10 - Pension Plans (Continued)

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

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 1,961,630	\$ -
Difference between projected and actual earning on pension plan investments	1,827,467	-
Change in Employer's Proportion	461,085	-
Changes in assumptions	681,447	-
Difference between actual and expected experience	576,602	89,445
Difference between employer's actual contributions and proportionate share of contributions	274,980	87,397
Totals	\$ 5,783,211	\$ 176,842
Safety Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,510,413	\$ -
Difference between projected and actual earning on pension plan investments	2,103,112	-
Change in Employer's Proportion	901,014	-
Changes in assumptions	896,899	-
Difference between actual and expected experience	1,128,298	96,594
Difference between employer's actual contributions and proportionate share of contributions	288,936	685,723
Totals	\$ 7,828,672	\$ 782,317

The amounts above are net of outflows and inflows recognized in the 2022/23 measurement period expense. Contributions subsequent to the measurement date of \$1,961,630 and \$2,510,413, for the Miscellaneous and Safety Plans, respectively reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 10 - Pension Plans (Continued)

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

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,	Miscellaneous Plans	Safety Plans	Total
2025	\$ 1,243,320	\$ 1,565,153	\$ 2,808,473
2026	827,293	1,101,520	1,928,813
2027	1,521,688	1,810,567	3,332,255
2028	52,438	58,702	111,140
2029	-	-	-
Thereafter	-	-	-
Totals	\$ 3,644,739	\$ 4,535,942	\$ 8,180,681

Payable to the Pension Plan

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2024.

Note 11 - Other Required Disclosures

A. Deficit Equity Balances

As of June 30, 2024, there were no funds with deficit equity balances.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following functions for the following:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
General Fund	Capital outlay	\$ 419,901
	Debt service: principal	624,614
	Debt service: interest	13,156
Beaumont Financing Authority	Debt service: principal	16,935
COPS Grant Fund	Public Safety	32,491
Other Special Revenue Fund	Interest	1,490

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 11 - Other Required Disclosures

B. Expenditures Exceeding Appropriations (Continued)

The budget was established in a manner different than the reporting, and though certain line items were over the departments were within total budget appropriation. Future budgets will consider all reporting elements for proper alignment. The capital budget includes estimated resources and capital expenditures based on the first year of the current capital improvements plan. The expenses are not always in the first year of the plan. The implementation of GASB 96 was not determinable at the time of budget and will be calculated for future years.

Note 12 - Equity Classification

A. Fund Balances

	Major Funds					Other Governmental Funds	Total
	General Fund	Development Impact Fees (DIF) Special Revenue Fund	Community Facilities District (CFD) Capital Projects Fund	General Capital Projects Fund	Beaumont Financing Authority Debt Service Fund		
Nonspendable:							
Prepaid expenditures	\$ 42,305	\$ -	\$ -	\$ -	\$ 253,346	\$ -	\$ 295,651
Total nonspendable	<u>42,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,346</u>	<u>-</u>	<u>295,651</u>
Restricted							
Slate Gas Tax	-	-	-	-	-	140,031	140,031
RMRA	-	-	-	-	-	2,712,033	2,712,033
Measure A	-	-	-	-	-	2,310,642	2,310,642
AB 2766	-	-	-	-	-	248,371	248,371
PEG Fees	-	-	-	-	-	42,675	42,675
Other Federal Grants	-	-	-	-	-	91,549	91,549
COPS Grant	-	-	-	-	-	530,104	530,104
State Asset Forfeiture	-	-	-	-	-	303,354	303,354
Federal Asset Forfeiture	-	-	-	-	-	100,706	100,706
Other Special Projects	-	-	-	-	-	522,799	522,799
Capital Projects	-	28,306,437	12,616,801	-	-	-	40,923,238
Debt Service	-	-	-	-	70,785,651	-	70,785,651
Community Facilities Districts	-	-	-	-	-	2,178,197	2,178,197
Investment in Section 115 Trust	3,436,595	-	-	-	-	-	3,436,595
Total restricted	<u>3,436,595</u>	<u>28,306,437</u>	<u>12,616,801</u>	<u>-</u>	<u>70,785,651</u>	<u>9,180,461</u>	<u>124,325,945</u>
Committed:							
Capital Projects	3,865,000	-	-	51,057,567	-	-	54,922,567
Self Insurance	6,807,713	-	-	-	-	-	6,807,713
Pension Trust Funding	-	-	-	-	-	-	-
Total Committed	<u>10,672,713</u>	<u>-</u>	<u>-</u>	<u>51,057,567</u>	<u>-</u>	<u>-</u>	<u>61,730,280</u>
Assigned:							
Re-appropriation	1,318,631	-	-	-	-	-	1,318,631
Total Assigned	<u>1,318,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318,631</u>
Unassigned	<u>32,577,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,577,969</u>
Total Fund Balances	<u>\$ 48,048,213</u>	<u>\$ 28,306,437</u>	<u>\$ 12,616,801</u>	<u>\$ 51,057,567</u>	<u>\$ 71,038,997</u>	<u>\$ 9,180,461</u>	<u>\$ 220,248,476</u>

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 12 - Equity Classification (Continued)

B. Net Position

Governmental Activities

Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2024, was determined as follows:

	Governmental Activities
Capital assets, net of accumulated depreciation	\$ 314,934,238
Less capital related debt balance:	
Outstanding principal balance of lease liability	(1,015,051)
Outstanding principal balance of subscription liability	(148,672)
Outstanding principal balance of Beaumont Public Financing Authority debt	(67,147,636)
Plus capital related unspent proceeds	<u>3,638,015</u>
Net investment in capital assets	<u>\$ 250,260,894</u>

Business-type Activities

	Business-type Activities		Total Enterprise Funds
	Sewer Fund	Transit Fund	
Capital assets, net of accumulated depreciation	\$ 187,127,614	\$ 5,060,108	\$ 192,187,722
Plus (less) capital related debt balance:			
Capital related borrowings	(74,785,000)	-	(74,785,000)
Outstanding unamortized bond premium balance	(6,084,194)	-	(6,084,194)
Outstanding balance of lease liability	(109,094)	-	(109,094)
Outstanding balance of subscription liability	<u>(15,852)</u>	<u>(5,465)</u>	<u>(21,317)</u>
Net investment in capital assets	<u>\$ 106,133,474</u>	<u>\$ 5,054,643</u>	<u>\$ 111,188,117</u>

Note 13 - Commitments and Contingencies

A. Litigation

The City is a defendant in a number of lawsuits and a recipient of a number of claims that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 13 - Commitments and Contingencies (Continued)

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

C. Construction Commitments

Various construction projects in all fund types were in progress as of June 30, 2024 with a planned cost to complete of approximately \$123,277,812.

D. WRCOG Restated Settlement Agreement

In May 2017, the City and Western Riverside Council of Governments ("WRCOG") entered into an Amended and Restated Settlement Agreement and Release (the "WRCOG Settlement"), which resolved the approximately \$62 million judgment WRCOG had obtained against the City. Under the terms of the WRCOG Settlement, the City and WRCOG agreed that the City would rejoin WRCOG and adopt the WRCOG TUMF ordinance. Since the settlement, the City rejoined WRCOG and the TUMF program and as a result, and pursuant to the WRCOG Settlement, the City is now eligible to receive Measure A revenues from the Riverside County Transportation Commission (RCTC) based on the following schedule:

<u>Period</u>	<u>WRCOG*</u>	<u>City</u>
Approval Date thru 5th Anniversary of Approval	0%	100%
Second five year period	25%	75%
Third five year period	40%	60%
Fourth five year period	60%	40%
End of fourth five year period through June 2039	75%	25%

*WRCOG's share of Measure A revenues shall not exceed a total of \$9,400,000

In October 2017, the City segregated \$3,000,000, designated for funding Pennsylvania Avenue improvements in accordance with the agreement. The City agreed to complete needed transportation improvements as follows:

<u>Improvement</u>	<u>Estimated Cost</u>	<u>Completion Deadline</u>
Oak Valley Parkway, Segments 3, 4, and 15	\$ 1,200,000	By January 1, 2022
Pennsylvania Avenue	3,800,000	None

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2024**

Note 13 - Commitments and Contingencies (Continued)

D. WRCOG Restated Settlement Agreement (Continued)

The City also agreed to assign Third Party Claims to WRCOG to diligently pursue civil lawsuits and through requests/applications for restitution in the criminal actions pending against Third Parties. Recovery related to Third Party Claims would be shared on the following schedule:

<u>Recovery Amount</u>	<u>WRCOG</u>	<u>City**</u>
First \$9,000,000	100%	0%
\$9,000,001 - \$12,000,000	85%	15%
\$12,000,001 - \$18,000,000	65%	35%
\$18,000,001 and above	50%	50%

**City guarantees \$7,000,000 recovery to WRCOG and will pay 50% of the legal fees not to exceed \$1,000,000

The settlement agreement stipulates that if Third Party Claims have not produced recoveries of at least \$8,000,000 by July 2, 2022, the City will begin making payments to WRCOG in 20 equal annual installments beginning August 1, 2022. Any subsequent recoveries would adjust the annual installments as necessary. As of June 30, 2024, recoveries are approximately \$24.7 million. The City continues to share in recoveries at the 35% rate until recoveries total \$18 million at which time the City will begin collecting 50% of any recoveries. The City now shares in recoveries based on the settlement agreement; therefore, a liability has not been accrued.

Additionally, in October 2017, two of the seven criminal cases were resolved with guilty pleas with a restitution payment due to the City of \$3,000,000. In December 2017, four more of the seven criminal cases were resolved with guilty pleas and restitution payments due of another \$8,000,000. The last case was settled in September 2018 with a guilty plea.

WRCOG has released and discharged the City from the WRCOG judgment and Attorneys' Fee Award and interest, which collectively exceeded \$62 million. WRCOG and the City also agreed that the litigation, judgment and pending appeals would be dismissed thereby ending the litigation between WRCOG and the City.

Note 14 - Correction of error

During the prior year, CFD debt issued was erroneously recorded in the City's Financing Authority.

	<u>Fund Financial Statements Beaumont Financing Authority</u>
June 30, 2023, as previously reported	\$ 83,730,860
Correction of error	(8,800,000)
June 30, 2023, as restated	<u>\$ 74,930,860</u>

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Required Supplementary Information (Unaudited)

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CITY OF BEAUMONT

Budgetary Information For the Year Ended June 30, 2024

Note 1 - Budgetary Information

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplementary appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Council. In most cases, expenditures may not exceed appropriations at the departmental level within the General Fund and at the fund level for other major special revenue funds. At fiscal year-end, all operating budget appropriations lapse.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets were adopted for all funds except the Federal Asset Seizure Special Revenue Fund.

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CITY OF BEAUMONT

**Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 39,350,462	\$ 39,350,462	\$ 39,902,359	\$ 551,897
Franchise fees	3,299,914	3,299,914	3,347,040	47,126
Intergovernmental	7,717,772	7,717,772	7,768,111	50,339
License and permits	4,103,717	4,103,717	4,724,060	620,343
Fines and forfeitures	115,000	115,000	391,623	276,623
Assessments levied	957,344	957,344	753,376	(203,968)
Use of money and property	997,342	1,222,342	3,180,775	1,958,433
Charges for services	1,159,747	1,159,747	1,488,996	329,249
Other revenues	1,870,438	2,090,438	2,511,406	420,968
Total revenues	59,571,736	60,016,736	64,067,746	4,051,010
EXPENDITURES:				
Current:				
General government				
City council	202,143	202,143	88,735	113,408
City clerk	459,449	570,909	483,378	87,531
Administration services	1,545,057	2,632,694	1,135,817	1,496,877
Finance and budget	1,942,334	1,962,456	1,757,321	205,135
Information Technology	1,798,922	1,950,151	1,615,635	334,516
HR / Risk Management	3,625,354	3,637,673	2,904,420	733,253
Legal	1,500,000	1,500,000	1,443,146	56,854
Communications	390,477	393,783	340,109	53,674
Nondepartmental	5,290,815	944,098	308,509	635,589
Public safety				
Animal control	381,923	385,860	366,508	19,352
Office of Emergency	15,000	15,000	-	15,000
Police department	16,041,320	16,278,791	15,384,504	894,287
K-9 Unit	14,214	14,214	14,128	86
Police support	2,928,561	2,970,921	2,594,645	376,276
Fire	6,820,202	6,820,202	5,163,940	1,656,262
Nondepartmental	10,766	10,766	10,766	-
Public works				
Public works	3,606,165	3,242,226	2,557,096	685,130
Street maintenance	2,720,618	2,793,354	2,564,847	228,507
Community development				
Planning and community development	812,062	926,660	900,022	26,638
Community enhancement	362,525	399,185	381,201	17,984
Building and safety	1,544,181	1,596,179	1,238,886	357,293
Community development	1,207,540	1,947,582	827,410	1,120,172
Community services				
Parks and recreation	1,899,199	1,929,035	1,647,812	281,223
Building maintenance	1,150,945	1,218,202	1,129,836	88,366
Parks and ground maintenance	5,427,070	5,874,349	4,786,577	1,087,772
Capital outlay	530,882	640,590	1,060,491	(419,901)
Debt service:				
Principal	-	-	624,614	(624,614)
Interest	-	-	13,156	(13,156)
Total Expenditures	62,227,724	60,857,023	51,343,509	9,513,514
REVENUES OVER (UNDER)				
EXPENDITURES	(2,655,988)	(840,287)	12,724,237	13,564,524
OTHER FINANCING SOURCES (USES):				
Lease acquisition	-	-	578,440	578,440
Subscription acquisition	-	-	173,241	173,241
Proceeds from sale of capital assets	-	-	818	818
Transfers in	8,218,067	8,281,367	7,390,919	(890,448)
Transfers (out)	(5,562,079)	(15,066,312)	(14,604,940)	461,372
Total other financing sources	2,655,988	(6,784,945)	(6,461,522)	323,423
Net change in fund balance	\$ -	\$ (7,625,232)	6,262,715	\$ 13,887,947
FUND BALANCE:				
Beginning of year			41,785,498	
End of year			<u>\$ 48,048,213</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Development Impact Fees (DIF) Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
License and permits	\$ 4,521,373	\$ 4,521,373	\$ 17,308,618	\$ 12,787,245
Use of money and property	257,200	257,200	1,778,465	1,521,265
Total revenues	<u>4,778,573</u>	<u>4,778,573</u>	<u>19,087,083</u>	<u>14,308,510</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>4,778,573</u>	<u>4,778,573</u>	<u>19,087,083</u>	<u>14,308,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(1,870,000)	(39,640,752)	(9,854,142)	29,786,610
Total other financing sources (uses)	<u>(1,870,000)</u>	<u>(39,640,752)</u>	<u>(9,854,142)</u>	<u>29,786,610</u>
Net change in fund balance	<u>\$ 2,908,573</u>	<u>\$ (34,862,179)</u>	9,232,941	<u>\$ 44,095,120</u>
FUND BALANCE:				
Beginning of year			<u>19,073,496</u>	
End of year			<u>\$ 28,306,437</u>	

CITY OF BEAUMONT

**Schedule of Proportionate Share of the Net Pension Liability and
Related Ratios
Last Ten Years
For the Year Ended June 30, 2024**

Miscellaneous Plan

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability</u>	<u>Employer's Proportion Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.65770%	\$ 4,092,766	\$ 5,932,314	68.99%	78.28%
6/30/2015	0.12477%	3,423,018	5,411,229	63.26%	78.45%
6/30/2016	0.16750%	5,818,570	4,722,459	123.21%	78.88%
6/30/2017	0.17352%	6,840,289	4,864,133	140.63%	76.93%
6/30/2018	0.17792%	6,705,339	5,052,100	132.72%	78.30%
6/30/2019	0.18574%	7,438,139	5,203,663	142.94%	78.16%
6/30/2020	0.19475%	8,214,777	5,145,199	159.66%	77.75%
6/30/2021	0.20727%	3,935,827	8,181,668	48.11%	90.19%
6/30/2022	0.21542%	10,080,434	8,512,450	118.42%	78.04%
6/30/2023	0.22572%	11,287,003	10,099,832	111.75%	77.35%

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

CITY OF BEAUMONT

**Schedule of Proportionate Share of the Net Pension Liability and
Related Ratios (Continued)
Last Ten Years
For the Year Ended June 30, 2024**

Safety Plan

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability</u>	<u>Employer's Proportion Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.11126%	\$ 6,923,153	\$ 4,232,207	163.58%	76.98%
6/30/2015	0.17862%	7,359,819	4,134,515	178.01%	77.95%
6/30/2016	0.17381%	9,002,206	3,613,896	249.10%	74.79%
6/30/2017	0.17034%	10,177,973	3,722,313	273.43%	73.93%
6/30/2018	0.17176%	10,078,078	3,862,606	260.91%	75.37%
6/30/2019	0.17251%	10,769,243	3,978,484	270.69%	75.68%
6/30/2020	0.17600%	11,725,412	3,676,631	318.92%	75.61%
6/30/2021	0.16273%	5,710,864	4,334,892	131.74%	89.10%
6/30/2022	0.20172%	13,861,509	5,303,955	261.34%	77.07%
6/30/2023	0.20594%	15,368,042	6,360,725	241.61%	75.82%

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

CITY OF BEAUMONT

Schedule of Pension Plan Contributions Last Ten Years For the Year Ended June 30, 2024

Miscellaneous Plan

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions ¹	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014-15	\$ 962,897	\$ (962,897)	\$ -	\$ 5,411,229	17.79%
2015-16	732,914	(732,914)	-	4,722,459	15.52%
2016-17	816,082	(816,082)	-	4,864,133	16.78%
2017-18	956,792	(956,792)	-	5,052,100	18.94%
2018-19	1,156,583	(1,156,583)	-	5,203,663	22.23%
2019-20	1,390,388	(1,390,388)	-	5,145,199	27.02%
2020-21	1,595,185	(1,595,185)	-	8,181,668	19.50%
2021-22	1,667,472	(1,667,472)	-	8,512,450	19.59%
2022-23	1,931,600	(1,931,600)	-	10,099,832	19.13%
2023-24	1,961,630	(1,961,630)	-	11,642,973	16.85%

¹Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

Notes to Schedule:

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

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

CITY OF BEAUMONT

Schedule of Pension Plan Contributions (Continued)

Last Ten Years

For the Year Ended June 30, 2024

Safety Plan

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions ¹	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014-15	\$ 1,356,940	\$ (1,356,940)	\$ -	\$ 4,134,515	32.82%
2015-16	1,181,118	(1,181,118)	-	3,613,896	32.68%
2016-17	1,281,860	(1,281,860)	-	3,722,313	34.44%
2017-18	1,402,549	(1,402,549)	-	3,862,606	36.31%
2018-19	1,645,661	(1,645,661)	-	3,978,484	41.36%
2019-20	1,838,564	(1,838,564)	-	3,676,631	50.01%
2020-21	1,751,746	(1,751,746)	-	4,334,892	40.41%
2021-22	1,921,364	(1,921,364)	-	5,303,955	36.23%
2022-23	2,312,019	(2,312,019)	-	6,360,725	36.35%
2023-24	2,510,413	(2,510,413)	-	6,886,421	36.45%

¹Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

Notes to Schedule:

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

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

Supplementary Information

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**Major Governmental Funds
Budgetary Comparison Schedule**

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CITY OF BEAUMONT

**Major Governmental Fund Budgetary Comparison Schedule
Community Facilities District (CFD) - Capital Projects Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments levied	\$ 1,058,869	\$ 1,058,869	\$ 7,593	\$ (1,051,276)
Use of money and property	-	-	576,503	576,503
Total revenues	<u>1,058,869</u>	<u>1,058,869</u>	<u>584,096</u>	<u>(474,773)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>1,058,869</u>	<u>1,058,869</u>	<u>584,096</u>	<u>(474,773)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(2,800,000)</u>	<u>(11,457,092)</u>	<u>(1,181,609)</u>	<u>10,275,483</u>
Total other financing sources	<u>(2,800,000)</u>	<u>(11,457,092)</u>	<u>(1,181,609)</u>	<u>10,275,483</u>
Net change in fund balance	<u>\$ (1,741,131)</u>	<u>\$ (10,398,223)</u>	<u>(597,513)</u>	<u>\$ 9,800,710</u>
FUND BALANCE:				
Beginning of year			<u>13,214,314</u>	
End of year			<u>\$ 12,616,801</u>	

CITY OF BEAUMONT

**Major Governmental Fund Budgetary Comparison Schedule
General Capital Projects - Capital Projects Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,250,000	\$ 54,702,584	\$ 554,482	\$ (54,148,102)
Use of money and property	-	-	1,792,374	1,792,374
Other revenues	-	-	1,940,087	1,940,087
Total revenues	<u>3,250,000</u>	<u>54,702,584</u>	<u>4,286,943</u>	<u>(50,415,641)</u>
EXPENDITURES:				
Capital outlay	15,679,719	123,277,812	22,561,759	100,716,053
Total Expenditures	<u>15,679,719</u>	<u>123,277,812</u>	<u>22,561,759</u>	<u>100,716,053</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(12,429,719)</u>	<u>(68,575,228)</u>	<u>(18,274,816)</u>	<u>50,300,412</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	12,429,719	69,467,538	30,230,765	(39,236,773)
Total other financing sources	<u>12,429,719</u>	<u>69,467,538</u>	<u>30,230,765</u>	<u>(39,236,773)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 892,310</u>	<u>11,955,949</u>	<u>\$ 11,063,639</u>
FUND BALANCE:				
Beginning of year			<u>39,101,618</u>	
End of year			<u>\$ 51,057,567</u>	

CITY OF BEAUMONT

**Major Governmental Fund Budgetary Comparison Schedule
Beaumont Financing Authority – Debt Service Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 6,104,192	\$ 6,104,192	\$ 2,402,880	\$ (3,701,312)
Total revenues	<u>6,104,192</u>	<u>6,104,192</u>	<u>2,402,880</u>	<u>(3,701,312)</u>
EXPENDITURES:				
Debt service:				
Principal	3,955,000	3,975,600	3,975,600	-
Interest, fiscal, and other charges	2,149,192	2,302,208	2,319,143	(16,935)
Total Expenditures	<u>6,104,192</u>	<u>6,277,808</u>	<u>6,294,743</u>	<u>(16,935)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>(173,616)</u>	<u>(3,891,863)</u>	<u>(3,718,247)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (173,616)</u>	<u>(3,891,863)</u>	<u>\$ (3,718,247)</u>
FUND BALANCE:				
Beginning of year, restated			<u>74,930,860</u>	
End of year			<u>\$ 71,038,997</u>	

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**Non-Major Governmental Funds
Combining Schedules**

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CITY OF BEAUMONT

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
ASSETS				
Cash and investments	\$ 5,954	\$ 2,594,235	\$ 2,143,675	\$ 248,371
Receivables:				
Accounts	-	-	-	-
Due from other governments	134,077	117,798	166,967	-
Total assets	\$ 140,031	\$ 2,712,033	\$ 2,310,642	\$ 248,371
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (deficit):				
Restricted	140,031	2,712,033	2,310,642	248,371
Total fund balances	140,031	2,712,033	2,310,642	248,371
Total liabilities and fund balances	\$ 140,031	\$ 2,712,033	\$ 2,310,642	\$ 248,371

CITY OF BEAUMONT

**Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
ASSETS				
Cash and investments	\$ 39,684	\$ 3,759,486	\$ 546,771	\$ 337,477
Receivables:				
Accounts	2,991	-	-	-
Due from other governments	-	190,753	-	-
Total assets	<u>\$ 42,675</u>	<u>\$ 3,950,239</u>	<u>\$ 546,771</u>	<u>\$ 337,477</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	3,858,690	16,667	34,123
Total liabilities	<u>-</u>	<u>3,858,690</u>	<u>16,667</u>	<u>34,123</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (deficit):				
Restricted	42,675	91,549	530,104	303,354
Total fund balances	<u>42,675</u>	<u>91,549</u>	<u>530,104</u>	<u>303,354</u>
Total liabilities and fund balances	<u>\$ 42,675</u>	<u>\$ 3,950,239</u>	<u>\$ 546,771</u>	<u>\$ 337,477</u>

CITY OF BEAUMONT

**Combining Balance Sheet (Concluded)
Non-Major Governmental Funds
June 30, 2024**

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
ASSETS				
Cash and investments	\$ 100,706	\$ 587,980	\$ 2,195,655	\$ 12,559,994
Receivables:				
Accounts	-	5,611	-	8,602
Due from other governments	-	-	68,237	677,832
Total assets	<u>\$ 100,706</u>	<u>\$ 593,591</u>	<u>\$ 2,263,892</u>	<u>\$ 13,246,428</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 10,930	\$ -	\$ 10,930
Deposits payable	-	-	85,695	85,695
Unearned revenue	-	59,862	-	3,969,342
Total liabilities	<u>-</u>	<u>70,792</u>	<u>85,695</u>	<u>4,065,967</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (deficit):				
Restricted	100,706	522,799	2,178,197	9,180,461
Total fund balances	<u>100,706</u>	<u>522,799</u>	<u>2,178,197</u>	<u>9,180,461</u>
Total liabilities and fund balances	<u>\$ 100,706</u>	<u>\$ 593,591</u>	<u>\$ 2,263,892</u>	<u>\$ 13,246,428</u>

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CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
REVENUES:				
Taxes	\$ -	\$ -	\$ 936,622	\$ -
Intergovernmental	1,674,027	1,427,990	-	57,082
License and permits	-	-	-	-
Use of money and property	33,025	72,045	106,919	10,324
Other revenues	-	25	-	-
Total revenues	<u>1,707,052</u>	<u>1,500,060</u>	<u>1,043,541</u>	<u>67,406</u>
EXPENDITURES:				
Current:				
General Government	25	-	-	-
Public safety	-	-	-	86,820
Community development	-	-	-	-
Community services	-	-	-	-
Total expenditures	<u>25</u>	<u>-</u>	<u>-</u>	<u>86,820</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,707,027</u>	<u>1,500,060</u>	<u>1,043,541</u>	<u>(19,414)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	(1,566,996)	(1,117,898)	(1,628,879)	-
Total other financing sources (uses)	<u>(1,566,996)</u>	<u>(1,117,898)</u>	<u>(1,628,879)</u>	<u>-</u>
Net changes in fund balances	140,031	382,162	(585,338)	(19,414)
FUND BALANCES (DEFICIT):				
Beginning of year	-	2,329,871	2,895,980	267,785
End of year	<u>\$ 140,031</u>	<u>\$ 2,712,033</u>	<u>\$ 2,310,642</u>	<u>\$ 248,371</u>

CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,294,558	169,492	-
License and permits	9,964	-	-	-
Use of money and property	1,587	113,831	22,461	8,982
Other revenues	-	41,322	-	-
Total revenues	11,551	1,449,711	191,953	8,982
EXPENDITURES:				
Current:				
General Government	4,588	-	-	-
Public safety	-	15,919	146,958	25
Community development	-	-	-	-
Community services	-	-	-	-
Total expenditures	4,588	15,919	146,958	25
REVENUES OVER (UNDER) EXPENDITURES	6,963	1,433,792	44,995	8,957
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	(934,259)	(38,677)	-
Total other financing sources (uses)	-	(934,259)	(38,677)	-
Net changes in fund balances	6,963	499,533	6,318	8,957
FUND BALANCES (DEFICIT):				
Beginning of year	35,712	(407,984)	523,786	294,397
End of year	\$ 42,675	\$ 91,549	\$ 530,104	\$ 303,354

CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Concluded)
Non-Major Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
REVENUES:				
Taxes	\$ -	\$ -	\$ 7,548,325	\$ 8,484,947
Intergovernmental	37,050	182,800	-	4,842,999
License and permits	-	10,165	-	20,129
Use of money and property	3,937	12,504	94,286	479,901
Other revenues	-	57,931	-	99,278
Total revenues	40,987	263,400	7,642,611	13,927,254
EXPENDITURES:				
Current:				
General Government	-	-	-	4,613
Public safety	-	100,441	-	350,163
Community development	-	40,804	297,310	338,114
Community services	-	1,490	-	1,490
Total expenditures	-	142,735	297,310	694,380
REVENUES OVER (UNDER) EXPENDITURES	40,987	120,665	7,345,301	13,232,874
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	401,567	401,567
Transfers (out)	-	(7,108)	(7,166,106)	(12,459,923)
Total other financing sources (uses)	-	(7,108)	(6,764,539)	(12,058,356)
Net changes in fund balances	40,987	113,557	580,762	1,174,518
FUND BALANCES (DEFICIT):				
Beginning of year	59,719	409,242	1,597,435	8,005,943
End of year	\$ 100,706	\$ 522,799	\$ 2,178,197	\$ 9,180,461

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**Non-Major Governmental
Budgetary Comparison Schedules**

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CITY OF BEAUMONT

**Budgetary Comparison Schedule
State Gas Tax Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,565,996	\$ 1,565,996	\$ 1,674,027	\$ 108,031
Use of money and property	1,000	1,000	33,025	32,025
Total revenues	<u>1,566,996</u>	<u>1,566,996</u>	<u>1,707,052</u>	<u>140,056</u>
EXPENDITURES:				
Current:				
General Government	5,290,815	944,098	25	944,073
Total Expenditures	<u>5,290,815</u>	<u>944,098</u>	<u>25</u>	<u>944,073</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(3,723,819)</u>	<u>622,898</u>	<u>1,707,027</u>	<u>1,084,129</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(1,566,996)</u>	<u>(1,566,996)</u>	<u>(1,566,996)</u>	<u>-</u>
Total other financing sources	<u>(1,566,996)</u>	<u>(1,566,996)</u>	<u>(1,566,996)</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,290,815)</u>	<u>\$ (944,098)</u>	140,031	<u>\$ 1,084,129</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 140,031</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Road Maintenance and Rehabilitation Act Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,351,950	\$ 1,351,950	\$ 1,427,990	\$ 76,040
Use of money and property	2,000	2,000	72,045	70,045
Other	-	-	25	25
Total revenues	<u>1,353,950</u>	<u>1,353,950</u>	<u>1,500,060</u>	<u>146,110</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>1,353,950</u>	<u>1,353,950</u>	<u>1,500,060</u>	<u>146,110</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(900,840)</u>	<u>(2,018,738)</u>	<u>(1,117,898)</u>	<u>900,840</u>
Total other financing sources	<u>(900,840)</u>	<u>(2,018,738)</u>	<u>(1,117,898)</u>	<u>900,840</u>
Net change in fund balance	<u>\$ 453,110</u>	<u>\$ (664,788)</u>	382,162	<u>\$ 1,046,950</u>
FUND BALANCE:				
Beginning of year			<u>2,329,871</u>	
End of year			<u>\$ 2,712,033</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Measure A Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 733,600	\$ 733,600	\$ 936,622	\$ 203,022
Use of money and property	10,000	10,000	106,919	96,919
Total revenues	<u>743,600</u>	<u>743,600</u>	<u>1,043,541</u>	<u>299,941</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>743,600</u>	<u>743,600</u>	<u>1,043,541</u>	<u>299,941</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(616,800)</u>	<u>(2,264,528)</u>	<u>(1,628,879)</u>	<u>635,649</u>
Total other financing sources	<u>(616,800)</u>	<u>(2,264,528)</u>	<u>(1,628,879)</u>	<u>635,649</u>
Net change in fund balance	<u>\$ 126,800</u>	<u>\$ (1,520,928)</u>	<u>(585,338)</u>	<u>\$ 935,590</u>
FUND BALANCE:				
Beginning of year			<u>2,895,980</u>	
End of year			<u>\$ 2,310,642</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
AB 2766 Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 67,800	\$ 67,800	\$ 57,082	\$ (10,718)
Use of money and property	4,500	4,500	10,324	5,824
Total revenues	<u>72,300</u>	<u>72,300</u>	<u>67,406</u>	<u>(4,894)</u>
EXPENDITURES:				
Current:				
Public safety	-	90,000	86,820	3,180
Total Expenditures	<u>-</u>	<u>90,000</u>	<u>86,820</u>	<u>3,180</u>
Net change in fund balance	<u>\$ 72,300</u>	<u>\$ (17,700)</u>	(19,414)	<u>\$ (1,714)</u>
FUND BALANCE:				
Beginning of year			<u>267,785</u>	
End of year			<u>\$ 248,371</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
PEG Fees Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
License and permits	\$ 18,738	\$ 18,738	\$ 9,964	\$ (8,774)
Use of money and property	500	500	1,587	1,087
Total revenues	<u>19,238</u>	<u>19,238</u>	<u>11,551</u>	<u>(7,687)</u>
EXPENDITURES:				
Current:				
General government	12,000	12,000	4,588	7,412
Community service	2,630	2,630	-	2,630
Total Expenditures	<u>14,630</u>	<u>14,630</u>	<u>4,588</u>	<u>10,042</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,608</u>	<u>4,608</u>	<u>6,963</u>	<u>2,355</u>
Net change in fund balance	<u>\$ 4,608</u>	<u>\$ 4,608</u>	<u>6,963</u>	<u>\$ 2,355</u>
FUND BALANCE:				
Beginning of year			<u>35,712</u>	
End of year			<u>\$ 42,675</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Other Federal Grants Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,430,000	\$ 4,120,150	\$ 1,294,558	\$ (2,825,592)
Use of money and property	-	-	113,831	113,831
Other revenues	-	63,300	41,322	(21,978)
Total revenues	<u>2,430,000</u>	<u>4,183,450</u>	<u>1,449,711</u>	<u>(2,733,739)</u>
EXPENDITURES:				
Current:				
Public safety	-	55,160	15,919	39,241
Community development	-	1,401,990	-	1,401,990
Total Expenditures	<u>-</u>	<u>1,457,150</u>	<u>15,919</u>	<u>1,441,231</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,430,000</u>	<u>2,726,300</u>	<u>1,433,792</u>	<u>(1,292,508)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(2,476,343)</u>	<u>(3,524,431)</u>	<u>(934,259)</u>	<u>2,590,172</u>
Total other financing sources	<u>(2,476,343)</u>	<u>(3,524,431)</u>	<u>(934,259)</u>	<u>2,590,172</u>
Net change in fund balance	<u>\$ (46,343)</u>	<u>\$ (798,131)</u>	<u>499,533</u>	<u>\$ 1,297,664</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(407,984)</u>	
End of year			<u>\$ 91,549</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
COPS Grant Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 169,492	\$ 19,492
Use of money and property	9,459	9,459	22,461	13,002
Total revenues	<u>159,459</u>	<u>159,459</u>	<u>191,953</u>	<u>32,494</u>
EXPENDITURES:				
Current:				
Public safety	-	114,467	146,958	(32,491)
Total Expenditures	<u>-</u>	<u>114,467</u>	<u>146,958</u>	<u>(32,491)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>159,459</u>	<u>44,992</u>	<u>44,995</u>	<u>3</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(71,168)</u>	<u>(71,168)</u>	<u>(38,677)</u>	<u>32,491</u>
Total other financing sources	<u>(71,168)</u>	<u>(71,168)</u>	<u>(38,677)</u>	<u>32,491</u>
Net change in fund balance	<u>\$ 88,291</u>	<u>\$ (26,176)</u>	6,318	<u>\$ 32,494</u>
FUND BALANCE:				
Beginning of year			<u>523,786</u>	
End of year			<u>\$ 530,104</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
State Asset Seizure Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 8,982	\$ 8,982
Total revenues	<u>-</u>	<u>-</u>	<u>8,982</u>	<u>8,982</u>
EXPENDITURES:				
Current:				
Public safety	-	25	25	-
Total Expenditures	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>(25)</u>	<u>8,957</u>	<u>8,982</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (25)</u>	<u>8,957</u>	<u>\$ 8,982</u>
FUND BALANCE:				
Beginning of year			<u>294,397</u>	
End of year			<u>\$ 303,354</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Other Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,000	\$ 75,000	\$ 182,800	\$ 107,800
License and permits	-	-	10,165	10,165
Use of money and property	-	-	12,504	12,504
Other revenues	47,839	47,839	57,931	10,092
Total revenues	<u>52,839</u>	<u>122,839</u>	<u>263,400</u>	<u>140,561</u>
EXPENDITURES:				
Current:				
Public safety	13,225	194,172	100,441	93,731
Community development	25,400	63,400	40,804	22,596
Community service	-	-	1,490	(1,490)
Total Expenditures	<u>38,625</u>	<u>257,572</u>	<u>142,735</u>	<u>114,837</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>14,214</u>	<u>(134,733)</u>	<u>120,665</u>	<u>255,398</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(14,214)</u>	<u>(14,214)</u>	<u>(7,108)</u>	<u>7,106</u>
Total other financing sources	<u>(14,214)</u>	<u>(14,214)</u>	<u>(7,108)</u>	<u>7,106</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (148,947)</u>	<u>113,557</u>	<u>\$ 262,504</u>
FUND BALANCE:				
Beginning of year			<u>409,242</u>	
End of year			<u>\$ 522,799</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Community Facilities Districts (CFD)
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 6,839,347	\$ 6,839,347	\$ 7,548,325	\$ 708,978
Use of money and property	-	-	94,286	94,286
Total revenues	<u>6,839,347</u>	<u>6,839,347</u>	<u>7,642,611</u>	<u>803,264</u>
EXPENDITURES:				
Current:				
Community development	320,001	320,001	297,310	22,691
Total Expenditures	<u>320,001</u>	<u>320,001</u>	<u>297,310</u>	<u>22,691</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>6,519,346</u>	<u>6,519,346</u>	<u>7,345,301</u>	<u>825,955</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	401,567	401,567
Transfers (out)	(7,069,346)	(7,715,913)	(7,166,106)	549,807
Total other financing sources (uses)	<u>(7,069,346)</u>	<u>(7,715,913)</u>	<u>(6,764,539)</u>	<u>951,374</u>
Net change in fund balance	<u>\$ (550,000)</u>	<u>\$ (1,196,567)</u>	580,762	<u>\$ 1,777,329</u>
FUND BALANCE:				
Beginning of year			<u>1,597,435</u>	
End of year			<u>\$ 2,178,197</u>	

Fiduciary Funds

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CITY OF BEAUMONT

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024**

	Community Facilities District Collection	Evidence Fund	Total
ASSETS			
Cash and investments	\$ 1,648,898	\$ 80,513	\$ 1,729,411
Cash and investments with fiscal agent	41,832,143	-	41,832,143
Due from other governments	210,347	-	210,347
Total assets	<u>43,691,388</u>	<u>80,513</u>	<u>43,771,901</u>
LIABILITIES			
Interest payable	2,398,000	-	2,398,000
Unearned revenue	-	10,803	10,803
Deposits payable	-	47,862	47,862
Due to other governments	67,147,636	-	67,147,636
Due to bondholders	179,486,666	-	179,486,666
Total liabilities	<u>249,032,302</u>	<u>58,665</u>	<u>249,090,967</u>
Net Position (deficit)			
Restricted for:			
Individuals, organizations and other governments	(205,340,914)	21,848	(205,319,066)
Total net position	<u>\$ (205,340,914)</u>	<u>\$ 21,848</u>	<u>\$ (205,319,066)</u>

CITY OF BEAUMONT

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024**

	Community Facilities District Collection	Evidence Fund	Total
ADDITIONS:			
Investment Income	\$ 1,335,399	\$ 973	\$ 1,336,372
Assessments	21,848,509	18,430	21,866,939
Bond proceeds	9,474,799	-	9,474,799
Total additions	<u>32,658,707</u>	<u>19,403</u>	<u>32,678,110</u>
DEDUCTIONS:			
Administration	983,350	-	983,350
Payments to trustee	8,037,567	-	8,037,567
Interest expense	8,730,981	27	8,731,008
Bond proceeds to developer	15,485,019	-	15,485,019
Payment for infrastructure	1,940,086	-	1,940,086
Total deductions	<u>35,177,003</u>	<u>27</u>	<u>35,177,030</u>
Change in net position	(2,518,296)	19,376	(2,498,920)
NET POSITION (DEFICIT):			
Beginning of year	<u>(202,822,618)</u>	<u>2,472</u>	<u>(202,820,146)</u>
End of year	<u>\$ (205,340,914)</u>	<u>\$ 21,848</u>	<u>\$(205,319,066)</u>

Statistical Section

CITY OF BEAUMONT

**Net Position by Component
Last Ten (10) Fiscal Years
(accrual basis of accounting)**

Fiscal Year	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ -	\$ -	\$ 41,036,317	\$ 161,035,919
Restricted	32,785,514	48,232,914	253,984,801	133,927,879
Unrestricted	(89,979,209)	(22,231,046)	(13,630,302)	(7,563,390)
Total governmental activities net position	<u>\$ (57,193,695)</u>	<u>\$ 26,001,868</u>	<u>\$ 281,390,816</u>	<u>\$ 287,400,408</u>
Business-type activities				
Net investment in capital assets	\$ 52,039,617	\$ 50,742,754	\$ 127,028,681	\$ 124,163,481
Restricted	-	-	-	-
Unrestricted	(2,786,155)	897,094	2,246,526	9,681,229
Total business-type activities net position	<u>\$ 49,253,462</u>	<u>\$ 51,639,848</u>	<u>\$ 129,275,207</u>	<u>\$ 133,844,710</u>
Primary government				
Net investment in capital assets	\$ 52,039,617	\$ 50,742,754	\$ 168,064,998	\$ 285,199,400
Restricted	32,785,514	48,232,914	253,984,801	133,927,879
Unrestricted	(92,765,364)	(21,333,952)	(11,383,776)	2,117,839
Total primary government net position	<u>\$ (7,940,233)</u>	<u>\$ 77,641,716</u>	<u>\$ 410,666,023</u>	<u>\$ 421,245,118</u>

Source: City of Beaumont Finance Department Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	180,996,750	\$ 191,989,902	\$ 199,529,502	\$ 210,229,919	\$ 212,055,056	\$ 250,260,894
	125,918,630	118,674,754	121,676,799	121,976,580	165,793,250	171,745,497
	457,794	7,180,682	12,223,595	39,194,558	29,690,983	32,690,032
\$	<u>307,373,174</u>	<u>\$ 317,845,338</u>	<u>\$ 333,429,896</u>	<u>\$ 371,401,057</u>	<u>\$ 407,539,289</u>	<u>\$ 454,696,423</u>
\$	134,524,431	\$ 137,744,251	\$ 134,777,249	\$ 134,350,805	\$ 110,914,301	\$ 111,188,117
	-	-	595,399	757,246	12,860,020	12,860,020
	(475,808)	4,609,395	3,069,283	11,180,846	6,878,345	8,510,490
\$	<u>134,048,623</u>	<u>\$ 142,353,646</u>	<u>\$ 138,441,931</u>	<u>\$ 146,288,897</u>	<u>\$ 130,652,666</u>	<u>\$ 132,558,627</u>
\$	315,521,181	\$ 329,734,153	\$ 334,306,751	\$ 344,580,724	\$ 322,969,357	\$ 361,449,011
	125,918,630	118,674,754	122,272,198	122,733,826	178,653,270	184,605,517
	(18,014)	11,790,077	15,292,878	50,375,404	36,569,328	41,200,522
\$	<u>441,421,797</u>	<u>\$ 460,198,984</u>	<u>\$ 471,871,827</u>	<u>\$ 517,689,954</u>	<u>\$ 538,191,955</u>	<u>\$ 587,255,050</u>

CITY OF BEAUMONT

Changes in Net Position Last Ten (10) Fiscal Years (accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 7,309,913	\$ 3,397,331	\$ 7,593,312	\$ 5,356,762
Public safety	13,414,301	11,236,896	13,526,022	18,969,972
Public works	1,552,407	1,976,427	5,030,993	5,563,653
Community development	1,914,356	1,367,789	4,441,655	2,431,640
Community services	4,880,614	3,050,603	2,528,668	3,478,806
Refuse	4,144,778	4,138,062	4,239,048	4,899,889
Pass-through payments	-	-	-	-
Interest on long-term debt	2,660,836	-	10,369,211	7,181,818
Total governmental activities expenses	<u>35,877,205</u>	<u>25,167,108</u>	<u>47,728,909</u>	<u>47,882,540</u>
Business-type activities:				
Sewer	7,986,837	6,043,880	11,192,584	10,430,002
Transit	2,211,872	2,478,621	2,990,218	3,119,254
Total business-type activities expenses	<u>10,198,709</u>	<u>8,522,501</u>	<u>14,182,802</u>	<u>13,549,256</u>
Total primary government expenses	<u>\$ 46,075,914</u>	<u>\$ 33,689,609</u>	<u>\$ 61,911,711</u>	<u>\$ 61,431,796</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 9,855,807	\$ 9,561,023	\$ 15,939,510	\$ 15,749,036
Operating grants	6,337,968	9,449,166	286,368	77,514
Capital grants	4,364,103	5,304,634	12,450,382	20,409,806
Total governmental activities program revenues	<u>\$ 20,557,878</u>	<u>\$ 24,314,823</u>	<u>28,676,260</u>	<u>36,236,356</u>
Business-type activities:				
Charges for services	8,021,109	7,362,793	7,644,407	8,282,833
Operating grants	1,847,564	2,063,600	2,262,277	2,347,256
Capital Grants	10,445	1,479,942	473,715	6,171,672
Total business-type activities program revenues	<u>\$ 9,879,118</u>	<u>\$ 10,906,335</u>	<u>10,380,399</u>	<u>16,801,761</u>
Total primary government revenues	<u>\$ 30,436,996</u>	<u>\$ 35,221,158</u>	<u>\$ 39,056,659</u>	<u>\$ 53,038,117</u>
Net (expense)/revenue				
Governmental activities	\$ (15,319,327)	\$ (852,285)	\$ (19,052,649)	\$ (11,646,184)
Business-type activities	(319,591)	2,383,834	(3,802,403)	3,252,505
Total primary government net (expense)/revenue	<u>\$ (15,638,918)</u>	<u>\$ 1,531,549</u>	<u>\$ (22,855,052)</u>	<u>\$ (8,393,679)</u>

Source: City of Beaumont Finance Department Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	6,010,855	\$ 6,387,414	\$ 10,322,019	\$ 4,089,581	\$ 10,642,725	\$ 9,732,268
	15,641,308	17,326,496	17,896,367	18,852,535	23,317,103	23,792,153
	8,536,946	4,051,200	8,738,889	4,337,784	9,863,014	10,238,467
	2,396,300	2,203,993	2,109,290	2,431,610	3,201,954	2,773,721
	3,840,603	4,805,108	4,567,596	2,513,365	4,987,703	7,612,112
	5,504,512	-	-	-	-	-
	-	-	-	-	-	-
	4,415,612	4,980,043	4,742,632	4,965,899	2,563,737	3,263,298
	<u>46,346,136</u>	<u>39,754,254</u>	<u>48,376,793</u>	<u>37,190,774</u>	<u>54,576,236</u>	<u>57,412,019</u>
	14,993,895	15,084,760	16,480,072	17,596,817	16,398,348	18,723,090
	3,353,923	3,260,924	3,103,538	3,047,754	2,864,795	3,392,642
	<u>18,347,818</u>	<u>18,345,684</u>	<u>19,583,610</u>	<u>20,644,571</u>	<u>19,263,143</u>	<u>22,115,732</u>
\$	<u>64,693,954</u>	<u>\$ 58,099,938</u>	<u>\$ 67,960,403</u>	<u>\$ 57,835,345</u>	<u>\$ 73,839,379</u>	<u>\$ 79,527,751</u>
\$	13,488,153	\$ 6,004,874	\$ 6,223,772	\$ 8,436,192	\$ 9,460,209	\$ 9,192,525
	884,195	1,626,798	4,116,354	1,613,280	4,911,820	5,881,405
	17,527,025	8,773,350	16,582,075	16,403,235	15,864,191	25,432,148
	<u>31,899,373</u>	<u>16,405,022</u>	<u>26,922,201</u>	<u>26,452,707</u>	<u>30,236,220</u>	<u>40,506,078</u>
	8,993,637	10,697,882	10,955,015	23,592,883	20,773,380	17,009,304
	2,557,412	3,228,349	2,251,555	2,687,154	2,500,157	3,866,942
	1,575,041	7,334,406	1,852,603	1,881,755	2,081,261	1,668,682
	<u>13,126,090</u>	<u>21,260,637</u>	<u>15,059,173</u>	<u>28,161,792</u>	<u>25,354,798</u>	<u>22,544,928</u>
\$	<u>45,025,463</u>	<u>\$ 37,665,659</u>	<u>\$ 41,981,374</u>	<u>\$ 54,614,499</u>	<u>\$ 55,591,018</u>	<u>\$ 63,051,006</u>
\$	(14,446,763)	\$ (23,349,232)	\$ (21,454,592)	\$ (10,738,067)	\$ (24,340,016)	\$ (16,905,941)
	(5,221,728)	2,914,953	(4,524,437)	7,517,221	6,091,655	429,196
\$	<u>(19,668,491)</u>	<u>\$ (20,434,279)</u>	<u>\$ (25,979,029)</u>	<u>\$ (3,220,846)</u>	<u>\$ (18,248,361)</u>	<u>\$ (16,476,745)</u>

CITY OF BEAUMONT

**Changes in Net Position
Last Ten (10) Fiscal Years
(accrual basis of accounting) (Continued)**

General Revenues and Other Changes in Net Position				
Fiscal Year	2015	2016	2017	2018
Government activities:				
Taxes				
Property taxes/in-lieu	\$ 3,894,320	\$ 3,762,290	\$ 4,852,263	\$ 5,199,098
Sales taxes	4,209,246	4,966,331	4,851,947	5,631,332
Vehicle in lieu tax	3,244,340	3,506,871	3,768,042	4,125,662
Utility Users Tax	1,373,661	1,804,096	1,545,893	1,524,158
Franchise tax	944,869	929,261	805,244	3,285,697
Transient occupancy tax	224,705	283,999	325,874	363,868
Other taxes	209,124	77,163	880,255	1,194,389
Business Licenses	-	196,185	231,688	247,193
Transfers	-	-	-	322
Total taxes and transfers	<u>14,100,265</u>	<u>15,526,196</u>	<u>17,261,206</u>	<u>21,571,719</u>
Construction bond proceeds	-	-	-	-
Developer Contributions	-	-	-	11,343,940
Investment Earnings	129,837	13,232	10,490,307	7,851,992
Miscellaneous	156,283	359,206	55,710	355,360
Other revenue	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	42,237	5,341
Total governmental activities	<u>14,386,385</u>	<u>15,898,634</u>	<u>27,849,460</u>	<u>41,128,352</u>
Business-type activities:				
Investment Earnings	4,267	2,552	4,475	13,606
Developer Contributions	-	-	-	778,223
Miscellaneous	-	-	30	525,491
Mitigation Fees	-	-	-	-
Transfers	-	-	-	(322)
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	<u>4,267</u>	<u>2,552</u>	<u>4,505</u>	<u>1,316,998</u>
Total primary government	<u>\$ 14,390,652</u>	<u>\$ 15,901,186</u>	<u>\$ 27,853,965</u>	<u>\$ 42,445,350</u>
Extraordinary Items (Governmental Activities)				
Write off of advance receivable	\$ (21,500,000)	\$ -	\$ -	\$ -
Settlement - restitution	-	-	3,000,000	-
Refunding CFD 93-01	-	-	-	(11,947,642)
Successor Agency debt reversal	-	4,235,674	-	-
Gain on advance from city write off	-	-	-	-
Gain on transfer of assets and liabilities to RDA Successor Agency	-	-	-	-
WRCOG judgement settlement	-	58,098,626	-	-
Total primary government	<u>\$ (21,500,000)</u>	<u>\$ 62,334,300</u>	<u>\$ 3,000,000</u>	<u>\$ (11,947,642)</u>
Change in Net Position				
Governmental activities	\$ (22,432,942)	\$ 77,380,649	\$ 11,796,811	\$ 17,534,526
Business-type activities	(315,324)	2,386,386	(3,797,898)	4,569,503
Total primary government	<u>\$ (22,748,266)</u>	<u>\$ 79,767,035</u>	<u>\$ 7,998,913</u>	<u>\$ 22,104,029</u>

Source: City of Beaumont Finance Department Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	5,656,662	\$ 11,107,476	\$ 12,701,479	\$ 13,256,331	\$ 14,884,970	\$ 15,500,214
	6,596,935	7,593,729	8,869,746	26,869,849	28,509,903	30,085,425
	4,517,090	38,307	37,754	60,866	56,058	69,901
	1,584,224	1,650,094	1,887,031	2,058,730	2,701,744	2,549,379
	3,908,531	8,074,504	3,183,803	3,164,944	3,253,677	3,347,040
	335,304	278,504	298,879	422,087	432,921	397,343
	958,614	-	-	676,180	972,981	753,376
	294,968	342,702	415,229	350,142	381,453	430,052
	(3,120,964)	-	239,958	(254,358)	(615,736)	(77,363)
	<u>20,731,364</u>	<u>29,085,316</u>	<u>27,633,879</u>	<u>46,604,771</u>	<u>50,577,971</u>	<u>53,055,367</u>
	-	-	233,922	-	-	-
	9,055,054	-	4,001,607	-	-	-
	5,390,216	4,230,375	4,618,626	1,157,022	5,238,845	10,445,726
	716,944	472,274	526,724	657,208	4,513,689	561,982
	-	-	-	-	-	-
	52,377	33,431	24,392	51,186	147,743	-
	<u>35,945,955</u>	<u>33,821,396</u>	<u>37,039,150</u>	<u>48,470,187</u>	<u>60,478,248</u>	<u>64,063,075</u>
	1,564,220	565,390	57,721	(1,131,442)	637,558	1,038,707
	731,125	-	-	-	-	-
	3,393	5,242	13,719	1,206,829	23,790	360,695
	-	4,819,408	1,123,349	11,278,753	-	-
	3,120,964	-	(239,958)	254,358	615,736	77,363
	5,939	30	-	-	(23,004,970)	-
	<u>5,425,641</u>	<u>5,390,070</u>	<u>954,831</u>	<u>11,608,498</u>	<u>(21,727,886)</u>	<u>1,476,765</u>
\$	<u>41,371,596</u>	<u>39,211,466</u>	<u>37,993,981</u>	<u>60,078,685</u>	<u>38,750,362</u>	<u>65,539,840</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	21,499,192	\$ 10,472,164	\$ 15,584,558	\$ 37,732,120	\$ 36,138,232	\$ 47,157,134
	203,913	8,305,023	(3,569,606)	19,125,719	(15,636,231)	1,905,961
\$	<u>21,703,105</u>	<u>18,777,187</u>	<u>12,014,952</u>	<u>56,857,839</u>	<u>20,502,001</u>	<u>49,063,095</u>

CITY OF BEAUMONT

Fund Balances of Governmental Funds Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
General fund				
Non Spendable:				
Notes and Loans Receivable	\$ 249,493	\$ 226,186	\$ 213,399	\$ 215,904
Advances to RDA Successor Agency	-	-	-	-
Prepaid items	-	-	-	-
Restricted				
Investment in Section 115 Trust	-	-	-	-
Committed for:				
Capital Projects	-	-	6,839,275	6,839,275
Self Insurance	-	-	-	-
Pension Trust Funding	-	-	-	-
Assigned for:				
Re-appropriation	-	-	-	-
Unassigned	(7,438,424)	(4,296,822)	5,034,141	10,315,492
Total general fund	<u>(7,188,931)</u>	<u>(4,070,636)</u>	<u>12,086,815</u>	<u>17,370,671</u>
All other governmental funds				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Sewer capacity rights	-	-	-	-
Restricted for:				
CFD Projects	22,748,722	32,867,745	8,424,392	8,462,228
Capital Projects	8,763,649	13,967,685	25,157,602	15,683,985
Streets Projects	708,507	684,297	-	-
Public Safety	422,142	550,410	688,820	788,141
PEG Fees	142,494	162,777	219,517	250,014
State Gas Tax	-	-	357,051	263,369
AB 2766	-	-	306,698	370,379
RMRA	-	-	-	-
Measure A	-	-	-	-
Other Special Projects	-	-	981	90,333
COPS Grants	-	-	-	-
State Asset Forfeiture	-	-	-	-
Federal Asset Forfeiture	-	-	-	-
Other Federal Grants	-	-	-	-
Debt service	-	-	223,515,398	101,180,155
Committed for:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>32,785,514</u>	<u>48,232,914</u>	<u>258,670,459</u>	<u>127,088,604</u>
Total fund balance all governmental funds	<u>\$ 25,596,583</u>	<u>\$ 44,162,278</u>	<u>\$ 270,757,274</u>	<u>\$ 144,459,275</u>

Source: City of Beaumont Finance Department Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	220,634	\$ 224,671	\$ 225,715	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	83,141	-	26,262	61,292	244,171	42,305
	-	-	-	2,344,101	2,529,271	3,436,595
	-	4,550,000	-	-	-	3,865,000
	-	-	2,850,717	2,154,152	6,329,219	6,807,713
	-	-	2,500,000	-	-	-
	-	-	214,799	796,780	2,216,918	1,318,631
	14,980,384	19,290,503	17,576,741	40,317,103	30,465,919	32,577,969
	15,284,159	24,065,174	23,394,234	45,673,428	41,785,498	48,048,213
\$	-	\$ -	\$ 304,015	\$ 287,125	\$ 270,236	\$ 253,346
	-	-	-	-	-	-
	9,145,832	9,036,520	5,884,930	2,274,176	1,597,435	2,178,197
	12,877,575	13,336,436	13,674,329	24,136,095	32,287,810	40,923,238
	-	-	-	-	-	-
	1,110,144	664,780	-	-	-	-
	1,542,017	21,482	23,675	27,707	35,712	42,675
	103,421	-	159,101	69,599	-	140,031
	1,102,061	474,841	621,930	343,995	267,785	248,371
	-	551,820	1,437,670	1,117,898	2,329,871	2,712,033
	-	1,348,379	2,568,801	1,955,121	2,895,980	2,310,642
	305,975	163,173	183,807	320,425	409,242	522,799
	-	-	313,341	452,899	523,786	530,104
	-	-	295,014	295,024	294,397	303,354
	-	-	6,030	6,036	59,719	100,706
	-	-	-	-	-	91,549
	98,006,000	92,767,025	85,876,699	80,287,587	74,660,624	70,785,651
	1,417,617	666,248	10,631,472	8,345,917	39,101,618	51,057,567
	-	-	(84,997)	(180,661)	(407,984)	-
	125,610,642	119,030,704	121,895,817	119,738,943	154,326,231	172,200,263
\$	140,894,801	\$ 143,095,878	\$ 145,290,051	\$ 165,412,371	\$ 196,111,729	\$ 220,248,476

CITY OF BEAUMONT

**Changes in Fund Balances of Governmental Funds
Last Ten (10) Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	2015	2016	2017	2018
Revenues				
Taxes	\$ 19,240,888	\$ 29,927,330	\$ 11,027,239	\$ 12,163,969
Franchise fees	-	-	-	3,285,697
Intergovernmental revenues	297,016	29,788	5,787,280	11,263,234
Licenses, fees and permits	1,201,320	1,360,288	10,781,152	13,283,260
Fines and forfeitures	350,287	413,052	265,831	262,278
Assessment levied	-	-	9,309,555	9,240,825
Use of money and property	129,834	148,419	10,613,015	8,023,202
Charges for services	12,400,655	7,913,344	8,355,018	7,754,417
Other revenues	979,582	545,313	377,102	872,752
Interfund charges	-	-	-	-
Total Revenues	34,599,582	40,337,534	56,516,192	66,149,634
Expenditures				
General government	4,969,209	4,735,084	5,464,863	4,434,173
Public safety	13,585,249	12,318,788	12,524,089	12,956,345
Public works	1,552,407	1,976,427	2,902,986	3,161,648
Community development	1,914,356	1,367,789	4,295,350	2,000,866
Community services	4,880,614	3,050,603	2,396,166	3,070,774
Refuse	4,144,778	4,138,062	4,239,048	4,899,889
Capital outlay	-	-	188,738	13,194,674
Debt service:				
Principal	-	-	6,167,352	118,212,977
Refunding escrow agent	-	-	-	-
Interest, fiscal, and other charges	-	-	10,369,211	7,181,818
Total Expenditures	31,046,613	27,586,753	48,547,803	169,113,164
Excess of revenues over (under) expenditures	3,552,969	12,750,781	7,968,389	(102,963,530)
Other Financing Sources (Uses)				
Subscription acquisition	-	-	-	-
Lease acquisition	-	-	96,158	132,444
Proceeds from the sale of capital assets	-	-	42,237	5,341
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from bonds issued	-	-	-	-
Developer contributions	-	-	-	-
Transfers in	-	11,280	22,007,107	14,209,907
Transfers out	-	(11,280)	(22,007,107)	(14,209,585)
Total Other Financing Sources (Uses)	-	-	138,395	138,107
Net Change in Fund Balances Before Extraordinary Item	3,552,969	12,750,781	8,106,784	(102,825,423)
Extraordinary Item	(21,500,000)	-	-	-
Special Item	-	-	3,000,000	(11,947,642)
Net Change in Fund Balances	\$ (17,947,031)	\$ 12,750,781	\$ 11,106,784	\$ (114,773,065)
Debt Service as a percentage of non-capital expenditures	0.0%	0.0%	52.0%	410.8%

Source: City of Beaumont Finance Department Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	13,570,476	\$ 14,996,887	\$ 17,410,049	\$ 36,366,045	\$ 46,222,206	\$ 48,387,306
	3,908,531	8,074,504	3,183,803	3,164,944	3,253,677	3,347,040
	11,581,831	10,051,669	11,813,339	8,973,877	11,177,387	13,165,592
	8,044,621	3,708,535	6,525,592	12,908,883	15,931,372	22,052,807
	249,914	617,981	344,816	425,252	302,859	391,623
	6,786,653	6,491,075	7,288,277	6,898,216	1,246,091	760,969
	5,569,684	4,337,680	4,693,106	1,243,832	5,112,604	10,210,898
	6,944,423	1,469,367	1,484,669	1,595,732	1,957,027	1,488,996
	4,627,173	1,021,777	7,016,584	771,271	7,482,550	4,550,771
	-	-	-	-	-	-
	61,283,306	50,769,475	59,760,235	72,348,052	92,685,773	104,356,002
	5,940,387	6,439,508	8,460,291	8,428,917	9,212,955	10,081,683
	14,721,189	16,731,402	17,578,516	18,101,157	21,807,040	23,884,654
	3,929,138	2,855,850	2,959,287	2,681,355	4,099,461	5,121,943
	2,096,589	1,952,789	1,951,963	2,285,885	3,098,593	3,685,633
	3,708,469	3,998,071	4,119,407	4,650,945	5,854,860	7,565,715
	5,504,512	-	-	-	-	-
	12,622,062	7,964,820	5,074,099	8,723,267	10,050,553	23,622,250
	3,600,000	3,405,300	3,938,561	3,119,925	6,080,491	4,600,214
	-	1,149,489	3,563,485	-	-	-
	4,415,612	4,490,634	4,820,703	5,099,969	2,563,656	2,332,299
	56,537,958	48,987,863	52,466,312	53,091,420	62,767,609	80,894,391
	4,745,348	1,781,612	7,293,923	19,256,632	29,918,164	23,461,611
	-	-	-	-	552,455	173,241
	167,456	78,046	-	856,533	696,732	578,440
	19,494	33,431	24,392	24,471	147,743	818
	-	5,375,000	35,875,000	-	-	-
	-	1,014,920	-	-	-	-
	-	(6,389,920)	(34,829,600)	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,682,117	10,561,452	18,489,635	13,031,672	47,877,889	38,023,251
	(12,803,081)	(10,561,452)	(24,659,177)	(13,286,030)	(48,493,625)	(38,100,614)
	(2,934,014)	111,477	(5,099,750)	626,646	781,194	675,136
	1,811,334	1,893,089	2,194,173	19,883,278	30,699,358	24,136,747
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	1,811,334	\$ 1,893,089	\$ 2,194,173	\$ 19,883,278	\$ 30,699,358	\$ 24,136,747
	22.3%	28.3%	35.1%	21.1%	17.0%	12.5%

CITY OF BEAUMONT

**General Fund Tax Revenue by Source
Last Ten (10) Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales & Use Tax	Transient Occupancy Tax	Franchise Fees	Utility Users Tax	Motor Vehicle In Lieu Tax	Vehicle License Collection	Business Licenses	Total
2015	\$ 4,016,833	\$ 4,209,246	\$ 224,705	\$ 944,869	\$ 1,373,661	\$ 3,244,340	\$ -	\$ 209,124	\$ 14,222,779
2016	4,391,074	4,966,331	283,999	929,261	1,804,096	3,506,871	77,163	196,185	16,154,980
2017	4,852,262	4,851,947	325,874	805,244	1,545,893	3,768,042	20,212	231,688	16,401,163
2018	5,199,098	5,029,443	363,868	876,551	1,524,158	4,125,662	-	242,634	17,361,415
2019	5,656,662	5,558,667	335,304	912,924	1,584,224	4,517,090	23,154	287,908	18,875,933
2020	6,109,624	6,593,630	278,504	8,074,504	1,650,094	4,997,852	38,307	337,993	28,080,507
2021	6,991,565	7,552,253	298,879	3,183,803	1,887,031	5,709,914	37,754	408,435	26,069,635
2022	7,691,561	25,349,995	422,087	3,164,944	2,058,730	6,240,950	60,866	343,807	45,332,940
2023	7,932,822	28,509,903	432,921	3,253,677	2,701,744	6,952,148	56,058	381,453	50,220,726
2024	7,806,832	30,085,425	397,343	3,347,040	2,549,379	7,693,382	69,901	430,052	52,379,354

Source: City of Beaumont Finance Department Audited Financial Statements (FY2012- 2014)
Source: City of Beaumont Finance Department Tyler Accounting Software (FY2015 and older)

CITY OF BEAUMONT

Top 25 Sales Tax Producers As of June 30, 2024

<u>Business Name</u>	<u>Calendar year 2023</u>	<u>Business Category</u>
1st Street Arco		Service Stations
84 Lumber Co		Building Materials
Amazon Com Services		Fulfillment Centers
Amazon MFA		Fulfillment Centers
Beaumont Gas Mart		Service Stations
Beaumont RV		Trailers/RVs
Best Buy		Electronics/Appliance Stores
Big Text Trailers		Trailers/RVs
CJ Foods		Food Service Equip./Supplies
Grove 76		Service Stations
Home Depot		Building Materials
Icon Health and Fitness		Light Industrial/Printers
In N Out Burger		Quick-Service Restaurants
Kohls		Department Stores
M A Mortenson Company		Contractors
Mayas Chevron		Service Stations
Oak Valley 76		Service Stations
Oak Valley Chevron		Service Stations
Rancho Ready Mix Products		Contractors
Ross		Family Apparel
Shell		Service Stations
Stater Bros		Grocery Stores
USA Gas		Service Stations
Walmart Supercenter		Discount Dept Stores
Wolverine Worldwide		Fulfillment Centers

Percent of Fiscal Year Total Paid by Top 25 Accounts=89.44%

Sources: State Board of Equalization, California Department of Taxes and Fees
Administration, State Controller's Office, The HDL Companies

CITY OF BEAUMONT

**Top 25 Sales Tax Producers
As of June 30, 2024**

<u>Business Name</u>	<u>Calendar year 2014</u>	<u>Business Category</u>
1st Street Arco		Service Stations
84 Lumber Co		Building Materials
Baker's Burgers		Quick-Service Restaurants
Beaumont Gas Mart		Service Stations
Beaumont Motorcycles		Boats/Motorcycles
Beaumont RV		Trailers/RVs
Bed Bath & Beyond		Home Furnishings
Best Buy		Electronics/Appliance Stores
Big Tex Trailer World		Trailers/RVs
Chili's		Casual Dining
Dangelo Company		Light Industrial/Printers
Food 4 Less		Grocery Stores
Grove 76		Service Stations
Highland Shell		Service Stations
Home Depot		Building Materials
Kohls		Department Stores
Oak Valley Chevron		Service Stations
Petco		Specialty Store
Ross		Family Apparel
Shell		Service Stations
Stater Bros		Grocery Stores
Trailer Factory Outlet		Trailers/RVs
USA Gasoline		Service Stations
Verizon Wireless		Electronics/Appliance Stores
Walmart Supercenter		Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts=72.21%

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies

CITY OF BEAUMONT

**Taxable Sales by Category
Last Ten Calendar Years (in thousands of dollars)
As of June 30, 2024**

Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Food Stores	\$ 18,558	\$ 19,259	\$ 21,016	\$ 21,879	\$ 23,369	\$ 24,224	\$ 27,104	\$ 27,107	\$ 28,433	\$ 29,805
Eating and Drinking Places	44,537	48,097	52,677	54,955	58,832	64,596	69,001	92,028	91,659	94,084
Building Materials	48,119	51,999	55,011	59,738	66,532	68,381	86,704	103,831	106,532	95,079
Auto Dealers and Supplies	21,792	28,347	31,958	37,260	39,850	38,810	44,345	58,846	61,414	50,214
Services Stations	65,560	55,945	50,076	54,400	66,439	74,214	61,827	88,347	114,699	103,095
Other Retail Stores	144,897	152,353	154,132	151,516	156,081	155,083	152,615	182,886	181,362	180,935
All Other Outlets	70,820	85,854	102,192	102,082	107,750	139,482	290,833	891,152	2,325,658	2,191,120
Total	<u>\$ 414,283</u>	<u>\$ 441,854</u>	<u>\$ 467,062</u>	<u>\$ 481,830</u>	<u>\$ 518,853</u>	<u>\$ 564,790</u>	<u>\$ 732,429</u>	<u>\$ 1,444,197</u>	<u>\$ 2,909,757</u>	<u>\$ 2,744,332</u>

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF BEAUMONT

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten (10) Fiscal Years**

Fiscal Year Ended June 30	Real Property									
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Miscellaneous Property	Recreational Property	Vacant Property	SBE Nonunitary Property	Cross Reference Property
2015	\$ 2,598,286,104	\$ 276,682,366	\$ 182,704,068	\$ 785,224	\$ 593,479	\$ -	\$ 16,992,773	\$ 205,513,227	\$ 54,015	\$ 3,296,822
2016	2,940,232,521	291,491,374	176,247,926	231,754	1,321,210	-	17,224,749	190,999,251	54,015	3,613,513
2017	3,207,129,206	296,461,009	175,023,847	235,286	1,317,085	-	17,406,132	191,103,172	54,015	3,636,024
2018	3,472,221,513	304,990,342	222,291,436	239,990	602,342	-	17,658,455	216,147,224	54,015	4,005,605
2019	3,838,660,946	316,507,011	253,366,940	244,789	614,383	4,554	17,902,500	212,687,138	72,099	4,524,155
2020	4,270,998,304	352,992,505	282,751,732	1,551,755	626,675	7,212	16,944,899	218,705,217	72,099	4,052,652
2021	4,631,135,525	404,022,040	573,656,274	1,583,016	1,389,803	9,855	17,280,592	191,196,689	72,099	4,624,200
2022	4,950,153,622	458,317,291	574,633,573	1,600,351	3,866,025	9,956	14,854,980	240,309,457	72,099	4,913,634
2023	5,425,637,238	527,073,189	654,270,775	41,338,497	3,852,891	10,153	15,152,407	270,175,555	120,008	6,215,484
2024	6,075,819,024	575,698,622	663,899,380	6,125,579	4,022,198	10,354	17,077,967	294,128,048	120,008	6,311,757

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

**Assessed Value and Estimated Actual Value of Taxable Property (continued)
Last Ten (10) Fiscal Years**

Unsecured Property	Estimated Actual Taxable Value	Less: Tax Exempt Real Property	Unknown Property	Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
\$ 66,013,382	\$ 3,352,859,152	\$ (1,937,692)	\$ -	\$ 3,352,859,152	0.10600	100%
66,523,710	3,690,286,550	(2,346,527)	-	3,690,286,550	0.10440	100%
69,045,531	3,963,822,600	(2,411,293)	-	3,963,822,600	0.10348	100%
72,696,977	4,313,350,687	(2,442,788)	-	4,313,350,687	0.10275	100%
102,926,670	4,750,009,869	(2,498,684)	-	4,750,009,869	0.10177	100%
116,425,944	5,265,128,994	-	4,168,358	5,269,297,352	0.10049	100%
191,707,077	6,016,677,170	-	4,968,448	6,021,645,618	0.10092	100%
331,571,397	6,700,991,838	-	1,577,940	6,702,569,778	0.09441	100%
385,609,044	7,460,183,197	-	1,483,275	7,461,666,472	0.09413	100%
469,769,786	8,113,781,673	-	798,950	8,114,580,623	0.09538	100%

CITY OF BEAUMONT

Direct and Overlapping Property Tax Rates (Rate per \$100 of Taxable Value) Last Ten (10) Fiscal Years

Fiscal Year	Basic Levy	San Gorgonio Pass Mem Hospital Debt Service	Schools				Metropolitan Water	San Gorgonio Pass Water	Total Tax Rate	RDA Incremental Rate ¹	Total Direct Rate ²
			Banning Unified	Beaumont Unified	Mt San Jacinto Community College	San Jacinto Unified					
2015	1.0000	0.11296	0.00000	0.08169	0.00000	0.00000	0.00000	0.18500	1.37965	0.00000	0.10600
2016	1.0000	0.08143	0.00000	0.07106	0.01394	0.00000	0.00000	0.18500	1.35143	0.00000	0.10440
2017	1.0000	0.08357	0.00000	0.07193	0.01320	0.00000	0.00000	0.18500	1.35370	0.00000	0.10348
2018	1.0000	0.09052	0.14473	0.07677	0.01320	0.15078	0.00350	0.18250	1.66200	0.00000	0.10275
2019	1.0000	0.08692	0.14278	0.07432	0.01320	0.15291	0.00350	0.18250	1.65613	0.00000	0.10177
2020	1.0000	0.06990	0.14526	0.07438	0.01320	0.15292	0.00350	0.17750	1.63666	0.00000	0.10049
2021	1.0000	0.06716	0.14500	0.07431	0.01320	0.15291	0.00350	0.17500	1.63108	0.00000	0.10092
2022	1.0000	0.06281	0.14588	0.07777	0.01320	0.15291	0.00350	0.17500	1.63107	0.00000	0.10299
2023	1.0000	0.06242	0.14609	0.07777	0.01320	0.14988	0.00350	0.17500	1.62786	0.00000	0.09413
2024	1.0000	0.06200	0.14871	0.07777	0.01320	0.14988	0.00350	0.17500	1.63006	0.00000	0.09538

Sources: HdL Coren & Cone, Riverside County Assessor 2013/14-2022/23 Tax Rate Table

Note: In 1978 California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

¹ RDA rate is based on the largest RDA tax rate area and includes only the rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA Direct and Overlapping rates are applied only to the incremental property values.

² Total Direct Rate is the weighted average of all individual direct rates.

CITY OF BEAUMONT

Principal Property Taxpayers As of June 30, 2024

Taxpayer	2023/2024			2014/2015		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
MPLD II Inland Empire ULC LLC	\$ 265,415,704	1	3.27%			
Amazon Com Services LLC	202,974,384	2	2.50%			
Exeter 630 Nicholas LP	133,620,000	3	1.65%			
CJ Foods Manufacturing Beaumont Corp	106,916,432	4	1.32%			
USEF Crossroads I/II	85,892,359	5	1.06%			
Beaumont HD LLC	58,094,100	6	0.72%			
CJ Foods Manufacturing	49,444,284	7	0.61%			
Dura California LLC	35,285,495	8	0.43%			
Exeter Cherry Valley Land LLC	33,989,863	9	0.42%			
Brixton Beaumont LLC	33,080,582	10	0.41%			
CT Beaumont Partners				\$ 39,393,725	1	1.18%
Frederick J Hanshaw				38,283,005	2	1.14%
High Desert Partners				36,968,395	3	1.10%
Trinity Partners LLC				27,076,177	4	0.81%
HHI Riverside LLC				24,658,609	5	0.74%
Walmart Real Estate Business Trust				24,031,552	6	0.72%
Home Depot USA Inc				23,331,405	7	0.70%
Valley View Center LLC				22,053,128	8	0.66%
Dura Plastics Products Inc				20,049,299	9	0.60%
SDC Fairway Canyon LLC				19,995,638	10	0.60%
	<u>\$ 1,004,713,203</u>		<u>12.39%</u>	<u>\$ 275,840,933</u>		<u>8.25%</u>

Note: The amounts shown above includes assessed value data for both the City and the Redevelopment Agency.

¹ Loma Linda University is a learning institution; therefore, a large portion of their property is exempt.

² Pending Appeals on Parcels

Source: The HdL Companies, Riverside County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF BEAUMONT

**Property Tax Levies and Collections
Last Ten (10 Calendar Years)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
2015	\$ 3,350,921	\$ 3,321,742	99.1%	\$ 139,009	\$ 3,460,752	103.3%
2016	3,687,940	3,578,931	97.0%	132,853	3,711,784	100.6%
2017	3,961,411	3,908,158	98.7%	129,042	4,037,200	101.9%
2018	4,310,908	4,644,611	107.7%	131,947	4,776,558	110.8%
2019	4,747,511	5,054,013	106.5%	143,229	5,197,242	109.5%
2020	5,269,297	5,474,560	103.9%	159,844	5,634,404	106.9%
2021	6,021,646	6,684,394	111.0%	100,766	6,785,160	112.7%
2022	6,581,880	7,015,381	106.6%	91,862	7,107,243	108.0%
2023	7,330,939	7,932,822	108.2%	99,955	8,032,777	109.6%
2024	8,113,782	7,806,832	96.2%	136,254	7,806,832	96.2%

Source: Riverside County Auditor-Controller Property Tax Division

CITY OF BEAUMONT

Ratios of Outstanding Debt by Type Last Ten (10) Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ¹
	Lease/SBITA Liability	Beaumont Public Financing Authority	AB 1484 Due Diligence Review	Revenue Bonds	Bond Premium	Lease/SBITA Liability			
2015	\$ -	\$ -	\$ 2,575,912	\$ -	\$ -	\$ -	\$ 2,575,912	146%	\$ 63
2016	-	-	2,275,912	-	-	-	2,275,912	994%	56
2017	79,323	205,668,880	1,975,912	-	-	-	207,724,115	1683%	133
2018	186,483	91,881,186	1,675,912	-	-	346,313	94,089,894	4979%	46
2019	297,242	88,605,000	1,375,912	81,105,000	9,469,765	268,459	181,121,378	127%	1,911
2020	251,240	84,839,620	1,075,912	80,105,000	8,495,497	183,671	174,950,940	141%	1,751
2021	152,680	79,681,849	775,912	78,860,000	7,842,647	99,306	167,412,394	155%	1,665
2022	756,608	76,583,778	-	77,565,000	7,217,363	3,658	162,126,407	170%	1,564
2023	1,320,858	80,000,707	-	76,210,000	6,630,347	234,597	164,396,509	200%	1,482
2024	1,163,723	67,147,636	-	74,785,000	6,084,194	130,411	149,310,964	7791%	1,482

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

¹ See the Schedule of Demographic and Economic Statistics later in this report for personal income and population.

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Direct and Overlapping Governmental Activities Debt As of June 30, 2024

2023-2024 Assessed Valuation

\$ 8,717,830,890

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/24	Percent Applicable (1)	Debt 6/30/24
CFD 93-1 IA 1	\$ -	100.000%	\$ -
CFD 93-1 IA 2	-	100.000%	-
CFD 93-1 IA 3	1,525,000	100.000%	1,525,000
CFD 93-1 IA 4	-	100.000%	-
CFD 93-1 IA 5	-	100.000%	-
CFD 93-1 IA 6A1	22,182,406	100.000%	22,182,406
CFD 93-1 IA 6B	-	100.000%	-
CFD 93-1 IA 7A1	9,005,000	100.000%	9,005,000
CFD 93-1 IA 7B	3,255,000	100.000%	3,255,000
CFD 93-1 IA 7C	1,305,000	100.000%	1,305,000
CFD 93-1 IA 7D	3,330,000	100.000%	3,330,000
CFD 93-1 IA 8	4,840,000	100.000%	4,840,000
CFD 93-1 IA 8A	4,596,635	100.000%	4,596,635
CFD 93-1 IA 8B	4,465,000	100.000%	4,465,000
CFD 93-1 IA 8C	26,938,779	100.000%	26,938,779
CFD 93-1 IA 8D	8,138,725	100.000%	8,138,725
CFD 93-1 IA 8E	12,195,000	100.000%	12,195,000
CFD 93-1 IA 8F	12,555,000	100.000%	12,555,000
CFD 93-1 IA 9	280,000	100.000%	280,000
CFD 93-1 IA 10	1,005,000	100.000%	1,005,000
CFD 93-1 IA 11	625,000	100.000%	625,000
CFD 93-1 IA 12	625,000	100.000%	625,000
CFD 93-1 IA 14	4,570,000	100.000%	4,570,000
CFD 93-1 IA 14A	9,200,000	100.000%	9,200,000
CFD 93-1 IA 14B	3,009,567	100.000%	3,009,567
CFD 93-1 IA 16	4,930,000	100.000%	4,930,000
CFD 93-1 IA 17A	6,900,000	100.000%	6,900,000
CFD 93-1 IA 17B	10,255,000	100.000%	10,255,000
CFD 93-1 IA 17C	8,475,000	100.000%	8,475,000
CFD 93-1 IA 18	3,355,000	100.000%	3,355,000
CFD 93-1 IA 19A	13,530,000	100.000%	13,530,000
CFD 93-1 IA 19C	14,802,144	100.000%	14,802,144
CFD 93-1 IA 20	2,275,000	100.000%	2,275,000
CFD 2016-1	8,120,000	100.000%	8,120,000
CFD 2016-2	9,545,000	100.000%	9,545,000
CFD 2016-3	8,800,000	100.000%	8,800,000
CFD 2016-4	3,845,000	100.000%	3,845,000
CFD 2019-1	2,215,000	100.000%	2,215,000
CFD 2018-1 IA-1 Beaumont USD	4,860,000	100.000%	4,860,000
CFD 2020-1 IA-1 Beaumont USD	3,410,000	100.000%	3,410,000
CFD 2020-1 IA-2 Beaumont USD	7,490,000	100.000%	7,490,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 246,453,256

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Beaumont Unified School B & I (0.07777%)	\$ 126,534,350	100.000%	\$ 126,534,350
MT San Jacinto Comm (0.01320%)	242,210,000	6.435%	15,586,214
San Gorgonio Memorial Healthcare District (0.06281%)	94,135,000	56.539%	53,222,988
City of Beaumont Lease/SBITA	1,007,835	100.000%	1,007,835
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			<u>\$ 196,351,386</u>
OVERLAPPING TAX INCREMENT DEBT:	\$ -	-	\$ -
TOTAL DIRECT DEBT			1,007,835
TOTAL OVERLAPPING OBLIGATION DEBT			<u>478,158,894</u>
COMBINED TOTAL DEBT			<u>\$ 479,166,729</u> (2)

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	3.02%
Total Direct Debt (\$156,657,292).....	1.90%
Combined Total Debt (excluding tax increment).....	5.23%

Ratios to Redevelopment Incremental Valuation (0):

Total Overlapping Tax Increment Debt.....	0.00%
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Source: Spicer Consulting Group, City of Beaumont Finance Department, the County of Riverside, Beaumont Unified School District, Mount San Jacinto Community College, and the San Gorgonio Memorial Healthcare District

CITY OF BEAUMONT

**Computation of Legal Debt Margin
Last Ten (10) Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 125,732,218	\$ 138,385,746	\$ 148,643,348	\$ 161,750,651
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>96,158</u>	<u>132,444</u>
Legal debt margin	<u>\$ 125,732,218</u>	<u>\$ 138,385,746</u>	<u>\$ 148,547,190</u>	<u>\$ 161,618,207</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.06%	0.08%

Source: California Municipal Statistics, Riverside County Auditor-Controller Property Tax Division

	2019	2020	2021	2022	2023	2024
\$	178,125,370	\$ 197,598,651	\$ 225,811,711	\$ 251,346,367	\$ 279,812,493	\$ 304,296,773
	167,456	78,046	251,240	760,266	1,007,835	1,320,858
\$	<u>177,957,914</u>	<u>\$ 197,520,605</u>	<u>\$ 225,560,471</u>	<u>\$ 250,586,101</u>	<u>\$ 278,804,658</u>	<u>\$ 302,975,915</u>
	0.09%	0.04%	0.11%	0.30%	0.36%	0.43%
				Net Assessed Value		\$ 8,114,580,623
				Plus Exempt Property		-
				Total Assessed Value		<u>\$ 8,114,580,623</u>
				Debt Limit: 3.75 percent of Total Assessed Value		304,296,773
				Debt applicable to Limitation:		
				Net Combined applicable to Limitation		478,158,894
				Total Debt applicable to Limitation		<u>1,320,858</u>
				Legal Debt Margin		<u>\$ 302,975,915</u>

CITY OF BEAUMONT

**Pledge-Revenue Coverage
Last Ten (10) Fiscal Years**

Fiscal Year	Wastewater Revenue Bonds					Coverage
	Gross Revenues	Operating Expenses Less Depreciation	Net Revenue Available for Debt Service	Debt Service Requirements		
2015	\$ 7,783,112	\$ 5,038,318	\$ 2,744,794	\$ 160,000		1715%
2016	8,093,961	3,611,202	4,482,759	-		N/A
2017	9,775,709	4,734,121	5,041,588	-		N/A
2018	9,360,710	3,584,743	5,775,967	-		N/A
2019	10,375,954	5,244,292	5,862,787	1,661,355		353%
2020	11,091,715	4,954,754	10,956,369	4,868,688		225%
2021	12,073,223	5,101,833	6,971,390	5,073,788		137%
2022	12,207,746	6,245,158	5,962,588	5,072,988		118%
2023	13,272,802	5,809,605	7,463,197	5,073,213		147%
2024	13,745,723	8,439,410	5,306,313	5,073,713		105%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.
Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Demographic and Economic Statistics Last Ten (10) Fiscal Years

Calendar Year	Population ^{1*}	Personal Income ^{2*}	Per Capita Personal Income *	Unemployment Rate (percentage) *	Median Age *	% of Pop 25+ with High School Degree*	% of Pop 25+ with Bachelors Degree
2014	40,853	\$ 1,007,108	\$ 24,652	4.90%	32.9	86%	25.2%
2015	45,118	1,054,947	23,381	4.00%	34.4	87%	25.4%
2016	46,179	1,035,820	22,430	3.60%	34.6	87%	24.5%
2017	48,237	1,099,759	22,799	3.00%	34.4	87%	24.5%
2018	48,401	1,170,336	24,179	3.30%	35	87%	25.1%
2019	51,475	1,269,357	24,659	3.30%	35	88%	25.3%
2020	52,686	1,361,682	25,845	8.60%	34.5	88%	26.1%
2021	54,690	1,454,165	26,589	6.30%	34.4	88%	25.9%
2022	56,590	1,669,762	29,506	3.40%	34.7	89%	26.5%
2023	57,416	1,916,563	33,380	4.00%	35.1	90%	26.8%

Sources: ¹ State of California, Department of Finance. ² California Employment Development Department, * 2000-2009 Income, Age and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey.

CITY OF BEAUMONT

**Principal Employers
Current Fiscal Year**

Employer	2024			2015		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Amazon	6,300	1	77.20%	N/A		0.00%
Beaumont Unified School District	1,377	2	16.87%	639	1	17.23%
CJ Foods	630	3	7.72%	N/A		0.00%
Walmart	526	4	6.45%	100	2	2.70%
Total	8,833		108.23%	739		19.92%

Source: City of Beaumont Economic Development Department

CITY OF BEAUMONT

Full-Time Equivalent City Government Employees by Function Last Ten (10) Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration										
Administration	17.00	11.00	11.00	17.00	9.00	9.00	8.00	8.00	6.00	5.00
City Clerk	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Communication	-	-	-	-	-	-	-	-	-	1.00
Economic Development	-	-	-	-	-	-	-	-	2.00	2.00
Finance	-	-	-	-	7.00	7.00	7.00	7.00	8.00	10.00
Human Resources	-	-	-	-	2.00	2.00	2.00	3.00	3.75	4.75
Information Technology	-	-	-	-	1.00	1.00	3.00	4.00	5.00	6.00
Public safety										
Animal Control	4.00	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Officers	42.00	37.00	38.00	43.00	43.00	43.00	43.00	49.00	54.00	57.00
Police Support	15.50	12.00	16.00	16.00	16.50	16.50	17.00	18.00	23.00	27.50
Community Development										
Planning	1.00	3.00	2.00	7.00	7.00	7.00	7.00	7.00	5.50	6.50
Community Enhancement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building and Safety	5.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	7.00	7.00
Community Services										
Parks and Recreation	19.00	15.00	16.00	8.50	8.00	8.00	5.00	5.00	7.50	9.50
Grounds Maintenance/Streets	11.50	5.50	7.50	19.00	20.00	20.00	20.00	20.00	19.50	21.50
Building Maintenance	-	-	-	-	-	-	-	-	4.00	4.00
Pool*	7.50	7.50	7.50	7.50	7.50	7.50	7.50	-	-	1.00
Public Works										
Public Works	2.00	2.00	2.00	3.00	2.75	3.50	6.50	6.50	9.00	11.00
Street Maintenance	2.00	2.00	1.50	5.00	5.00	5.00	5.00	7.00	7.00	9.00
Wastewater										
Wastewater	-	-	2.50	7.00	7.25	12.00	10.50	14.50	17.00	15.00
Transit										
Transit	22.00	25.00	25.00	26.00	26.00	26.00	23.00	23.00	23.25	23.25

*FY2012, 2013, and 2014 Lifeguards were counted as 1 FTE instead of 0.5 FTE (part-time)

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Operating Indicators by Function Last Ten (10) Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Calls for service	29,852	30,753	26,357	26,526	27,277	32,056	27,506	46,253	47,087	83,868
Citations issued by Officers	2,320	1,308	2,667	1,702	1,398	1,711	1,036	4,132	3,445	3,975
Physical arrests	1,281	1,434	1,529	1,254	891	821	1,036	1,377	1,066	971
Fire										
Total number of calls answered	3,177	3,186	3,225	3,618	3,886	4,282	3,879	4,244	5,023	6,172
% of calls for medical aid	83.7%	85.0%	82.2%	82.5%	81.7%	80.2%	84.0%	75.0%	74.8%	76.0%
Highways and streets										
Street resurfacing (miles)	N/A	N/A	0.65	1.05	9	20	28	29	30	4
Potholes repaired	N/A	N/A	49	100	395	638	494	618	531	768
Street light repaired	-	-	-	-	-	-	-	-	-	260
Wastewater										
Average daily sewage treatment (million gallons)	3.080	3.160	3.270	3.390	3.670	3.820	3.700	3.595	3.736	3.900

Note: Fire services are contracted through the County of Riverside.

Source: City of Beaumont Public Works and Police Departments, and Riverside County Fire Services

CITY OF BEAUMONT

**Capital Assets Statistics by Function
Last Ten (10) Fiscal Years**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
* Police										
Vehicles Added Value	140,000	-	188,738	247,760	89,268	187,282	487,242	526,164	664,992	735,374
Highways and streets										
Storm Drain Added Value	-	-	-	1,184,800	1,596,757	-	4,001,608	185,007	36,581	-
Street Improvements	-	-	399,000	-	-	1,395,105	25,352,242	5,854,301	6,086,700	21,530
Culture and recreation										
Parks Added Value	-	-	-	2,208,322	3,600,000	1,050,000	-	6,385,002	736,810	451,901
Sewer										
Sewer Line Added Value	-	131,226,200	-	-	3,676,047	3,950,198	-	-	1,140,835	2,580,409
Lift Station Added Value	302,719	-	172,238	969,346	-	3,352,629	-	185,501	359,613	1,927
Treatment Plant Expansion	-	14,684	427,311	2,236,307	15,377,340	26,290,328	20,188,903	7,046,105	1,290,940	-
Brine Pipeline	3,334	-	613,161	1,103,175	18,128,897	16,538,109	2,073,430	412,677	70,500	120,001
I&I Rehabilitation Value	-	-	-	-	-	-	-	-	-	126,329

Sources: City of Beaumont Public Works and Police Departments, Riverside County Fire Department

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