



Agreed Upon Procedures
June 30, 2024

City of Beaumont, California

Measure A Local Streets and Roads Program



Independent Accountant's Report

The Board of Commissioners
Riverside County Transportation Commission
Riverside, California

We have performed the procedures enumerated below, on certain grant terms and conditions with the Measure A Local Streets and Roads Program for the fiscal year ended June 30, 2024. The City of Beaumont's (the City) management is responsible for the compliance with the program terms and conditions of the Measure A Local Streets and Roads Program.

Riverside County Transportation Commission (RCTC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with the program terms and conditions of the Measure A Local Streets and Roads Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multiple Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.

Finding: We reviewed the 2009 Measure A Ordinance (Ordinance 02-001). We also confirmed that the City participates in the TUMF program administered by WRCOG and the MSHCP administered by RCA.

2. Obtain from RCTC the approved 5-Year Capital Improvement Plan (CIP) for the fiscal year.

Finding: We obtained the City's 5-Year CIP for fiscal year 2024 approved by RCTC.

3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
 - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.

Finding: We obtained the City’s detailed trial balance for fiscal year 2024. The Measure A cash and investments were \$2,143,675 at June 30, 2024. The difference between Measure A cash and investments of \$2,143,675 and fund balance of \$2,310,642 was \$166,967 or 7% of the fund balance; thus, no explanation from City management was required.

- b. Identify any amounts due from other funds.

Finding: Per review of the City's detailed trial balance, there were no amounts due from other funds as of June 30, 2024.

- c. Identify the components of ending fund balance for the Measure A activity (e.g., non-spendable, restricted, assigned, committed, unassigned).

Finding: The ending fund balance for the City’s Measure A activity was restricted in the amount of \$2,310,642 at June 30, 2024.

- i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.

Finding: Per review of the City’s trial balance for fiscal year 2024, we noted that there were no restatements to the Measure A fund balance as of July 1, 2023.

- ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than the sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).

Finding: Per review of the City’s trial balance for fiscal year 2024 and prior year financial statements for the fiscal years ended June 30, 2023 and 2022, respectively, revenues were as follows:

<u>For the Year Ended June 30,</u>	<u>Revenue</u>
2024	\$ 1,043,541
2023	971,311
2022	<u>1,525,247</u>
Total	<u>\$ 3,540,099</u>
Fund balance for fiscal year ended June 30, 2024	<u>\$ 2,310,642</u>

Ending fund balance of \$2,310,642 was less than the sum of total revenues for the 3-year period of \$3,540,099; thus, no explanation from City management was required.

4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts, and include the operating statement as an exhibit to the report.

a. Review the revenues in the operating statement.

i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

Finding: We obtained the City's detailed trial balance for fiscal year 2024. We inquired of City management and noted that the City accounts for Measure A revenues in its Measure A Special Revenue Fund (Fund #202). The City recorded total revenues in the amount of \$1,043,541 for the fiscal year ended June 30, 2024 (refer to Exhibit A).

ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.

1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC.

Finding: We obtained the Measure A Local Streets and Roads Annual Disbursement report from RCTC and agreed the total disbursement amount of \$936,622 to the recorded Measure A sales tax revenues in the City's detailed trial balance without exception.

iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.

1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.

Finding: We obtained the City's Worksheet for Interest Apportionment for fiscal year 2024 and noted that interest revenue of \$105,467 and a correction to fiscal year 2023 interest totaling \$1,452 was allocated to the Measure A special revenue fund for the fiscal year ended June 30, 2024.

b. Review the expenditures in the operating statement.

i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.

Finding: We inquired of City management and noted that the City accounts for Measure A expenditures in its Measure A Special Revenue Fund (Fund #202). The City recorded no Measure A expenditures for the fiscal year ended June 30, 2024 (refer to Exhibit A).

ii. Select expenditures for testing that comprise at least 20% of the total Measure A expenditures.

Finding: No transactions were available for selection for the fiscal year ended June 30, 2024.

1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.

Finding: No transactions were available for selection for the fiscal year ended June 30, 2024.

2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.

Finding: No transactions were available for selection for the fiscal year ended June 30, 2024.

- iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A Fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.

Finding: Per inquiries with management and review of the detailed trial balance, the City recorded transfers out of the Measure A special revenue fund in the amount of \$1,628,879 to the CIP fund for project funding. Per review of the journal entry support, these transfers out are for projects included in the 5-year CIP. The City recorded no transfers in to the Measure A special revenue fund for fiscal year 2024.

- iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.

Finding: Per inquiries with management and review of the City's trial balance, we noted no indirect costs charged to the Measure A special revenue fund for fiscal year 2024.

- v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.

Finding: Per inquiries with management and review of the City's detailed trial balance, the City did not have debt service expenditures in fiscal year 2024 related to Measure A.

1. Compare debt service expenditures to prior year amount. If debt service expenditures have increased or decreased at least 25%, inquire of management as to the reason for the change in debt service expenditures.

Finding: Per review of the City's detailed trial balance, the City did not have debt service expenditures in the current year.

5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.

- a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.

Finding: We obtained the City's trial balance for the TUMF program and haphazardly selected one disbursement paid to WRCOG in the amount of \$222,288. We agreed the amount to the invoice to validate that the amount was remitted to WRCOG without exception.

- b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.

Finding: Per review of the City's trial balance for the TUMF program, the total amount of fees collected and remitted was \$596,136 for the year ended at June 30, 2024.

6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.

Finding: We obtained the City's trial balance for the MSHCP program and haphazardly selected one disbursement paid to RCA in the amount of \$309,228. We agreed the amount to the invoice to validate that the amount was remitted to RCA without exception.

- b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.

Finding: Per inquiry with management and review of the City's detailed trial balance for the MSHCP program, there were no amounts collected in the prior year and not remitted to RCA as of June 30, 2024.

- c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

Finding: Per review of the City's trial balance for the MSHCP program, the total amount of fees collected was \$1,399,940 and remitted was \$1,399,362 for the year ended June 30, 2024. The remaining \$578 was remitted to RCA on September 26, 2024.

7. Obtain from RCTC the Maintenance of Effort (MOE) base year requirement, including supporting detail of the calculations for the City, and the carryover amount allowed as of the beginning of the fiscal year.

- a. Obtain from the City a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the City as an exhibit to the report.

Finding: We obtained the MOE base year requirement and allowable carryover as of June 30, 2023, from RCTC (included in the 2024 Audit Notification Letter). We obtained the City's calculation of its current year MOE amount and attached the calculation worksheet as Exhibit B.

- b. Compare the current year MOE amounts from the General Fund to the general ledger.

Finding: No exceptions were noted as a result of applying this procedure.

- c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.

Finding: Per review of the General Fund general ledger, no transfers in to fund any MOE amounts were identified for fiscal year 2024.

- d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.

Finding: We noted that current year MOE expenditures of \$5,185,267 were greater than the MOE base requirement of \$515,908 resulting in an excess MOE of \$4,669,359 for the fiscal year ended June 30, 2024.

- e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC, and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

Finding: Per review of the City's fiscal year 2024 Construction and Maintenance Expenditure summary worksheet, the City's discretionary funds spent in the fiscal year ended June 30, 2024, exceeded the MOE base year requirement. The total MOE excess balance at June 30, 2024, was \$10,215,327. No exceptions were noted as a result of applying this procedure. The City's MOE carryover at June 30, 2024, is calculated as follows:

MOE excess at July 1, 2023	\$ 5,545,968
Current year MOE expenditures	5,185,267
Less: MOE base year requirement	(515,908)
MOE excess for the fiscal year ended June 30, 2024	4,669,359
MOE excess at June 30, 2024	\$ 10,215,327

We were engaged by RCTC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the program terms and conditions of the Measure A Local Streets and Roads Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Commissioners and management of RCTC and is not intended to be and should not be used by anyone other than this specified party.

Eide Bailly LLP

Rancho Cucamonga, California
December 18, 2024

City of Beaumont, California
Measure A Local Streets and Roads Program
Measure A Operating Statements
Fiscal Year June 30, 2024
(Unaudited)

Exhibit A

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Tax - Measure A	\$ 733,600	\$ 936,622	\$ 203,022
Interest	10,000	106,919	96,919
Total revenues	<u>743,600</u>	<u>1,043,541</u>	<u>299,941</u>
Expenditures			
Transfers Out	<u>2,264,528</u>	<u>1,628,879</u>	<u>635,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,520,928)</u>	<u>\$ (585,338)</u>	<u>\$ 935,590</u>

