



Agreed Upon Procedures
June 30, 2024

City of Beaumont, California
Multiple Species Habitat Conservation Plan



Independent Accountant's Report

The Board of Directors
Western Riverside County Regional Conservation Authority (RCA)
Riverside, California

We have performed the procedures enumerated in Attachment A, on the fees collected and remitted in accordance with the Multiple Species Habitat Conservation Plan (MSHCP) Implementing Agreement and the Joint Exercise of Powers Agreement (JPA creating the RCA dated January 27, 2004) for the fiscal year ended June 30, 2024. The City of Beaumont's (City) management is responsible for the collection and remittance of MSHCP fees and compliance with the MSHCP.

RCA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with the MSHCP and we will report on findings based on the procedures performed. 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 any associated findings, as applicable, are listed in Attachment A.

We were engaged by RCA 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 collection and remittance of mitigation fees or compliance in accordance with the MSHCP. 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 Directors and management of RCA and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
May 15, 2025

Our procedures and findings are as follows:

1. Obtain any updates to the Member Agency's ordinance and/or resolution for collection of the MSCHP fees.

Finding: Per inquiry with the City of Beaumont (the City), there were no new ordinances or resolutions in Fiscal Year 2024. The most recent Ordinance was adopted on May 18, 2021, Ordinance No. 1131, as well as a resolution on April 20, 2021, Resolution No. 2021-19. This Ordinance superseded Resolution No. 2003-29 and established the development mitigation fee for funding the preservation of ecosystems in accordance with the MSHCP.

2. Upon obtaining the updates, determine if the ordinance is in accordance with the 2020 model ordinance and resolution.

Finding: Procedure not applicable. The City stated no new ordinances were adopted during Fiscal Year 2024.

3. Determine if fees on the building permits are collected in accordance with the Member Agency ordinance and resolution.

Finding: The City ordinance stated that the MSHCP fee must be collected prior to issuance of permit. We tested 38 permits as described in procedure 5. Six (6) exceptions were noted.

4. Obtain the schedule of fees collected on MSHCP building permits for the year ended June 30, 2024.

Finding: We obtained the schedule from the City noting the total amount collected for building permits for the year ended June 30, 2024 was \$1,399,362.

5. Obtain a listing of building permits issued during the year ended June 30, 2024. Identify the new construction, additions, accessory dwelling units, and commercial/industrial permits. Also, obtain a listing of parks or other community serving amenities and backbone roads built by developers.

Finding: We obtained the population of 2,340 issued permits from July 1, 2023 through June 30, 2024. From the listing, we identified new construction and commercial/industrial permits by Work Class: "Commercial (New) – BLDG", "New", "Single Family Dwelling (New) - BLDG", "Accessory Dwelling Unit - BLDG", "Addition - BLDG", and "Residential Remodel – BLDG (Alterations)". We noted a total of 289 building permits issued during the year. 275 building permits were for New Construction and Commercial/Industrial and 14 building permits were for ADUs, Additions, and Alterations. We haphazardly selected 28 new construction and commercial/industrial permits. We selected 10 permits for additions and ADUs for testing, for a total of 38.

- 28 building permits were subject to the MSHCP fees.
- 10 building permits were exempt under Chapter 3 of the MSHCP Mitigation Fee Implementation Manual due to being an ADU or addition where the square footage was 749 or less, or under Section 9 of the Ordinance due to either no additional usable square footage or a conversion of existing space.

One (1) permit from our sample had an exception as follows:

- For one (1) permit, the calculation of the MSCHP Fee was incorrect, the fee was overcharged. \$4,236 MSHCP Fee was used instead of the correct \$781 for a building permit with 48 dwelling units. See procedure 9 for amount due from RCA.
- For five (5) permits, the prior year MSHCP Fee of \$3,947 was incorrectly used. Due to this, the MSHCP Fee owed to RCA is \$1,336.91. See procedure 8 for interest due to RCA.

5a. Select for testing 10% of new construction, and commercial/industrial building permits, selecting no less than 25 permits or 100% of permits if total permits for new construction and commercial/industrial is less than 25.

Finding: See Result from procedure 5.

5b. Select for testing 10% of additions (that add usable square footage) and accessory dwelling units (ADUs), selecting no less than 10 permits or 100% of permits if total permits for additions and ADUs is less than 10.

Finding: See Result from procedure 5.

5c. Select for testing 10% of parks or other community serving amenities or backbone roads built by developers, selecting no less than three (3) or 100% if the number of amenities/backbone roads is less than three (3).

Finding: Per inquiry with the City, it was asserted there were no applicable projects.

6. Recalculate the fees collected by the Member Agency on building permits to determine if they are correct and if the correct amounts have been remitted to the RCA. If fees are incorrect, determine the fees that should have been collected and remitted.

Finding: For the sample selected in procedure 5 above, the building permit fees were recalculated and agreed to the amount collected and remitted except for the six (6) exceptions noted in procedure 5.

7. Determine if fees collected on building permits were remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected.

Finding: Per the JPA dated January 27, 2004, all development mitigation fees must be remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected. No exceptions were noted as a result of this procedure.

8. If amounts are due to the RCA on building permits, calculate interest owed, based on the MSHCP Mitigation Fee Implementation Manual using the interest rate paid by Riverside County (County) Treasury on amounts held by the County.

Finding: For the exceptions noted in Procedure 5, the permits had charged the incorrect MSHCP Fee. The City represented they plan to remit \$92.49 to RCA with their May 2025 report.

City of Beaumont, California
Multiple Species Habitat Conservation Plan

Procedures and Findings
Fiscal Year June 30, 2024
(Unaudited)

Attachment A

9. Determine additional amounts, if any, which should be returned to the Member Agency by the RCA for building permits collected in error.

Finding: Per the exception noted in procedure 5, where the MSHCP Fee was overcharged, the amount due from RCA is \$165,840.

10. Obtain a list of all construction (civic and infrastructure) contracts awarded by the Member Agency during the fiscal year. Select a sample of 10% of the contracts for testing, selecting no less than three contracts, or 100% of contracts if the total number of contracts is less than three.

Finding: We obtained a list of 18 infrastructure and civic contracts awarded by the City during the year ended June 30, 2024. We haphazardly selected three (3) infrastructure and civic contracts from the list provided.

11. Compute the amount of MSHCP fees on the civic and infrastructure contracts that should have been remitted.

Finding: The City asserted each of the civic and infrastructure contracts selected for inspection were exempt. We inspected the contracts, project descriptions, and other supporting documentation summarized as follows:

- Public Works Agreement- Stewart Park Improvement Project (C24-68) - The City asserted this project was exempt under Chapter II.H of the RCA's fee collection and remittance policy as a maintenance and safety project, as defined in Chapter 5 of the MSHCP. The project was awarded on 6/18/2024 for \$11,369,148. The project consists of demolition of existing park facilities and former streets along E. 9th St and E. 10th Street between Orange Avenue and Maple Avenue. It also includes grading and construction of stormwater features within the park site, installation of new headwalls and culverts, construction of a new multi-level playground, and installation of new irrigation system. This project will not result in additional square footage. No exceptions were noted as a result of this procedure.
- Veterans and First Responders Memorial Plaza (C24-18) - The City asserted this project was exempt under Chapter II.H of the RCA's fee collection and remittance policy as a maintenance and safety project, as defined in Chapter 5 of the MSHCP. The project was awarded on 3/5/2024 for \$1,499,350. The project consists of the renovation of the Plaza, including demolition, irrigation, landscaping, electrical, mechanical, and structural improvements. No exceptions were noted as a result of this procedure.
- Mesa Lift Station Force Main (C23-108) - The City asserted this project was exempt under Chapter II.H of the RCA's fee collection and remittance policy as a maintenance and safety project, as defined in Chapter 5 of the MSHCP. The project was awarded on 10/17/2023 for \$3,269,552. The project consists of new construction of PVC force main and associated appurtenances such as air valves, manholes, and connections. Detail work includes potholing, trenching, and pavement repairs. This project will not result in additional square footage. We noted that the MSHCP Fee was not collected and remitted on this contract. An exception was noted as a result of this procedure.

12. Determine if the MSHCP fees on the civic and infrastructure contracts were remitted to the RCA within 90 days of contract award.

Finding: One (1) exception was noted for Mesa Lift Station Force Main.

13. Determine additional amounts on civic and infrastructure contracts, if any, which should be remitted to the RCA.

Finding: For the exception noted in procedure 12 for Mesa Lift Station Force Main, the MSHCP Fee was not collected nor paid to RCA. The amount to be collected and remitted to RCA is \$19,411.45. See Procedure 14 for interest owed.

14. If additional amounts are due to the RCA on civic and infrastructure contracts, calculate interest owed, using the interest rate paid County Treasury on amounts held by the County.

Finding: In relation to the exception noted in procedure 12 for Mesa Lift Station Force Main, City represented they plan to remit the additional interest to RCA totaling \$1,087.61 calculated by RCA with their May 2025 report.

15. Determine additional amounts, if any, which should be returned to the Member Agency by the RCA for civic/infrastructure projects paid in error.

Finding: Procedure not applicable.