



# **City of Beaumont**

**Beaumont, California**

**Annual Comprehensive Financial Report**

*For the Year Ended June 30, 2022*

**City of Beaumont, California**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the fiscal year ended June 30, 2022

Prepared by the Finance Department

Jennifer Ustation, Finance Director  
Lisa Leach, CPA, Assistant Finance Director  
Jacqueline Miranda, Accounting Technician  
Tara Astran, Budget Specialist  
Justine Wickman, Accounting Technician  
Lina Chowdhury, Senior Accountant

City of Beaumont  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2022

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# CITY OF BEAUMONT

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December 20, 2022

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, 2022. 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.

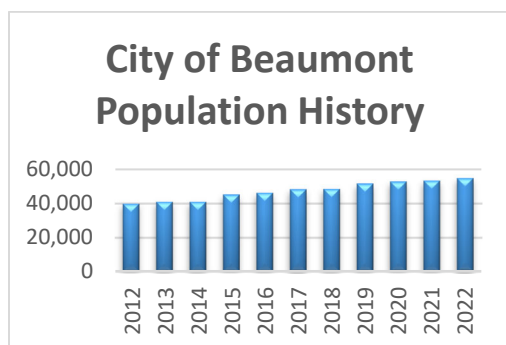
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Beaumont's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

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 was incorporated on November 18, 1912, 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. 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 \$88,392 which is 21.5% 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 2020 US Census estimated the population to be 52,686. The California Department of Finance now estimates the 2022 population has grown to 54,690, an increase of 2,004 from 2020 (3.66% 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, 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 Successor Agency, 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 23 and 26 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, between departmental and division budgets, or between departments within the same fund, require Finance Director recommendation and City Manager approval. 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 completed a retail market analysis and identified its retail trade area. Proactive retail recruitment strategies have been implemented utilizing data from market analysis. The City also established the Beaumont Business Resource Center page on the City's website. This webpage provided businesses with information about safety measures and mandates, funding opportunities from various sources, and business counseling. The City launched a retail tenant recruitment program utilizing The Retail Coach services. The campaign utilized data and research from the EDSP and Retail Market Analysis and met with management of existing centers to identify current needs and opportunities. The program leverages the strengths of Beaumont's primary retail trade area.

### **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.

## **Public Safety**

In Fiscal Year 2021/2022, Beaumont Police Department in partnership with the County of Riverside and the cities of Banning and Calimesa, established a Community Behavioral Assessment Team (CBAT). This team has been trained to respond to and deal with mental health emergencies. Not only does this team help those experiencing a mental health crisis, but it also allows our patrol offices to focus on crime-related issues. In partnership with the County of Riverside's Emergency Management Department (EMD), and the Beaumont Unified School District, a position was created to plan, oversee, and coordinate city and school staff response to emergency situations.

## **Public Works**

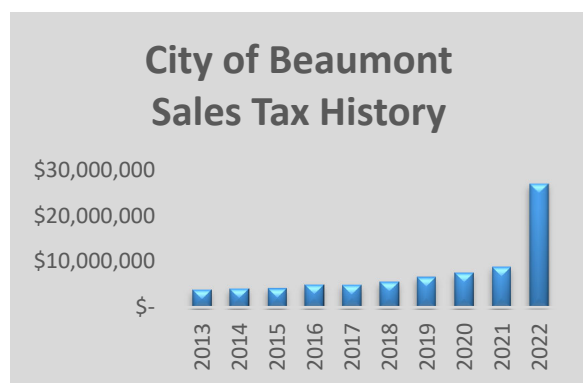
The City of Beaumont Public Improvement Program included the fiscal year 2020/2021 Street Rehabilitation Project and fiscal year 2020/2021 Mid-Year Street Maintenance Project. To date, 130.2 lane miles of road have been rehabilitated with more than 100 lane miles planned in the next two years. The City is currently in the final design and the draft environmental document preparation for the Pennsylvania Avenue interchange which currently hosts a westbound off-ramp and eastbound on-ramp only. Pennsylvania Avenue's two lanes of traffic intersect with the Union Pacific Railroad at an at-grade intersection south of the I-10 freeway. Two existing grade separations within the vicinity of the project at Beaumont Avenue and Highland Springs Avenue experience a high volume of traffic due to regional commuters and shoppers. In order to avoid congestion at these locations, an increasingly high volume of vehicles are using Pennsylvania Avenue. The first phase of the project will be widening Pennsylvania Avenue to four lanes between First Street and Sixth Street and will also include protected dual turns from northbound Pennsylvania Avenue to westbound Sixth Street. Construction of the widening is set to begin in early 2023 and is expected to take 6-9 months to complete.

## **LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE**

As presented in the 2040 General Plan Update, the City will support downtown revitalization 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 50% built out and has significant land available to add to its numerous retail anchors that include Walmart, Home Depot, Kohls and Ross Dress for Less. The community has also experienced growth in its commercial and industrial sectors with the most recent addition being an Amazon fulfillment center. Amazon joins other major employers like Perricone Juices, Icon Health and Fitness, Wolverine, and CJ Foods. Work is underway on a new industrial building of approximately 700,000 square feet in the Hidden Canyon area in the central portion of the City. Amazon provides much of the economic base of the community through the employment of the local labor force within its 640,000 square-foot fulfillment center. 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 to achieve fiscal sustainability while maintaining a high quality of life. These policies are in concert with the City Council's

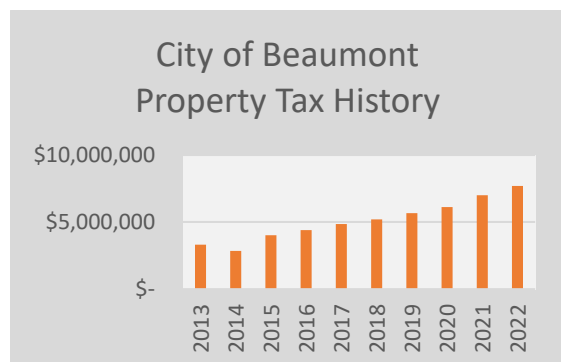
official goals and objectives in the areas of public safety, quality of life, economic development, sustainable community, and intergovernmental/interagency relationships.

In 2022, the median price of a home in Beaumont was \$511,500, an increase of \$68,000 or 21.33% from \$455,000 in 2021, according to the Riverside County Recorder via HDL, Coren & Cone. Prior to 2022, the peak median price of \$396,500 was reported for 2006. The 2022 median value represents a 29% increase from that peak. After several years of fluctuations in home values due to uncertain economic conditions, Beaumont has seen a steady increase in home prices from 2016 thru 2022. 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, 2022. In 2022, the City received \$26,869,849 in sales tax revenues, an increase of 203% or \$18,000,103 from \$8,869,746. This was due to a reporting change in the commercial/industrial sector.

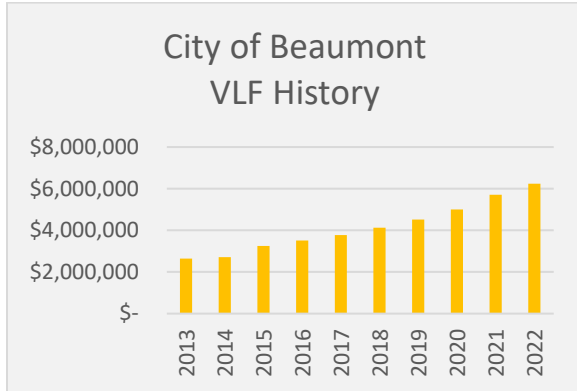
As with most California communities, a large portion of General Fund revenues are derived from sales and use tax receipts. Continued growth in the retail and commercial sectors will be critically vital to the long-term fiscal health of the community. A retail-oriented economic development program has 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 Property Tax History chart is a ten-year historical presentation of the City's property taxes through fiscal year ending June 30, 2022. As shown here, property tax collections decreased in 2014 due to the

Great Recession but have steadily increased since 2015. On June 30, 2022, property tax revenues were reported at \$7,691,561, a net increase of \$699,996 or 10% from fiscal year 2021 due to increased residential, commercial and industrial new accessed value as well as increasing property values..

Overall property tax revenues are showing signs of growth as valuations increase and vacant land continues to be improved. The primary growth in assessed valuations continues to be in the single-family residential sector which accounted for a 61.24% increase in property transfer tax from \$393,738 in 2021 to \$634,871 in 2022. With demand high and inventory low the value of existing homes has increased in response to market conditions



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 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 since fiscal year 2011/2012. In fiscal year 2021/2022, the City collected \$6,240,950 in VLF revenue, an increase of \$531,036 or 9.3% due to an increase in property values within the City.

## **ACTUAL OPERATING RESULTS – GENERAL FUND**

The following discussion summarizes the annual operating results of the City’s General Fund, for the fiscal year ended June 30, 2022. Further details are presented in the individual financial statements attached to this transmittal letter. The ten-year General Fund History chart in the statistical section of the report reflects the total revenues, expenditures, and net change in fund balance for the General Fund through June 30, 2022. The net change in fund balance figure in the chart includes operating revenues, operating expenditures, transfers to and from other funds, and proceeds from the sale of capital assets. The City Council has taken steps to address long-term challenges in the budget with the utilization of internal service funds and an establishment of a PARS pension 115 trust to address the increasing unfunded pension liability (UAL) for miscellaneous and safety employees with CalPERS. For further detail and breakdown, please refer to the management’s discussion and analysis, the notes and statistical section of these financial statements.

## **ANNUAL OPERATING RESULTS – ENTERPRISE FUNDS**

The City accounts for its Wastewater and Transit operations on an “enterprise” basis, meaning that the activity is treated more like a commercial business, separate and apart from the general City operations. In FY 2021/2022, Enterprise Fund operating revenues for Sewer and Transit combined, totaled \$12,334,335, an increase of \$1,365,601 or 12.4% over FY2020/2021, while operating expenses increased by \$1,118,508 or 7.1%, over the same period. For further detail and breakdown, please refer to the management’s discussion and analysis and the statistical section of these financial statements.

### **Wastewater Operations**

For Wastewater Operations specifically, the Wastewater fund operating expenses exceeded operating revenues by \$1,624,019, mainly attributable to three new added positions. Last fiscal year the Wastewater fund showed an operating deficit of \$1,761,942. Interest expense decreased \$57,771 which pertains to the debt service payment on the 2018 Wastewater Revenue Bonds issued to fund construction of a new wastewater treatment plant and a pipeline to send concentrated wastewater to the Orange County Sanitation District (OCSD). The wastewater treatment plant construction is in its final stage of construction and is expected to be completed within FY2022/2023. The OCSD pipeline has been completed and is in operation. For further detail and breakdown, please refer to the management’s discussion and analysis and statistical section of these financial statements.

### **Transit Operations**

For Transit Operations specifically, the Transit fund operating expenses exceeded operating revenues by \$2,920,940, which is not uncommon as the Transit system is heavily subsidized by the Riverside County Transportation Commission (RCTC). The transit system is subject to the provisions of the California Public Utilities Code §99268.3 and must maintain a minimum farebox recovery ratio of 10%, meaning operational revenue needs to be at least 10% of the systems expenses. Due to the COVID-19 pandemic, ridership has dramatically decreased and on June 29, 2020, the Governor of California signed Assembly Bill 90, which prohibits the imposition of a

penalty on operators that do not maintain the required ratio of fare revenues to operating costs during fiscal years 2019-20 through 2021-22. For further detail and breakdown, please refer to the management's discussion and analysis and statistical section of these financial statements.

## **PENSION FUNDING STATUS**

The City provides its full-time and certain part-time employees retirement and disability benefits through four defined California Public Employees' Retirement System (CalPERS) benefit pension plans: Classic Miscellaneous, Public Employees' Pension Reform Act (PEPRA) Miscellaneous, Classic Safety and PEPRA Safety. The City makes required employer contributions to the plans based on the amounts determined by CalPERS actuaries. All City employees pay their required employee contributions based on the employees' group/individual retirement plan formulas. In FY2021/2022, the City made \$3,588,836 in employer pension costs and contributions to PERS. The notes to the financial statements are based on the measurement date of the last actuarial which is June 30, 2021. In FY2021/2022, the "City's" share of retirement costs decreased for Miscellaneous employees from 15.445% to 15.25%, for Miscellaneous PEPRA from 7.732% to 7.59%, for Safety from 23.674% to 23.71%, and for Safety PEPRA from 13.044% to 13.13%. The reason for the changes in the City's (employer) share of retirement costs is due to changes in pool asset values and differences between the projected rate of return versus the actual returns on pooled assets. At the December 21, 2016, meeting, the CalPERS Board of Administration approved lowering the CalPERS discount rate of assumption, the long-term rate of return, from 7.5% to 7.0% over the following three years. For further detail and breakdown, please refer to the management's discussion and analysis, the notes, certain required supplementary information, and statistical section of these financial statements. Lowering the discount rate has resulted in plans seeing increases in both the normal costs and the unfunded actuarial liabilities. This has also impacted PEPRA plan members who have paid increased contribution rates. This assumption change has increased public agency employer contribution costs in FY2021/2022. On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of .20%, from 7.00% to 6.8%. Please see Note 10 of the notes for further information.

## **Debt Administration**

As of June 30, 2022, the City had outstanding capital leases in the amount of \$756,608. The Successor Agency balance of \$775,912 from an agreement with the State of California, Department of Finance (State) to pay an outstanding amount due from the State's Due Diligence Review, was paid in full in fiscal year 2021-2022. The City's blended component units, the Beaumont Financing Authority and the Beaumont Public Improvement Authority, have outstanding bond debt in the amount of \$76,583,778. The Wastewater fund has outstanding amount due from the 2018 Wastewater Revenue Bonds of \$77,565,000 and \$7,217,363 of Bond Premium, as well as \$3,658 in Capital Leases. Additional information regarding long-term liabilities is presented in Note 6 of the financial statements. Non-City obligations are discussed in Note 7 of the financial statements which are not legal obligation of the City and therefore not included here.

## INDEPENDENT AUDIT

An independent audit of the City's records was performed for the year ended June 30, 2022, 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.

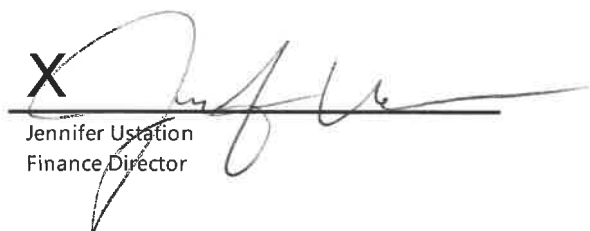
In general, the auditors concluded that the basic financial statements and supplementary information referred to above present fairly, in all material respects, the financial position of the City of Beaumont, Beaumont Successor Agency, Beaumont Financing Authority and the Beaumont Public Improvement Authority, as of June 30, 2022, 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.

## ACKNOWLEDGMENTS

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 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.

Respectfully submitted,

  
X  
Jennifer Ustation  
Finance Director

CITY OF BEAUMONT

**PRINCIPAL OFFICIALS**

Elected Officials

**Lloyd White**  
Mayor

**Julio Martinez III**  
Mayor Pro Tem

**Mike Lara**  
Council Member

**David Fenn**  
Council Member

**Rey SJ Santos**  
Council Member

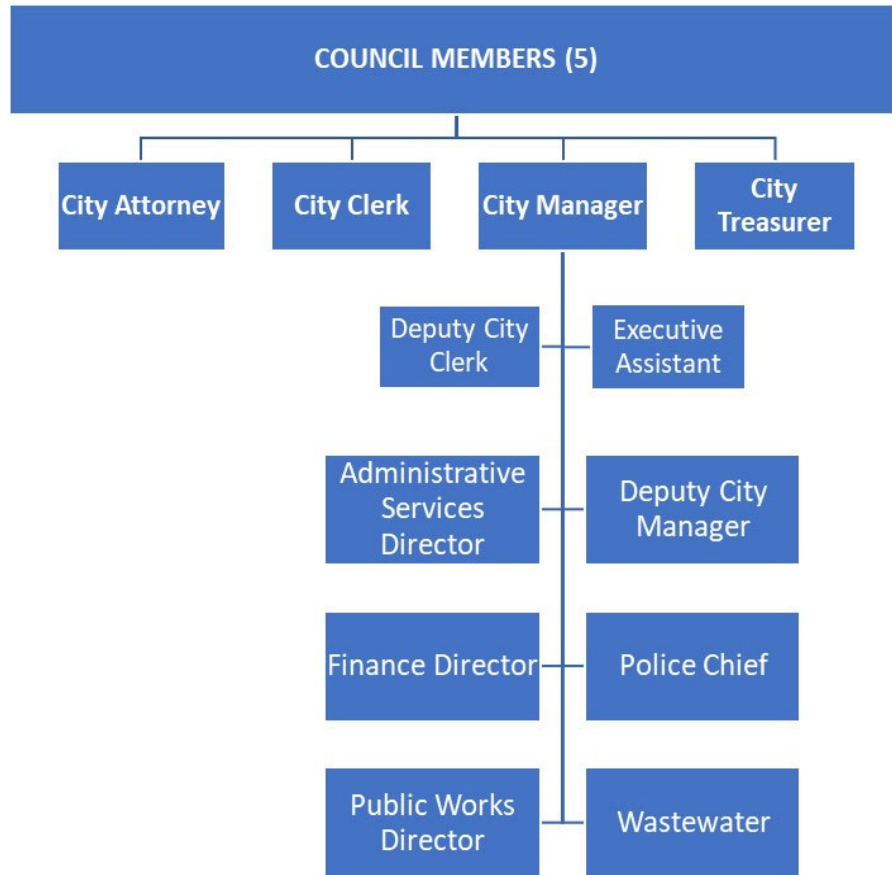
**APPOINTED OFFICIALS**

Elizabeth Gibbs  
City Manager

John Pinkney  
City Attorney

Steven Mehlman ..... City Clerk  
Nicole Wheelwright ..... Deputy City Clerk  
Baron Ginnetti ..... City Treasurer  
Siomara Giroux ..... Executive Assistant  
Christina Taylor ..... Deputy City Manager  
Kari Mendoza ..... Administrative Services Director  
Sean Thuilliez ..... Chief of Police  
Jennifer Ustation ..... Finance Director

**City of Beaumont  
Organizational Chart**



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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

## *Independent Auditor's Report*

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

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**

#### **PARTNERS**

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

#### **MANAGERS / STAFF**

Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

#### **MEMBERS**

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*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
Audit Quality Center*

California Society of  
Certified Public Accountants



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### ***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, 2022, 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 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, 2022, 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. 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.

### ***Other Matters***

As discussed in Note 1 to the financial statements, in the year ended June 30, 2022, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. 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 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, 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 section and statistical section 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 20, 2022 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 20, 2022

## 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, 2022. 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 \$517,689m (net position); of this amount \$371,401m is from governmental activities and \$146,288m is from business-type activities, with \$39,194m positive and \$11,180m positive unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's net position increased 9.65% or \$45,579m from the \$472,110m at the beginning of the year, to \$517,689m at the end of the year. The increase is the net result of positive changes of \$37,732m in governmental activities and positive changes of \$7,846m in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues decrease by \$469k due to a decrease of combined operating/capital contributions and grants of \$2,681m. Business-type program revenues increased by a net \$1,823m due to an increase in operating grants, capital grants, and charges for services in all enterprise funds.
- 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 \$22,040m due to \$13,678m of revenues over expenditures combined with other financing sources of \$8,361m, with the majority of increases mostly from an increase of \$18,753m in taxes.
- 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 \$18,072m, while actual expenditures were \$3,643m less than the final budget. Net actual other financing sources were \$2,201m more than the final budget, resulting in a positive \$23,916m net change in budgetary variance and an actual positive fund balance change of \$22,040m.
- In the 2021/2022 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 \$1,876m. Overall, the General Fund maintains a solid financial position with committed funds of \$2,154m (emergency contingency) and assigned funds of \$796k (capital equipment replacement). In the adopted budget for fiscal year 2021/2022, committed fund balance represent 8.9% 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), Community Facilities District (CFD) 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* located on pages 98-103 of this report.

**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* on pages 28-31.

**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 can be found on page 33-34.

**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 pages 37-87 of this report.

**Required supplementary information** - The *budget and budgetary accounting* and *postemployment benefit plans* information can be found on pages 89-94 of this report.

## 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 11.39% from \$333,430m to \$371,401m. The \$37,732m positive change in net position is the result of a negative \$10,738m in program operations, netted with \$48,470m in general revenues. In the business-type activities the increase was 5.67% or \$7,846m, net position changed from \$138,441m to \$146,288m, the net result of a negative \$3,761m position change from operations and a positive \$11,608m in general revenues. 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	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and other assets	\$ 221,727	\$ 193,464	\$ 22,879	\$ 26,563	\$ 244,606	\$ 220,027
Capital assets	287,570	279,364	219,137	217,022	506,707	496,386
Total assets	509,297	472,828	242,016	243,585	751,313	716,413
<b>Deferred outflows:</b>						
Deferred outflows related to pension	5,489	5,279	748	720	6,237	5,999
<b>Liabilities:</b>						
Current and other liabilities	52,357	46,535	10,109	18,480	62,466	65,015
Noncurrent liabilities	85,067	99,050	84,295	87,355	169,362	186,405
Total liabilities	137,424	145,585	94,404	105,835	231,828	251,420
<b>Deferred inflows:</b>						
Deferred inflows related to pension	5,325	70	2,071	27	7,396	97
Deferred inflows related to debt	-	(978)	-	-	-	(978)
Deferred inflows related to leases	636	-	-	-	636	-
Total deferred inflows	5,961	(908)	2,071	27	8,032	(881)
<b>Net position:</b>						
Net investment in capital assets	210,230	199,530	134,351	134,777	344,581	334,307
Restricted	121,977	121,677	757	595	122,734	122,272
Unrestricted	39,194	12,223	11,181	3,071	50,375	15,294
Total net position	\$ 371,401	\$ 333,430	\$ 146,289	\$ 138,443	\$ 517,690	\$ 471,873

As shown in Table 2, the change in net position is a positive \$37,732m for *governmental activities* and positive \$7,846m for *business-type activities*, with a combined total increase in net position of \$45,579m for the fiscal year ending June 30, 2022.

**Table 2**  
**Statement of Activities**  
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 8,436	\$ 6,224	\$ 23,593	\$ 12,078	\$ 32,029	\$ 18,302
Operating grants	1,613	4,116	2,687	2,252	4,300	6,368
Capital grants	16,403	16,591	1,882	1,853	18,285	18,444
General Revenues:						
Property taxes	7,015	6,354	-	-	7,015	6,354
Sales taxes	26,870	8,870	-	-	26,870	8,870
Motor vehicle in lieu taxes	6,241	5,710	-	-	6,241	5,710
Utility users tax	2,059	1,887	-	-	2,059	1,887
Franchise taxes	3,165	3,184	-	-	3,165	3,184
Transient occupancy taxes	422	299	-	-	422	299
Business licenses	350	415	-	-	350	415
Other taxes	737	674	-	-	737	674
Other revenue	59	234	-	-	59	234
Capital contribution	-	4,002	-	-	-	4,002
Investment earnings	1,157	4,610	(1,131)	58	26	4,668
Miscellaneous	599	527	1,207	14	1,806	541
Gain on sale of assets	51	24	-	-	51	24
Total revenues	<u>75,177</u>	<u>63,721</u>	<u>28,238</u>	<u>16,254</u>	<u>103,415</u>	<u>79,975</u>
<b>Expenses:</b>						
General government	4,089	10,322	-	-	4,089	10,322
Public safety	18,853	17,896	-	-	18,853	17,896
Public works	4,338	8,739	-	-	4,338	8,739
Community development	2,432	2,109	-	-	2,432	2,109
Community services	2,513	4,568	-	-	2,513	4,568
Interest and fiscal charges	4,966	4,743	-	-	4,966	4,743
Sewer	-	-	17,597	16,480	17,597	16,480
Transit	-	-	3,048	3,104	3,048	3,104
Total expenses	<u>37,191</u>	<u>48,377</u>	<u>20,645</u>	<u>19,584</u>	<u>57,836</u>	<u>67,961</u>
Changes in net position before Transfers	<u>37,986</u>	<u>15,344</u>	<u>7,593</u>	<u>(3,330)</u>	<u>45,579</u>	<u>12,014</u>
<b>Transfers</b>	<u>(254)</u>	<u>240</u>	<u>254</u>	<u>(240)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>37,732</u>	<u>15,584</u>	<u>7,847</u>	<u>(3,570)</u>	<u>45,579</u>	<u>12,014</u>
<b>Net position, beginning of year, as restated</b>	<u>333,669</u>	<u>317,845</u>	<u>138,442</u>	<u>142,012</u>	<u>472,111</u>	<u>459,857</u>
<b>Net position, end of year</b>	<u>\$ 371,401</u>	<u>\$ 333,429</u>	<u>\$ 146,289</u>	<u>\$ 138,442</u>	<u>\$ 517,690</u>	<u>\$ 471,871</u>

*Governmental activity* program revenues decrease over last year by \$470k, and general revenues increased by \$11,925m. Net decrease in operating contributions and grants of \$2,503m was a result of \$636k of CARES funding and \$1,973m of American Rescue Funds received for COVID-19 related expenditures and a decrease of \$258k in Public Works cost recovery. Charges for services increases in General Government of \$68k were mainly due to increase in insurance recovery. Public Safety program revenues increased by a net of \$351k due to an increase in special police services revenue such as vehicle release charges and administrative cost recovery charges. Community Development program revenues increased by \$2,486m because of construction activity related to new housing projects. Community Services program revenue increased \$44k mainly due to an increase in community programs and a Riverside County Fee credit.

Capital grants and contributions decreased by \$179k mostly due to a reduction in developer contributions.

Overall general revenues increased by \$11,935m, due to the following changes in all major tax categories: property taxes increased - \$661k (current secured - \$294k, unsecured property - \$126k, property transfer tax - \$241k), sales tax increase - \$18,000m (due to sales tax coming in higher in both point of sale transactions and the County-wide pools share); increase in motor vehicle in lieu taxes by 531k, franchise tax decrease - \$19k (due to a decrease of cable franchise taxes), and other taxes increased \$293k (transient occupancy tax and utility users tax increase - \$295k, vehicle license increase - \$23k and business license tax decrease - \$65k). Investment revenues decreased a net of \$3,453m (due CFD principal and interest payments decrease \$1,784m and investment revenue decreased \$1,669m because of decline in interest rates due to world-wide pandemic COVID-19, Geopolitical issues, and inflation), Gain on sales of assets increased by \$27k due to vehicle auction sales. Miscellaneous revenues increased \$72k due to billings collected from various. And finally, net transfers between governmental and business-type funds are due to funds returned from pension charges to cover premium pay by the State and Local Fiscal Recovery Funds which were not required.

*Business-type* program revenues were up a net of \$1,823m, when compared to last year. Primary increases were related to capital grants and contributions for wastewater acquisition. The increase in wastewater operations service charges were \$1,304m. Increases were due to annual rate increases and rising consumption levels resulting from new housing and commercial development connections within the City. Transit revenues had a net increase of \$126k, mainly attributable to increase of \$435k in operating grants and contributions and a increase in charges for services by \$55k. Capital grants and contributions had a decrease of \$364k mostly due to grants for the purchase of three new buses in the previous year.

*Governmental activities* program expenses decreased by \$11,186m. The result was the net of increases and decreases within specific programs during the fiscal year. An increase of \$702k occurred in Public Safety mostly due to an increase in personnel. A \$4,506m decrease in Public Works is mainly attributed a decrease in the street improvement projects. Furthermore, there was a \$310k increase in Community Development is mainly due to the reduction of Covid-19 mitigation measures specifically with business assistance grants. General Government operations decrease of \$5,809m is primarily due to decreases in costs to mitigate the Covid-19 pandemic such as premium pay for essential workers and grants for business and resident support.

The *business-type activities* expenses reflected a net decrease of \$1,060m in program expenses. The Wastewater Enterprise fund had an increase of \$1,117m which is made up of an increase in pension obligation payment and decreases in operating expenses such as supplies and contract services. The Transit Enterprise fund had a decrease of \$56k mostly due to a decrease in salaries from personnel changes.

In comparison to fiscal year 2021, the overall change in net position from operations for *governmental activities* was an increase of \$37.732m and *business-type activities* increased by \$7,847m resulting in an overall City net position increase of \$45,579m for fiscal year 2022.

## 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		
	2022	2021	Change	2022	2021	Change
Functions:						
General government	\$ 4,090	\$ 10,322	\$ (6,232)	\$ 2,490	\$ 6,156	\$ (3,666)
Public safety	18,853	17,896	957	13,804	14,410	(606)
Public works	4,338	8,739	(4,401)	(2,656)	(2,270)	(386)
Community development	2,432	2,109	323	(2,755)	(591)	(2,164)
Community services	2,513	4,568	(2,055)	(4,997)	(845)	(4,152)
Refuse	-	-	-	(114)	(148)	34
Interest and fiscal charges	4,966	4,743	223	4,966	4,743	223
Total Governmental Activities:	<u>\$ 37,192</u>	<u>\$ 48,377</u>	<u>\$(11,185)</u>	<u>\$ 10,738</u>	<u>\$ 21,455</u>	<u>\$(10,717)</u>

In looking at table 3, you will note the major changes both in total cost and net cost. In 2022, total costs decreased by \$11,186m, a result of decreases in general government, public works and community services, with increases in public safety, community development and interest and fiscal charges. 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 \$165,412m a net increase of \$19,883m in fund balance; included in this amount are increases in fund balance for General Fund of \$22,240m, Development Impact Fees (DIF) \$7,775m, and decrease in Other Government Funds \$1,382m (due to the addition of the Community Facilities District Special Revenue Fund); combined with decreases in the Community Facilities District Capital Projects Fund \$658k, General Capital Projects \$2,286m, and Beaumont Financing Authority \$5,606m. The General Fund had a net increase in fund balance of \$22,040m, resulting from net revenues exceeding expenditures by \$13,679mm, netted with total other financing sources of \$8,361m and a \$239k prior period adjustment. The significant change from prior year is mainly due to the increase in tax revenue.

In total the *Proprietary Funds* reported a positive change in net position of \$7,847mm, with the Wastewater Enterprise showing a positive change of \$7,603m and the Transit Enterprise showing a positive change of \$244k. The Wastewater Enterprise ended with a positive change in net position of \$7,603m, because of nonoperating revenues exceeding expenses by \$7,564m netted against ongoing operating expenses exceeding operating revenues by \$1,624m, and a positive change in transfers and capital contributions of \$1,663m. The Transit Fund ended the year with a positive change of \$244k, because of ongoing operating expenses exceeding operating revenues by \$2,921m offset by nonoperating revenues of \$2,691m and transfers and capital contributions of \$474k.

## General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$13,679m less than the actual revenues. The positive budget-to-actual variance of \$21,715m in appropriations was due to conservative spending citywide with saving in personnel cost, professional and contractual services and repairs and maintenance. Of the unspent budget, actual revenues were \$18,072m more than anticipated compared to the final budget due to higher tax revenues in sales and property tax than anticipated. Use of money and property fell short from budget as interest rates continue to remain low due to COVID-19, Geopolitical issues and inflationary pressures resulting in investment earnings came in short. Investment portfolios also saw a reduction in market value with the unusually low rates. Other revenues came in higher than expected due to an increase in cost recovery for insurance and claims. Favorable budget amendments and supplemental appropriations were made during the year to diminish budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget. The original revenue budget was increased \$1,507m mainly for increased sales tax receipts and increased permit activity. While the expenditure appropriations budget was increased in total by \$3,783m to allow for vehicles and equipment purchases as well as new projects identified during the year for parks and grounds, and an increase in contractual service to pay off an outstanding amount due from the State's Due Diligence Review.

Although, the final adopted budget projected a \$1,876m negative change in fund balance, favorable results in revenues of \$18,072m, favorable results in expenditures of \$3,643m and favorable results in other financing sources of \$2,201m resulted in the combined favorable results of \$23,917m, as the actual positive net change in fund balance was \$22,040m for the fiscal year ending June 30, 2022.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Asset Type:						
Land	\$ 32,661	\$ 28,547	\$ 3,418	\$ 3,010	\$ 36,079	\$ 31,557
Construction in progress	9,021	7,800	111,672	103,624	120,693	111,424
Structures, machinery & equipment	16,599	14,375	41,045	43,468	57,644	57,843
Infrastructure	229,289	228,641	63,002	66,919	292,291	295,560
Total	<u>\$ 287,570</u>	<u>\$279,363</u>	<u>\$219,137</u>	<u>\$217,021</u>	<u>\$506,707</u>	<u>\$496,384</u>

At the end of fiscal year 2022, the City had \$506,707m invested in a broad range of capital assets, a total increase of \$10,321m (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 2022 was 3.92% (a 2.94% increase in *governmental activities* and 0.98% increase in *business-type activities*). For fiscal year 2022, net increases are the result of the new addition of roads and construction in progress of the wastewater operations. The major capital assets added for *governmental activities* and *business-type activities* are highlighted in explanation of Table 5.

**Table 5**  
**Schedule of Changes in Capital Assets/Infrastructure**  
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Asset Type:						
Land	\$ 4,114	\$ -	\$ 408	\$ -	\$ 4,522	\$ -
Construction in progress	6,703	4,941	8,097	22,655	14,800	27,596
Structures, machinery & equipment	3,602	1,542	1,296	1,200	4,898	2,742
Infrastructure	6,039	29,354	373	357	6,412	29,711
Total Additions	20,458	35,837	10,174	24,212	30,632	60,049
Less: Decreases and depreciation	(12,252)	(33,554)	(8,059)	(8,416)	(20,311)	(41,970)
Capital Asset Increase/(Decrease)	\$ 8,206	\$ 2,283	\$ 2,115	\$ 15,796	\$ 10,321	\$ 18,079

As shown in Table 5, above, *capital assets* current year activity increased \$8,206m (net of depreciation) for *governmental activities* and increased \$2,115m (net of depreciation) for *business-type activities* for a total increase of \$10,332m. In the *governmental activities* the increase includes a 2 Hybrid vehicles, a Pressure Washer, Chipper, Bucket Truck, Backhoe, 5 pickup trucks, Police radios, 2 Tesla's, 7 Police vehicles and a Police van. Infrastructure additions included the addition of the Mickelson Park, 4<sup>th</sup> Street and Potrero Street improvements, Oak Valley and the I-10 signals, and street re-pavement. The Wastewater and Transit asset additions included a Ford F250 Truck, Spill Trailer, Jetter Truck, Vacant Land and 2 EV Shuttles. Asset Disposals include 6 vehicles and 2 Police vehicles. Additional information regarding capital assets activities can be found in Notes 1f and 5 of the financial statements.

### Long-Term Liabilities

In June 2012, GASB (Governmental Accounting Standards Board) issued Statement No. 68, requiring public employers to comply with new accounting and financial reporting standards. Statement No. 68 outlines a different approach to the recognition and calculation of pension obligations. Under the new 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 on page 16-17, with detailed information in Note 10 to the financial statements.

**Governmental Activities - Governmental Activities** - The City governmental funds have \$91,079m in outstanding long-term liabilities as of June 30, 2022; with the majority (\$76,584m) related to Local Agency Revenue Bonds. In the Governmental Activities, pension related obligations total \$8,545m. Tables 6 below and Note 6, 7, 8, 9 and 10 to the financial statements offer a more detailed view of governmental long-term liabilities.

**Table 6**  
**Long-Term Liabilities**  
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
AB 1484 Due Diligence	\$ -	\$ 776	\$ -	\$ -	\$ -	\$ 776
Lease Liability	757	153	-	-	757	153
1994 Revenue Bonds, Series A	1,380	1,970	-	-	1,380	1,970
2015 Refunding Revenue Bonds, Series A	9,535	9,770	-	-	9,535	9,770
2015 Refunding Revenue Bonds, Series B	15,215	16,020	-	-	15,215	16,020
2015 Refunding Revenue Bonds, Series C	3,805	4,040	-	-	3,805	4,040
2015 Refunding Revenue Bonds, Series D	5,645	5,985	-	-	5,645	5,985
2019 Refunding Revenue Bonds, Series A	4,755	5,085	-	-	4,755	5,085
2020 Revenue Bonds, Series A	16,715	17,200	-	-	16,715	17,200
2021 Revenue Bonds, Series A	18,675	18,675	-	-	18,675	18,675
Bond premium						
2019 revenue bond series A	859	937	-	-	859	937
Wastewater Revenue Bonds, Series 2018A	-	-	77,565	78,860	77,565	78,860
Bond premium	-	-	7,217	7,843	7,217	7,843
Lease Liability	-	-	4	99	4	99
Compensated absence	2,902	2,773	403	375	3,305	3,148
Claims payable	2,291	2,806	-	-	2,291	2,806
Net pension liability	8,545	17,640	1,102	2,300	9,647	19,940
<b>Total</b>	<b>\$91,079</b>	<b>\$ 103,830</b>	<b>\$86,291</b>	<b>\$ 89,477</b>	<b>\$ 177,370</b>	<b>\$ 193,307</b>

**Business-type Activities** - The enterprise funds have \$86,291m in outstanding long-term liabilities as of June 30, 2022. The wastewater fund has bonded debt of \$77.565m 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 \$7,217m. The Bond issue is paid with wastewater operating revenues. In the enterprise funds pension related obligations total \$1,102m. 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

In FY2020, the COVID-19 pandemic caused a widespread health crisis, which was quickly followed by a widespread financial crisis due to many non-essential businesses were forced to shut down with stay-at-home orders issued by Governor Gavin Newsom. Throughout FY2021, the City and Inland Empire has seen a recovery as workers returned to work and businesses reopened. According to the UC Riverside School of Business, business activity in the Inland Empire expanded by 4.7% in the first quarter of 2022 compared to 6.4% in the fourth quarter of 2021.

Taner Osman, Research Manager at the UCR Center for Economic Forecasting said, "Despite greater instability in the macroeconomy today, there are still very few, if any, signs of weakness in the Inland Empire's economic activity". "Employment has continued to expand, and the workforce region is now larger than it was before the pandemic, something that is not true for the state as a whole". Osman cautioned, that while the effects have not hit the Inland Empire yet, he believes it eventually will, but most likely not in 2022.

The City has still seen economic growth through FY 2022 with new industrial and commercial completed projects such as the second Amazon warehouse and the plan to build a 1.8 million-square-foot distribution center meant to house United Legwear and Apparel Company, LLC (ULAC). Currently, retail store Bath and Body Works is preparing to open their new Beaumont store and Dutch Bros coffee shop is in construction. Many other projects are in the permit process and will contribute to Beaumont's growing economy.

City staff continues 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. Inflation has also been a continuing concern as the Consumer Price Index has increased 6.5% from July 2021 to 9.2% in July 2021 for Riverside-San Bernardino-Ontario area according to the U.S. Bureau of Labor Statistics. The inflation rate will need to be monitored as costs for goods and services as well as construction costs for projects could potentially have a negative impact on the FY23 budget and beyond.

On June 21, 2022, the City Council adopted the City of Beaumont Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023. The General Fund operating budget totals \$60.669m and is funded by operating revenue of \$51,981m, transfers in and other financing sources of \$8,688m, leaving \$7,377m of appropriations available throughout the FY. The approved CIP budget for fiscal year 2022/2023 totals \$16,565m with a five-year CIP investment plan estimated at \$37,413m.

## **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. 6<sup>th</sup> Street, Beaumont, CA 92223, (951) 572-3236 or [finance@beaumontca.gov](mailto:finance@beaumontca.gov).

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## **Government-Wide Financial Statements**

# CITY OF BEAUMONT

## Statement of Net Position June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 128,366,960	\$ 19,722,982	\$ 148,089,942
Restricted cash and investments	2,344,101	-	2,344,101
Receivables:			
Accounts	1,952,096	2,611,860	4,563,956
Interest	128,244	1,263	129,507
Intergovernmental	6,900,291	537,378	7,437,669
Leases	639,363	-	639,363
Prepaid items	348,417	-	348,417
Total current assets	<u>140,679,472</u>	<u>22,873,483</u>	<u>163,552,955</u>
Noncurrent assets:			
Restricted cash and investments with fiscal agent	4,562,587	27	4,562,614
Restricted investment in CFDs	75,725,000	-	75,725,000
Intangible assets, net	759,852	5,676	765,528
Capital assets:			
Nondepreciable	41,681,783	115,090,114	156,771,897
Depreciable, net	<u>245,888,522</u>	<u>104,046,712</u>	<u>349,935,234</u>
Total capital assets, net	<u>287,570,305</u>	<u>219,136,826</u>	<u>506,707,131</u>
Total noncurrent assets	<u>368,617,744</u>	<u>219,142,529</u>	<u>587,760,273</u>
<b>Total assets</b>	<u>509,297,216</u>	<u>242,016,012</u>	<u>751,313,228</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	<u>5,489,297</u>	<u>748,275</u>	<u>6,237,572</u>
<b>Total deferred outflows of resources</b>	<u>5,489,297</u>	<u>748,275</u>	<u>6,237,572</u>

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Statement of Net Position (Continued) June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,928,804	\$ 2,588,051	\$ 9,516,855
Interest payable	-	1,250,696	1,250,696
Salaries payable and related liabilities	314,776	46,618	361,394
Deposits payable	3,482,527	-	3,482,527
Unearned revenue	35,619,710	4,228,201	39,847,911
Compensated absences - due within one year	362,778	50,231	413,009
Claims payable - due within one year	659,698	-	659,698
Long-term liabilities - due within one year	4,988,980	1,945,673	6,934,653
Total current liabilities	52,357,273	10,109,470	62,466,742
Long-term liabilities:			
Compensated absences - due in more than one year	2,539,447	352,339	2,891,786
Claims payable - due in more than one year	1,631,054	-	1,631,054
Long-term liabilities - due in more than one year	72,351,406	82,840,348	155,191,754
Aggregate net pension liability	8,544,660	1,102,031	9,646,691
Total long-term liabilities	85,066,567	84,294,718	169,361,285
<b>Total liabilities</b>	137,423,839	94,404,188	231,828,027
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows	5,325,951	2,071,202	7,397,153
Leases	635,666	-	635,666
<b>Total deferred inflows of resources</b>	5,961,617	2,071,202	8,032,819
<b>NET POSITION</b>			
Net investment in capital assets	210,229,919	134,350,805	344,580,724
Restricted for:			
Special projects	17,982,754	-	17,982,754
Debt service	80,287,587	-	80,287,587
Capital projects	21,362,138	757,246	22,119,384
Pension Trust	2,344,101	-	2,344,101
Total restricted	121,976,580	757,246	122,733,826
Unrestricted	39,194,558	11,180,846	50,375,404
<b>Total net position</b>	\$ 371,401,057	\$ 146,288,897	\$ 517,689,954

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Statement of Activities For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 4,089,581	\$ 1,576,212	\$ -	\$ 23,485	\$ 1,599,697
Public safety	18,852,535	1,397,021	436,278	3,215,230	5,048,529
Public works	4,337,784	285,506	1,089,003	5,619,592	6,994,101
Community development	2,431,610	4,988,656	87,999	110,152	5,186,807
Community services	2,513,365	75,167	-	7,434,776	7,509,943
Refuse	-	113,630	-	-	113,630
Interest and fiscal charges	4,965,899	-	-	-	-
<b>Total governmental activities</b>	<u>37,190,774</u>	<u>8,436,192</u>	<u>1,613,280</u>	<u>16,403,235</u>	<u>26,452,707</u>
<b>Business-type activities:</b>					
Sewer	17,596,817	23,478,300	-	1,406,649	24,884,949
Transit	3,047,754	114,583	2,687,154	475,106	3,276,843
<b>Total business-type activities</b>	<u>20,644,571</u>	<u>23,592,883</u>	<u>2,687,154</u>	<u>1,881,755</u>	<u>28,161,792</u>
<b>Total primary government</b>	<u>\$ 57,835,345</u>	<u>\$ 32,029,075</u>	<u>\$ 4,300,434</u>	<u>\$ 18,284,990</u>	<u>\$ 54,614,499</u>

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Statement of Activities (Continued) For the Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (2,489,884)	\$ -	\$ (2,489,884)
Public safety	(13,804,006)	-	(13,804,006)
Public works	2,656,317	-	2,656,317
Community development	2,755,197	-	2,755,197
Community services	4,996,578	-	4,996,578
Refuse	113,630	-	113,630
Interest and fiscal charges	(4,965,899)	-	(4,965,899)
<b>Total governmental activities</b>	<b>(10,738,067)</b>	<b>-</b>	<b>(10,738,067)</b>
<b>Business-type activities:</b>			
Sewer	-	7,288,132	7,288,132
Transit	-	229,089	229,089
<b>Total business-type activities</b>	<b>-</b>	<b>7,517,221</b>	<b>7,517,221</b>
<b>Total primary government</b>	<b>(10,738,067)</b>	<b>7,517,221</b>	<b>(3,220,846)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes	7,015,381	-	7,015,381
Sales taxes	26,869,849	-	26,869,849
Vehicle License	6,240,950	-	6,240,950
Utility users tax	2,058,730	-	2,058,730
Franchise tax	3,164,944	-	3,164,944
Transient occupancy tax	422,087	-	422,087
Business licenses	350,142	-	350,142
Other taxes	737,046	-	737,046
Total taxes	46,859,129	-	46,859,129
Other revenue	58,594	-	58,594
Investment earnings	1,157,022	(1,131,442)	25,580
Miscellaneous	598,614	1,206,829	1,805,443
Gain on sale of assets	51,186	-	51,186
Transfers	(254,358)	254,358	-
<b>Total general revenues and transfers</b>	<b>48,470,187</b>	<b>329,745</b>	<b>48,799,932</b>
<b>Change in net position</b>	<b>37,732,120</b>	<b>7,846,966</b>	<b>45,579,086</b>
<b>Net position:</b>			
Beginning of year, as restated	333,668,937	138,441,931	472,110,868
End of year	<b>\$ 371,401,057</b>	<b>\$ 146,288,897</b>	<b>\$ 517,689,954</b>

See accompanying Notes to the Basic Financial Statements

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## **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, and refuse.

**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.

# CITY OF BEAUMONT

## Balance Sheet Governmental Funds June 30, 2022

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
<b>ASSETS</b>			
Cash and investments	\$ 44,762,040	\$ 41,054,357	\$ 13,016,221
Cash and investments with fiscal agent	-	-	-
Restricted investments in Section 115 Trust	2,344,101	-	-
Investment in CFDs	-	-	-
Receivables:			
Accounts	419,255	1,470,279	-
Interest	128,244	-	-
Lease	639,363	-	-
Due from other governments	6,133,415	-	-
Prepaid	61,292	-	-
<b>Total assets</b>	<b>\$ 54,487,710</b>	<b>\$ 42,524,636</b>	<b>\$ 13,016,221</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 3,974,699	\$ 539,307	\$ -
Accrued payroll and related liabilities	314,776	-	-
Deposits payable	3,364,141	6,997	-
Unearned revenue	525,000	29,388,179	-
<b>Total liabilities</b>	<b>8,178,616</b>	<b>29,934,483</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	1,470,279	-
Leases	635,666	-	-
<b>Total deferred inflows of resources</b>	<b>635,666</b>	<b>1,470,279</b>	<b>-</b>
<b>Fund Balances (deficit):</b>			
Nonspendable	61,292	-	-
Restricted	2,344,101	11,119,874	13,016,221
Committed	2,154,152	-	-
Assigned	796,780	-	-
Unassigned	40,317,103	-	-
<b>Total fund balances</b>	<b>45,673,428</b>	<b>11,119,874</b>	<b>13,016,221</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 54,487,710</b>	<b>\$ 42,524,636</b>	<b>\$ 13,016,221</b>

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Balance Sheet (Continued) Governmental Funds June 30, 2022

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 10,827,624	\$ -	\$ 11,768,957	\$ 121,429,199
Cash and investments with fiscal agent	-	4,562,587	-	4,562,587
Restricted investments in Section 115 Trust	-	-	-	2,344,101
Investment in CFDs	-	75,725,000	-	75,725,000
Receivables:				
Accounts	57,426	-	5,136	1,952,096
Interest	-	-	-	128,244
Lease	-	-	-	639,363
Due from other governments	-	-	766,876	6,900,291
Prepaid	-	287,125	-	348,417
<b>Total assets</b>	<b>\$ 10,885,050</b>	<b>\$ 80,574,712</b>	<b>\$ 12,540,969</b>	<b>\$ 214,029,298</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,342,815	\$ -	\$ 57,390	\$ 6,914,211
Accrued payroll and related liabilities	-	-	-	314,776
Deposits payable	-	-	111,389	3,482,527
Unearned revenue	196,318	-	5,510,213	35,619,710
<b>Total liabilities</b>	<b>2,539,133</b>	<b>-</b>	<b>5,678,992</b>	<b>46,331,224</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	179,758	1,650,037
Leases	-	-	-	635,666
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>179,758</b>	<b>2,285,703</b>
<b>Fund Balances (deficit):</b>				
Nonspendable	-	287,125	-	348,417
Restricted	-	80,287,587	6,862,880	113,630,663
Committed	8,345,917	-	-	10,500,069
Assigned	-	-	-	796,780
Unassigned	-	-	(180,661)	40,136,442
<b>Total fund balances</b>	<b>8,345,917</b>	<b>80,574,712</b>	<b>6,682,219</b>	<b>165,412,371</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,885,050</b>	<b>\$ 80,574,712</b>	<b>\$ 12,540,969</b>	<b>\$ 214,029,298</b>

See accompanying Notes to the Basic Financial Statements

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## CITY OF BEAUMONT

### Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2022

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**Total Fund Balances - Total Governmental Funds** \$ 165,412,371

Capital assets used in governmental activities were not financial resources and therefore, were not reported in governmental funds.

Capital assets, nondepreciable	41,681,783
Capital assets, depreciable	245,888,522
Adjustments for Internal Service Fund capital assets, net	(537,688)
Intangible asset, net of amortization	759,852

Long-term liabilities were not due and payable in the current period and therefore, were not reported in the governmental funds.

Compensated absences - due within one year	(362,778)
Compensated absences - due in more than one year	(2,539,447)
Claims payable - due within one year	(659,698)
Claims payable - due in more than one year	(1,631,054)
Long-term liabilities - due within one year	(4,988,980)
Long-term liabilities - due more than one year	(72,351,406)

Aggregate net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds. (8,544,660)

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.

Pension-related deferred outflows of resources	5,489,297
Pension-related deferred inflows of resources	(5,325,951)

Unavailable revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements. 1,650,037

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.

	7,460,856
<b>Net Position of Governmental Activities</b>	<u><u>\$ 371,401,057</u></u>

# CITY OF BEAUMONT

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
<b>REVENUES:</b>			
Taxes	\$ 34,846,091	\$ -	\$ -
Franchise fees	3,164,944	-	-
Intergovernmental	6,307,226	-	-
License and permits	4,997,452	7,883,553	-
Fines and forfeitures	425,252	-	-
Assessments levied	676,180	-	-
Use of money and property	(1,407,979)	84,035	23,142
Charges for services	1,595,732	-	-
Other revenues	626,268	-	-
<b>Total revenues</b>	<b>51,231,166</b>	<b>7,967,588</b>	<b>23,142</b>
<b>EXPENDITURES:</b>			
Current:			
General government	7,988,379	-	-
Public safety	18,098,087	-	-
Public works	2,786,620	-	-
Community development	2,062,167	-	-
Community services	4,701,702	-	-
Capital outlay	1,811,830	-	-
Debt service:			
Principal	99,925	-	-
Interest and fiscal charges	3,666	-	-
<b>Total expenditures</b>	<b>37,552,376</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>13,678,790</b>	<b>7,967,588</b>	<b>23,142</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Lease acquisition	856,533	-	-
Proceeds from sale of property	24,471	-	-
Transfers in	7,591,630	533,502	-
Transfers (out)	(111,272)	(726,368)	(681,250)
<b>Total other financing sources (uses)</b>	<b>8,361,362</b>	<b>(192,866)</b>	<b>(681,250)</b>
<b>Net changes in fund balances</b>	<b>22,040,152</b>	<b>7,774,722</b>	<b>(658,108)</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated	23,633,276	3,345,152	13,674,329
End of year	\$ 45,673,428	\$ 11,119,874	\$ 13,016,221

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, 2022

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,519,954	\$ 36,366,045
Franchise fees	-	-	-	3,164,944
Intergovernmental	72,694	-	2,593,957	8,973,877
License and permits	-	-	27,878	12,908,883
Fines and forfeitures	-	-	-	425,252
Assessments levied	-	-	6,222,036	6,898,216
Use of money and property	10,221	2,510,301	24,112	1,243,832
Charges for services	-	-	-	1,595,732
Other revenues	58,594	-	86,409	771,271
<b>Total revenues</b>	<u>141,509</u>	<u>2,510,301</u>	<u>10,474,346</u>	<u>72,348,052</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	17,539	8,005,918
Public safety	-	-	257,544	18,355,631
Public works	-	-	-	2,786,620
Community development	-	-	236,221	2,298,388
Community services	-	-	-	4,701,702
Capital outlay	6,911,437	-	-	8,723,267
Debt service:				
Principal	-	3,020,000	-	3,119,925
Interest and fiscal charges	-	5,096,303	-	5,099,969
<b>Total expenditures</b>	<u>6,911,437</u>	<u>8,116,303</u>	<u>511,304</u>	<u>53,091,420</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,769,928)</u>	<u>(5,606,002)</u>	<u>9,963,042</u>	<u>19,256,632</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease acquisition	-	-	-	856,533
Proceeds from sale of property	-	-	-	24,471
Transfers in	4,793,723	-	112,817	13,031,672
Transfers (out)	(309,350)	-	(11,457,790)	(13,286,030)
<b>Total other financing sources (uses)</b>	<u>4,484,373</u>	<u>-</u>	<u>(11,344,973)</u>	<u>626,646</u>
<b>Net changes in fund balances</b>	<u>(2,285,555)</u>	<u>(5,606,002)</u>	<u>(1,381,931)</u>	<u>19,883,278</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>10,631,472</u>	<u>86,180,714</u>	<u>8,064,150</u>	<u>145,529,093</u>
End of year	<u>\$ 8,345,917</u>	<u>\$ 80,574,712</u>	<u>\$ 6,682,219</u>	<u>\$ 165,412,371</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, 2022

---

**Net Change in Fund Balances - Total Governmental Funds** **\$ 19,883,278**

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)	14,215,936
Depreciation expense (net of Internal Service Fund)	(6,547,349)
Amortization on intangible asset	(96,681)

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	3,895,837
Premium amortization	78,071

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	4,050,005
Debt refunding adjustments	(825,705)

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	(128,994)
Changes in claims payable	515,369

Changes in unavailable revenues were reported as deferred inflows of resources in the Governmental Funds but were previously reported as revenues in the Government-Wide Statement of Activities.

1,650,037

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.

1,042,316

**Change in Net Position of Governmental Activities** **\$ 37,732,120**

*See accompanying Notes to the Basic Financial Statements*

## **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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and investments	\$ 18,187,676	\$ 1,535,306	\$ 19,722,982	\$ 6,937,761
Receivables:				
Accounts	2,611,860	-	2,611,860	-
Interest	1,263	-	1,263	-
Due from other governments	91,023	446,355	537,378	-
<b>Total current assets</b>	<b>20,891,822</b>	<b>1,981,661</b>	<b>22,873,483</b>	<b>6,937,761</b>
<b>Noncurrent assets:</b>				
Restricted cash and investments with fiscal agent	27	-	27	-
Intangible assets, net of amortization	-	5,676	5,676	-
Capital assets:				
Nondepreciable	113,939,814	1,150,300	115,090,114	83,491
Depreciable	235,975,728	6,998,425	242,974,153	500,504
Less: accumulated depreciation	(133,524,625)	(5,402,816)	(138,927,441)	(46,307)
Total capital assets	<b>216,390,917</b>	<b>2,745,909</b>	<b>219,136,826</b>	<b>537,688</b>
<b>Total noncurrent assets</b>	<b>216,390,944</b>	<b>2,751,585</b>	<b>219,142,529</b>	<b>537,688</b>
<b>Total assets</b>	<b>237,282,766</b>	<b>4,733,246</b>	<b>242,016,012</b>	<b>7,475,449</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related deferred outflows	427,585	320,690	748,275	-
<b>Total deferred outflows of resources</b>	<b>427,585</b>	<b>320,690</b>	<b>748,275</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	2,006,652	581,399	2,588,051	14,593
Salaries payable and related liabilities	23,993	22,625	46,618	-
Unearned revenue	4,001,869	226,332	4,228,201	-
Interest payable	1,250,696	-	1,250,696	-
Compensated absences - due within one year	10,471	39,760	50,231	-
Long-term liabilities- due within one year	1,942,015	3,658	1,945,673	-
<b>Total current liabilities</b>	<b>9,235,696</b>	<b>873,774</b>	<b>10,109,470</b>	<b>14,593</b>
<b>Noncurrent liabilities:</b>				
Compensated absences - due in more than one year	185,049	167,290	352,339	-
Long-term liabilities - due in more than one year	82,840,348	-	82,840,348	-
Net pension liability	629,732	472,299	1,102,031	-
<b>Total noncurrent liabilities</b>	<b>83,655,129</b>	<b>639,589</b>	<b>84,294,718</b>	<b>-</b>
<b>Total liabilities</b>	<b>92,890,825</b>	<b>1,513,363</b>	<b>94,404,188</b>	<b>14,593</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension-related deferred inflows	1,183,544	887,658	2,071,202	-
<b>Total deferred inflows of resources</b>	<b>1,183,544</b>	<b>887,658</b>	<b>2,071,202</b>	<b>-</b>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	131,608,554	2,742,251	134,350,805	537,688
Restricted for capital projects	757,246	-	757,246	-
Unrestricted	11,270,182	(89,336)	11,180,846	6,923,168
<b>Total net position</b>	<b>\$ 143,635,982</b>	<b>\$ 2,652,915</b>	<b>\$ 146,288,897</b>	<b>\$ 7,460,856</b>

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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 12,199,547	\$ 114,583	\$ 12,314,130	\$ 1,111,018
Other revenue	8,199	12,006	20,205	-
<b>Total operating revenues</b>	<b>12,207,746</b>	<b>126,589</b>	<b>12,334,335</b>	<b>1,111,018</b>
<b>OPERATING EXPENSES:</b>				
Salaries	1,581,568	1,334,721	2,916,289	-
Fringe benefits	1,020,730	739,530	1,760,260	-
Administration	827,396	142,139	969,535	-
Contract services	1,284,884	49,704	1,334,588	-
Fuels, lubricants, and maintenance	128,256	293,087	421,343	-
Replacement expense	-	-	-	66,069
Supplies	524,870	16,372	541,242	-
Office	18,902	15,861	34,763	-
Utilities	858,552	30,174	888,726	-
Depreciation	7,586,607	423,103	8,009,710	46,307
Amortization	-	2,838	2,838	-
<b>Total operating expenses</b>	<b>13,831,765</b>	<b>3,047,529</b>	<b>16,879,294</b>	<b>112,376</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,624,019)</b>	<b>(2,920,940)</b>	<b>(4,544,959)</b>	<b>998,642</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Local transportation funds	-	2,295,914	2,295,914	-
Gain on sale of capital assets	-	-	-	26,715
Mitigation fees	11,278,753	-	11,278,753	-
Intergovernmental	-	391,240	391,240	-
Investment earnings	(1,135,640)	4,198	(1,131,442)	16,959
Interest expense	(3,765,052)	(225)	(3,765,277)	-
Bond proceeds	1,186,624	-	1,186,624	-
<b>Total nonoperating revenues (expenses)</b>	<b>7,564,685</b>	<b>2,691,127</b>	<b>10,255,812</b>	<b>43,674</b>
<b>Income (loss) before operating transfers and capital contributions</b>	<b>5,940,666</b>	<b>(229,813)</b>	<b>5,710,853</b>	<b>1,042,316</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>				
Riverside County Transportation Commission	-	475,106	475,106	-
Developer capital contributions	1,406,649	-	1,406,649	-
Transfers in	255,903	-	255,903	-
Transfers (out)	-	(1,545)	(1,545)	-
<b>Total transfers and capital contributions</b>	<b>1,662,552</b>	<b>473,561</b>	<b>2,136,113</b>	<b>-</b>
<b>Changes in net position</b>	<b>7,603,218</b>	<b>243,748</b>	<b>7,846,966</b>	<b>1,042,316</b>
<b>NET POSITION:</b>				
Beginning of year	136,032,764	2,409,167	138,441,931	6,418,540
End of year	<u>\$ 143,635,982</u>	<u>\$ 2,652,915</u>	<u>\$ 146,288,897</u>	<u>\$ 7,460,856</u>

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Transit Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers and users	\$ 6,721,247	\$ (786,282)	\$ 5,934,965	\$ 1,111,018
Payments to suppliers for goods and services	(5,669,309)	92,432	(5,576,877)	(51,476)
Payments for general and administrative expenses	(2,833,165)	(1,962,132)	(4,795,297)	-
Cash received from developers and others	8,199	12,006	20,205	-
<b>Net cash provided by (used in) operating activities</b>	<b>(1,773,028)</b>	<b>(2,643,976)</b>	<b>(4,417,004)</b>	<b>1,059,542</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Local transportation funds	-	2,295,914	2,295,914	-
Intergovernmental	-	391,240	391,240	-
Transfers in	255,903	-	255,903	-
Transfers (out)	-	(1,545)	(1,545)	-
<b>Net cash provided by (used in) noncapital financial activities</b>	<b>255,903</b>	<b>2,685,609</b>	<b>2,941,512</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(9,454,904)	(678,634)	(10,133,538)	(583,995)
Mitigation fees	11,278,753	-	11,278,753	-
Developer capital contributions	1,406,649	-	1,406,649	-
Capital grants received	-	475,106	475,106	-
Payment of principal on long-term liabilities	(2,019,590)	3,658	(2,015,932)	-
Payment of interest on long-term liabilities	(3,782,319)	(225)	(3,782,544)	-
Bond Proceeds	1,186,624	-	1,186,624	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,384,787)</b>	<b>(200,095)</b>	<b>(1,584,882)</b>	<b>(583,995)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from disposition of capital assets	-	-	-	26,715
Investment income	(1,135,559)	4,198	(1,131,361)	16,959
<b>Net cash provided by (used in) investing activities</b>	<b>(1,135,559)</b>	<b>4,198</b>	<b>(1,131,361)</b>	<b>43,674</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,037,471)</b>	<b>(154,264)</b>	<b>(4,191,735)</b>	<b>519,221</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	22,225,174	1,689,570	23,914,744	6,418,540
End of year	<b>\$ 18,187,703</b>	<b>\$ 1,535,306</b>	<b>\$ 19,723,009</b>	<b>\$ 6,937,761</b>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>				
Cash and investments	\$ 18,187,766	\$ 1,535,306	\$ 19,722,982	\$ 6,937,761
Restricted cash and investments with fiscal agent	27	-	27	-
<b>Total cash and cash equivalents</b>	<b>\$ 18,187,703</b>	<b>\$ 1,535,306</b>	<b>\$ 19,723,009</b>	<b>\$ 6,937,761</b>

See accompanying Notes to the Basic Financial Statements

# CITY OF BEAUMONT

## Statement of Cash Flows (Continued) Proprietary Funds For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,624,019)	\$ (2,920,940)	\$ (4,544,959)	\$ 998,642
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	7,586,607	423,103	8,009,710	46,307
Amortization	-	2,838	2,838	-
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	(59,883)	-	(59,883)	-
Due from other governments	(91,023)	-	(91,023)	-
Inventories	-	(351,122)	(351,122)	-
Pension-related deferred outflows of resources	(42,079)	13,416	(28,663)	-
Accounts payable and accrued liabilities	(2,853,845)	497,630	(2,356,215)	14,593
Salaries payable and related liabilities	6,124	(238)	5,886	-
Unearned revenue	(5,327,394)	(549,743)	(5,877,137)	-
Compensated absences	66,072	(38,262)	27,810	-
Aggregate net pension liability	(602,485)	(595,622)	(1,198,107)	-
Pension-related deferred inflows of resources	1,168,897	874,964	2,043,861	-
<b>Total adjustments</b>	<b>(149,009)</b>	<b>276,964</b>	<b>127,955</b>	<b>60,900</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,773,028)</b>	<b>\$ (2,643,976)</b>	<b>\$ (4,417,004)</b>	<b>\$ 1,059,542</b>

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.

***Private Purpose Trust Funds*** - To account for activities of the Successor Agency to the dissolved Beaumont Redevelopment Agency.

# CITY OF BEAUMONT

## Statement of Fiduciary Net Position Fiduciary Funds June 30, 2022

	Custodial Funds	Private Purpose Trust Fund Successor Agency
<b>ASSETS</b>		
Cash and investments	\$ 20,983,284	\$ -
Restricted cash and investments with fiscal agent	13,621,551	-
Due from other governments	282,076	-
<b>Total assets</b>	<b>34,886,911</b>	<b>-</b>
<b>LIABILITIES</b>		
Interest payable	4,184,332	-
Unearned revenue	12,634	-
Deposits payable	68,976	-
Due to other governments	107,742,432	-
Due to bondholders	143,305,675	-
<b>Total liabilities</b>	<b>255,314,049</b>	<b>-</b>
<b>Net Position</b>		
Restricted for:		
Individuals, organizations and other governments	(220,427,138)	-
<b>Total net position</b>	<b>\$ (220,427,138)</b>	<b>\$ -</b>

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, 2022**

	<u>Custodial Funds</u>	<u>Private Purpose Trust Fund Successor Agency</u>
<b>ADDITIONS:</b>		
Investment Income	\$ 9,547	\$ -
Assessments	20,048,194	-
<b>Total additions</b>	<u>20,057,741</u>	<u>-</u>
<b>DEDUCTIONS:</b>		
Payments to trustee	4,197,050	-
Interest expense	10,100,671	-
Bond proceeds	8,720,632	-
Payment for infrastructure	2,178,143	-
Donations	-	22,003
<b>Total deductions</b>	<u>25,196,496</u>	<u>22,003</u>
<b>Change in net position</b>	(5,138,755)	(22,003)
<b>NET POSITION:</b>		
Beginning of year	(215,288,383)	22,003
End of year	<u>\$ (220,427,138)</u>	<u>\$ -</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

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**CITY OF BEAUMONT**

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**For the Year Ended June 30, 2022**

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## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

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#### **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, 2022**

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

##### **A. Reporting Entity (Continued)**

###### *Blended Component Units (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, 2022

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

##### A. Reporting Entity (Continued)

###### *Blended Component Units (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, 2021.

###### **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, 2021.

##### 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, 2022

---

#### 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, 2022

---

#### 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. 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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

---

#### 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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

---

#### 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 two types of fiduciary funds presented. They are the private purpose trust funds and custodial funds.

The private purpose trust funds account for activities of the Successor Agency to the Beaumont Redevelopment Agency (the "Successor Agency").

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. Market value is used as fair value for those securities for which market quotations are readily available.

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, 2022

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

##### 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. Prepaid Items

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. 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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

---

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

##### 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 two 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. 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.

## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

---

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

##### **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 (Note 10). 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.

GASB 68 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, 2020
Measurement date (MD)	June 30, 2021
Measurement period (MP)	July 1, 2020 to June 30, 2021

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 at June 30 available taxes or those collected within 60 days.

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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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

##### 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.

*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 April 5, 2016, the City Council adopted the financial management policies that includes a fund balance policy authorizing the City Manager to make these determination.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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

##### L. Fund Balances (Continued)

*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, 2022

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

##### O. 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. 91, Conduit Debt Obligations* is effective for periods beginning after December 15, 2021.

*GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for periods beginning after June 15, 2022.

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements* is effective for periods beginning after June 15, 2022.

*GASB Statement No. 99, Omnibus 2022* has varying implementation dates with the earliest being effective for fiscal years beginning after June 15, 2022.

*GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* is effective for fiscal years beginning after June 15, 2023.

*GASB Statement No. 101, Compensated Absences* is effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

##### P. Implementation of New Pronouncements

GASB has issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 2 - Cash and Investments

##### A. Cash Deposits

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2022:

Statement of Net Position	
Cash and investments	\$ 148,089,942
Restricted cash and investments	2,344,101
Restricted cash and investments with fiscal agent	4,562,614
Restricted investments in CFDs	75,725,000
Statement of Fiduciary Net Position	
Cash and investments	20,983,284
Restricted cash and investments with fiscal agent	<u>13,621,551</u>
<b>Total</b>	<b><u>\$ 265,326,492</u></b>

Cash, cash equivalents, and investments, consisted of the following at June 30, 2022:

Deposits with financial institutions	\$ 17,692,572
Deposits with fiscal agents	17,359,389
Petty cash	6,628
Investments	<u>230,267,903</u>
<b>Total cash and investments</b>	<b><u>\$ 265,326,492</u></b>

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 2 - Cash and Investments (Continued)

##### A. Cash Deposits (continued)

At June 30, 2022, 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 at June 30, 2022:

	<b>Total as of June 30, 2022</b>	<b>Measurement Inputs</b>
<b>Investments:</b>		
State investment pool	\$ 73,800,459	Uncategorized
Certificate of deposit	204,941	Uncategorized
Medium Term Notes	4,904,080	Level 2
Money market funds	35,000,000	Level 2
US Treasury Notes	33,461,604	Level 2
Federal Home Loan Banks	2,708,261	Level 2
Federal Farms Credit Banks	1,339,457	Level 2
Guaranteed investment contract	780,000	Uncategorized
Highmark Plus	2,344,101	Uncategorized
Restricted investments in CFDs	<u>75,725,000</u>	Uncategorized
<b>Total</b>	<b><u>\$ 230,267,903</u></b>	

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, 2022

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#### 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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
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%

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### 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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
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 LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2022 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

*Structured Notes*, are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$73,800,459 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities. 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, 2022.

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 2 - Cash and Investments (Continued)

#### C. External Investment Pool (continued)

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.

#### 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, 2022, the City had the following investments and maturities:

	Amount	Maturities		
		1 year or less	1 - 5 years	More than 5 years
<b>Investments:</b>				
State investment pool	\$ 73,800,459	\$ 73,800,459	\$ -	\$ -
Certificate of deposit	204,941	204,941	-	-
Medium Term Notes	4,904,080	-	4,904,080	-
Money market funds	35,000,000	35,000,000	-	-
US Treasury Notes	33,461,604	7,602,515	25,859,089	-
Federal Home Loan Banks	2,708,261	-	2,708,261	-
Federal Farms Credit Banks	1,339,457	-	1,339,457	-
Guaranteed investment contract	780,000	780,000	-	-
<b>Restricted:</b>				
Investments in CFDs	75,725,000	4,510,000	17,065,000	54,150,000
Pension trust - Highmark Plus	2,344,101	2,344,101	-	-
<b>Total</b>	<u>\$ 230,267,903</u>	<u>\$ 124,242,016</u>	<u>\$ 51,875,887</u>	<u>\$ 54,150,000</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### 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>Amount</u>	<u>Credit Quality Ratings</u>	
		<u>Moody's</u>	<u>Standard &amp; Poor's</u>
<b>Investments:</b>			
State investment pool	\$ 73,800,459	Not Rated	Not Rated
Certificate of deposit	204,941	Not Rated	Not Rated
Medium Term Notes	4,904,080	A1-Aaa	A1-Aaa
Money market funds	35,000,000	Aaa	AAAm
US Treasury Notes	33,461,604	A1-Aaa	A1-Aaa
Federal Home Loan Banks	2,708,261	A1-Aaa	A1-Aaa
Federal Farms Credit Banks	1,339,457	A1-Aaa	A1-Aaa
Guaranteed investment contract	780,000	Not Rated	Not Rated
Restricted investments in CFDs	75,725,000	Not Rated	Not Rated
Pension trust - Highmark Plus	2,344,101	Not Rated	Not rated
<b>Total</b>	<u>\$ 230,267,903</u>		

##### *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, 2022

### 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, 2022</u>	<u>Percentage of Investments</u>
<b>Investments:</b>		
State investment pool	\$ 73,800,459	32.05%
Certificate of deposit	204,941	0.09%
Medium Term Notes	4,904,080	2.13%
Money market funds	35,000,000	15.20%
US Treasury Notes	33,461,604	14.53%
Federal Home Loan Banks	2,708,261	1.18%
Federal Farms Credit Banks	1,339,457	0.58%
Guaranteed investment contract	780,000	0.34%
Restricted investments in CFDs	75,725,000	32.89%
Pension trust - Highmark Plus	2,344,101	1.02%
<b>Total</b>	<u><u>\$ 230,267,903</u></u>	

### Note 3 - Receivables

#### A. Governmental Activities

For the year ended June 30, 2022, changes in the loan receivable of the City's loan program is as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Loan receivable:				
Calimesa loan	\$ 225,715	\$ -	\$ (225,715)	\$ -
<b>Total</b>	<u><u>\$ 225,715</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (225,715)</u></u>	<u><u>\$ -</u></u>

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 3 - Receivable (continued)

##### A. Governmental Activities (continued)

###### *Calimesa Loan*

The City entered into a loan agreement with City of Calimesa for the design and construction of portions of Cherry Valley Boulevard and Palmer Drive. The City of Calimesa will repay the loans within the next 20 years, plus simple interest annually at the rate paid by the Local Agency Investment Fund (LAIF) on January 1 of each year on the unpaid balance. The balance of the loan totaled \$0 at June 30, 2022. The final payment included interest of \$869 calculated at the LAIF rate of 1.09%.

###### *Lease receivables*

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2021, the City entered into a 26 month lease as Lessor for the use of cell tower at Chatigny Center. An initial lease receivable was recorded in the amount of \$507,543. As of June 30, 2022, the value of the lease receivable is \$490,298. The lessee is required to make monthly fixed payments of \$24,000. The lease has an interest rate of 1.33%. The cell tower's estimated useful life was 26 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$488,022 and the City recognized lease revenue of \$17,245 during the fiscal year.

On July 1, 2021, the City entered into a 59 month lease as Lessor for the use of cell tower at City Hall. An initial lease receivable was recorded in the amount of \$182,012. As of June 30, 2022, the value of the lease receivable is \$149,065. The lessee is required to make monthly fixed payments of \$3,324. The lease has an interest rate of 2.4%. The cell tower's estimated useful life was 59 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$147,644 and the City recognized lease revenue of \$36,271 during the fiscal year.

As of June 30, 2022, the City had total outstanding lease receivable of \$639,363 and related deferred inflows of resources of \$635,666.

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 4 - Interfund Balances and Transactions

#### A. Transfers

Transfers in and out for the year ended June 30, 2022, were as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Non-major Funds	\$ 7,458,709	CFD - City maintenance/admin; Overtime; Corrections; Maintenance; Safety/Labor Costs Premium Pay from ARPA Grant
	General Capital Projects Fund	132,921	
	<b>Subtotal</b>	<u>7,591,630</u>	
Development Impact Fees	CFD Capital Projects Fund	357,073	Corrections
	General Capital Projects Fund	176,429	Capital Projects
	<b>Subtotal</b>	<u>533,502</u>	
Wastewater Fund	Non-major Funds	7,088	Corrections
	CFD Capital Projects Fund	248,815	Capital Projects
	<b>Subtotal</b>	<u>255,903</u>	
General Capital Projects Fund	Non-Major Funds	3,991,993	Capital projects
	CFD Capital Projects Fund	75,362	Capital Projects
	Development Impact Fund	726,368	Capital Projects
	<b>Subtotal</b>	<u>4,793,723</u>	
Non-major Funds	General Fund	111,272	Correct CIP Funding
	Transit Fund	1,545	Premium Pay from ARPA Grant correction
	<b>Subtotal</b>	<u>112,817</u>	
	<b>Total</b>	<u>\$ 13,287,575</u>	

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 5 - Capital Assets

#### A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Nondepreciable assets:</b>				
Land	\$ 28,547,468	\$ 4,113,593	\$ -	\$ 32,661,061
Construction in progress	7,800,489	6,703,201	(5,482,968)	9,020,722
<b>Total nondepreciable assets</b>	<u>36,347,957</u>	<u>10,816,794</u>	<u>(5,482,968)</u>	<u>41,681,783</u>
<b>Depreciable assets:</b>				
Building and improvements	20,244,074	2,365,267	-	22,609,341
Machinery and equipment	8,038,001	513,800	(143,292)	8,408,509
Vehicles	3,465,338	723,325	(243,046)	3,945,617
Infrastructure	448,888,786	6,039,308	-	454,928,094
<b>Subtotal</b>	<u>480,636,199</u>	<u>9,641,700</u>	<u>(386,338)</u>	<u>489,891,561</u>
<b>Less accumulated depreciation:</b>				
Building and improvements	(10,399,008)	(414,894)	-	(10,813,902)
Machinery and equipment	(4,482,573)	(443,178)	23,652	(4,902,099)
Vehicles	(2,490,806)	(344,427)	187,091	(2,648,142)
Infrastructure	(220,247,739)	(5,391,157)	-	(225,638,896)
<b>Subtotal</b>	<u>(237,620,126)</u>	<u>(6,593,656)</u>	<u>210,743</u>	<u>(244,003,039)</u>
<b>Total depreciable assets, net</b>	<u>243,016,073</u>	<u>3,048,044</u>	<u>(175,595)</u>	<u>245,888,522</u>
<b>Total</b>	<u>\$ 279,364,030</u>	<u>\$ 13,864,838</u>	<u>\$ (5,658,563)</u>	<u>\$ 287,570,305</u>

A summary of changes in intangible assets of the City for the year ending June 30, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Intangible right to use asset	\$ -	\$ 856,533	\$ -	\$ 856,533
Accumulated amortization	-	(96,681)	-	(96,681)
Lease asset, net of amortization	<u>\$ -</u>	<u>\$ 759,852</u>	<u>\$ -</u>	<u>\$ 759,852</u>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2022, are as follows:

General government	\$ 110,564
Public safety	323,416
Public works	5,626,640
Community development	93,002
Community services	440,034
<b>Total depreciation expense</b>	<u>\$ 6,593,656</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### 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, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Nondepreciable assets:</b>				
Land	\$ 3,009,860	\$ 408,000	\$ -	\$ 3,417,860
Construction in progress	103,623,925	8,097,333	(49,004)	111,672,254
<b>Total nondepreciable assets</b>	<u>106,633,785</u>	<u>8,505,333</u>	<u>(49,004)</u>	<u>115,090,114</u>
<b>Depreciable assets:</b>				
Building and improvements	621,548	149,749	-	771,297
Machinery and equipment	89,747,856	448,645	-	90,196,501
Vehicles	5,436,186	697,220	-	6,133,406
Infrastructure	145,499,868	373,081	-	145,872,949
<b>Subtotal</b>	<u>241,305,458</u>	<u>1,668,695</u>	<u>-</u>	<u>242,974,153</u>
<b>Less accumulated depreciation:</b>				
Building and improvements	(561,740)	(37,885)	-	(599,625)
Machinery and equipment	(47,511,863)	(3,244,655)	-	(50,756,518)
Vehicles	(4,263,631)	(436,918)	-	(4,700,549)
Infrastructure	(78,580,497)	(4,290,252)	-	(82,870,749)
<b>Subtotal</b>	<u>(130,917,731)</u>	<u>(8,009,710)</u>	<u>-</u>	<u>(138,927,441)</u>
<b>Total depreciable assets, net</b>	<u>110,387,727</u>	<u>(6,341,015)</u>	<u>-</u>	<u>104,046,712</u>
<b>Total</b>	<u>\$ 217,021,512</u>	<u>\$ 2,164,318</u>	<u>\$ (49,004)</u>	<u>\$ 219,136,826</u>

A summary of changes in intangible assets of the City for the year ending June 30, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Intangible right to use asset	\$ -	\$ 8,514	\$ -	\$ 8,514
Accumulated amortization	-	(2,838)	-	(2,838)
Lease asset, net of amortization	<u>\$ -</u>	<u>\$ 5,676</u>	<u>\$ -</u>	<u>\$ 5,676</u>

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2022, are as follows:

Sewer	\$ 7,586,607
Transit	423,103
<b>Total depreciation expense</b>	<u>\$ 8,009,710</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 5 - Capital Assets (Continued)

#### C. Fiduciary Fund Financial Statements

Summary of changes in capital assets for the City's Successor Agency for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Nondepreciable assets:</b>				
Land	\$ 21,826	\$ -	\$ (21,826)	\$ -
<b>Total nondepreciable assets</b>	<b>21,826</b>	<b>-</b>	<b>(21,826)</b>	<b>-</b>
<b>Total</b>	<b>\$ 21,826</b>	<b>\$ -</b>	<b>\$ (21,826)</b>	<b>\$ -</b>

### 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, 2022, is as follows:

	Balance July 1, 2021	Additions	Adjustments	Deletions	Balance June 30, 2022	Classification	
						Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>							
<b>City</b>							
AB 1484 Due Diligence Review	\$ 775,912	\$ -	\$ -	\$ (775,912)	\$ -	\$ -	\$ -
Lease Liability	152,680	684,680	19,173	(99,925)	756,608	400,909	355,699
<b>Beaumont Public Financing Authority</b>							
1994 Revenue Bonds, Series A	1,970,000	-	-	(590,000)	1,380,000	655,000	725,000
2015 Refunding Revenue Bonds, Series A	9,770,000	-	-	(235,000)	9,535,000	240,000	9,295,000
2015 Refunding Revenue Bonds, Series B	16,020,000	-	-	(805,000)	15,215,000	825,000	14,390,000
2015 Refunding Revenue Bonds, Series C	4,040,000	-	-	(235,000)	3,805,000	240,000	3,565,000
2015 Refunding Revenue Bonds, Series D	5,985,000	-	-	(340,000)	5,645,000	355,000	5,290,000
2019 Refunding Revenue Bonds, Series A	5,085,000	-	-	(330,000)	4,755,000	340,000	4,415,000
2020 Revenue Bonds, Series A	17,200,000	-	-	(485,000)	16,715,000	515,000	16,200,000
2021 Revenue Bonds, Series A	18,675,000	-	-	-	18,675,000	1,340,000	17,335,000
Bond premium-2019 revenue bond series A	936,849	-	-	(78,071)	858,778	78,071	780,707
Total Revenue Bonds	79,681,849	-	-	(3,098,071)	76,583,778	4,588,071	71,995,707
<b>Total governmental activities</b>	<b>\$ 80,610,441</b>	<b>\$ 684,680</b>	<b>\$ 19,173</b>	<b>\$ (3,973,908)</b>	<b>\$ 77,340,386</b>	<b>\$ 4,988,980</b>	<b>\$ 72,351,406</b>

#### AB 1484 Due Diligence Review

The City has entered into an agreement with the State of California, Department of Finance (State) to pay an outstanding amount due from the State's Due Diligence Review. The original amount due was \$2,875,912, and the outstanding balance at June 30, 2022 is \$0. The City utilized the General Fund to pay off the outstanding balance of \$475,912 on February 4, 2022.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 6 - Long-Term Liabilities (Continued)

##### A. Governmental Activities (Continued)

###### *Lease Liabilities*

On July 1, 2021, the City entered into a 5 year lease as Lessee for the use of Police Axon Tasers. An initial lease liability was recorded in the amount of \$30,504. As of June 30, 2022, the value of the lease liability is \$22,955. The City is required to make annual fixed payments of \$7,758. The lease has an interest rate of 0.69%. The equipment estimated useful life was 64 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$30,504 with accumulated amortization of \$5,724 is included with leased assets, detailed in Note 5.

On July 1, 2021, the City entered into a 48 month lease as Lessee for the use of Batwing lawnmower. An initial lease liability was recorded in the amount of \$76,679. As of June 30, 2022, the value of the lease liability is \$36,892. The City is required to make monthly fixed payments of \$3,727. The lease has an interest rate of 0.188%. The equipment estimated useful life was 58 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$80,256 with accumulated amortization of \$16,608 is included with leased assets, detailed in Note 5.

On October 1, 2021, the City entered into a 2 year lease as Lessee for the use of Motorola Radio. An initial lease liability was recorded in the amount of \$654,176. As of June 30, 2022, the value of the lease liability is \$654,176. The City is required to make annual fixed payments of \$331,429. The lease has an interest rate of 2.69%. The equipment estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$654,176 with accumulated amortization of \$49,059 is included with leased assets, detailed in Note 5.

On July 1, 2021, the City entered into a 4 year lease as Lessee for the use of (2) 2020 Ford Police Interceptor Vehicles. An initial lease liability was recorded in the amount of \$39,300. As of June 30, 2022, the value of the lease liability is \$20,115. The City is required to make annual fixed payments of \$21,088. The lease has an interest rate of 4.84%. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$39,300 with accumulated amortization of \$7,860 is included with leased assets, detailed in Note 5.

On July 1, 2021, the City entered into a 36 month lease as Lessee for the use of Konica Minolta Copiers. An initial lease liability was recorded in the amount of \$60,811, with 86% allocated to the General Fund for an initial lease liability of \$52,297 and 14% allocated to the Transit Fund for an initial lease liability of \$8,514. As of June 30, 2022, the value of the lease liability to the General Fund is \$22,470. The City is required to make monthly fixed payments of \$2,502 for the General Fund portion. The lease has an interest rate of 0.50%. The equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 is \$52,297 with accumulated amortization of \$17,430 is included with leased assets, detailed in Note 5.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 6 - Long-Term Liabilities (Continued)

##### A. Governmental Activities (Continued)

As of June 30, 2022, the City had total outstanding lease liability of \$756,608 and right to use asset of \$759,852, net of amortization.

Estimated future lease liability requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 400,909	\$ 19,156	\$ 420,065
2024	347,996	9,261	357,257
2025	7,703	54	7,757
<b>Totals</b>	<b>\$ 756,608</b>	<b>\$ 28,471</b>	<b>\$ 785,079</b>

#### *Revenue Bonds*

##### **Local Revenue Bonds - 1994**

On January 15, 1994, the BFA issued \$7,535,000 of 1994 Local Agency Revenue Bonds-Series A and \$2,755,000 of 1994 Local Agency Revenue Bonds - Series B (the "Authority Bonds") for the purpose of acquiring the concurrently issued City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds, 1994 Series A (the "District Bonds") in the amount of \$9,260,000. Proceeds from the Authority Bonds were used to purchase the District bonds. The bonds were issued to provide the District with funds to design or acquire certain public improvements relating to the District, including water treatment plant facilities and infrastructure.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest was payable on September 1, 1994, and semiannually thereafter on March 1 and September 1 of each year until maturity. Series A Authority Bonds are 7.0% term bonds due September 1, 2023, with sinking payments to be made beginning September 1, 2004. Series B Authority Bonds consist of \$365,000 serial bonds maturing annually in amounts between \$65,000 and \$80,000 from September 1, 1999 through September 1, 2003. Thereafter, \$2,390,000 of 7.5% term bonds are due September 1, 2023, with sinking payments to be made beginning September 1, 2004.

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 at June 30, 2022, on the Series A Bonds was \$1,380,000.

## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

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#### **Note 6 - Long-Term Liabilities (Continued)**

##### **A. Governmental Activities (Continued)**

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 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 at June 30, 2022 was \$9,535,000 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 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 at June 30, 2022 was \$15,215,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

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#### **Note 6 - Long-Term Liabilities (Continued)**

##### **A. Governmental Activities (Continued)**

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 at June 30, 2022 was \$3,805,000 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 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 4.250%.

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 at June 30, 2022 was \$5,645,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

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#### **Note 6 - Long-Term Liabilities (Continued)**

##### **A. Governmental Activities (Continued)**

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%.

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 at June 30, 2022 was \$4,755,000 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 at June 30, 2022 was \$16,715,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

## **CITY OF BEAUMONT**

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2022**

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#### **Note 6 - Long-Term Liabilities (Continued)**

##### **A. Governmental Activities (Continued)**

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%.

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 at June 30, 2022 was \$18,675,000 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, 2022

### Note 6 - Long-Term Liabilities (Continued)

#### A. Governmental Activities (Continued)

##### Annual Debt Service Requirements to Maturity

The annual debt service requirements to maturity schedule are the annual scheduled debt service under the BFA's Authority Bond indentures as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 4,510,000	\$ 2,459,866	\$ 6,969,866
2024	4,680,000	2,328,375	7,008,375
2025	4,035,000	2,200,431	6,235,431
2026	4,120,000	2,085,463	6,205,463
2027	4,230,000	1,966,529	6,196,529
2028-2032	22,710,000	7,830,524	30,540,524
2033-2037	18,610,000	3,839,949	22,449,949
2038-2042	8,925,000	1,667,305	10,592,305
2043-2047	3,905,000	264,346	4,169,346
<b>Totals</b>	<b>\$ 75,725,000</b>	<b>\$ 24,642,788</b>	<b>\$ 100,367,788</b>

#### B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Additions	Adjustments	Deletions	Balance June 30, 2022	Classification	
						Due Within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>							
Wastewater Revenue Bonds	\$ 78,860,000	\$ -	\$ -	\$ (1,295,000)	\$ 77,565,000	\$ 1,355,000	\$ 76,210,000
Bond Premium	7,842,648	-	-	(625,285)	7,217,363	587,015	6,630,348
Lease Liability	99,305	-	(90,791)	(4,856)	3,658	3,658	-
<b>Total business-type activities</b>	<b>\$ 86,801,953</b>	<b>\$ -</b>	<b>\$ (90,791)</b>	<b>\$ (1,925,141)</b>	<b>\$ 84,786,021</b>	<b>\$ 1,945,673</b>	<b>\$ 82,840,348</b>

##### Lease Liability

On July 1, 2021, the City entered into a 36 month lease as Lessee for the use of Konica Minolta copiers. An initial lease liability was recorded in the amount of \$60,811, with 86% allocated to the General Fund for an initial lease liability of \$52,297 and 14% allocated to the Transit Fund for an initial lease liability of \$8,514. The lease liability was transferred from the Sewer fund to the Transit fund in FY 22. As of June 30, 2022, the value of the lease liability to the Transit fund is \$3,658. The City is required to make monthly fixed payments of \$407 for the Transit Fund portion. The lease has an interest rate of 0.50%. The equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 is \$8,514 with accumulated amortization of \$2,838 is included with leased assets, detailed in Note 5.

**CITY OF BEAUMONT**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

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**Note 6 - Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

Estimated future lease liability requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 3,658	\$ 7	\$ 3,665
<b>Total</b>	<b>\$ 3,658</b>	<b>\$ 7</b>	<b>\$ 3,665</b>

*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 outstanding balance of the Wastewater Revenue Bonds Series 2018A at June 30, 2022 was \$77,565,000.

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,355,000	\$ 3,718,213	\$ 5,073,213
2024	1,425,000	3,648,713	5,073,713
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
2028-2032	9,605,000	15,751,563	25,356,563
2033-2037	11,975,000	13,374,469	25,349,469
2038-2042	15,040,000	10,316,250	25,356,250
2043-2047	19,315,000	6,043,625	25,358,625
2048-2051	14,130,000	1,083,500	15,213,500
<b>Totals</b>	<b>\$ 77,565,000</b>	<b>\$ 64,429,595</b>	<b>\$ 141,994,595</b>

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 7 - Debt Without City Commitment

The City authorized the formation of the City of Beaumont Community Facilities District No. 93-1 (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 are secured by annual special tax levies or liens placed on properties within the CFD. The City, and the BFA, are not liable for repayment and the City, acting as an agent on behalf of the CFD, 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.

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 in the Fiduciary Funds as an agency fund.

As of June 30, 2022, debt without City or BFA/BPIA commitment is as follows:

	<b>Balance June 30, 2022</b>
1994 Special Tax Bonds, Series A	\$ 1,380,000
2015 Special Tax Bonds, Series A	9,535,000
2015 Special Tax Bonds, Series B	15,215,000
2015 Special Tax Bonds, Series C	3,805,000
2015 Special Tax Bonds, Series D	5,645,000
2019 Refunding Revenue Bonds, Series A	4,755,000
2020 Refunding Revenue Bond, Series A	16,715,000
2021 Refunding Revenue Bond, Series A	18,675,000
<b>Subtotal</b>	<b>75,725,000</b>
2017 Special Tax Refunding Bonds, Series A	78,283,057
2018 Special Tax Bonds, Series A	33,030,000
2018 Special Tax Bonds, 1A 7B	2,025,000
2018 Special Tax Bonds, 1A 7D	3,485,000
2018 Special Tax Bonds, 1A 8E	12,385,000
2019 Special Tax Bonds, 1A 2016-1	8,465,000
<b>Total Limited Obligation Bond Debt</b>	<b>\$ 213,398,057</b>

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

#### Note 8 - Compensated Absences

The City's liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$3,304,795 at June 30, 2022.

##### 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, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Classification	
					Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ 2,773,231	\$ 128,994	\$ -	\$ 2,902,225	\$ 362,778	\$ 2,539,447
<b>Total governmental activities</b>	<b>\$ 2,773,231</b>	<b>\$ 128,994</b>	<b>\$ -</b>	<b>\$ 2,902,225</b>	<b>\$ 362,778</b>	<b>\$ 2,539,447</b>

##### B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Classification	
					Due Within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
Compensated absences	\$ 374,760	\$ 27,810	\$ -	\$ 402,570	\$ 50,231	\$ 352,339
<b>Total governmental activities</b>	<b>\$ 374,760</b>	<b>\$ 27,810</b>	<b>\$ -</b>	<b>\$ 402,570</b>	<b>\$ 50,231</b>	<b>\$ 352,339</b>

#### 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, 2022.

##### *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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 9 - Risk Management (Continued)

##### *General Liability and Property Damage Insurance (Continued)*

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

##### *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.

Changes in the claims liability amounts were as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2019-2020	\$ 2,807,375	\$ 1,016,150	\$ (1,617,130)	\$ 2,206,395
2020-2021	2,206,395	1,675,361	(1,075,636)	2,806,120
2021-2022	2,806,120	84,356	(599,725)	2,290,751

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 10 - Pension Plans

#### A. Summary

	Governmental Activities	Business-Type Activities	Total
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 1,220,448	\$ 447,024	\$ 1,667,472
CalPERS Safety	1,921,364	-	1,921,364
Total pension contribution made after measurement date	3,141,812	447,024	3,588,836
Change in Employer's Proportion			
CalPERS Miscellaneous	321,918	125,191	447,109
CalPERS Safety	560,062	-	560,062
Total adjustment due to difference in proportions	881,980	125,191	1,007,171
Difference between expected and actual experience:			
CalPERS Miscellaneous	317,780	123,581	441,361
CalPERS Safety	975,696	-	975,696
Total difference between expected and actual experience	1,293,476	123,581	1,417,057
Difference between employer's actual contributions and proportionate share of contributions:			
CalPERS Miscellaneous	134,947	52,479	187,426
CalPERS Safety	37,082	-	37,082
Total employer contributions in excess of proportionate share of contribution	172,029	52,479	224,508
Total deferred outflows of resources:			
CalPERS Miscellaneous	1,995,093	748,275	2,743,368
CalPERS Safety	3,494,204	-	3,494,204
Total deferred outflows of resources	<u>\$ 5,489,297</u>	<u>\$ 748,275</u>	<u>\$ 6,237,572</u>
<b>Net pension liabilities:</b>			
CalPERS Miscellaneous	\$ 2,833,796	\$ 1,102,031	\$ 3,935,827
CalPERS Safety	5,710,864	-	5,710,864
Total net pension liabilities	<u>\$ 8,544,660</u>	<u>\$ 1,102,031</u>	<u>\$ 9,646,691</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 10 - Pension Plans (Continued)

#### A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
<b>Deferred inflows of resources:</b>			
Projected earnings on pension plan investment in excess of actual earnings:			
CalPERS Miscellaneous	\$ 1,364,567	\$ 2,071,202	\$ 3,435,769
CalPERS Safety	3,399,062	-	3,399,062
Total projected earnings on pension plan investment in excess of actual earnings	4,763,629	2,071,202	6,834,831
Difference between employer's actual contributions and proportionate share of contributions:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	562,322	-	562,322
Total employer contributions in excess of proportionate share of contribution	562,322	-	562,322
Total deferred inflows of resources:			
CalPERS Miscellaneous	1,364,567	2,071,202	3,435,769
CalPERS Safety	3,961,384	-	3,961,384
Total deferred inflows of resources	\$ 5,325,951	\$ 2,071,202	\$ 7,397,153
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 116,315	\$ 36,731	\$ 153,046
CalPERS Safety	202,876	-	202,876
Total net pension liabilities	\$ 319,191	\$ 36,731	\$ 355,922

#### B. 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](http://www.calpers.ca.gov).

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 10 - Pension Plans (Continued)

##### ***B. General Information about the Pension Plans (Continued)***

###### *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, 2022 are summarized as follows:

	<b>Miscellaneous</b>	<b>Miscellaneous PEPRA</b>	<b>Safety</b>	<b>Safety PEPRA</b>
Benefit formula	3.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-67	52-67	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%	3.0%	2.0% to 2.7%
Required employer contribution rate	15.25%	7.59%	23.71%	13.13%

###### *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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 10 - Pension Plans (Continued)

##### ***B. General Information about the Pension Plans (Continued)***

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, 2022 were \$1,667,472 and \$1,921,364, for the Miscellaneous and Safety plans, respectively. The actual employer payments of \$3,346,931 made to CalPERS by the City during the measurement period ended June 30, 2021 differed from the City's proportionate share of the employer's contributions of \$3,917,898 by \$570,967, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

##### ***C. 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

##### ***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements 90% of scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 10 - Pension Plans (Continued)

##### C. Net Pension Liability (Continued)

###### *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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

<b>Asset Class<sup>1</sup></b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10<sup>2</sup></b>	<b>Real Return Years 11 + <sup>3</sup></b>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
<b>Total</b>	<b>100%</b>		

<sup>1</sup> In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

<sup>2</sup> An expected inflation of 2.0% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

###### *Change of Assumptions*

There were no changes of assumptions for measurement date June 30, 2021.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 10 - Pension Plans (Continued)

##### C. Net Pension Liability (Continued)

###### *Discount Rate*

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

###### *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](http://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.

**CITY OF BEAUMONT**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

**Note 10 - Pension Plans (Continued)**

***D. Proportionate Share of Net Pension Liability***

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

	<b>Increase(Decrease)</b>		
	<b>Plan Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Miscellaneous</b>			
Balance at: 6/30/20 (Valuation date)	\$ 36,927,018	\$ 28,712,241	\$ 8,214,777
Balance at: 6/30/21 (Measurement date)	40,128,834	36,193,007	3,935,827
Net changes during 2020-2021	<u>\$ 3,201,816</u>	<u>\$ 7,480,766</u>	<u>\$ (4,278,950)</u>
<b>Safety</b>			
Balance at: 6/30/20 (Valuation date)	\$ 48,078,037	\$ 36,352,625	\$ 11,725,412
Balance at: 6/30/21 (Measurement date)	52,399,728	46,688,864	5,710,864
Net changes during 2020-2021	<u>\$ 4,321,691</u>	<u>\$ 10,336,239</u>	<u>\$ (6,014,548)</u>

Valuation Date (VD), Measurement Date (MD).

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2021, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2020 and 2021 was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
Proportion - June 30, 2021	0.19475%	0.17600%	0.18327%
Proportion - June 30, 2022	0.20728%	0.16273%	0.17837%
Change - Increase (Decrease)	<u>0.01253%</u>	<u>-0.01327%</u>	<u>-0.00490%</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 10 - Pension Plans (Continued)

#### D. Proportionate Share of Net Pension Liability (Continued)

##### *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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Miscellaneous	\$ 9,234,074	\$ 3,935,827	\$ (444,157)
Safety	12,764,320	5,710,864	(82,678)
<b>Total</b>	<b>\$ 21,998,394</b>	<b>\$ 9,646,691</b>	<b>\$ (526,835)</b>

##### *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).

**CITY OF BEAUMONT**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

**Note 10 - Pension Plans (Continued)**

***D. Proportionate Share of Net Pension Liability (Continued)***

The EARS L for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (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.

***E. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2020), the City's net pension liability was \$8,214,777 and \$11,725,412, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense of \$153,046 and \$202,876, for the Miscellaneous and Safety Plans, respectively.

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

<b>Miscellaneous Plans</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,667,472	\$ -
Difference between projected and actual earning on pension plan investments	-	3,435,769
Change in Employer's Proportion	447,109	-
Changes in assumptions	-	-
Difference between actual and expected experience	441,361	-
Difference between employer's actual contributions and proportionate share of contributions	187,426	-
<b>Totals</b>	<b>\$ 2,743,368</b>	<b>\$ 3,435,769</b>
<b>Safety Plans</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,921,364	\$ -
Difference between projected and actual earning on pension plan investments	-	3,399,062
Change in Employer's Proportion	560,062	562,322
Changes in assumptions	-	-
Difference between actual and expected experience	975,696	-
Difference between employer's actual contributions and proportionate share of contributions	37,082	-
<b>Totals</b>	<b>\$ 3,494,204</b>	<b>\$ 3,961,384</b>

**CITY OF BEAUMONT****Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022****Note 10 - Pension Plans (Continued)*****E. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)***

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$1,667,472 and \$1,921,364, 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.

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

<b>Year Ended June 30,</b>	<b>Miscellaneous Plans</b>	<b>Safety Plans</b>	<b>Total</b>
2023	\$ (303,962)	\$ (289,655)	\$ (593,617)
2024	(441,131)	(463,727)	(904,858)
2025	(665,310)	(699,787)	(1,365,097)
2026	(949,470)	(935,375)	(1,884,845)
2027	-	-	-
Thereafter	-	-	-
<b>Totals</b>	<b>\$ (2,359,873)</b>	<b>\$ (2,388,544)</b>	<b>\$ (4,748,417)</b>

***F. Payable to the Pension Plan***

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2022.

**Note 11 - Other Required Disclosures****A. Deficit Fund Balances**

At June 30, 2022, the following governmental funds had deficit fund balances:

<b>Fund</b>	<b>Fund Type</b>	<b>Deficit</b>
Other Federal Grants Fund	Non-Major fund	\$ (180,661)

The Other Federal Grants fund has a deficit fund balance as a result of receivables for grant incurred costs that had not been received within the reporting period.

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### Note 11 - Other Required Disclosures (Continued)

#### B. Expenditures Exceeding Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations in the following functions for the following:

Fund	Function	Excess Expenditures
General fund	Capital outlay	\$ (767,402)
General fund	Public Safety: Police department	(169,087)
General fund	Public Safety: K-9 Unit	(337)
General fund	Community services: parks and recreation	(356,527)
General Capital project fund	Capital outlay	(2,157,115)
Beaumont Financing Authority	Interest and fiscal charges	(1,854,024)
Other Federal Grants fund	Public safety	(114,674)
COPS Grant fund	Public safety	(898)
State Asset Seizure fund	Public safety	(350)
Other special revenue fund	Public safety	(12,198)

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.

### 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		
<b>Nonspendable:</b>							
Prepaid expenditures	\$ 61,292	\$ -	\$ -	\$ -	\$ 287,125	\$ -	\$ 348,417
<b>Total nonspendable</b>	<u>61,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,125</u>	<u>-</u>	<u>348,417</u>
<b>Restricted</b>							
State Gas Tax	-	-	-	-	-	69,599	69,599
RMRA	-	-	-	-	-	1,117,898	1,117,898
Measure A	-	-	-	-	-	1,955,121	1,955,121
AB 2766	-	-	-	-	-	343,995	343,995
PEG Fees	-	-	-	-	-	27,707	27,707
COPS Grant	-	-	-	-	-	452,899	452,899
State Asset Forfeiture	-	-	-	-	-	295,024	295,024
Federal Asset Forfeiture	-	-	-	-	-	6,036	6,036
Other Special Projects	-	-	-	-	-	320,425	320,425
Capital Projects	-	11,119,874	13,016,221	-	-	-	24,136,095
Debt Service	-	-	-	-	80,287,587	-	80,287,587
Community Facilities Districts	-	-	-	-	-	2,274,176	2,274,176
Investment in Section 115 Trust	2,344,101	-	-	-	-	-	2,344,101
<b>Total restricted</b>	<u>2,344,101</u>	<u>11,119,874</u>	<u>13,016,221</u>	<u>-</u>	<u>80,287,587</u>	<u>6,862,880</u>	<u>113,630,663</u>
<b>Committed:</b>							
Capital Projects	-	-	-	8,345,917	-	-	8,345,917
Self Insurance	2,154,152	-	-	-	-	-	2,154,152
Pension Trust Funding	-	-	-	-	-	-	-
<b>Total Committed</b>	<u>2,154,152</u>	<u>-</u>	<u>-</u>	<u>8,345,917</u>	<u>-</u>	<u>-</u>	<u>10,500,069</u>
<b>Assigned:</b>							
Re-appropriation	796,780	-	-	-	-	-	796,780
<b>Total Assigned</b>	<u>796,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796,780</u>
<b>Unassigned</b>	<u>40,317,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,661)</u>	<u>40,136,442</u>
<b>Total Fund Balances</b>	<u>\$ 45,673,428</u>	<u>\$ 11,119,874</u>	<u>\$ 13,016,221</u>	<u>\$ 8,345,917</u>	<u>\$ 80,574,712</u>	<u>\$ 6,682,219</u>	<u>\$ 165,412,371</u>

# CITY OF BEAUMONT

## Notes to the Basic Financial Statements For the Year Ended June 30, 2022

### 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, 2022, was determined as follows:

	<b>Governmental Activities</b>
Capital assets, net of accumulated depreciation	\$ 287,570,305
Less capital related debt balance:	
Outstanding principal balance of lease liability	(756,608)
Outstanding principal balance of Beaumont Public Financing Authority debt	(76,583,778)
<b>Net investment in capital assets</b>	<b>\$ 210,229,919</b>

##### ***Business-type Activities***

	<b>Business-type Activities</b>		<b>Total Enterprise Funds</b>
	<b>Sewer Fund</b>	<b>Transit Fund</b>	
Capital assets, net of accumulated depreciation	\$ 216,390,917	\$ 2,745,909	\$ 219,136,826
Plus (less) capital related debt balance:			
Capital related borrowings	(77,565,000)	-	(77,565,000)
Outstanding unamortized bond premium balance	(7,217,363)	-	(7,217,363)
Outstanding balance of lease liability	-	(3,658)	(3,658)
<b>Net investment in capital assets</b>	<b>\$ 131,608,554</b>	<b>\$ 2,742,251</b>	<b>\$ 134,350,805</b>

### 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, 2022

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#### 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 at June 30, 2022 with a planned cost to complete of approximately \$50,562,048.

##### 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:

<b>Period</b>	<b>WRCOG*</b>	<b>City</b>
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:

<b>Improvement</b>	<b>Estimated Cost</b>	<b>Completion Deadline</b>
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, 2022

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#### 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, 2021, recoveries are approximately \$14 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.

## CITY OF BEAUMONT

### Notes to the Basic Financial Statements For the Year Ended June 30, 2022

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#### Note 14 – Prior Period Adjustment

##### A. Error Correction

In fiscal year 21, the 4<sup>th</sup> quarter Fire services was mistakenly accrued twice, resulting in an overstatement of expenses. There was also a recording error in fiscal year 21, workers compensation expense, which understated expenses. The net of these 2 items results in the prior period adjustment to correct equity.

##### Governmental Funds

	General Fund
Fund balance, beginning of year, as previously reported	\$ 23,394,234
Prior period restatement	<u>239,042</u>
Fund balance, beginning of year, as restated	<u><u>\$ 23,633,276</u></u>

##### Governmental Activities

Net position, beginning of year, as previously reported	\$ 333,429,895
Prior period restatement	<u>239,042</u>
Net position, beginning of year, as restated	<u><u>\$ 333,668,937</u></u>

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## **Required Supplementary Information (Unaudited)**

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## **CITY OF BEAUMONT**

### **Budgetary Information For the Year Ended June 30, 2022**

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#### **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 Manager. 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 the General Fund, special revenue funds, and capital projects funds with the exception of the Federal Asset Seizure Special Revenue Fund.

# CITY OF BEAUMONT

## Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 15,478,017	\$ 16,789,202	\$ 34,846,091	\$ 18,056,889
Franchise fees	3,111,474	3,111,474	3,164,944	53,470
Intergovernmental	6,059,135	6,059,135	6,307,226	248,091
License and permits	3,935,340	4,096,540	4,997,452	900,912
Fines and forfeitures	461,303	461,303	425,252	(36,051)
Assessments levied	652,904	652,904	676,180	23,276
Use of money and property	406,020	406,020	(1,407,979)	(1,813,999)
Charges for services	1,413,444	1,413,444	1,595,732	182,288
Other revenues	134,000	169,000	626,268	457,268
<b>Total revenues</b>	<b>31,651,637</b>	<b>33,159,022</b>	<b>51,231,166</b>	<b>18,072,144</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
City council	43,053	43,053	33,093	9,960
City clerk	194,072	203,272	187,057	16,215
Administration services	2,127,135	2,664,181	1,126,075	1,538,106
Finance and budget	2,751,687	2,765,526	2,267,146	498,380
Information Technology	1,570,065	1,588,120	1,220,860	367,260
HR / Risk Management	2,429,971	2,509,235	2,451,171	58,064
Nondepartmental	-	728,468	702,977	25,491
Public safety				
Animal control	341,164	341,164	317,661	23,503
Office of Emergency	171,900	171,900	142,389	29,511
Police department	11,466,564	11,835,999	12,005,086	(169,087)
K-9 Unit	11,100	11,100	11,437	(337)
Police support	1,842,466	1,871,392	1,599,647	271,745
Fire	4,070,579	4,140,519	4,011,369	129,150
Nondepartmental	10,498	10,498	10,498	-
Public works				
Public works	1,573,316	1,771,099	1,141,706	629,393
Street maintenance	1,908,695	1,915,350	1,644,914	270,436
Community development				
Planning and community development	519,337	540,601	480,532	60,069
Community enhancement	309,521	309,521	200,380	109,141
Building and safety	1,451,409	1,451,409	1,381,255	70,154
Community services				
Parks and recreation	339,095	339,095	695,622	(356,527)
Building maintenance	487,926	573,845	557,249	16,596
Parks and ground maintenance	3,857,893	4,365,657	3,448,831	916,826
Capital outlay	400,284	1,044,428	1,811,830	(767,402)
Debt service:				
Principal	99,925	99,925	99,925	-
Interest	3,666	3,666	3,666	-
<b>Total Expenditures</b>	<b>37,981,321</b>	<b>41,299,023</b>	<b>37,552,376</b>	<b>3,746,647</b>
<b>REVENUES OVER (UNDER)</b>	<b>(6,329,684)</b>	<b>(8,140,001)</b>	<b>13,678,790</b>	<b>21,818,791</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease acquisition	-	-	856,533	856,533
Proceeds from sale of property	-	-	24,471	24,471
Transfers in	6,501,175	6,609,135	7,591,630	982,495
Transfers (out)	(445,271)	(449,166)	(111,272)	337,894
<b>Total other financing sources</b>	<b>6,055,904</b>	<b>6,159,969</b>	<b>8,361,362</b>	<b>2,201,393</b>
<b>Net change in fund balance</b>	<b>\$ (273,780)</b>	<b>\$ (1,980,032)</b>	<b>22,040,152</b>	<b>\$ 24,020,184</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated			23,633,276	
End of year			<u>\$ 45,673,428</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule Development Impact Fees (DIF) Special Revenue Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
License and permits	\$ 3,690,006	\$ 3,690,006	\$ 7,883,553	\$ 4,193,547
Use of money and property	131,232	131,232	84,035	(47,197)
<b>Total revenues</b>	<u>3,821,238</u>	<u>3,821,238</u>	<u>7,967,588</u>	<u>4,146,350</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>3,821,238</u>	<u>3,821,238</u>	<u>7,967,588</u>	<u>4,146,350</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	533,502	533,502
Transfers (out)	(150,000)	(150,000)	(726,368)	(576,368)
<b>Total other financing sources (uses)</b>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(192,866)</u>	<u>(42,866)</u>
<b>Net change in fund balance</b>	<u>\$ 3,671,238</u>	<u>\$ 3,671,238</u>	<u>7,774,722</u>	<u>\$ 4,103,484</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,345,152</u>	
End of year			<u>\$ 11,119,874</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, 2022

### Miscellaneous Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.65770%	\$ 4,092,766	\$ 5,932,314	68.99%	78.28%
6/30/2015	0.16067%	4,407,926	5,411,229	81.46%	78.45%
6/30/2016	0.16750%	5,818,570	4,722,459	123.21%	73.82%
6/30/2017	0.17352%	6,840,289	4,864,133	140.63%	72.89%
6/30/2018	0.17792%	6,705,339	5,052,100	132.72%	74.82%
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	0.20728%	3,935,827	8,181,668	48.11%	90.19%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

<sup>1</sup> 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, 2022

### Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
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%	75.38%
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%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

<sup>1</sup> 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, 2022

### Miscellaneous Plan

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions <sup>1</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013-14	\$ 996,243	\$ (996,243)	\$ -	\$ 5,932,314	16.79%
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%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

<sup>1</sup>Employers 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, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in 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 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

# CITY OF BEAUMONT

## Schedule of Pension Plan Contributions (Continued)

Last Ten Years

For the Year Ended June 30, 2022

### Safety Plan

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions <sup>1</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013-14	\$ 1,421,157	\$ (1,421,157)	\$ -	\$ 4,232,207	33.58%
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%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

<sup>1</sup>Employers 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, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in 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 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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## **Supplementary Information**

**Major Governmental Funds  
Budgetary Comparison Schedule**

# CITY OF BEAUMONT

## Major Governmental Fund Budgetary Comparison Schedule Community Facilities District (CFD) - Capital Projects Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Assessments levied	\$ 177,685	\$ 177,685	\$ -	\$ (177,685)
Use of money and property	40,000	40,000	23,142	(16,858)
<b>Total revenues</b>	<u>217,685</u>	<u>217,685</u>	<u>23,142</u>	<u>(194,543)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>217,685</u>	<u>217,685</u>	<u>23,142</u>	<u>(194,543)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	<u>(250,000)</u>	<u>(3,349,000)</u>	<u>(681,250)</u>	<u>2,667,750</u>
<b>Total other financing sources</b>	<u>(250,000)</u>	<u>(3,349,000)</u>	<u>(681,250)</u>	<u>2,667,750</u>
<b>Net change in fund balance</b>	<u>\$ (32,315)</u>	<u>\$ (3,131,315)</u>	<u>(658,108)</u>	<u>\$ 2,473,207</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>13,674,329</u>	
End of year			<u>\$ 13,016,221</u>	

# CITY OF BEAUMONT

## Major Governmental Fund Budgetary Comparison Schedule General Capital Projects - Capital Projects Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 72,694	\$ 72,694
Use of money and property	-	-	10,221	10,221
Other revenues	-	-	58,594	58,594
<b>Total revenues</b>	-	-	141,509	141,509
<b>EXPENDITURES:</b>				
Capital outlay	3,783,340	4,754,322	6,911,437	(2,157,115)
<b>Total Expenditures</b>	3,783,340	4,754,322	6,911,437	(2,157,115)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(3,783,340)	(4,754,322)	(6,769,928)	(2,015,606)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,783,340	5,820,020	4,793,723	(1,026,297)
Transfers (out)	(445,271)	-	(309,350)	(309,350)
<b>Total other financing sources</b>	3,338,069	5,820,020	4,484,373	(1,335,647)
<b>Net change in fund balance</b>	\$ (445,271)	\$ 1,065,698	(2,285,555)	\$ (3,351,253)
<b>FUND BALANCE:</b>				
Beginning of year			10,631,472	
End of year			<u>\$ 8,345,917</u>	

**CITY OF BEAUMONT**

**Major Governmental Fund Budgetary Comparison Schedule  
Beaumont Financing Authority – Debt Service Fund  
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 7,272,279	\$ 7,272,279	\$ 2,510,301	\$ (4,761,978)
<b>Total revenues</b>	<u>7,272,279</u>	<u>7,272,279</u>	<u>2,510,301</u>	<u>(4,761,978)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	4,030,000	4,030,000	3,020,000	1,010,000
Interest and fiscal charges	3,242,279	3,242,279	5,096,303	(1,854,024)
<b>Total Expenditures</b>	<u>7,272,279</u>	<u>7,272,279</u>	<u>8,116,303</u>	<u>(844,024)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(5,606,002)</u>	<u>(5,606,002)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,606,002)</u>	<u>\$ (5,606,002)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>86,180,714</u>	
End of year			<u>\$ 80,574,712</u>	

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**Non-Major Governmental Funds  
Combining Schedules**

# CITY OF BEAUMONT

## Combining Balance Sheet Non-Major Governmental Funds June 30, 2022

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>ASSETS</b>				
Cash and investments	\$ 69,599	\$ 1,019,681	\$ 1,672,945	\$ 343,995
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	98,217	282,176	-
<b>Total assets</b>	<b>\$ 69,599</b>	<b>\$ 1,117,898</b>	<b>\$ 1,955,121</b>	<b>\$ 343,995</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (deficit):</b>				
Restricted	69,599	1,117,898	1,955,121	343,995
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>69,599</b>	<b>1,117,898</b>	<b>1,955,121</b>	<b>343,995</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 69,599</b>	<b>\$ 1,117,898</b>	<b>\$ 1,955,121</b>	<b>\$ 343,995</b>

## CITY OF BEAUMONT

**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>ASSETS</b>				
Cash and investments	\$ 23,142	\$ 5,142,888	\$ 452,899	\$ 342,283
Receivables:				
Accounts	5,136	-	-	-
Due from other governments	-	316,300	-	-
<b>Total assets</b>	<u>\$ 28,278</u>	<u>\$ 5,459,188</u>	<u>\$ 452,899</u>	<u>\$ 342,283</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 571	\$ 13,748	\$ -	\$ 38,221
Deposits payable	-	-	-	-
Unearned revenue	-	5,446,343	-	9,038
<b>Total liabilities</b>	<u>571</u>	<u>5,460,091</u>	<u>-</u>	<u>47,259</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	179,758	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>179,758</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (deficit):</b>				
Restricted	27,707	-	452,899	295,024
Unassigned	-	(180,661)	-	-
<b>Total fund balances</b>	<u>27,707</u>	<u>(180,661)</u>	<u>452,899</u>	<u>295,024</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 28,278</u>	<u>\$ 5,459,188</u>	<u>\$ 452,899</u>	<u>\$ 342,283</u>

## CITY OF BEAUMONT

**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
<b>ASSETS</b>				
Cash and investments	\$ 6,036	\$ 375,880	\$ 2,319,609	\$ 11,768,957
Receivables:				
Accounts	-	-	-	5,136
Due from other governments	-	-	70,183	766,876
<b>Total assets</b>	<u>\$ 6,036</u>	<u>\$ 375,880</u>	<u>\$ 2,389,792</u>	<u>\$ 12,540,969</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 623	\$ 4,227	\$ 57,390
Deposits payable	-	-	111,389	111,389
Unearned revenue	-	54,832	-	5,510,213
<b>Total liabilities</b>	<u>-</u>	<u>55,455</u>	<u>115,616</u>	<u>5,678,992</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	179,758
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,758</u>
<b>Fund Balances (deficit):</b>				
Restricted	6,036	320,425	2,274,176	6,862,880
Unassigned	-	-	-	(180,661)
<b>Total fund balances</b>	<u>6,036</u>	<u>320,425</u>	<u>2,274,176</u>	<u>6,682,219</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 6,036</u>	<u>\$ 375,880</u>	<u>\$ 2,389,792</u>	<u>\$ 12,540,969</u>

**CITY OF BEAUMONT**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2022**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,519,954	\$ -
Intergovernmental	1,152,141	1,059,815	-	50,460
License and permits	-	-	-	-
Assessments levied	-	-	-	-
Use of money and property	1,203	1,694	5,293	1,084
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>1,153,344</u>	<u>1,061,509</u>	<u>1,525,247</u>	<u>51,544</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Public safety	-	-	-	96,780
Community development	-	-	-	68,196
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,976</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,153,344</u>	<u>1,061,509</u>	<u>1,525,247</u>	<u>(113,432)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	(1,242,846)	(1,381,281)	(2,138,927)	(164,503)
<b>Total other financing sources (uses)</b>	<u>(1,242,846)</u>	<u>(1,381,281)</u>	<u>(2,138,927)</u>	<u>(164,503)</u>
<b>Net changes in fund balances</b>	<u>(89,502)</u>	<u>(319,772)</u>	<u>(613,680)</u>	<u>(277,935)</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>159,101</u>	<u>1,437,670</u>	<u>2,568,801</u>	<u>621,930</u>
End of year	<u>\$ 69,599</u>	<u>\$ 1,117,898</u>	<u>\$ 1,955,121</u>	<u>\$ 343,995</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, 2022**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	72,003	161,285	-
License and permits	21,517	-	-	-
Assessments levied	-	-	-	-
Use of money and property	54	5,976	1,054	360
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>21,571</u>	<u>77,979</u>	<u>162,339</u>	<u>360</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	17,539	-	-	-
Public safety	-	114,674	898	350
Community development	-	39,216	-	-
<b>Total expenditures</b>	<u>17,539</u>	<u>153,890</u>	<u>898</u>	<u>350</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,032</u>	<u>(75,911)</u>	<u>161,441</u>	<u>10</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	112,817	-	-
Transfers (out)	-	(132,570)	(21,883)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(19,753)</u>	<u>(21,883)</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>4,032</u>	<u>(95,664)</u>	<u>139,558</u>	<u>10</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>23,675</u>	<u>(84,997)</u>	<u>313,341</u>	<u>295,014</u>
End of year	<u>\$ 27,707</u>	<u>\$ (180,661)</u>	<u>\$ 452,899</u>	<u>\$ 295,024</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, 2022**

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,519,954
Intergovernmental	-	98,253	-	2,593,957
License and permits	-	6,361	-	27,878
Assessments levied	-	-	6,222,036	6,222,036
Use of money and property	6	717	6,671	24,112
Other revenues	-	86,409	-	86,409
<b>Total revenues</b>	<u>6</u>	<u>191,740</u>	<u>6,228,707</u>	<u>10,474,346</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	17,539
Public safety	-	44,842	-	257,544
Community development	-	10,280	118,529	236,221
<b>Total expenditures</b>	<u>-</u>	<u>55,122</u>	<u>118,529</u>	<u>511,304</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6</u>	<u>136,618</u>	<u>6,110,178</u>	<u>9,963,042</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	112,817
Transfers (out)	-	-	(6,375,780)	(11,457,790)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(6,375,780)</u>	<u>(11,344,973)</u>
<b>Net changes in fund balances</b>	<u>6</u>	<u>136,618</u>	<u>(265,602)</u>	<u>(1,381,931)</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>6,030</u>	<u>183,807</u>	<u>2,539,778</u>	<u>8,064,150</u>
End of year	<u>\$ 6,036</u>	<u>320,425</u>	<u>2,274,176</u>	<u>\$ 6,682,219</u>

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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, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 1,239,846	\$ 1,239,846	\$ 1,152,141	\$ (87,705)
Use of money and property	3,000	3,000	1,203	(1,797)
<b>Total revenues</b>	<u>1,242,846</u>	<u>1,242,846</u>	<u>1,153,344</u>	<u>(89,502)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>1,242,846</u>	<u>1,242,846</u>	<u>1,153,344</u>	<u>(89,502)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	<u>(1,242,846)</u>	<u>(1,242,846)</u>	<u>(1,242,846)</u>	<u>-</u>
<b>Total other financing sources</b>	<u>(1,242,846)</u>	<u>(1,242,846)</u>	<u>(1,242,846)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(89,502)</u>	<u>\$ (89,502)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>159,101</u>	
End of year			<u>\$ 69,599</u>	

**CITY OF BEAUMONT**

**Budgetary Comparison Schedule  
Road Maintenance and Rehabilitation Act Fund  
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 945,983	\$ 945,983	\$ 1,059,815	\$ 113,832
Use of money and property	2,000	2,000	1,694	(306)
<b>Total revenues</b>	<u>947,983</u>	<u>947,983</u>	<u>1,061,509</u>	<u>113,526</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>947,983</u>	<u>947,983</u>	<u>1,061,509</u>	<u>113,526</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	<u>(863,763)</u>	<u>(863,763)</u>	<u>(1,381,281)</u>	<u>(517,518)</u>
<b>Total other financing sources</b>	<u>(863,763)</u>	<u>(863,763)</u>	<u>(1,381,281)</u>	<u>(517,518)</u>
<b>Net change in fund balance</b>	<u>\$ 84,220</u>	<u>\$ 84,220</u>	<u>(319,772)</u>	<u>\$ (403,992)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,437,670</u>	
End of year			<u>\$ 1,117,898</u>	

**CITY OF BEAUMONT**

**Budgetary Comparison Schedule  
Measure A Fund  
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 1,060,000	\$ 1,060,000	\$ 1,519,954	\$ 459,954
Use of money and property	3,000	3,000	5,293	2,293
<b>Total revenues</b>	<u>1,063,000</u>	<u>1,063,000</u>	<u>1,525,247</u>	<u>462,247</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>1,063,000</u>	<u>1,063,000</u>	<u>1,525,247</u>	<u>462,247</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	<u>(1,060,000)</u>	<u>(1,060,000)</u>	<u>(2,138,927)</u>	<u>(1,078,927)</u>
<b>Total other financing sources</b>	<u>(1,060,000)</u>	<u>(1,060,000)</u>	<u>(2,138,927)</u>	<u>(1,078,927)</u>
<b>Net change in fund balance</b>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>(613,680)</u>	<u>\$ (616,680)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,568,801</u>	
End of year			<u>\$ 1,955,121</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule AB 2766 Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 50,460	\$ (9,540)
Use of money and property	2,500	2,500	1,084	(1,416)
<b>Total revenues</b>	<u>62,500</u>	<u>62,500</u>	<u>51,544</u>	<u>(10,956)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	197,804	197,804	96,780	101,024
Community development	68,196	68,196	68,196	-
<b>Total Expenditures</b>	<u>266,000</u>	<u>266,000</u>	<u>164,976</u>	<u>101,024</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(203,500)</u>	<u>(203,500)</u>	<u>(113,432)</u>	<u>90,068</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	<u>(445,271)</u>	<u>-</u>	<u>(164,503)</u>	<u>(164,503)</u>
<b>Total other financing sources</b>	<u>(445,271)</u>	<u>-</u>	<u>(164,503)</u>	<u>(164,503)</u>
<b>Net change in fund balance</b>	<u>\$ (648,771)</u>	<u>\$ (203,500)</u>	<u>(277,935)</u>	<u>\$ (74,435)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>621,930</u>	
End of year			<u>\$ 343,995</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule PEG Fees Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
License and permits	\$ 25,800	\$ 25,800	\$ 21,517	\$ (4,283)
Use of money and property	120	120	54	(66)
<b>Total revenues</b>	<u>25,920</u>	<u>25,920</u>	<u>21,571</u>	<u>(4,349)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	19,500	19,500	17,539	1,961
<b>Total Expenditures</b>	<u>19,500</u>	<u>19,500</u>	<u>17,539</u>	<u>1,961</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>6,420</u>	<u>6,420</u>	<u>4,032</u>	<u>(2,388)</u>
<b>Net change in fund balance</b>	<u>\$ 6,420</u>	<u>\$ 6,420</u>	<u>4,032</u>	<u>\$ (2,388)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>23,675</u>	
End of year			<u>\$ 27,707</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule Other Federal Grants Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 130,000	\$ 4,144,159	\$ 72,003	\$ (4,072,156)
Use of money and property	-	-	5,976	5,976
<b>Total revenues</b>	<u>130,000</u>	<u>4,144,159</u>	<u>77,979</u>	<u>(4,066,180)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	114,674	(114,674)
Community development	130,000	1,557,240	39,216	1,518,024
<b>Total Expenditures</b>	<u>130,000</u>	<u>1,557,240</u>	<u>153,890</u>	<u>1,403,350</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>-</u>	<u>2,586,919</u>	<u>(75,911)</u>	<u>(2,662,830)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	112,817	112,817
Transfers (out)	-	(2,010,560)	(132,570)	1,877,990
<b>Total other financing sources</b>	<u>-</u>	<u>(2,010,560)</u>	<u>(19,753)</u>	<u>1,990,807</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 576,359</u>	<u>(95,664)</u>	<u>\$ (672,023)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(84,997)</u>	
End of year			<u>\$ (180,661)</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule COPS Grant Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 161,285	\$ 11,285
Use of money and property	3,000	3,000	1,054	(1,946)
<b>Total revenues</b>	<u>153,000</u>	<u>153,000</u>	<u>162,339</u>	<u>9,339</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	898	(898)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>898</u>	<u>(898)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>153,000</u>	<u>153,000</u>	<u>161,441</u>	<u>8,441</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	<u>(62,734)</u>	<u>(62,734)</u>	<u>(21,883)</u>	<u>40,851</u>
<b>Total other financing sources</b>	<u>(62,734)</u>	<u>(62,734)</u>	<u>(21,883)</u>	<u>40,851</u>
<b>Net change in fund balance</b>	<u>\$ 90,266</u>	<u>\$ 90,266</u>	<u>139,558</u>	<u>\$ 49,292</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>313,341</u>	
End of year			<u>\$ 452,899</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule State Asset Seizure Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Use of money and property	2,000	2,000	360	(1,640)
<b>Total revenues</b>	<u>4,500</u>	<u>4,500</u>	<u>360</u>	<u>(4,140)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	350	(350)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>350</u>	<u>(350)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>4,500</u>	<u>4,500</u>	<u>10</u>	<u>(4,490)</u>
<b>Net change in fund balance</b>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>10</u>	<u>\$ (4,490)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>295,014</u>	
End of year			<u>\$ 295,024</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule Other Special Revenue Fund For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 12,000	\$ 22,254	\$ 98,253	\$ 75,999
License and permits	5,000	5,000	6,361	1,361
Use of money and property	1,000	1,000	717	(283)
Other revenues	35,400	35,400	86,409	51,009
<b>Total revenues</b>	<u>53,400</u>	<u>63,654</u>	<u>191,740</u>	<u>128,086</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	9,700	32,644	44,842	(12,198)
Community development	24,400	24,400	10,280	14,120
<b>Total Expenditures</b>	<u>34,100</u>	<u>57,044</u>	<u>55,122</u>	<u>1,922</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>19,300</u>	<u>6,610</u>	<u>136,618</u>	<u>130,008</u>
<b>Net change in fund balance</b>	<u>\$ 19,300</u>	<u>\$ 6,610</u>	<u>136,618</u>	<u>\$ 130,008</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>183,807</u>	
End of year			<u>\$ 320,425</u>	

# CITY OF BEAUMONT

## Budgetary Comparison Schedule Community Facilities Districts (CFD) For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Assessments levied	\$ 6,187,690	\$ 6,187,690	\$ 6,222,036	\$ 34,346
Use of money and property	-	-	6,671	6,671
<b>Total revenues</b>	<u>6,187,690</u>	<u>6,187,690</u>	<u>6,228,707</u>	<u>41,017</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	342,095	342,095	118,529	223,566
<b>Total Expenditures</b>	<u>342,095</u>	<u>342,095</u>	<u>118,529</u>	<u>223,566</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>5,845,595</u>	<u>5,845,595</u>	<u>6,110,178</u>	<u>264,583</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(2,252,689)	(2,252,689)	(6,375,780)	(4,123,091)
<b>Total other financing sources (uses)</b>	<u>(2,252,689)</u>	<u>(2,252,689)</u>	<u>(6,375,780)</u>	<u>(4,123,091)</u>
<b>Net change in fund balance</b>	<u>\$ 3,592,906</u>	<u>\$ 3,592,906</u>	<u>(265,602)</u>	<u>\$ (3,858,508)</u>
<b>FUND BALANCE:</b>				
Beginning of year			2,539,778	
End of year			<u>\$ 2,274,176</u>	

## **Fiduciary Funds**

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# CITY OF BEAUMONT

## Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2022

	Community Facilities District Collection	Evidence Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 20,899,792	\$ 83,492	\$ 20,983,284
Cash and investments with fiscal agent	13,621,551	-	13,621,551
Due from other governments	282,076	-	282,076
<b>Total assets</b>	<u>34,803,419</u>	<u>83,492</u>	<u>34,886,911</u>
<b>LIABILITIES</b>			
Interest payable	4,184,332	-	4,184,332
Unearned revenue	-	12,634	12,634
Deposits payable	-	68,976	68,976
Due to other governments	107,742,432	-	107,742,432
Due to bondholders	143,305,675	-	143,305,675
<b>Total liabilities</b>	<u>255,232,439</u>	<u>81,610</u>	<u>255,314,049</u>
<b>Net Position (deficit)</b>			
Restricted for:			
Individuals, organizations and other governments	(220,429,020)	1,882	(220,427,138)
<b>Total net position</b>	<u>\$ (220,429,020)</u>	<u>\$ 1,882</u>	<u>\$ (220,427,138)</u>

# CITY OF BEAUMONT

## Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the Year Ended June 30, 2022

	Community Facilities District Collection	Evidence Fund	Total
<b>ADDITIONS:</b>			
Investment Income	\$ 9,527	\$ 20	\$ 9,547
Assessments	20,048,194	-	20,048,194
<b>Total additions</b>	<u>20,057,721</u>	<u>20</u>	<u>20,057,741</u>
<b>DEDUCTIONS:</b>			
Payments to trustee	4,197,050	-	4,197,050
Interest expense	10,100,671	-	10,100,671
Bond proceeds	8,720,632	-	8,720,632
Payment for infrastructure	2,178,143	-	2,178,143
<b>Total deductions</b>	<u>25,196,496</u>	<u>-</u>	<u>25,196,496</u>
<b>Change in net position</b>	(5,138,775)	20	(5,138,755)
<b>NET POSITION:</b>			
Beginning of year	(215,290,245)	1,862	(215,288,383)
End of year	<u>\$ (220,429,020)</u>	<u>\$ 1,882</u>	<u>\$(220,427,138)</u>

## **Statistical Section**

# CITY OF BEAUMONT

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

<b>Fiscal Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governmental activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	31,785,547	27,651,232	32,785,514	48,232,914
Unrestricted	(32,707,527)	(34,861,337)	(89,979,209)	(22,231,046)
Total governmental activities net position	<u>\$ (921,980)</u>	<u>\$ (7,210,105)</u>	<u>\$ (57,193,695)</u>	<u>\$ 26,001,868</u>
Business-type activities				
Net investment in capital assets	\$ 48,712,794	\$ 47,357,696	\$ 52,039,617	\$ 50,742,754
Restricted	-	-	-	-
Unrestricted	733,877	3,461,080	(2,786,155)	897,094
Total business-type activities net position	<u>\$ 49,446,671</u>	<u>\$ 50,818,776</u>	<u>\$ 49,253,462</u>	<u>\$ 51,639,848</u>
Primary government				
Net investment in capital assets	\$ 48,712,794	\$ 47,357,696	\$ 52,039,617	\$ 50,742,754
Restricted	31,785,547	27,651,232	32,785,514	48,232,914
Unrestricted	(31,973,650)	(31,400,257)	(92,765,364)	(21,333,952)
Total primary government net position	<u>\$ 48,524,691</u>	<u>\$ 43,608,671</u>	<u>\$ (7,940,233)</u>	<u>\$ 77,641,716</u>

Source: City of Beaumont Finance Department Audited Financial Statements

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2017	2018	2019	2020	2021	2022
\$ 41,036,317	\$ 161,035,919	\$ 180,996,750	\$ 191,989,902	\$ 199,529,502	\$ 210,229,919
253,984,801	133,927,879	125,918,630	118,674,754	121,676,799	121,976,580
(13,630,302)	(7,563,390)	457,794	7,180,682	12,223,595	39,194,558
<u>\$ 281,390,816</u>	<u>\$ 287,400,408</u>	<u>\$ 307,373,174</u>	<u>\$ 317,845,338</u>	<u>\$ 333,429,896</u>	<u>\$ 371,401,057</u>
\$ 127,028,681	\$ 124,163,481	\$ 134,524,431	\$ 137,744,251	\$ 134,777,249	\$ 134,350,805
-	-	-	-	595,399	757,246
2,246,526	9,681,229	(475,808)	4,609,395	3,069,283	11,180,846
<u>\$ 129,275,207</u>	<u>\$ 133,844,710</u>	<u>\$ 134,048,623</u>	<u>\$ 142,353,646</u>	<u>\$ 138,441,931</u>	<u>\$ 146,288,897</u>
\$ 168,064,998	\$ 285,199,400	\$ 315,521,181	\$ 329,734,153	\$ 334,306,751	\$ 344,580,724
253,984,801	133,927,879	125,918,630	118,674,754	122,272,198	122,733,826
(11,383,776)	2,117,839	(18,014)	11,790,077	15,292,878	50,375,404
<u>\$ 410,666,023</u>	<u>\$ 421,245,118</u>	<u>\$ 441,421,797</u>	<u>\$ 460,198,984</u>	<u>\$ 471,871,827</u>	<u>\$ 517,689,954</u>

# CITY OF BEAUMONT

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

Fiscal Year	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,618,665	\$ 4,968,528	\$ 7,309,913	\$ 3,397,331
Public safety	15,198,102	15,219,502	13,414,301	11,236,896
Public works	4,763,622	7,812,711	1,552,407	1,976,427
Community development	65,303,162	6,947,833	1,914,356	1,367,789
Community services	3,355,226	156,923	4,880,614	3,050,603
Refuse	-	-	4,144,778	4,138,062
Pass-through payments	-	-	-	-
Interest on long-term debt	-	161,272	2,660,836	-
Total governmental activities expenses	<u>94,238,777</u>	<u>35,266,769</u>	<u>35,877,205</u>	<u>25,167,108</u>
Business-type activities:				
Sewer	5,714,311	6,074,330	7,986,837	6,043,880
Transit	1,941,586	2,258,381	2,211,872	2,478,621
Total business-type activities expenses	<u>7,655,897</u>	<u>8,332,711</u>	<u>10,198,709</u>	<u>8,522,501</u>
Total primary government expenses	<u>\$ 101,894,674</u>	<u>\$ 43,599,480</u>	<u>\$ 46,075,914</u>	<u>\$ 33,689,609</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services	\$ 5,955,862	\$ 7,339,117	\$ 9,855,807	\$ 9,561,023
Operating grants	3,456,547	4,708,037	6,337,968	9,449,166
Capital grants	20,937,453	6,051,679	4,364,103	5,304,634
Total governmental activities program revenues	<u>30,349,862</u>	<u>18,098,833</u>	<u>\$ 20,557,878</u>	<u>\$ 24,314,823</u>
Business-type activities:				
Charges for services	4,895,175	8,041,655	8,021,109	7,362,793
Operating grants	1,238,220	1,636,434	1,847,564	2,063,600
Capital Grants	800,088	304,610	10,445	1,479,942
Total business-type activities program revenues	<u>6,933,483</u>	<u>9,982,699</u>	<u>\$ 9,879,118</u>	<u>\$ 10,906,335</u>
Total primary government revenues	<u>\$ 37,283,345</u>	<u>\$ 28,081,532</u>	<u>\$ 30,436,996</u>	<u>\$ 35,221,158</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (63,888,915)	\$ (17,167,936)	\$ (15,319,327)	\$ (852,285)
Business-type activities	(722,414)	1,649,988	(319,591)	2,383,834
Total primary government net (expense)/revenue	<u>\$ (64,611,329)</u>	<u>\$ (15,517,948)</u>	<u>\$ (15,638,918)</u>	<u>\$ 1,531,549</u>

Source: City of Beaumont Finance Department Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 7,593,312	\$ 5,356,762	\$ 6,010,855	\$ 6,387,414	\$ 10,322,019	\$ 4,512,580
13,526,022	18,969,972	15,641,308	17,326,496	17,896,367	18,598,061
5,030,993	5,563,653	8,536,946	4,051,200	8,738,889	4,232,519
4,441,655	2,431,640	2,396,300	2,203,993	2,109,290	2,419,107
2,528,668	3,478,806	3,840,603	4,805,108	4,567,596	2,462,608
4,239,048	4,899,889	5,504,512	-	-	-
-	-	-	-	-	-
10,369,211	7,181,818	4,415,612	4,980,043	4,742,632	4,965,899
47,728,909	47,882,540	46,346,136	39,754,254	48,376,793	37,190,774
11,192,584	10,430,002	14,993,895	15,084,760	16,480,072	17,596,817
2,990,218	3,119,254	3,353,923	3,260,924	3,103,538	3,047,754
14,182,802	13,549,256	18,347,818	18,345,684	19,583,610	20,644,571
\$ 61,911,711	\$ 61,431,796	\$ 64,693,954	\$ 58,099,938	\$ 67,960,403	\$ 57,835,345
\$ 15,939,510	\$ 15,749,036	\$ 13,488,153	\$ 6,004,874	\$ 6,223,772	\$ 8,436,192
286,368	77,514	884,195	1,626,798	4,116,354	1,613,280
12,450,382	20,409,806	17,527,025	8,773,350	16,582,075	16,403,235
28,676,260	36,236,356	31,899,373	16,405,022	26,922,201	26,452,707
7,644,407	8,282,833	8,993,637	10,697,882	10,955,015	12,314,130
2,262,277	2,347,256	2,557,412	3,228,349	2,251,555	2,687,154
473,715	6,171,672	1,575,041	7,334,406	1,852,603	1,881,755
10,380,399	16,801,761	13,126,090	21,260,637	15,059,173	16,883,039
\$ 39,056,659	\$ 53,038,117	\$ 45,025,463	\$ 37,665,659	\$ 41,981,374	\$ 43,335,746
\$ (19,052,649)	\$ (11,646,184)	\$ (14,446,763)	\$ (23,349,232)	\$ (21,454,592)	\$ (10,738,067)
(3,802,403)	3,252,505	(5,221,728)	2,914,953	(4,524,437)	(3,761,532)
\$ (22,855,052)	\$ (8,393,679)	\$ (19,668,491)	\$ (20,434,279)	\$ (25,979,029)	\$ (14,499,599)

# 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	2013	2014	2015	2016
Government activities:				
Taxes				
Property taxes	\$ 3,314,109	\$ 2,846,677	\$ 3,894,320	\$ 3,762,290
Sales taxes	3,846,904	4,149,782	4,209,246	4,966,331
Vehicle in lieu tax	2,637,026	2,709,016	3,244,340	3,506,871
Utility Users Tax	-	-	1,373,661	1,804,096
Franchise tax	837,617	882,609	944,869	929,261
Transient occupancy tax	-	-	224,705	283,999
Other taxes	1,665,975	1,778,239	209,124	77,163
Business Licenses	-	-	-	196,185
Transfers	-	-	-	-
Total taxes and transfers	<u>12,301,631</u>	<u>12,366,323</u>	<u>14,100,265</u>	<u>15,526,196</u>
Construction bond proceeds	-	-	-	-
Developer Contributions	-	-	-	-
Investment Earnings	419,671	827,047	129,837	13,232
Miscellaneous	555,543	562,353	156,283	359,206
Other revenue	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-
Total governmental activities	<u>13,276,845</u>	<u>13,755,723</u>	<u>14,386,385</u>	<u>15,898,634</u>
Business-type activities:				
Investment Earnings	80,587	55,973	4,267	2,552
Developer Contributions	-	-	-	-
Miscellaneous	12,792	7,753	-	-
Mitigation Fees	-	-	-	-
Transfers	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	<u>93,379</u>	<u>63,726</u>	<u>4,267</u>	<u>2,552</u>
Total primary government	<u>\$ 13,370,224</u>	<u>\$ 13,819,449</u>	<u>\$ 14,390,652</u>	<u>\$ 15,901,186</u>
Extraordinary Items (Governmental Activities)				
Write off of advance receivable	\$ -	\$ -	\$ (21,500,000)	\$ -
Settlement - restitution	-	-	-	-
Refunding CFD 93-01	-	-	-	-
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>\$ -</u>	<u>\$ -</u>	<u>\$ (21,500,000)</u>	<u>\$ 62,334,300</u>
Change in Net Position				
Governmental activities	\$ (50,612,070)	\$ (3,412,213)	\$ (22,432,942)	\$ 77,380,649
Business-type activities	(629,035)	1,713,714	(315,324)	2,386,386
Total primary government	<u>\$ (51,241,105)</u>	<u>\$ (1,698,499)</u>	<u>\$ (22,748,266)</u>	<u>\$ 79,767,035</u>

Source: City of Beaumont Finance Department Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 4,852,263	\$ 5,199,098	\$ 5,656,662	\$ 11,107,476	\$ 12,701,479	\$ 13,932,511
4,851,947	5,631,332	6,596,935	7,593,729	8,869,746	26,869,849
3,768,042	4,125,662	4,517,090	38,307	37,754	60,866
1,545,893	1,524,158	1,584,224	1,650,094	1,887,031	2,058,730
805,244	3,285,697	3,908,531	8,074,504	3,183,803	3,164,944
325,874	363,868	335,304	278,504	298,879	422,087
880,255	1,194,389	958,614	-	-	-
231,688	247,193	294,968	342,702	415,229	350,142
-	322	(3,120,964)	-	239,958	(254,358)
17,261,206	21,571,719	20,731,364	29,085,316	27,633,879	46,604,771
-	-	-	-	233,922	-
-	11,343,940	9,055,054	-	4,001,607	-
10,490,307	7,851,992	5,390,216	4,230,375	4,618,626	1,157,022
55,710	355,360	716,944	472,274	526,724	598,614
-	-	-	-	-	58,594
42,237	5,341	52,377	33,431	24,392	51,186
27,849,460	41,128,352	35,945,955	33,821,396	37,039,150	48,470,187
4,475	13,606	1,564,220	565,390	57,721	(1,131,442)
-	778,223	731,125	-	-	-
30	525,491	3,393	5,242	13,719	1,206,829
-	-	-	4,819,408	1,123,349	11,278,753
-	(322)	3,120,964	-	(239,958)	254,358
-	-	5,939	30	-	-
4,505	1,316,998	5,425,641	5,390,070	954,831	11,608,498
\$ 27,853,965	\$ 42,445,350	\$ 41,371,596	\$ 39,211,466	\$ 37,993,981	\$ 60,078,685
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,000,000	-	-	-	-	-
-	(11,947,642)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 3,000,000	\$ (11,947,642)	\$ -	\$ -	\$ -	\$ -
\$ 11,796,811	\$ 17,534,526	\$ 21,499,192	\$ 10,472,164	\$ 15,584,558	\$ 37,732,120
(3,797,898)	4,569,503	203,913	8,305,023	(3,569,606)	7,846,966
\$ 7,998,913	\$ 22,104,029	\$ 21,703,105	\$ 18,777,187	\$ 12,014,952	\$ 45,579,086

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## CITY OF BEAUMONT

### Governmental Activities Tax and Assessments Revenues by Sources Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales & Use Tax/Measure A	Transient Occupancy Tax	Franchise Fees	Motor Vehicle In Lieu Tax	Utility Users Taxes	*Other Taxes	Business Licenses	CFD Assessments	Total
2013	\$ 3,314,109	\$ 3,846,904	\$ 235,656	\$ 837,617	\$ 2,637,026	\$ -	\$ 1,665,975	\$ 206,634	\$ 21,110,633	\$ 33,854,554
2014	2,846,677	4,149,782	196,114	882,609	2,709,016	-	1,778,239	204,470	22,295,061	35,061,968
2015	4,016,833	4,209,246	224,705	944,869	3,244,340	1,373,661	1,152,746	209,124	23,520,973	38,896,498
2016	4,391,074	4,966,331	283,999	929,261	3,506,871	1,804,096	999,244	196,185	24,235,209	41,312,270
2017	4,852,262	4,851,947	325,874	805,244	3,768,042	1,545,893	880,256	231,688	25,245,610	42,506,817
2018	5,199,098	5,631,332	363,868	876,551	4,125,662	1,524,158	976,299	247,193	23,871,332	42,815,493
2019	5,656,662	6,596,935	335,304	912,924	4,517,090	1,584,224	958,614	294,968	23,953,820	44,810,540
2020	6,109,624	7,593,728	278,504	8,074,504	4,997,852	1,650,094	1,089,543	342,702	24,999,645	55,136,196
2021	6,991,565	8,869,746	298,879	3,183,803	5,709,914	1,887,031	1,169,351	415,229	25,884,547	54,410,067
2022	7,015,381	26,869,849	422,087	3,164,944	6,240,950	2,058,730	737,046	350,142	26,270,230	73,129,359

Includes General Fund, Special Revenue, Capital Projects Funds, Internal Service Funds (2021), Enterprise Funds and Fiduciary Funds.

\* Other Taxes include Vehicle License Collection, Gas Tax and Traffic Congestion Relief Apportionment tied to SB1 (FY2018)

Source: City of Beaumont Finance Department Audited Financial Statements (FY2012- 2014); CFD Assessments from Tyler

Source: City of Beaumont Finance Department Tyler Accounting Software (FY2015 and older)

# CITY OF BEAUMONT

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

Fiscal Year	2013	2014	2015	2016
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non Spendable:	-	-	-	-
Notes and Loans Receivable	289,442	-	249,493	226,186
Advances to RDA Successor Agency	21,500,000	21,500,000	-	-
Prepaid items	-	-	-	-
Restricted	-	-	-	-
Investment in Section 115 Trust	-	-	-	-
Committed for:	-	-	-	-
Capital Projects	-	-	-	-
Self Insurance	-	-	-	-
Pension Trust Funding	-	-	-	-
Assigned for:	-	-	-	-
Re-appropriation	-	-	-	-
Unassigned	(6,866,481)	(6,354,884)	(7,438,424)	(4,296,822)
Total general fund	<u>\$ 14,922,961</u>	<u>\$ 15,145,116</u>	<u>\$ (7,188,931)</u>	<u>\$ (4,070,636)</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non Spendable:	-	-	-	-
Prepaid items	-	-	-	-
Restricted for:	-	-	-	-
CFD Projects	-	-	22,748,722	32,867,745
Capital Projects	28,104,669	26,605,667	8,763,649	13,967,685
Streets Projects	-	-	708,507	684,297
Public Safety	876,469	406,697	422,142	550,410
PEG Fees	-	-	142,494	162,777
State Gas Tax	135,592	-	-	-
AB 2766	-	-	-	-
RMRA	-	-	-	-
Measure A	-	-	-	-
Other Special Projects	2,583,460	529,090	-	-
Government Access TV	85,357	109,778	-	-
COPS Grants	-	-	-	-
State Asset Forfeiture	-	-	-	-
Federal Asset Forfeiture	-	-	-	-
Debt service	-	-	-	-
Committed for:	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 31,785,547</u>	<u>\$ 27,651,232</u>	<u>\$ 32,785,514</u>	<u>\$ 48,232,914</u>

Sources: City of Beaumont Finance Department Audited Financial Statements

Continued

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
213,399	215,904	220,634	224,671	225,715	-
-	-	-	-	-	-
-	-	83,141	-	26,262	61,292
-	-	-	-	-	-
-	-	-	-	-	2,344,101
6,839,275	6,839,275	-	4,550,000	-	-
-	-	-	-	2,850,717	2,154,152
-	-	-	-	2,500,000	-
-	-	-	-	214,799	796,780
5,034,141	10,315,492	14,980,384	19,290,503	17,576,741	40,317,103
<u>\$ 12,086,815</u>	<u>\$ 17,370,671</u>	<u>\$ 15,284,159</u>	<u>\$ 24,065,174</u>	<u>\$ 23,394,234</u>	<u>\$ 45,673,428</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	304,015	287,125
8,424,392	8,462,228	9,145,832	9,036,520	5,884,930	2,274,176
25,157,602	15,683,985	12,877,575	13,336,436	13,674,329	24,136,095
-	-	-	-	-	-
688,820	788,141	1,110,144	664,780	-	-
219,517	250,014	1,542,017	21,482	23,675	27,707
357,051	263,369	103,421	-	159,101	69,599
306,698	370,379	1,102,061	474,841	621,930	343,995
-	-	-	551,820	1,437,670	1,117,898
-	-	-	1,348,379	2,568,801	1,955,121
981	90,333	305,975	163,173	183,807	320,425
-	-	-	-	-	-
-	-	-	-	313,341	452,899
-	-	-	-	295,014	295,024
-	-	-	-	6,030	6,036
223,515,398	101,180,155	98,006,000	92,767,025	85,876,699	80,287,587
-	-	1,417,617	666,248	10,631,472	8,345,917
-	-	-	-	(84,997)	(180,661)
<u>\$ 258,670,459</u>	<u>\$ 127,088,604</u>	<u>\$ 125,610,642</u>	<u>\$ 119,030,704</u>	<u>\$ 121,895,817</u>	<u>\$ 119,738,943</u>

# CITY OF BEAUMONT

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

Fiscal Year	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$ 9,891,679	\$ 9,681,600	\$ 19,240,888	\$ 29,927,330
Franchise Fees	-	-	-	-
Intergovernmental revenues	6,073,043	7,376,149	297,016	29,788
Licenses, Fees and Permits	772,780	1,291,053	1,201,320	1,360,288
Fines and Forfeitures	151,541	155,671	350,287	413,052
Assessment Levied				
Use of money and property	434,265	110,873	129,834	148,419
Charges for services	4,653,501	5,900,241	12,400,655	7,913,344
Other Revenues	535,200	1,287,290	979,582	545,313
Interfund Charges	6,582,910	6,175,682	-	-
Total Revenues	29,094,919	31,978,559	34,599,582	40,337,534
<b>Expenditures</b>				
General Government	5,101,037	5,067,238	4,969,209	4,735,084
Public Safety	15,334,992	15,482,011	13,585,249	12,318,788
Public Works	4,763,622	7,812,711	1,552,407	1,976,427
Community Development	28,532,830	2,719,182	1,914,356	1,367,789
Community Services	3,355,226	156,923	4,880,614	3,050,603
Refuse	-	-	4,144,778	4,138,062
Capital Outlay	-	10,404,333	-	-
Debt Service:				
Principal	-	300,000	-	-
Refunding Escrow Agent	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through Payments	-	-	-	-
Total Expenditures	57,087,707	41,942,398	31,046,613	27,586,753
Excess of revenues over (under) expenditures	(27,992,788)	(9,963,839)	3,552,969	12,750,781
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	-	-
Lease acquisition	-	-	-	-
Sales of Property	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Developer Contributions	20,937,453	6,051,679	-	-
Transfers in	1,665,000	3,556,910	-	11,280
Transfers out	(1,665,000)	(3,556,910)	-	(11,280)
Total Other Financing Sources (Uses)	20,937,453	6,051,679	-	-
Net Change in Fund Balances Before Extraordinary Item	(7,055,335)	(3,912,160)	3,552,969	12,750,781
Extraordinary Item	-	-	(21,500,000)	-
Special Item	-	-	-	-
Net Change in Fund Balances	\$ (7,055,335)	\$ (3,912,160)	\$ (17,947,031)	\$ 12,750,781
Debt Service as a percentage of non-capital expenditures	0.0%	1.0%	0.0%	0.0%

Source: City of Beaumont Finance Department Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 11,027,239	\$ 12,163,969	\$ 13,570,476	\$ 14,996,887	\$ 17,410,049	\$ 36,366,045
-	3,285,697	3,908,531	8,074,504	3,183,803	3,164,944
5,787,280	11,263,234	11,581,831	10,051,669	11,813,339	8,973,877
10,781,152	13,283,260	8,044,621	3,708,535	6,525,592	12,908,883
265,831	262,278	249,914	617,981	344,816	425,252
9,309,555	9,240,825	6,786,653	6,491,075	7,288,277	6,898,216
10,613,015	8,023,202	5,569,684	4,337,680	4,693,106	1,243,832
8,355,018	7,754,417	6,944,423	1,469,367	1,484,669	1,595,732
377,102	872,752	4,627,173	1,021,777	7,016,584	771,271
-	-	-	-	-	-
56,516,192	66,149,634	61,283,306	50,769,475	59,760,235	72,348,052
5,464,863	4,434,173	5,940,387	6,439,508	8,460,291	8,428,917
12,524,089	12,956,345	14,721,189	16,731,402	17,578,516	18,101,157
2,902,986	3,161,648	3,929,138	2,855,850	2,959,287	2,681,355
4,295,350	2,000,866	2,096,589	1,952,789	1,951,963	2,285,885
2,396,166	3,070,774	3,708,469	3,998,071	4,119,407	4,650,945
4,239,048	4,899,889	5,504,512	-	-	-
188,738	13,194,674	12,622,062	7,964,820	5,074,099	8,723,267
6,167,352	118,212,977	3,600,000	3,405,300	3,938,561	3,119,925
-	-	-	1,149,489	3,563,485	-
10,369,211	7,181,818	4,415,612	4,490,634	4,820,703	5,099,969
-	-	-	-	-	-
48,547,803	169,113,164	56,537,958	48,987,863	52,466,312	53,091,420
7,968,389	(102,963,530)	4,745,348	1,781,612	7,293,923	19,256,632
96,158	132,444	167,456	78,046	-	-
-	-	-	-	-	856,533
42,237	5,341	19,494	-	-	-
-	-	-	5,375,000	35,875,000	-
-	-	-	1,014,920	-	-
-	-	-	(6,389,920)	(34,829,600)	-
-	-	-	33,431	24,392	24,471
-	-	-	-	-	-
22,007,107	14,209,907	9,682,117	10,561,452	18,489,635	13,031,672
(22,007,107)	(14,209,585)	(12,803,081)	(10,561,452)	(24,659,177)	(13,286,030)
138,395	138,107	(2,934,014)	111,477	(5,099,750)	626,646
8,106,784	(102,825,423)	1,811,334	1,893,089	2,194,173	19,883,278
-	-	-	-	-	-
3,000,000	(11,947,642)	-	-	-	-
\$ 11,106,784	\$(114,773,065)	\$ 1,811,334	\$ 1,893,089	\$ 2,194,173	\$ 19,883,278
52.0%	410.8%	22.3%	28.3%	35.1%	21.1%

## 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
2013	\$ 3,459,720	\$ 3,846,904	\$ 235,656	\$ 837,617	\$ -	\$ 2,637,026	\$ 1,284,708	\$ 206,634	\$ 12,508,265
2014	3,032,987	4,149,782	196,114	882,609	-	2,709,016	1,395,815	204,470	12,570,793
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

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, 2022

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For Fiscal year 2021-2022	
<u>Business Name</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
Beaumont Service Station	Service Stations
Best Buy	Electronics/Appliance Stores
Big Text Trailers	Trailers/RVs
Carson Trailer	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
Mayas Chevron	Service Stations
Oak Valley Chevron	Service Stations
Raising Cane's	Quick-Service Restaurants
Ross	Family Apparel
Stater Bros	Grocery Stores
Trailer Factory Outlet	Trailers/RVs
USA Gas	Service Stations
Walmart Supercenter	Discount Dept Stores
Wolverine Worldwide	Fulfillment Centers

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Percent of Fiscal Year Total Paid By Top 25 Accounts=70.32%

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, 2022

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For Fiscal Year 2012-13	
<u>Business Name</u>	<u>Business Category</u>
1st Street Arco	Service Stations
Baker's Burgers	Quick-Service Restaurants
Beaumont Ace Home Center	Building Materials
Beaumont Gas Mart	Service Stations
Beaumont RV	Trailers/RVs
Beaumont Service Station	Service Stations
Beaumont Yamaha Kawasaki Polaris	Boats/Motorcycles
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
Big Tex California	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
Staples	Office Supplies/Furniture
Stater Bros	Grocery Stores
Verizon Wireless	Electronics/Appliance Stores
Walgreens	Drug Stores
Walmart Supercenter	Discount Dept Stores

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Percent of Fiscal Year Total Paid By Top 25 Accounts=76.97%

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, 2022

Calendar Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Food Stores	\$ 18,063	\$ 18,384	\$ 18,558	\$ 19,259	\$ 21,016	\$ 21,879	\$ 23,369	\$ 24,224	\$ 27,104	\$ 27,107
Eating and Drinking Places	34,758	37,418	44,272	48,099	52,522	54,926	58,205	64,026	68,387	92,028
Building Materials	40,162	44,447	48,119	51,999	55,011	59,720	66,532	68,381	86,638	103,831
Auto Dealers and Supplies	13,348	17,714	21,792	28,347	31,853	37,333	39,427	38,759	44,641	58,846
Services Stations	70,477	68,696	65,560	55,945	50,076	54,400	66,433	74,214	61,673	88,347
Other Retail Stores	131,645	140,750	144,719	152,350	154,131	151,487	155,943	154,635	151,769	182,886
All Other Outlets	59,848	65,346	70,781	85,903	101,750	102,867	107,538	139,383	303,271	891,152
Total	<u>\$ 368,301</u>	<u>\$ 392,755</u>	<u>\$ 413,801</u>	<u>\$ 441,902</u>	<u>\$ 466,359</u>	<u>\$ 482,612</u>	<u>\$ 517,447</u>	<u>\$ 563,622</u>	<u>\$ 743,483</u>	<u>\$1,444,197</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
2013	\$ 1,992,255,157	\$ 261,036,310	\$ 140,914,848	\$ 221,759	\$ 676,041	\$ -	\$ 21,094,997	\$ 214,352,341	\$ 54,015	\$ 3,696,048
2014	2,121,323,112	257,949,389	142,714,557	781,680	648,056	-	16,942,256	219,214,037	54,015	3,364,361
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

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
\$ 63,372,242	\$ 2,697,673,758	\$ (3,993,201)	\$ -	\$ 2,701,666,959	0.2008	100%
68,677,971	2,831,669,434	(1,899,747)	-	2,833,569,181	0.10876	100%
66,013,382	3,350,921,460	(1,937,692)	-	3,352,859,152	0.10600	100%
66,523,710	3,687,940,023	(2,346,527)	-	3,690,286,550	0.10440	100%
69,045,531	3,961,411,307	(2,411,293)	-	3,963,822,600	0.10348	100%
72,696,977	4,310,907,899	(2,442,788)	-	4,313,350,687	0.10275	100%
102,926,670	4,747,511,185	(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	6,581,880,325	-	1,577,940	6,583,458,265	0.10299	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 Geronio Pass Mem Hospital Debt Service	Schools				Metropolitan Water	San Geronio Pass Water	Total Tax Rate	RDA Incremental Rate <sup>1</sup>	Total Direct Rate <sup>2</sup>
			Banning Unified	Beaumont Unified	Mt San Jacinto Community College	San Jacinto Unified					
2013	1.0000	0.11572	0.00000	0.08486	0.00000	0.00000	0.00000	0.18500	1.38558	0.00000	0.20078
2014	1.0000	0.11896	0.00000	0.09000	0.00000	0.00000	0.00000	0.18500	1.39396	0.00000	0.10876
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

Sources: HdL Coren & Cone, Riverside County Assessor 2012/12-2020/21 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.

<sup>1</sup> 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.

<sup>2</sup> Total Direct Rate is the weighted average of all individual direct rates.

# CITY OF BEAUMONT

## Principal Property Taxpayers As of June 30, 2022

Taxpayer	2021/2022				2012/13			
	Assessed	Percentage of		Total Taxable	Assessed	Percentage of		Total Taxable
	Valuation	Rank	Assessed Value		Valuation	Rank	Assessed Value	
Amazon Com Services LLC	\$ 155,127,129	2	2.36%					
Brixton Beaumont LLC	45,600,610	4	0.69%					
Baldi Bros Construction	26,002,337	9	0.40%		\$ 16,145,337.00	9	0.60%	
MPLD II Inland Empire ULC LLC	44,592,237	5	0.68%					
CJ Foods Manufacturing	93,754,096	3	1.42%					
Exeter 630 Nicholas LP	33,309,725	6	0.51%					
CT Beaumont Partners					36,173,000	1	1.34%	
Dura Plastics Products Inc					20,371,520	6	0.76%	
Frederick J Hanshaw					32,000,000	3	1.19%	
High Desert Partners					35,372,284	2	1.31%	
Home Depot USA Inc	25,665,352	10	0.39%					
Loma Linda University					25,451,045	4	0.94%	
HHI Riverside LLC					20,217,164	7	0.75%	
Cathay Bank					24,328,860	5	0.90%	
Lowes HIW Inc					18,085,467	8	0.67%	
USEF Crossroads I/II	384,908,501	1	5.85%					
Beaumont Crossroads Logistics Park II	31,755,614	7	0.48%					
Walmart Real Estate Business Trust	26,307,239	8	0.40%					
hrifty Oil Company					15,595,632	10	0.58%	
	<u>\$ 867,022,840</u>		<u>13.18%</u>		<u>\$ 243,740,309</u>		<u>9.04%</u>	

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

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

<sup>2</sup> 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
2013	\$ 2,309,158	\$ 2,497,216	108.1%	\$ 102,869	\$ 2,600,085	112.6%
2014	2,425,467	2,884,144	118.9%	128,141	3,012,285	124.2%
2015	2,863,392	3,321,742	116.0%	139,009	3,460,752	120.9%
2016	3,148,647	3,578,931	113.7%	132,853	3,711,784	117.9%
2017	3,380,352	3,908,158	115.6%	129,042	4,037,200	119.4%
2018	3,676,718	4,114,723	111.9%	131,947	4,246,669	115.5%
2019	4,059,559	4,539,114	111.8%	143,229	4,682,344	115.3%
2020	4,507,968	4,972,808	110.3%	159,844	5,132,652	113.9%
2021	5,140,701	5,072,476	98.7%	100,766	5,173,242	100.6%
2022	6,531,082	6,288,648	96.3%	91,862	6,380,510	97.7%

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 <sup>1</sup>
	Lease Liability	Beaumont Public Financing Authority	Payable to Successor Agency	WRCOG Judgement	AB 1484 Due Diligence Review	Revenue Bonds	Bond Premium	Lease Liability			
2013	\$ -	\$ -	\$ -	\$ 42,994,879	\$ -	\$ 8,580,000	\$ -	\$ -	\$ 51,574,879	186%	1,297
2014	-	-	-	42,994,879	2,575,912	8,430,000	-	-	54,000,791	186%	1,321
2015	-	-	4,235,674	62,198,626	2,575,912	-	-	-	69,010,212	153%	1,689
2016	-	-	4,235,674	4,100,000	2,275,912	-	-	-	10,611,586	976%	235
2017	79,323	205,668,880	-	4,100,000	1,975,912	-	-	-	211,824,115	1787%	4,587
2018	186,483	91,881,186	-	-	1,675,912	-	-	346,313	94,089,894	5299%	1,951
2019	297,242	88,605,000	-	-	1,375,912	81,105,000	9,469,765	268,459	181,121,378	137%	3,742
2020	251,240	84,839,620	-	-	1,075,912	80,105,000	8,495,497	183,671	174,950,940	151%	3,399
2021	152,680	79,681,849	-	-	775,912	78,860,000	7,842,647	99,306	167,412,394	166%	3,178
2022	756,608	76,583,778	-	-	-	77,565,000	7,217,363	3,658	162,126,407	170%	1,604

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 142 for personal income and population.

Source: City of Beaumont Finance Department

# CITY OF BEAUMONT

## Direct and Overlapping Governmental Activities Debt As of June 30, 2022

2021-2022 Assessed Valuation

\$ 6,702,569,778

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/22	Percent Applicable (1)	Debt 6/30/22
CFD 93-1 IA 1	\$ 304,023	100.000%	\$ 434,579
CFD 93-1 IA 2	30,037	100.000%	42,936
CFD 93-1 IA 3	1,790,000	100.000%	1,915,000
CFD 93-1 IA 4	524,398	100.000%	749,812
CFD 93-1 IA 5	472,258	100.000%	675,059
CFD 93-1 IA 6A1	25,027,537	100.000%	26,362,821
CFD 93-1 IA 6B	-	100.000%	-
CFD 93-1 IA 7A1	9,510,000	100.000%	9,745,000
CFD 93-1 IA 7B	3,620,000	100.000%	3,760,000
CFD 93-1 IA 7C	1,435,000	100.000%	1,435,000
CFD 93-1 IA 7D	3,485,000	100.000%	3,560,000
CFD 93-1 IA 8	5,730,000	100.000%	6,150,000
CFD 93-1 IA 8A	5,183,108	100.000%	5,460,027
CFD 93-1 IA 8B	4,925,000	100.000%	5,145,000
CFD 93-1 IA 8C	27,655,745	100.000%	27,940,351
CFD 93-1 IA 8D	8,266,114	100.000%	8,315,339
CFD 93-1 IA 8E	12,385,000	100.000%	12,455,000
CFD 93-1 IA 8F	12,720,000	100.000%	12,780,000
CFD 93-1 IA 9	330,000	100.000%	355,000
CFD 93-1 IA 10	1,175,000	100.000%	1,255,000
CFD 93-1 IA 11	730,000	100.000%	780,000
CFD 93-1 IA 12	730,000	100.000%	780,000
CFD 93-1 IA 14	5,415,000	100.000%	5,820,000
CFD 93-1 IA 14A	10,700,000	100.000%	11,395,000
CFD 93-1 IA 14B	3,311,685	100.000%	3,456,137
CFD 93-1 IA 16	5,645,000	100.000%	5,985,000
CFD 93-1 IA 17A	8,075,000	100.000%	8,075,000
CFD 93-1 IA 17B	11,125,000	100.000%	11,540,000
CFD 93-1 IA 17C	8,610,000	100.000%	8,660,000
CFD 93-1 IA 18	3,840,000	100.000%	4,075,000
CFD 93-1 IA 19A	15,205,000	100.000%	16,010,000
CFD 93-1 IA 19C	17,039,618	100.000%	17,661,442
CFD 93-1 IA 20	2,615,000	100.000%	2,615,000
CFD 2016-1	8,465,000	100.000%	8,630,000
CFD 2016-2	9,945,000	100.000%	10,135,000
CFD 2016-4	4,005,000	100.000%	4,080,000
CFD 2019-1	2,305,000	100.000%	2,355,000
CFD 2018-1 IA-1 Beaumont USD	4,905,000	100.000%	4,905,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 255,493,503

Source: Webb Municipal Finance, LLC, City of Beaumont Finance Department, the County of Riverside, Beaumont Unified School District, Mount San Jacinto Community College, and the San Geronio Memorial Healthcare District

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**DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:**

Beaumont Unified School B & I (0.07777%)	\$ 114,620,539	82.392%	\$ 82,562,937	
MT San Jacinto Comm (0.01320%)	253,195,000	6.233%	164,385,000	
San Gorgonio Memorial Healthcare District (0.06242%)	100,090,000	59.665%	106,565,000	
<b>City of Beaumont Lease Liability</b>	<b>756,608</b>	<b>100.000%</b>	<b>756,608</b>	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 354,269,545	
OVERLAPPING TAX INCREMENT DEBT:	\$ 257,970,000	3.862-100%	\$ 36,362,296	
TOTAL DIRECT DEBT			756,608	
TOTAL OVERLAPPING OBLIGATION DEBT			645,368,736	
COMBINED TOTAL DEBT			<u>\$ 646,125,344</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 2021-22 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	3.81%
<b>Total Direct Debt (\$38,984).....</b>	<b>0.01%</b>
Combined Total Debt (excluding tax increment).....	9.64%

Ratios to Redevelopment Incremental Valuation (\$1,299,120,312):

Total Overlapping Tax Increment Debt.....	2.80%
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## CITY OF BEAUMONT

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

	2013	2014	2015	2016
Debt Limit	\$ 101,312,511	\$ 106,258,844	\$ 125,732,218	\$ 138,385,746
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 101,312,511</u>	<u>\$ 106,258,844</u>	<u>\$ 125,732,218</u>	<u>\$ 138,385,746</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 148,643,348	\$ 161,750,651	\$ 178,125,370	\$ 197,598,651	\$ 225,811,711	\$ 251,346,367
96,158	132,444	167,456	78,046	251,240	760,266
<u>\$ 148,547,190</u>	<u>\$ 161,618,207</u>	<u>\$ 177,957,914</u>	<u>\$ 197,520,605</u>	<u>\$ 225,560,471</u>	<u>\$ 250,586,101</u>
0.06%	0.08%	0.09%	0.04%	0.11%	0.30%
Net Assessed Value					6,581,880,325
Plus Exempt Property					120,689,453
Total Assessed Value					<u>\$6,702,569,778</u>
Debt Limit: 3.75 percent of Total Assessed Value					251,346,367
Debt applicable to Limitation:					
Net Combined applicable to Limitation					646,129,002
Total Debt applicable to Limitation					760,266
Legal Debt Margin					<u>\$ 250,586,101</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		
2013	\$ 4,495,141	\$ 5,621,489	\$ (1,126,348)	\$ 150,000		-751%
2014	7,824,125	3,591,728	4,232,397	189,777		2230%
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%

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 <sup>1*</sup>	Personal Income <sup>2*</sup>	Per Capita Personal Income <sup>*</sup>	Unemployment Rate (percentage) <sup>*</sup>	Median Age <sup>*</sup>	% of Pop 25+ with High School Degree <sup>*</sup>	% of Pop 25+ with Bachelors Degree
2013	40,876	\$ 958,297	23,444	9.50%	33	87%	26.4%
2014	40,853	1,007,108	24,652	4.90%	33	86%	25.2%
2015	45,118	1,054,947	23,381	4.00%	34	87%	25.4%
2016	46,179	1,035,820	22,430	3.60%	35	87%	24.5%
2017	48,237	1,099,759	22,799	3.00%	34	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%	35	88%	26.1%
2021	54,937	1,388,915	26,362	7.90%	35	88%	26.2%
2022	54,690	1,647,481	30,124	3.60%	34	89%	26.0%

Sources: <sup>1</sup> State of California, Department of Finance. <sup>2</sup> 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	2022			2013 *		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Amazon	3,000	1	36.76%	N/A		0.00%
Beaumont Unified School District	1,467	2	17.98%	639	1	17.23%
CJ Foods	598	3	7.33%	N/A		0.00%
Walmart	526	4	6.45%	100	2	2.70%
<b>Total</b>	<u>5,591</u>		<u>68.51%</u>	<u>739</u>		<u>19.92%</u>

Total number of jobs within City limits provided by Employment Development Department, Labor Market Information Division

\*Principal employer information available for FY 2013, as required by GASB-S44:33.

Source: Primary Employers Source ESRI and Economics

# CITY OF BEAUMONT

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration										
Administration	20	20	17	11	11	17	9	9	8	8
City Clerk	1	1	1	1	1	2	2	2	2	2
City Council	5	5	5	5	5	5	5	5	5	5
Finance	-	-	-	-	-	-	7	7	7	7
Human Resources	-	-	-	-	-	-	2	2	2	3
Information Technology	-	-	-	-	-	-	1	1	3	4
Public safety										
Animal Control	5	5	4	3	2	3	2	2	2	2
Police Officers	43	43	42	37	38	43	43	43	43	49
Police Support	19	19	16	12	16	16	17	17	17	18
Community Development										
Planning	7	7	1	3	2	7	7	7	7	7
Community Enhancement	1	1	2	2	2	2	2	2	2	2
Building and Safety	4	5	5	4	4	4	4	4	5	5
Community Services										
Parks and Recreation	17	17	19	15	16	9	8	8	5	5
Grounds Maintenance/Streets	19	19	12	6	8	19	20	20	20	20
Pool*	15	15	8	8	8	8	8	8	8	-
Public Works										
Public Works	3	3	2	2	2	3	3	4	7	7
Street Maintenance	2	2	2	2	2	5	5	5	5	7
Wastewater	-	-	-	-	3	7	7	12	11	15
Transit	22	22	22	25	25	26	26	26	23	23
Total:	183	184	157	135	143	175	177	183	181	188

\*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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Calls for service	32,628	31,667	29,852	30,753	26,357	26,526	27,277	32,056	27,506	46,253
Citations issued by Officers	3,562	4,611	2,320	1,308	2,667	1,702	1,398	1,711	1,036	4,132
Physical arrests	1,795	1,621	1,281	1,434	1,529	1,254	891	821	1,036	1,377
Fire										
Total number of calls answered	2,871	3,020	3,177	3,186	3,225	3,618	3,886	4,282	3,879	4,244
% of calls for medical aid	83.4%	81.0%	83.7%	85.0%	82.2%	82.5%	81.7%	80.2%	84.0%	75.0%
Highways and streets										
Street resurfacing (miles)	N/A	N/A	N/A	N/A	0.65	1.05	9	20	28	29
Potholes repaired	N/A	N/A	N/A	N/A	49	100	395	638	494	618
Wastewater										
Average daily sewage treatment (million gallons)	2.790	3.080	3.080	3.160	3.270	3.390	3.670	3.820	3.700	3.595

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
* Police										
Vehicles Added Value	85,000	60,000	140,000	-	188,738	247,760	89,268	187,282	487,242	526,164
Highways and streets										
Storm Drain Added Value	-	-	-	-	-	1,184,800	1,596,757	-	4,001,608	185,007
Street Improvements	-	-	-	-	399,000	-	-	1,395,105	25,352,242	5,854,301
Culture and recreation										
Parks Added Value	-	-	-	-	-	2,208,322	3,600,000	1,050,000	-	6,385,002
Sewer										
Sewer Line Added Value	2,291,354	1,560,925	-	131,226,200	-	-	3,676,047	3,950,198	-	-
Lift Station Added Value	72,974	-	302,719	-	172,238	969,346	-	3,352,629	-	185,501
Treatment Plant Expansion	-	-	-	14,684	427,311	2,236,307	15,377,340	26,290,328	20,188,903	7,046,105
Brine Pipeline	-	-	3,334	-	613,161	1,103,175	18,128,897	16,538,109	2,073,430	412,677

\* Fire services are contracted through the County of Riverside Fire Dept.

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