



City of Beaumont

Beaumont, California

Annual Comprehensive Financial Report

For the year ended June 30, 2023

City of Beaumont, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended June 30, 2023

Prepared by the Finance Department

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City of Beaumont
Annual Comprehensive Financial Report
For the year ended June 30, 2023

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December 11, 2023

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, 2023. 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, 2023. The independent auditor's report is located at the front of the financial section of this report.

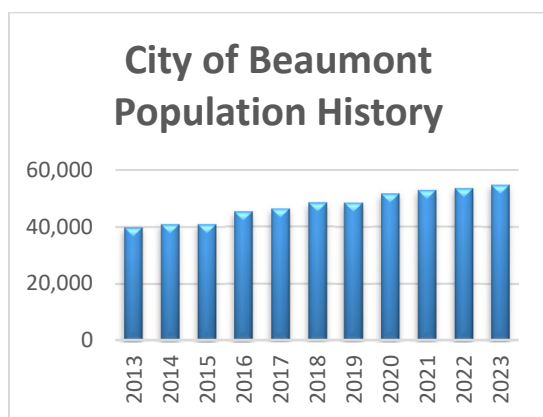
Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Beaumont has a rich history and is nestled in the foothills of the San Bernardino National Forest. Originally settled in the mid-1800s as a stop along the Southern Pacific Railroad, people drawn to the beautiful mountain views, crisp air and abundance of apple orchards remained in the area and the City of Beaumont was incorporated on November 18, 1912. The city is located 79 miles east of Los Angeles, 111 miles northeast of San Diego and 28 miles west of Palm Springs. Beaumont's incorporated area encompasses two of the region's most important highway interchanges, IH-10

and SR-60 and IH-10 and SR-79. Beaumont (beautiful mountain), originally the community of the San Geronio Pass, began its roots as an ideal route for the transport of goods and services from the Missouri River to the Pacific Ocean. The Pass Area remains an important route for the transportation of goods and services from the West Coast today.

Beaumont's continued growth can be attributed to its desirable location and its reputation as an affordable community that offers a high quality of life. Local officials, supported by engaged community members, have worked tirelessly to prepare for a sustainable future and a vibrant community. Since the early 2000s Beaumont has undergone a major building boom and for several years has remained one of the fastest growing cities in Riverside County, mainly due to its housing affordability and convenient proximity to major urban centers. Beaumont's median income is \$92,797 which is 21.9% 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 2022 US Census estimated the population to be 56,349. The California Department of Finance now estimates the 2023 population has grown to 56,987, an increase of 638 from 2022 (1.13% growth).

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

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

THE REPORTING ENTITY

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

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

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

The Government-Wide financial statements (Statement of Net Position and Statement of Activities) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements. These reconciliation schedules are presented on pages 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, or between departments within the same fund, must be approved by the City Council. Adjustments at the object level within major categories of expenditures are permissible at the department level, however, adjustments involving transfers between major categories of expenditures such as movement from personnel budget to operating budget, or capital budget to operating budget, between departmental and division budgets, require Finance Director recommendation and City Manager approval. The legal level of control lies within the total department budget for the General Fund. All other funds legal budgetary control is at the fund level. All appropriations lapse at year-end and become available for re-appropriation the following year through the appropriate budgetary process, upon recommendation by the City Manager for City Council consideration.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Economic Development

The City developed and launched a Downtown Business Incentive Program designed to encourage investment in the Downtown and to attract new businesses. The City launched a new Economic Development Website, creating a user-friendly interface where businesses can access resources, grant and incentive information, and businesses and developers can view available properties throughout the City. The city continues to implement a proactive retail recruitment strategy using market analytics utilizing The Retail Coach services. The City initiated development of the Downtown Beaumont Revitalization Plan with the help of GHD, an urban planning and engineering firm, which will provide an implementation plan to achieve City Council's vision for the Downtown established in the 2040 General Plan Update. The DBRP is anticipated to be completed in first quarter 2024.

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.

Community Services

Beaumont's recreational programming has taken a leap like never before, with an astounding 185% increase in services for the community, from the last year! Beaumont offers an extensive array of recreational activities to suit every interest and passion, from sports and fitness classes to arts, culture, and enrichment programs. The city of Beaumont has been hard at work crafting a visionary plan to transform its parks and recreational areas, ensuring a greener, more vibrant future for residents and visitors alike. Beaumont's Park Master Plan is an ambitious vision to create an enhanced park system that caters to the diverse needs and interests of its residents. The plan focuses on enhancing existing parks, creating new recreational spaces, and expanding programming. Beaumont Parks and Recreation has achieved a significant milestone in elevating the facilities at the Beaumont Sports Park, demonstrating their commitment to enhancing the youth sports experience. The recent replacement of 160 sprinklers ensures efficient irrigation, maintaining pristine playing surfaces for young athletes. With the addition of 150 yards of topsoil, the park's fields are now optimized for safety and performance. Moreover, the installation of 42 lights not only extends the usability of the sports facilities into the evening but also enhances the overall safety of nighttime activities. These thoughtful improvements not only reflect the department's dedication to maintaining high-quality recreational spaces but directly benefit youth sports by providing optimal conditions for training and competition.

Public Safety

In Fiscal Year 2022/2023, Beaumont Police Department successfully complete a comprehensive communications system upgrade. Preparations for this project spanned prior years and culminated in 2023 with the transition of user groups to the countywide Public Safety Enterprise Communications (PSEC) system. This enhanced coverage and functionality of all highly essential communication equipment. The Beaumont Police Department utilized Air Quality Management Department (AQMD) grant funding to acquire four electric police motorcycles. The addition of this transportation equipment enabled the expansion of our traffic enforcement team from one motorcycle officer to four without increasing mobile emissions. The upsurge in the traffic team allows patrol officers to focus on crime-related incidents with traffic-specific coverage operating nearly every day of the week. Finally, the Beaumont Police Department integrated the Ford F-150 pickup truck into the fleet and assigned it to the Homeless Liaison Officer (HLO). The HLO collaborates with a licensed clinician as part of the Community Behavioral Assessment Team (CBAT), offering resources to the homeless and to individuals in mental health crises. The deployment of a four-wheel-drive vehicle improves the CBAT team's ability to reach remote homeless campsites efficiently and deliver essential resources effectively.

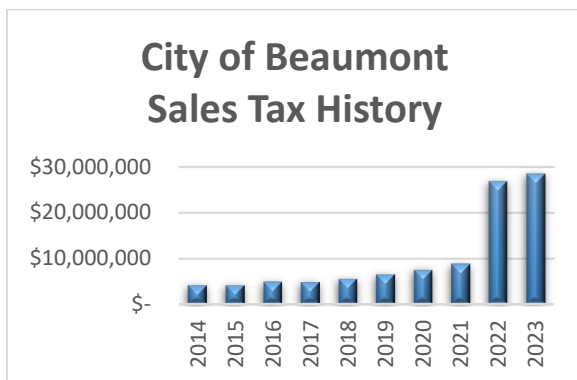
Public Works

The city achieved notable accomplishments in infrastructure development, enhancing the overall functionality of our community. Key projects include Pennsylvania Avenue Widening, Pennsylvania Grade Separation, Potrero Interchange Phase II, and Fire Station No. 106. Pennsylvania Avenue Widening is a highly anticipated project that will add four lanes to Pennsylvania between First Street and Sixth Street. The project is currently in construction with completion anticipated in February 2024. Pennsylvania Avenue Grade separation project is currently in design. The project will eliminate the at-grade crossing with Union Pacific Railroad. Completion of design is anticipated in 2024. With the City of Beaumont continuing to grow, the construction of our new Fire Station No. 106 is currently underway and should be completed by the calendar end of 2023. This will provide residents on the west side with shorter response times and expand Beaumont's public safety coverage. Phase 2 of the Potrero Interchange project includes the addition of On/Off Ramps to SR 60. The City has recently obtained \$33.5 million in Trade Corridor Enhancement Program funding and \$8 million in funding from RCTC. Construction is anticipated to begin in 2025. The City is also successfully implementing SB 1383, the new organics recycling mandate. The City also held two community clean ups that collected a total of 116.42 tons of waste helping to beautify Beaumont. These accomplishments highlight the City's commitment to fostering a safe, sustainable, and thriving environment for our residents.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

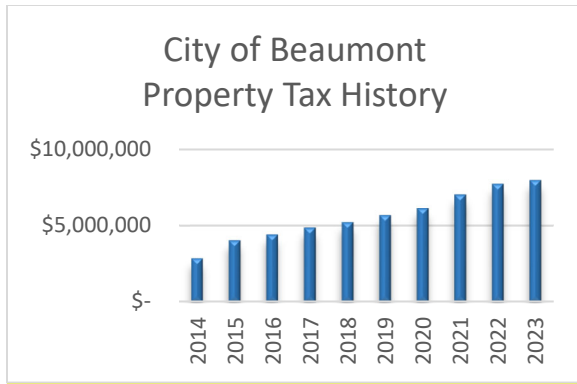
As presented in the 2040 General Plan Update, the City will support downtown revitalizations as well as growth and business expansion in targeted industries that include healthcare, retail, and technology-based industries. Beaumont has continued to experience growth in its retail, commercial and industrial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

In 2023, the median price of a home in Beaumont was \$535,000, an increase of \$23,500 or 4.59% from \$511,500 in 2022, according to the Riverside County Recorder via HDL, Coren & Cone. 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.



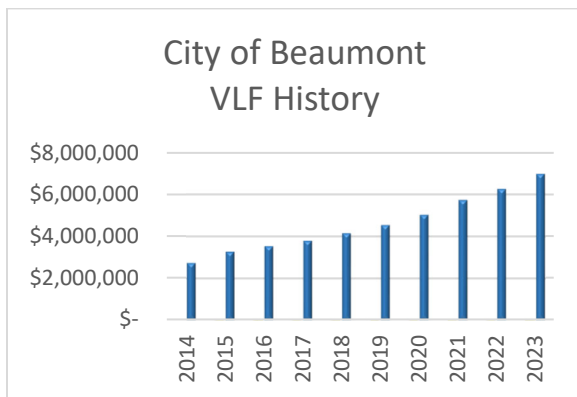
The Sales Tax History chart is a ten-year historical presentation of the City's sales tax revenue through fiscal year ending June 30, 2023. In 2023, the city received \$28,509,903 in sales tax revenues, an increase of 6.10% or \$1,640,054 from \$26,869,849.

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



On June 30, 2023, property tax revenues were reported at \$7,932,822, a net increase of \$241,261 or 3.14% from fiscal year 2022 due to increased residential, commercial, and industrial new accessed value as well as increasing property values.

The Property Tax History chart is a ten-year historical presentation of the City’s property taxes through fiscal year ending June 30, 2023.



current VLF backfill from the State’s general fund for an equivalent amount of property tax revenues in FY2004/2005. Any future growth in VLF revenue would be calculated in proportion to growth in gross assessed valuation. As presented in the ten-year history chart, VLF has steadily increased. In fiscal year 2022/2023, the City collected \$6,952,148 in VLF revenue, an increase of \$711,198 or 11% from fiscal year 2022 due to an increase in property values within the City.

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

LONG-TERM FINANCIAL PLANNING AND FINANCIAL POLICIES

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

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

The City has established a reserve policy to set aside unrestricted general fund balance for working capital, budget stabilization and emergency disaster Reserves. Working capital reserve requirements are to remain at 16% of the Operating Budget. This allows sufficient cash flow throughout the year when revenue receipts are not timely to expenditures. Budget Stabilization Reserve set at \$5M to provide city staff time to address an economic downturn without having to dip into the Working Capital Reserve. Emergency Disaster Reserve set to \$1M to provide funds that may not be available within the budget to address unforeseen emergency disaster brought upon by nature or huma. The City plans to continue to enhance financial policies including the reserve policy and to review these policies each year.

INDEPENDENT AUDIT

An independent audit of the City's records was performed for the year ended June 30, 2023, 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, 2023, and the results of its operations and cash flows of its proprietary fund types for the year ended in accordance with accounting principles generally accepted in the United States of America. The professionalism and knowledge by Rogers, Anderson, Malody & Scott, LLP during the audit is appreciated.

AWARD AND ACKNOWLEDGMENTS

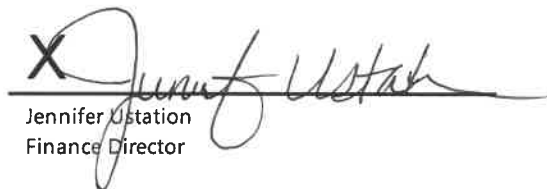
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beaumont for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the first year the City received the extinguished award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

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

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

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

Respectfully submitted,


Jennifer Ustation
Finance Director

CITY OF BEAUMONT

PRINCIPAL OFFICIALS

Elected Officials

Julio Martinez III
Mayor

David Fenn
Mayor Pro Tem

Mike Lara
Council Member

Lloyd White
Council Member

Jessica Voigt
Council Member

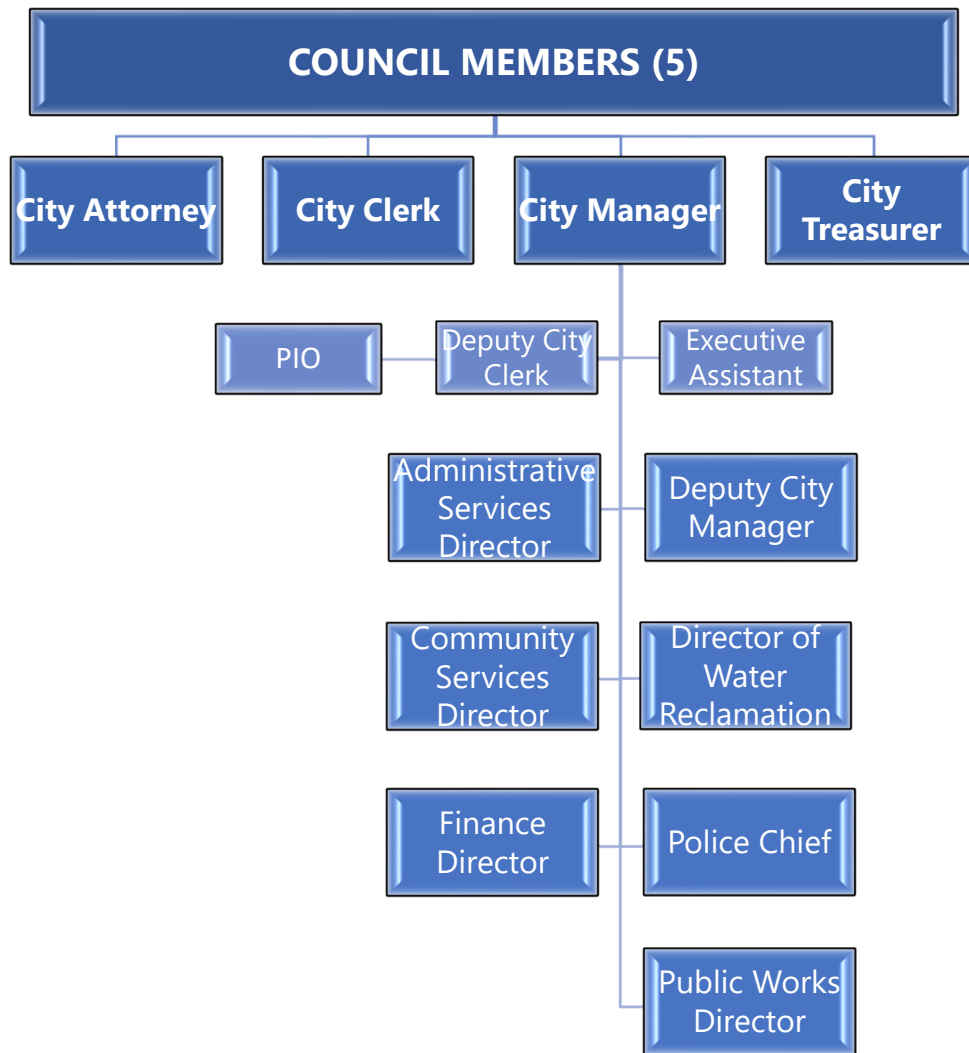
APPOINTED OFFICIALS

Elizabeth Gibbs
City Manager

John Pinkney
City Attorney

| | |
|--------------------------|----------------------------------|
| Elaine Morgan | City Clerk |
| Nicole Wheelwright | Deputy City Clerk |
| AJ Patel | 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**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Beaumont
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



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

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Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

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Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

MEMBERS

American Institute of
Certified Public Accountants

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for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Proud Member of
AlliottGlobalAlliance™

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont (the City), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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, 2023, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based IT Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 11, 2023 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 11, 2023

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, 2023. 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 \$538,192m (net position); of this amount \$407,539m is from governmental activities and \$130,652m is from business-type activities, with \$29,691m positive and \$6,878m positive unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's overall net position increased 3.46% or \$20,503m from the \$517,689m at the beginning of the year, to \$538,191m at the end of the year. The increase is the net result of positive changes of \$36,138m in governmental activities and negative change of \$15,636m in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues increased by \$3,725m due to an increase of combined charges for services and operating contributions and grants of \$4,264m. Business-type program revenues decreased by a net \$2,808m due to a decrease in charges for services and operating grants and contributions.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a negative net change in fund balance of \$3,888m due to \$19,353m of revenues over expenditures combined with other financing uses of \$23,241m. The majority of the increase in other financing uses was due to transfers out of \$33,537m for one time Project Funding.
- In the Required Supplementary Information – Budgetary Comparison Schedule: For the General Fund, the actual revenues available for appropriation were more than the final budget by \$5,641m, while actual expenditures were \$4,996mm less than the final budget. Net actual other financing sources were \$1,145m more than the final budget, resulting in a positive \$11,782m net change in budgetary variance and an actual negative fund balance change of \$3,888m.
- In the 2022/2023 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 \$15,670m. Overall, the General Fund maintains a solid financial position with committed funds of \$6,329m (emergency contingency) and assigned funds of \$2,216m (capital equipment replacement). In the adopted budget for fiscal year 2022/2023, 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), Capital Projects Fund and General Capital Projects Fund, which are *major* funds. The remaining eleven *nonmajor* funds are combined and presented in the *nonmajor* governmental funds column. Individual fund detail for the *nonmajor* funds is presented in the *combining statements* which is located as listed in the table of contents under *Supplementary Information*.

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

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

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

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

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

Government-Wide Financial Analysis

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

Net Position

As shown in Table 1, the City's net position from governmental activities increased 9.73% from \$371,401m to \$407,539m. The \$36,138m positive change in net position is the result of a negative \$24,340m in program operations, netted with \$61,094m in general revenues. In the business-type activities the decrease was 10.69% or \$15,637m, net position changed from \$146,289m to \$130,652m, the net result of a positive net revenue over expenses of \$6,092m and a negative \$21,728m in general revenues and transfers. These changes are recorded in the *statement of activities* (Table 2) which flows through to the *statement of net position*.

Table 1
Statement of Net Position
(Dollars in Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|------------|--------------------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets: | | | | | | |
| Current and other assets | \$ 259,894 | \$ 221,727 | \$ 25,506 | \$ 22,879 | \$ 285,400 | \$ 244,606 |
| Capital assets | 293,377 | 287,570 | 193,989 | 219,137 | 487,366 | 506,707 |
| Total assets | 553,271 | 509,297 | 219,495 | 242,016 | 772,766 | 751,313 |
| Deferred outflows: | | | | | | |
| Deferred outflows related to pension | 11,852 | 5,489 | 1,558 | 748 | 13,410 | 6,237 |
| Liabilities: | | | | | | |
| Current and other liabilities | 52,471 | 52,357 | 6,093 | 10,109 | 58,564 | 62,466 |
| Noncurrent liabilities | 102,938 | 85,067 | 84,231 | 84,295 | 187,169 | 169,362 |
| Total liabilities | 155,409 | 137,424 | 90,324 | 94,404 | 245,733 | 231,828 |
| Deferred inflows: | | | | | | |
| Deferred inflows related to pension | 1,564 | 5,325 | 77 | 2,071 | 1,641 | 7,396 |
| Deferred inflows related to leases | 611 | 636 | - | - | 611 | 636.00 |
| Total deferred inflows | 2,175 | 5,961 | 77 | 2,071 | 2,252 | 8,032 |
| Net position: | | | | | | |
| Net investment in capital assets | 212,055 | 210,230 | 110,914 | 134,351 | 322,969 | 344,581 |
| Restricted | 165,793 | 121,977 | 12,860 | 757 | 178,653 | 122,734 |
| Unrestricted | 29,691 | 39,194 | 6,878 | 11,181 | 36,569 | 50,375 |
| Total net position | \$ 407,539 | \$ 371,401 | \$ 130,652 | \$ 146,289 | \$ 538,191 | \$ 517,690 |

As shown in Table 2, the change in net position is a positive \$36,138m for *governmental activities* and negative \$15,636m for *business-type activities*, with a combined total increase in net position of \$20,502m for the fiscal year ending June 30, 2023.

Table 2
Statement of Activities
(Dollars in Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 9,460 | \$ 8,436 | \$ 20,773 | \$ 23,594 | \$ 30,233 | \$ 32,030 |
| Operating grants | 4,912 | 1,672 | 2,500 | 2,687 | 7,412 | 4,359 |
| Capital grants | 15,864 | 16,403 | 2,081 | 1,882 | 17,945 | 18,285 |
| General Revenues: | | | | | | |
| Property taxes/in-lieu | 14,885 | 13,195 | - | - | 14,885 | 13,195 |
| Sales taxes | 28,510 | 26,870 | - | - | 28,510 | 26,870 |
| Motor vehicle in lieu taxes | 56 | 61 | - | - | 56 | 61 |
| Utility users tax | 2,702 | 2,059 | - | - | 2,702 | 2,059 |
| Franchise taxes | 3,254 | 3,165 | - | - | 3,254 | 3,165 |
| Transient occupancy taxes | 433 | 422 | - | - | 433 | 422 |
| Business licenses | 381 | 350 | - | - | 381 | 350 |
| Other taxes | 973 | 737 | - | - | 973 | 737 |
| Capital contribution | - | - | - | - | - | - |
| Investment earnings | 5,239 | 1,157 | 638 | (1,131) | 5,877 | 26 |
| Miscellaneous | 4,514 | 599 | 24 | 1,207 | 4,538 | 1,806 |
| Gain on sale of assets | 148 | 51 | (23,005) | - | (22,857) | 51 |
| Total revenues | <u>91,331</u> | <u>75,177</u> | <u>3,011</u> | <u>28,238</u> | <u>94,342</u> | <u>103,415</u> |
| Expenses: | | | | | | |
| General government | 10,643 | 4,089 | - | - | 10,643 | 4,089 |
| Public safety | 23,317 | 18,853 | - | - | 23,317 | 18,853 |
| Public works | 9,863 | 4,338 | - | - | 9,863 | 4,338 |
| Community development | 3,202 | 2,432 | - | - | 3,202 | 2,432 |
| Community services | 4,988 | 2,513 | - | - | 4,988 | 2,513 |
| Interest and fiscal charges | 2,564 | 4,966 | - | - | 2,564 | 4,966 |
| Sewer | - | - | 16,398 | 17,597 | 16,398 | 17,597 |
| Transit | - | - | 2,865 | 3,048 | 2,865 | 3,048 |
| Total expenses | <u>54,577</u> | <u>37,191</u> | <u>19,263</u> | <u>20,645</u> | <u>73,840</u> | <u>57,836</u> |
| Changes in net position before Transfers | <u>36,754</u> | <u>37,986</u> | <u>(16,252)</u> | <u>7,593</u> | <u>20,502</u> | <u>45,579</u> |
| Transfers | <u>(616)</u> | <u>(254)</u> | <u>616</u> | <u>254</u> | <u>-</u> | <u>-</u> |
| Change in net position | <u>36,138</u> | <u>37,732</u> | <u>(15,636)</u> | <u>7,847</u> | <u>20,502</u> | <u>45,579</u> |
| Net position, beginning of year, as restated | <u>371,401</u> | <u>333,669</u> | <u>146,289</u> | <u>138,442</u> | <u>517,690</u> | <u>472,111</u> |
| Net position, end of year | <u>\$ 407,539</u> | <u>\$ 371,401</u> | <u>\$ 130,653</u> | <u>\$ 146,289</u> | <u>\$ 538,192</u> | <u>\$ 517,690</u> |

Governmental activity program revenues increased over last year by \$3,725m, and general revenues increased by \$12,429m. Net increase in operating contributions and grants of \$3,240m was a result of \$240k in grant funding for radios, \$293km of American Rescue Funds received related expenditures, \$405k for SB2 Planning Grant and an increase of \$1,752mk in Public Works debt proceeds for the new fire station. Charges for services increases in General Government of \$976k were mainly due to reclassing overhead charges to revenue of \$749k. Public Safety program revenues increased by a net of \$1,366k due to an increase in capital contributions for emergency preparedness of \$760k, mitigation fee increase of \$359k, and \$183k increase for an additional resource officer contract with BUSD. Community Services program revenue decreased by \$1,220m mainly due to a decrease in mitigation fee.

Capital grants and contributions decreased by \$539k mostly due to a reduction in developer contributions.

Overall general revenues increased by \$12,429m, due to the following changes in all major tax categories: property taxes increased - \$917k (current secured - \$802k, unsecured property - \$373k, property transfer tax decrease - \$258k), sales tax increase - \$1,640m, franchise tax increase - \$89k (due to an increase of utilities franchise taxes), and other taxes increased \$921k (transient occupancy tax and utility users tax increase - \$653k, street light assessment increase - \$236k and business license tax increase - \$31k). Investment revenues increased a net of \$4,082m (due to rising interest rates on investments), Gain on sales of assets increased by \$97k due to sale of land of \$79k and vehicle auction sales. Miscellaneous revenues increased \$3,915k due to collections from WRCOG settlement agreement. And finally, net transfers between governmental and business-type funds are for one-time bonus funds paid, the final payment for Vactor truck payment and funding of wastewater equipment replacement fund.

Business-type program revenues were down a net of \$2,808m, when compared to last year. Primary decreases were related to a decrease in wastewater mitigation fees. The increase in wastewater operations service charges were \$1,069m. Increases were due to annual rate increases and rising consumption levels resulting from new housing and commercial development connections within the City. Transit operating revenues had a decrease of \$36k. Nonoperating revenues increased by \$70k mainly attributable to a decrease of \$187k in operating grants and contributions and an increase in investment earnings of \$108k.

Governmental activities program expenses increased by \$17,386m. The result was increases within personnel costs within specific programs during the fiscal year. An increase of \$4,464m occurred in Public Safety mostly due to an increase in personnel and the fire services contract with Riverside County. A \$5,525m increase in Public Works is mainly attributed to increases in personnel and depreciation expense. Furthermore, there was a \$770k increase in Community Development is mainly due to increases in personnel. General Government operations increase of \$6,554m is primarily due to the large decrease in the net pension liability (and related deferred amounts) in the prior year to a significant increase in the net pension liability (and related deferred amounts) in the current year.

The business-type activities expenses reflected a net decrease of \$1,381m in program expenses. The Wastewater Enterprise fund had an increase of \$1,198m which is made up of an increase in pension obligation payment and operating expenses such as supplies and utility costs. The Transit Enterprise fund had a decrease of \$183k mostly due to a decrease in pension obligation costs.

In comparison to fiscal year 2022, the overall change in net position from operations for *governmental activities* was an increase of \$36,138m and *business-type activities* decreased by \$15,636m resulting in an overall City net position increase of \$20,502m for fiscal year 2023.

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 | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Functions: | | | | | | |
| General government | \$ 10,643 | \$ 4,089 | \$ 6,554 | \$ 7,061 | \$ 2,490 | \$ 4,571 |
| Public safety | 23,317 | 18,853 | 4,464 | 16,902 | 13,804 | 3,098 |
| Public works | 9,863 | 4,338 | 5,525 | 1,290 | (2,656) | 3,946 |
| Community development | 3,202 | 2,432 | 770 | (2,176) | (2,755) | 579 |
| Community services | 4,988 | 2,513 | 2,475 | (1,301) | (4,997) | 3,696 |
| Refuse | - | - | - | - | (114) | 114 |
| Interest and fiscal charges | 2,564 | 4,966 | (2,402) | 2,564 | 4,966 | (2,402) |
| Total Governmental Activities | <u>\$ 54,577</u> | <u>\$ 37,191</u> | <u>\$ 17,386</u> | <u>\$ 24,340</u> | <u>\$ 10,738</u> | <u>\$ 13,602</u> |

In looking at table 3, you will note the major changes both in total cost and net cost. In 2023, total costs increased by \$17,386m, a result of increase in general government, public works and community services, public safety, community development and a decrease in 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 \$204,911m a net increase of \$39,499m in fund balance; included in this amount are decrease in fund balance for General Fund of \$3,888m, an increase in Development Impact Fees (DIF) \$7,953m, Other Government Funds \$1,324m (due to the addition of the Community Facilities District Special Revenue Fund); combined with increases in the Community Facilities District Capital Projects Fund \$198k, General Capital Projects \$30,756m, and Beaumont Financing Authority \$3,156m. The General Fund had a net decrease in fund balance of \$3,888m, resulting from net revenue exceeding expenditures by \$19,353mm, netted with total other financing uses of (\$23,240m). The significant change from the previous year is mainly due to the transfer of funds to cover capital projects.

In total the *Proprietary Funds* reported a negative change in net position of \$15,636mm, with the Wastewater Enterprise showing a negative change of \$15,934m and the Transit Enterprise showing a positive change of \$298k. The Wastewater Enterprise ended with a negative change in net position of \$15,935m, because of nonoperating expenses exceeding revenues by \$18,163m netted against ongoing operating expenses exceeding operating revenues by \$16k, and a positive change in transfers and capital contributions of \$2,246m. The Transit Fund ended the year with a positive change of \$298k, because of ongoing operating expenses exceeding operating revenues by \$2,773m offset by nonoperating revenues of \$2,621m and transfers and capital contributions of \$451k.

General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$3,888m more than the actual revenues. The positive budget-to-actual variance of \$11,783m was due to a positive increase in tax revenues and conservative spending citywide with saving in administration services. Of the unspent budget, actual revenues were \$5,641m 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 due to realized loss on investments from rebalancing transactions in the City's investment portfolio. Other revenues came in higher than expected due to an increase in building permits and inspections. Favorable budget amendments and supplemental appropriations were made during the year to diminish budget overruns. The original revenue budget was increased \$6,364m mainly for interest earnings and a cost recovery from a WRCOG 3rd party settlement. While the expenditure appropriations budget was increased in total by \$4,266m to allow for additional project funding with identified surplus funds to meet strategic goals set by the City Council.

Although, the final adopted budget projected a \$15,671m negative change in fund balance, favorable results in revenues of \$5,641m, favorable results in expenditures of \$4,996m and favorable results in other financing sources of \$1,146k resulted in the combined favorable results of \$11,783m, as the actual negative net change in fund balance was \$3,888m for the fiscal year ending June 30, 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

| Asset Type: | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 32,661 | \$ 32,661 | \$ 3,458 | \$ 3,458 | \$ 36,119 | \$ 36,119 |
| Construction in progress | 12,287 | 9,021 | 113,496 | 111,672 | 125,783 | 120,693 |
| Structures, machinery & equipment | 17,677 | 16,599 | 16,936 | 41,004 | 34,613 | 57,603 |
| Infrastructure | 229,579 | 229,289 | 59,837 | 63,002 | 289,416 | 292,291 |
| Right-to-use assets | 1,173 | 760 | 262 | 6 | 1,435 | 766 |
| Total | <u>\$ 293,377</u> | <u>\$288,330</u> | <u>\$193,989</u> | <u>\$219,142</u> | <u>\$487,366</u> | <u>\$507,472</u> |

At the end of fiscal year 2023, the City had \$487,366m invested in a broad range of capital assets, a total decrease of \$20,106m (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 decrease in the City of Beaumont investment in capital assets for fiscal year 2023 was 3.96% (a 1.75% increase in *governmental activities* and 11.47% decrease in *business-type activities*). For fiscal year 2023, net decreases are the result of the disposal of wastewater assets removed for the wastewater plant expansion. More information can be found in Note 5 of these financial statements.

Long-Term Liabilities

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

Governmental Activities - Governmental Activities - The City governmental funds have \$108,511m in outstanding long-term liabilities as of June 30, 2023; with the majority (\$80m) related to Local Agency Revenue Bonds. In the Governmental Activities, pension related obligations total \$21,119m. Table 5 below and Notes 6, 7, 8, 9 and 10 to the financial statements offer a more detailed view of governmental long-term liabilities.

Table 5
Long-Term Liabilities
(Dollars in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|------------------|--------------------------|------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Lease liability | \$ 1,018 | \$ 757 | \$ - | \$ - | \$ 1,018 | \$ 757 |
| Subscription liability | 303 | - | 235 | - | 538 | - |
| 1994 Revenue Bonds, Series A | - | 1,380 | - | - | - | 1,380 |
| 2015 Refunding Revenue Bonds, Series A | 9,270 | 9,535 | - | - | 9,270 | 9,535 |
| 2015 Refunding Revenue Bonds, Series B | 14,380 | 15,215 | - | - | 14,380 | 15,215 |
| 2015 Refunding Revenue Bonds, Series C | 3,600 | 3,805 | - | - | 3,600 | 3,805 |
| 2015 Refunding Revenue Bonds, Series D | 5,290 | 5,645 | - | - | 5,290 | 5,645 |
| 2019 Refunding Revenue Bonds, Series A | 4,415 | 4,755 | - | - | 4,415 | 4,755 |
| 2020 Revenue Bonds, Series A | 16,200 | 16,715 | - | - | 16,200 | 16,715 |
| 2021 Revenue Bonds, Series A | 17,265 | 18,675 | - | - | 17,265 | 18,675 |
| Bond premium | | | | | | |
| 2019 revenue bond series A | 781 | 859 | - | - | 781 | 859 |
| 2023 Revenue Bonds, CFD 2016-3 | 8,800 | - | - | - | 8,800 | - |
| Wastewater Revenue Bonds, Series 2018A | - | - | 76,210 | 77,565 | 76,210 | 77,565 |
| Bond premium | - | - | 6,630 | 7,217 | 6,630 | 7,217 |
| Lease Liability | - | - | - | 4 | - | 4 |
| Subscription liability | 303 | - | 235 | - | 538 | - |
| Compensated absences | 3,465 | 2,902 | 478 | 403 | 3,943 | 3,305 |
| Claims payable | 2,302 | 2,291 | - | - | 2,302 | 2,291 |
| Net pension liability | 21,119 | 8,545 | 2,823 | 1,102 | 23,942 | 9,647 |
| Total | <u>\$ 108,511</u> | <u>\$ 91,079</u> | <u>\$ 86,611</u> | <u>\$ 86,291</u> | <u>\$ 195,122</u> | <u>\$ 177,370</u> |

Business-type Activities - The enterprise funds have \$86,611m in outstanding long-term liabilities as of June 30, 2023. The wastewater fund has bonded debt of \$76.210m consisting of the 2018 Wastewater Revenue Bonds originally issued for \$81,105m with the first payment made on September 1, 2019: and the premium on the bond with a current outstanding balance of \$6,630m. The Bond issue is paid with wastewater operating revenues. In the enterprise funds pension related obligations total \$2,823m. 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

On December 15, 2022, the UC Riverside News reported that the business activity in the Inland Empire has continued to rise and despite the turbulence in the macroeconomy, was forecasted to continue its upward climb in the near-term future. They reported that business activity in the region increased at a 2.8% annualized rate during the 3rd quarter of 2022 and is forecast to grow between 2% and 3% over the following next 12 months. While they did report that they were seeing some weakness in the residential real estate market, that has been largely offset by impressive growth in employment, the labor force, consumer spending, building permits, and commercial real estate. The City of Beaumont has seen the continued trend in consumer spending with an increase of 9.1% of sales tax revenue over FY22 with business and industry reporting the highest increase at 12.8% and State and County pools also increasing by 10.3%.

According to the Employment Development Department, between October 2022 and October 2023, total nonfarm employment increased by 23,100 a 1.4 percent change with private education and health services adding the most jobs over the year in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area. Government expanded by 9,900 jobs with local government having added 9,600 jobs. The City of Beaumont increased the personnel count in the General Fund in FY23 by 21.75 FTE and in FY24 by 21 FTE. The added personnel count was needed to keep up with the continued growth of the city and to meet the current service level as well as implementing strategic initiatives of the City Council.

As of July 2023, the Riverside-San Bernardino-Ontario CPI 12-month percentage change was at 3.4 percent. At the time of this writing, it has increased to 4.9 percent. While this percentage is down from the July 2022 12-month percentage change of 9.2 percent, inflationary pressures have continued to be a challenge with procurement of goods and services at the estimated planned costs within the budget. The inflationary indexes will continue to be monitored to ensure estimates used in the budgetary process are in line with current trends.

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

On June 6, 2023, the City Council adopted the City of Beaumont Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2023, and ending June 30, 2024. The General Fund operating budget totals \$63,074m and is funded by operating revenue of \$62,228m, transfers in and other financing sources of \$5,562m, leaving \$4,716m of appropriations available throughout the fiscal year. The approved CIP budget for fiscal year 2023/2024 totals \$34,781m with a five-year CIP investment plan estimated at \$56,652m.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

Government-Wide Financial Statements

CITY OF BEAUMONT

Statement of Net Position June 30, 2023

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 164,639,622 | \$ 22,219,249 | \$ 186,858,871 |
| Restricted cash and investments | 2,529,271 | - | 2,529,271 |
| Receivables: | | | |
| Accounts | 980,503 | 2,972,279 | 3,952,782 |
| Interest | 627,136 | 1,263 | 628,399 |
| Intergovernmental | 6,177,887 | 207,379 | 6,385,266 |
| Leases | 602,614 | - | 602,614 |
| Deposits | 362,254 | - | 362,254 |
| Inventory | - | 97,424 | 97,424 |
| Prepaid items | 514,407 | 7,090 | 521,497 |
| Total current assets | 176,433,694 | 25,504,684 | 201,938,378 |
| Noncurrent assets: | | | |
| Restricted cash and investments with fiscal agent | 3,459,917 | 1,442 | 3,461,359 |
| Restricted investment in CFDs | 80,000,707 | - | 80,000,707 |
| Capital assets: | | | |
| Nondepreciable | 44,947,765 | 116,954,485 | 161,902,250 |
| Depreciable, net | 248,428,856 | 77,034,760 | 325,463,616 |
| Total capital assets, net | 293,376,621 | 193,989,245 | 487,365,866 |
| Total noncurrent assets | 376,837,245 | 193,990,687 | 570,827,932 |
| Total assets | 553,270,939 | 219,495,371 | 772,766,310 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows | 11,851,941 | 1,558,286 | 13,410,227 |
| Total deferred outflows of resources | 11,851,941 | 1,558,286 | 13,410,227 |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Net Position (Continued) June 30, 2023

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------|
| | Governmental Activities | Business-Type Activities | Total |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 9,158,692 | \$ 895,214 | \$ 10,053,906 |
| Salaries payable and related liabilities | 201,752 | 61,995 | 263,747 |
| Interest payable | - | 1,228,113 | 1,228,113 |
| Deposits payable | 3,846,781 | - | 3,846,781 |
| Unearned revenue | 33,993,284 | 1,762,907 | 35,756,191 |
| Compensated absences - due within one year | 433,150 | 57,415 | 490,565 |
| Claims payable - due within one year | 65,472 | - | 65,472 |
| Long-term liabilities - due within one year | 4,771,383 | 2,087,807 | 6,859,190 |
| Total current liabilities | 52,470,514 | 6,093,451 | 58,563,965 |
| Long-term liabilities: | | | |
| Compensated absences - due in more than one year | 3,032,057 | 421,051 | 3,453,108 |
| Claims payable - due in more than one year | 2,236,384 | - | 2,236,384 |
| Long-term liabilities - due in more than one year | 76,550,182 | 80,987,137 | 157,537,319 |
| Aggregate net pension liability | 21,119,421 | 2,822,522 | 23,941,943 |
| Total long-term liabilities | 102,938,044 | 84,230,710 | 187,168,754 |
| Total liabilities | 155,408,558 | 90,324,161 | 245,732,719 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferred inflows | 1,564,307 | 76,830 | 1,641,137 |
| Leases | 610,726 | - | 610,726 |
| Total deferred inflows of resources | 2,175,033 | 76,830 | 2,251,863 |
| NET POSITION | | | |
| Net investment in capital assets | 212,055,056 | 110,914,301 | 322,969,357 |
| Restricted for: | | | |
| Special projects | 27,487,423 | - | 27,487,423 |
| Debt service | 83,460,624 | - | 83,460,624 |
| Capital projects | 52,315,932 | 12,860,020 | 65,175,952 |
| Pension Trust | 2,529,271 | - | 2,529,271 |
| Total restricted | 165,793,250 | 12,860,020 | 178,653,270 |
| Unrestricted | 29,690,983 | 6,878,345 | 36,569,328 |
| Total net position | \$ 407,539,289 | \$ 130,652,666 | \$ 538,191,955 |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Activities For the year ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Total |
|---------------------------------------|----------------------|----------------------|------------------------------------|---------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grant and Contributions | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 10,642,725 | \$ 2,552,218 | \$ 945,278 | \$ 84,386 | \$ 3,581,882 |
| Public safety | 23,317,103 | 1,285,280 | 794,777 | 4,334,651 | 6,414,708 |
| Public works | 9,863,014 | 241,251 | 3,122,724 | 5,209,131 | 8,573,106 |
| Community development | 3,201,954 | 5,290,899 | 49,041 | 37,564 | 5,377,504 |
| Community services | 4,987,703 | 90,561 | - | 6,198,459 | 6,289,020 |
| Interest and fiscal charges | 2,563,737 | - | - | - | - |
| Total governmental activities | <u>54,576,236</u> | <u>9,460,209</u> | <u>4,911,820</u> | <u>15,864,191</u> | <u>30,236,220</u> |
| Business-type activities: | | | | | |
| Sewer | 16,398,348 | 20,701,562 | - | 1,664,877 | 22,366,439 |
| Transit | 2,864,795 | 71,818 | 2,500,157 | 416,384 | 2,988,359 |
| Total business-type activities | <u>19,263,143</u> | <u>20,773,380</u> | <u>2,500,157</u> | <u>2,081,261</u> | <u>25,354,798</u> |
| Total primary government | <u>\$ 73,839,379</u> | <u>\$ 30,233,589</u> | <u>\$ 7,411,977</u> | <u>\$ 17,945,452</u> | <u>\$ 55,591,018</u> |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Activities (Continued) For the year ended June 30, 2023

| Functions/Programs | Net (Expense) Revenue and Change in Net Position | | |
|---|---|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Primary government: | | | |
| Governmental activities: | | | |
| General government | \$ (7,060,843) | \$ - | \$ (7,060,843) |
| Public safety | (16,902,395) | - | (16,902,395) |
| Public works | (1,289,908) | - | (1,289,908) |
| Community development | 2,175,550 | - | 2,175,550 |
| Community services | 1,301,317 | - | 1,301,317 |
| Interest and fiscal charges | (2,563,737) | - | (2,563,737) |
| Total governmental activities | <u>(24,340,016)</u> | <u>-</u> | <u>(24,340,016)</u> |
| Business-type activities: | | | |
| Sewer | - | 5,968,091 | 5,968,091 |
| Transit | - | 123,564 | 123,564 |
| Total business-type activities | <u>-</u> | <u>6,091,655</u> | <u>6,091,655</u> |
| Total primary government | <u>(24,340,016)</u> | <u>6,091,655</u> | <u>(18,248,361)</u> |
| General revenues: | | | |
| Taxes: | | | |
| Property taxes | 7,932,822 | - | 7,932,822 |
| Property taxes in-lieu of motor vehicle taxes | 6,952,148 | - | 6,952,148 |
| Sales taxes | 28,509,903 | - | 28,509,903 |
| Vehicle License | 56,058 | - | 56,058 |
| Utility users tax | 2,701,744 | - | 2,701,744 |
| Franchise tax | 3,253,677 | - | 3,253,677 |
| Transient occupancy tax | 432,921 | - | 432,921 |
| Business licenses | 381,453 | - | 381,453 |
| Other taxes | 972,981 | - | 972,981 |
| Total taxes | <u>51,193,707</u> | <u>-</u> | <u>51,193,707</u> |
| Investment earnings | 5,238,845 | 637,558 | 5,876,403 |
| Miscellaneous | 4,513,689 | 23,790 | 4,537,479 |
| Gain/(loss) on disposal of assets | 147,743 | (23,004,970) | (22,857,227) |
| Transfers | <u>(615,736)</u> | <u>615,736</u> | <u>-</u> |
| Total general revenues and transfers | <u>60,478,248</u> | <u>(21,727,886)</u> | <u>38,750,362</u> |
| Change in net position | 36,138,232 | (15,636,231) | 20,502,001 |
| Net position: | | | |
| Beginning of year | <u>371,401,057</u> | <u>146,288,897</u> | <u>517,689,954</u> |
| End of year | <u>\$ 407,539,289</u> | <u>\$ 130,652,666</u> | <u>\$ 538,191,955</u> |

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, refuse and self-insurance.

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

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

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

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

CITY OF BEAUMONT

Balance Sheet Governmental Funds June 30, 2023

| | General Fund | Special Revenue Fund Development Impact Fees (DIF) | Capital Projects Funds Community Facilities District (CFD) |
|---|----------------------|--|--|
| ASSETS | | | |
| Cash and investments | \$ 40,620,057 | \$ 48,823,668 | \$ 13,214,314 |
| Cash and investments with fiscal agent | - | - | - |
| Restricted investments in Section 115 Trust | 2,529,271 | - | - |
| Investment in CFDs | - | - | - |
| Receivables: | | | |
| Accounts | 875,846 | 76,288 | - |
| Interest | 627,136 | - | - |
| Lease | 602,614 | - | - |
| Due from other governments | 5,540,302 | - | - |
| Prepays | 244,171 | - | - |
| Total assets | \$ 51,039,397 | \$ 48,899,956 | \$ 13,214,314 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 4,060,258 | \$ 1,743,701 | \$ - |
| Accrued payroll and related liabilities | 201,752 | - | - |
| Deposits payable | 3,713,871 | - | - |
| Unearned revenue | 667,292 | 28,082,759 | - |
| Total liabilities | 8,643,173 | 29,826,460 | - |
| Deferred Inflows of Resources: | | | |
| Leases | 610,726 | - | - |
| Total deferred inflows of resources | 610,726 | - | - |
| Fund Balances (deficit): | | | |
| Nonspendable | 244,171 | - | - |
| Restricted | 2,529,271 | 19,073,496 | 13,214,314 |
| Committed | 6,329,219 | - | - |
| Assigned | 2,216,918 | - | - |
| Unassigned | 30,465,919 | - | - |
| Total fund balances | 41,785,498 | 19,073,496 | 13,214,314 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 51,039,397 | \$ 48,899,956 | \$ 13,214,314 |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Balance Sheet (Continued) Governmental Funds June 30, 2023

| | Capital Projects Funds General Capital Projects | Debt Service Fund Beaumont Financing Authority | Other Governmental Funds | Total Governmental Funds |
|---|---|--|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 42,427,612 | \$ - | \$ 12,737,324 | \$ 157,822,975 |
| Cash and investments with fiscal agent | - | 3,459,917 | - | 3,459,917 |
| Restricted investments in Section 115 Trust | - | - | - | 2,529,271 |
| Investment in CFDs | - | 80,000,707 | - | 80,000,707 |
| Receivables: | | | | |
| Accounts | 28,203 | - | 166 | 980,503 |
| Interest | - | - | - | 627,136 |
| Lease | - | - | - | 602,614 |
| Due from other governments | 7,175 | - | 630,410 | 6,177,887 |
| Prepaid | - | 270,236 | - | 514,407 |
| Total assets | \$ 42,462,990 | \$ 83,730,860 | \$ 13,367,900 | \$ 252,715,417 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 3,314,157 | \$ - | \$ 33,029 | \$ 9,151,145 |
| Accrued payroll and related liabilities | - | - | - | 201,752 |
| Deposits payable | 47,215 | - | 85,695 | 3,846,781 |
| Unearned revenue | - | - | 5,243,233 | 33,993,284 |
| Total liabilities | 3,361,372 | - | 5,361,957 | 47,192,962 |
| Deferred Inflows of Resources: | | | | |
| Leases | - | - | - | 610,726 |
| Total deferred inflows of resources | - | - | - | 610,726 |
| Fund Balances (deficit): | | | | |
| Nonspendable | - | 270,236 | - | 514,407 |
| Restricted | - | 83,460,624 | 8,413,927 | 126,691,632 |
| Committed | 39,101,618 | - | - | 45,430,837 |
| Assigned | - | - | - | 2,216,918 |
| Unassigned | - | - | (407,984) | 30,057,935 |
| Total fund balances | 39,101,618 | 83,730,860 | 8,005,943 | 204,911,729 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 42,462,990 | \$ 83,730,860 | \$ 13,367,900 | \$ 252,715,417 |

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, 2023

| | |
|---|-----------------------|
| Total Fund Balances - Total Governmental Funds | \$ 204,911,729 |
|---|-----------------------|

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

| | |
|---|-------------|
| Capital assets, nondepreciable | 44,947,765 |
| Capital assets, depreciable/amortized | 248,428,856 |
| Less internal service fund capital assets | (1,200,303) |

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

| | |
|--|--------------|
| Compensated absences | (3,465,207) |
| Claims payable | (2,301,856) |
| Long-term liabilities | (81,321,565) |
| Less internal service fund liabilities | 12,483 |

| | |
|---|--------------|
| Aggregate collective net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds. | (21,119,421) |
|---|--------------|

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 | 11,851,941 |
| Pension-related deferred inflows of resources | (1,564,307) |

| | |
|---|------------------|
| 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. | <u>8,359,174</u> |
|---|------------------|

| | |
|--|-------------------------------------|
| Net Position of Governmental Activities | <u><u>\$ 407,539,289</u></u> |
|--|-------------------------------------|

CITY OF BEAUMONT

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended June 30, 2023

| | General Fund | Special Revenue Fund Development Impact Fees (DIF) | Capital Projects Funds Community Facilities District (CFD) |
|---|----------------------|--|--|
| REVENUES: | | | |
| Taxes | \$ 38,675,544 | \$ - | \$ - |
| Franchise fees | 3,253,677 | - | - |
| Intergovernmental | 7,013,572 | - | - |
| License and permits | 5,250,590 | 10,663,998 | - |
| Fines and forfeitures | 302,859 | - | - |
| Assessments levied | 972,981 | - | 273,110 |
| Use of money and property | 859,242 | 1,041,632 | 315,549 |
| Charges for services | 1,957,027 | - | - |
| Other revenues | 5,696,014 | - | - |
| Total revenues | 63,981,506 | 11,705,630 | 588,659 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 9,206,231 | - | - |
| Public safety | 21,494,045 | - | - |
| Public works | 4,099,461 | - | - |
| Community development | 2,591,878 | - | - |
| Community services | 5,854,860 | - | - |
| Capital outlay | 670,446 | - | - |
| Debt service: | | | |
| Principal | 697,420 | - | - |
| Interest, fiscal, and other charges | 14,512 | - | - |
| Total expenditures | 44,628,853 | - | - |
| REVENUES OVER (UNDER) EXPENDITURES | 19,352,653 | 11,705,630 | 588,659 |
| OTHER FINANCING SOURCES (USES): | | | |
| Lease acquisition | 696,732 | - | - |
| Subscription acquisition | 552,455 | - | - |
| Proceeds from sale of property | 147,743 | - | - |
| Proceeds from bond issuance | - | - | - |
| Transfers in | 8,899,322 | 132,921 | - |
| Transfers (out) | (33,536,835) | (3,884,929) | (390,566) |
| Total other financing sources (uses) | (23,240,583) | (3,752,008) | (390,566) |
| Net changes in fund balances | (3,887,930) | 7,953,622 | 198,093 |
| FUND BALANCES: | | | |
| Beginning of year | 45,673,428 | 11,119,874 | 13,016,221 |
| End of year | \$ 41,785,498 | \$ 19,073,496 | \$ 13,214,314 |

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, 2023

| | Capital Projects Funds General Capital Projects | Debt Service Fund Beaumont Financing Authority | Other Governmental Funds | Total Governmental Funds |
|---|---|--|--------------------------------|--------------------------------|
| REVENUES: | | | | |
| Taxes | \$ - | \$ - | \$ 7,546,662 | \$ 46,222,206 |
| Franchise fees | - | - | - | 3,253,677 |
| Intergovernmental | 248,658 | - | 3,915,157 | 11,177,387 |
| License and permits | - | - | 16,784 | 15,931,372 |
| Fines and forfeitures | - | - | - | 302,859 |
| Assessments levied | - | - | - | 1,246,091 |
| Use of money and property | 434,945 | 2,288,363 | 172,873 | 5,112,604 |
| Charges for services | - | - | - | 1,957,027 |
| Other revenues | 1,707,572 | - | 78,964 | 7,482,550 |
| Total revenues | <u>2,391,175</u> | <u>2,288,363</u> | <u>11,730,440</u> | <u>92,685,773</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | 6,724 | 9,212,955 |
| Public safety | - | - | 312,995 | 21,807,040 |
| Public works | - | - | - | 4,099,461 |
| Community development | - | - | 506,715 | 3,098,593 |
| Community services | - | - | - | 5,854,860 |
| Capital outlay | 9,380,107 | - | - | 10,050,553 |
| Debt service: | | | | |
| Principal | - | 5,383,071 | - | 6,080,491 |
| Interest, fiscal, and other charges | - | 2,549,144 | - | 2,563,656 |
| Total expenditures | <u>9,380,107</u> | <u>7,932,215</u> | <u>826,434</u> | <u>62,767,609</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(6,988,932)</u> | <u>(5,643,852)</u> | <u>10,904,006</u> | <u>29,918,164</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Lease acquisition | - | - | - | 696,732 |
| Subscription acquisition | - | - | - | 552,455 |
| Proceeds from sale of property | - | - | - | 147,743 |
| Proceeds from bond issuance | - | 8,800,000 | - | 8,800,000 |
| Transfers in | 38,301,641 | - | - | 47,333,884 |
| Transfers (out) | (557,008) | - | (9,580,282) | (47,949,620) |
| Total other financing sources (uses) | <u>37,744,633</u> | <u>8,800,000</u> | <u>(9,580,282)</u> | <u>9,581,194</u> |
| Net changes in fund balances | <u>30,755,701</u> | <u>3,156,148</u> | <u>1,323,724</u> | <u>39,499,358</u> |
| FUND BALANCES: | | | | |
| Beginning of year | <u>8,345,917</u> | <u>80,574,712</u> | <u>6,682,219</u> | <u>165,412,371</u> |
| End of year | <u>\$ 39,101,618</u> | <u>\$ 83,730,860</u> | <u>\$ 8,005,943</u> | <u>\$ 204,911,729</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, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ 39,499,358**

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) | 11,948,191 |
| Depreciation expense (net of Internal Service Fund) | (7,564,342) |

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 | 6,002,420 |
| Proceeds from issuance of debt | (8,800,000) |
| Lease/SBITA acquisition | (1,249,187) |
| 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 | (2,450,473) |
|---------------------------------|-------------|

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 | (562,982) |
| Changes in claims payable | (11,105) |

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.

| | |
|--|---------|
| | 898,318 |
|--|---------|

| | |
|--|----------------------|
| Change in Net Position of Governmental Activities | \$ 36,138,232 |
|--|----------------------|

See accompanying Notes to the Basic Financial Statements

Proprietary Fund Financial Statements

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, 2023

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Fund |
|---|--|---------------------|-----------------------|--|
| | Sewer Fund | Transit Fund | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 20,536,545 | \$ 1,682,704 | \$ 22,219,249 | \$ 6,816,647 |
| Receivables: | | | | |
| Accounts | 2,972,061 | 218 | 2,972,279 | - |
| Interest | 1,263 | - | 1,263 | - |
| Due from other governments | 128,437 | 78,942 | 207,379 | - |
| Deposits | - | - | - | 362,254 |
| Inventory | 97,424 | - | 97,424 | - |
| Prepays | 5,654 | 1,436 | 7,090 | - |
| Total current assets | 23,741,384 | 1,763,300 | 25,504,684 | 7,178,901 |
| Noncurrent assets: | | | | |
| Restricted cash and investments with fiscal agent | 1,442 | - | 1,442 | - |
| Capital assets: | | | | |
| Nondepreciable | 115,865,900 | 1,088,585 | 116,954,485 | 80,816 |
| Depreciable | 190,468,520 | 7,578,457 | 198,046,977 | 1,320,586 |
| Less: accumulated depreciation and amortization | (115,060,982) | (5,951,235) | (121,012,217) | (201,099) |
| Total capital assets | 191,273,438 | 2,715,807 | 193,989,245 | 1,200,303 |
| Total noncurrent assets | 191,274,880 | 2,715,807 | 193,990,687 | 1,200,303 |
| Total assets | 215,016,264 | 4,479,107 | 219,495,371 | 8,379,204 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension-related deferred outflows | 946,102 | 612,184 | 1,558,286 | - |
| Total deferred outflows of resources | 946,102 | 612,184 | 1,558,286 | - |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 699,009 | 196,205 | 895,214 | 7,547 |
| Salaries payable and related liabilities | 32,319 | 29,676 | 61,995 | - |
| Interest payable | 1,228,113 | - | 1,228,113 | - |
| Unearned revenue | 1,408,418 | 354,489 | 1,762,907 | - |
| Compensated absences - due within one year | 11,968 | 45,447 | 57,415 | - |
| Long-term liabilities- due within one year | 2,087,807 | - | 2,087,807 | 12,483 |
| Total current liabilities | 5,467,634 | 625,817 | 6,093,451 | 20,030 |
| Noncurrent liabilities: | | | | |
| Compensated absences - due in more than one year | 243,650 | 177,401 | 421,051 | - |
| Long-term liabilities - due in more than one year | 80,789,718 | 197,419 | 80,987,137 | - |
| Net pension liability | 1,713,674 | 1,108,848 | 2,822,522 | - |
| Total noncurrent liabilities | 82,747,042 | 1,483,668 | 84,230,710 | - |
| Total liabilities | 88,214,676 | 2,109,485 | 90,324,161 | 20,030 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension-related deferred inflows | 46,647 | 30,183 | 76,830 | - |
| Total deferred inflows of resources | 46,647 | 30,183 | 76,830 | - |
| NET POSITION (DEFICIT) | | | | |
| Net investment in capital assets | 108,395,913 | 2,518,388 | 110,914,301 | 1,200,303 |
| Restricted for capital projects | 12,860,020 | - | 12,860,020 | - |
| Unrestricted | 6,445,110 | 433,235 | 6,878,345 | 7,158,871 |
| Total net position | \$ 127,701,043 | \$ 2,951,623 | \$ 130,652,666 | \$ 8,359,174 |

See accompanying Notes to the Basic Financial Statements

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CITY OF BEAUMONT

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the year ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Fund |
|---|--|---------------------|-----------------------|--|
| | Sewer Fund | Transit Fund | Total | |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 13,268,270 | \$ 71,818 | \$ 13,340,088 | \$ 1,143,577 |
| Other revenue | 4,532 | 19,258 | 23,790 | - |
| Total operating revenues | 13,272,802 | 91,076 | 13,363,878 | 1,143,577 |
| OPERATING EXPENSES: | | | | |
| Salaries | 1,873,822 | 1,545,224 | 3,419,046 | - |
| Fringe benefits | 18,520 | (3,753) | 14,767 | - |
| Administration | 1,491,907 | 184,703 | 1,676,610 | - |
| Contract services | 1,296,746 | 35,634 | 1,332,380 | - |
| Fuels, lubricants, and maintenance | 537,960 | 472,013 | 1,009,973 | - |
| Replacement expense | - | - | - | 237,114 |
| Supplies | 799,057 | 13,778 | 812,835 | - |
| Office | 22,406 | 23,496 | 45,902 | - |
| Utilities | 1,124,187 | 44,823 | 1,169,010 | - |
| Depreciation and amortization | 6,125,129 | 548,418 | 6,673,547 | 154,791 |
| Total operating expenses | 13,289,734 | 2,864,336 | 16,154,070 | 391,905 |
| OPERATING INCOME (LOSS) | (16,932) | (2,773,260) | (2,790,192) | 751,672 |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Local transportation funds | - | 2,096,563 | 2,096,563 | - |
| Gain on sale of capital assets | 1,535 | 8,505 | 10,040 | - |
| Loss on disposal of capital assets | (23,015,010) | - | (23,015,010) | - |
| Mitigation fees | 7,433,292 | - | 7,433,292 | - |
| Intergovernmental | - | 403,594 | 403,594 | - |
| Investment earnings | 525,017 | 112,541 | 637,558 | 146,727 |
| Interest expense | (3,108,614) | (459) | (3,109,073) | (81) |
| Total nonoperating revenues (expenses) | (18,163,780) | 2,620,744 | (15,543,036) | 146,646 |
| Income (loss) before operating transfers and capital contributions | (18,180,712) | (152,516) | (18,333,228) | 898,318 |
| TRANSFERS AND CAPITAL CONTRIBUTIONS: | | | | |
| Riverside County Transportation Commission | - | 416,384 | 416,384 | - |
| Developer capital contributions | 1,664,877 | - | 1,664,877 | - |
| Transfers in | 580,896 | 34,840 | 615,736 | - |
| Total transfers and capital contributions | 2,245,773 | 451,224 | 2,696,997 | - |
| Change in net position | (15,934,939) | 298,708 | (15,636,231) | 898,318 |
| NET POSITION: | | | | |
| Beginning of year | 143,635,982 | 2,652,915 | 146,288,897 | 7,460,856 |
| End of year | <u>\$ 127,701,043</u> | <u>\$ 2,951,623</u> | <u>\$ 130,652,666</u> | <u>\$ 8,359,174</u> |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Cash Flows Proprietary Funds For the year ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Fund |
|--|--|---------------------|----------------------|--|
| | Sewer Fund | Transit Fund | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from customers and users | \$ 10,277,204 | \$ 71,600 | \$ 10,348,804 | \$ 1,143,577 |
| Payments to suppliers for goods and services | (5,191,077) | (976,371) | (6,167,448) | (612,237) |
| Payments for general and administrative expenses | (3,887,297) | (2,215,745) | (6,103,042) | - |
| Cash received from developers and others | 4,532 | 19,258 | 23,790 | - |
| Net cash provided by (used in) operating activities | 1,203,362 | (3,101,258) | (1,897,896) | 531,340 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Local transportation funds | - | 2,096,563 | 2,096,563 | - |
| Intergovernmental | - | 899,164 | 899,164 | - |
| Transfers in | 580,896 | 34,840 | 615,736 | - |
| Net cash provided by (used in) noncapital financial activities | 580,896 | 3,030,567 | 3,611,463 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of capital assets | (3,960,205) | (512,643) | (4,472,848) | (780,825) |
| Proceeds from disposition of capital assets | - | 8,505 | 8,505 | - |
| Mitigation fees | 7,433,292 | - | 7,433,292 | - |
| Developer capital contributions | 1,664,877 | - | 1,664,877 | - |
| Capital grants received | - | 416,384 | 416,384 | - |
| Payment of principal on long-term liabilities | (1,965,758) | 193,761 | (1,771,997) | (18,275) |
| Payment of interest on long-term liabilities | (3,131,197) | (459) | (3,131,656) | (81) |
| Net cash provided by (used in) capital and related financing activities | 41,009 | 105,548 | 146,557 | (799,181) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Investment income | 525,017 | 112,541 | 637,558 | 146,727 |
| Net cash provided by (used in) investing activities | 525,017 | 112,541 | 637,558 | 146,727 |
| Net change in cash and cash equivalents | 2,350,284 | 147,398 | 2,497,682 | (121,114) |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 18,187,703 | 1,535,306 | 19,723,009 | 6,937,761 |
| End of year | <u>\$ 20,537,987</u> | <u>\$ 1,682,704</u> | <u>\$ 22,220,691</u> | <u>\$ 6,816,647</u> |
| RECONCILIATION TO STATEMENT OF NET POSITION: | | | | |
| Cash and investments | \$ 20,536,545 | \$ 1,682,704 | \$ 22,219,249 | \$ 6,816,647 |
| Restricted cash and investments | - | - | - | - |
| Restricted cash and investments with fiscal agent | 1,442 | - | 1,442 | - |
| Total cash and cash equivalents | \$ 20,537,987 | \$ 1,682,704 | \$ 22,220,691 | \$ 6,816,647 |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Cash Flows (Continued) Proprietary Funds For the year ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Fund |
|---|--|-----------------------|-----------------------|--|
| | Sewer Fund | Transit Fund | Total | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (16,932) | \$ (2,773,260) | \$ (2,790,192) | \$ 751,672 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 6,125,129 | 548,418 | 6,673,547 | 154,791 |
| Other adjustments | - | - | - | (5,823) |
| Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | | | |
| Accounts receivable | (360,201) | (218) | (360,419) | - |
| Due from other governments | (37,414) | - | (37,414) | - |
| Deposits | - | - | - | (362,254) |
| Inventories | (97,424) | - | (97,424) | - |
| Prepays | (5,654) | (1,436) | (7,090) | - |
| Pension-related deferred outflows of resources | (518,517) | (291,494) | (810,011) | - |
| Accounts payable and accrued liabilities | (1,307,643) | (385,191) | (1,692,834) | (7,046) |
| Salaries payable and related liabilities | 8,326 | 7,051 | 15,377 | - |
| Unearned revenue | (2,593,451) | - | (2,593,451) | - |
| Compensated absences | 60,098 | 15,798 | 75,896 | - |
| Aggregate net pension liability | 1,083,942 | 636,549 | 1,720,491 | - |
| Pension-related deferred inflows of resources | (1,136,897) | (857,475) | (1,994,372) | - |
| Total adjustments | <u>1,220,294</u> | <u>(327,998)</u> | <u>892,296</u> | <u>(220,332)</u> |
| Net cash provided by (used in) operating activities | <u>\$ 1,203,362</u> | <u>\$ (3,101,258)</u> | <u>\$ (1,897,896)</u> | <u>\$ 531,340</u> |

See accompanying Notes to the Basic Financial Statements

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Fiduciary Fund Financial Statements

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

CITY OF BEAUMONT

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

| | <u>Custodial Funds</u> |
|--|--------------------------------|
| ASSETS | |
| Cash and investments | \$ 21,218,187 |
| Cash and investments with fiscal agent | 21,506,447 |
| Due from other governments | <u>185,631</u> |
| Total assets | <u>42,910,265</u> |
| LIABILITIES | |
| Interest payable | 4,581,756 |
| Unearned revenue | 14,518 |
| Deposits payable | 60,829 |
| Due to other governments | 80,000,707 |
| Due to bondholders | <u>161,072,601</u> |
| Total liabilities | <u>245,730,411</u> |
| Net Position (Deficit) | |
| Restricted for: | |
| Individuals, organizations and other governments | <u>(202,820,146)</u> |
| Total net position | <u><u>\$ (202,820,146)</u></u> |

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2023

| | <u>Custodial Funds</u> |
|--------------------------------|--------------------------------|
| ADDITIONS: | |
| Investment Income | \$ 374,817 |
| Assessments | 19,270,842 |
| Bond proceeds | <u>9,158,389</u> |
| Total additions | <u>28,804,048</u> |
| DEDUCTIONS: | |
| Payments to trustee | 657,573 |
| Interest expense | 8,728,582 |
| Bond principal | 919,670 |
| Payment for infrastructure | <u>891,231</u> |
| Total deductions | <u>11,197,056</u> |
| Change in net position | 17,606,992 |
| NET POSITION (DEFICIT): | |
| Beginning of year | <u>(220,427,138)</u> |
| End of year | <u><u>\$ (202,820,146)</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, 2023

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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, 2023

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

A. Reporting Entity (Continued)

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

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

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

Beaumont Financing Authority

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

Beaumont Utility Authority

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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

A. Reporting Entity (Continued)

Beaumont Parking Authority

The Beaumont Parking Authority (the "BPA") was established on May 1, 2018 by the City of Beaumont City Council through resolution 2018-12 that declared a need for a parking authority in the city. The BPA was created to establish the Beaumont Public Improvement Authority through a joint powers agreement. The City Council serves as the governing board for the BPA and the City has operational responsibility for the BPA. There was no financial activity for the BPA during the fiscal year ending June 30, 2023.

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, 2023.

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, 2023

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, 2023

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, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

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

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

Proprietary Fund Financial Statements

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

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

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

Proprietary funds of the City are outlined below:

Enterprise Funds

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

Internal Service Funds

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

Fiduciary Fund Financial Statements

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

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

C. Cash, Cash Equivalents and Investments

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

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

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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. Prepaids and Inventory

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

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

F. Capital Assets

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

| | Years |
|-------------------------|----------|
| 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, 2023

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, 2023

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. 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, 2021 |
| Measurement date (MD) | June 30, 2022 |
| Measurement period (MP) | July 1, 2021 to June 30, 2022 |

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, 2023

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 May 16, 2023, the City Council adopted the financial management policies that includes a fund balance policy authorizing the City Manager to make these determination.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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, 2023

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. 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. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for these arrangements by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for arrangements that previously were 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 subscriptions are financings of the right to use an underlying asset and a liability.

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 2 - Cash and Investments

A. Summary

The following is a summary of pooled cash and investments and restricted cash and investments as of June 30, 2023:

| | |
|---|------------------------------|
| Statement of Net Position | |
| Cash and investments | \$ 186,858,871 |
| Restricted cash and investments | 2,529,271 |
| Restricted cash and investments with fiscal agent | 3,461,359 |
| Restricted investments in CFDs | 80,000,707 |
| Statement of Fiduciary Net Position | |
| Cash and investments | 21,218,187 |
| Restricted cash and investments with fiscal agent | <u>21,506,447</u> |
| Total | <u>\$ 315,574,842</u> |

Cash, cash equivalents, and investments, consisted of the following as of June 30, 2023:

| | |
|--------------------------------------|----------------------------------|
| Deposits with financial institutions | \$ 15,627,540 |
| Deposits with fiscal agents | 24,967,807 |
| Petty cash | 3,503 |
| Investments | <u>274,975,992</u> |
| Total cash and investments | <u>\$ 315,574,842</u> |

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 2 - Cash and Investments (Continued)

A. Summary (Continued)

As of June 30, 2023, cash and investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall as of June 30, 2023:

| <u>Investment Type</u> | <u>Total as of June 30, 2023</u> | <u>Measurement Inputs</u> |
|--------------------------------|--------------------------------------|-------------------------------|
| State investment pool | \$ 47,452,568 | Uncategorized |
| Medium Term Notes | 6,540,949 | Level 2 |
| Money market funds | 75,573,672 | Level 2 |
| US Treasury Bills | 25,122,335 | Level 2 |
| US Treasury Notes | 35,122,086 | Level 2 |
| Federal Home Loan Banks | 1,320,543 | Level 2 |
| Federal Farms Credit Banks | 1,313,861 | Level 2 |
| Highmark Plus | 2,529,271 | Uncategorized |
| Restricted investments in CFDs | 80,000,707 | Uncategorized |
| Total | \$ 274,975,992 | |

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, 2023

Note 2 - Cash and Investments (Continued)

B. Investments

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

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

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

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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.

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

C. External Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The value of the City's position in the pool is the same as the value of the pool shares. LAIF is unrated as of June 30, 2023.

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 2 - Cash and Investments (Continued)

D. Investment in CFD Bonds

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

E. Risk Disclosures

Interest Rate Risk

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

As of June 30, 2023, the City had the following investments and maturities:

| Investment Type | Amount | Maturities | | |
|-------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | | 1 year or less | 1 - 5 years | More than 5 years |
| State investment pool | \$ 47,452,568 | \$ 47,452,568 | \$ - | \$ - |
| Medium Term Notes | 6,540,949 | - | 6,540,949 | - |
| Money market funds | 75,573,672 | 75,573,672 | - | - |
| US Treasury Bills | 25,122,335 | 25,122,335 | - | - |
| US Treasury Notes | 35,122,086 | 1,042,301 | 34,079,785 | - |
| Federal Home Loan Bank | 1,320,543 | 1,320,543 | - | - |
| Federal Farm Credit Bank | 1,313,861 | 1,313,861 | - | - |
| Restricted: | | | | |
| Investments in CFDs | 80,000,707 | 4,090,000 | 21,905,000 | 54,005,707 |
| Pension trust - Highmark Plus | 2,529,271 | 2,529,271 | - | - |
| Total | \$ 274,975,992 | \$ 158,444,551 | \$ 62,525,734 | \$ 54,005,707 |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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.

| Investment Type | Amount | Credit Quality Ratings | |
|--------------------------------|-----------------------|------------------------|-------------------|
| | | Moody's | Standard & Poor's |
| State investment pool | \$ 47,452,568 | Not Rated | Not Rated |
| Medium Term Notes | 6,540,949 | A1-Aaa | A1-Aaa |
| Money market funds | 75,573,672 | Aaa | AAAm |
| US Treasury Notes | 35,122,086 | A1-Aaa | A1-Aaa |
| US Treasury Bills | 25,122,335 | A1-Aaa | A1-Aaa |
| Federal Home Loan Banks | 1,320,543 | A1-Aaa | A1-Aaa |
| Federal Farms Credit Banks | 1,313,861 | A1-Aaa | A1-Aaa |
| Restricted investments in CFDs | 80,000,707 | Not Rated | Not Rated |
| Pension trust - Highmark Plus | 2,529,271 | Not Rated | Not Rated |
| Total | \$ 274,975,992 | | |

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, 2023

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, 2023</u> | <u>Percentage of Investments</u> |
|--------------------------------|--------------------------------------|--------------------------------------|
| State investment pool | \$ 47,452,568 | 17.26% |
| Medium Term Notes | 6,540,949 | 2.38% |
| Money market funds | 75,573,672 | 27.48% |
| US Treasury Notes | 35,122,086 | 12.77% |
| US Treasury Bills | 25,122,335 | 9.14% |
| Federal Home Loan Banks | 1,320,543 | 0.48% |
| Federal Farms Credit Banks | 1,313,861 | 0.48% |
| Restricted investments in CFDs | 80,000,707 | 29.09% |
| Pension trust - Highmark Plus | 2,529,271 | 0.92% |
| Total | <u><u>\$ 274,975,992</u></u> | |

Note 3 - Receivables

A. Governmental Activities

Lease receivables

The City has entered into a various cell tower leases as the lessor. The leases range from 26 to 59 months. The lessees are required to make monthly fixed payments ranging from \$3,324 to \$24,000. The leases have interest rates of 1.33% and 2.40%. The combined value of the lease receivable and deferred inflow of resources as of June 30, 2023 was \$602,614 and \$610,726, respectively. In addition, the City recognized lease revenue of \$58,710 during the fiscal year.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 4 - Interfund Balances and Transactions

A. Transfers

Transfers in and out for the year ended June 30, 2023, were as follows:

| Transfers In | Transfers Out | Amount | Purpose |
|--------------------------------|-------------------------------|----------------------|--|
| General Fund | Non-major Funds | \$ 8,342,314 | CFD - City maintenance/admin; Council approved project funding; police radio funding; final Vactor Truck payment |
| | General Capital Projects Fund | 557,008 | Premium pay from Corrections |
| | Subtotal | 8,899,322 | |
| Development Impact Fees | Non-major Funds | 132,921 | Capital projects |
| | Subtotal | 132,921 | |
| Wastewater Fund | General Fund | 195,170 | One time equity bonus; final Vactor Truck payment |
| | Non-major Funds | 385,726 | Capital Projects |
| | Subtotal | 580,896 | |
| General Capital Projects Fund | General Fund | 33,306,825 | Capital projects |
| | CFD Capital Projects Fund | 390,566 | Capital Projects |
| | Development Impact Fund | 3,884,929 | Capital Projects |
| | Non-major fund | 719,321 | Capital Projects |
| | Subtotal | 38,301,641 | |
| Non-major Funds - Transit Fund | General Fund | 34,840 | Correct CIP funding |
| | Subtotal | 34,840 | |
| | Total | \$ 47,949,620 | |

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 5 - Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2023 is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|----------------------|-----------------------|--------------------------|
| Nondepreciable assets: | | | | |
| Land | \$ 32,661,061 | \$ - | \$ - | \$ 32,661,061 |
| Construction in progress | 9,020,722 | 9,131,236 | (5,865,254) | 12,286,704 |
| Total nondepreciable assets | <u>41,681,783</u> | <u>9,131,236</u> | <u>(5,865,254)</u> | <u>44,947,765</u> |
| Depreciable/amortized assets: | | | | |
| Building and improvements | 22,609,341 | - | - | 22,609,341 |
| Machinery and equipment | 8,408,509 | 1,281,292 | (397,499) | 9,292,302 |
| Vehicles | 3,945,617 | 1,256,344 | (380,569) | 4,821,392 |
| Infrastructure | 454,928,094 | 5,824,773 | - | 460,752,867 |
| Intangible right to use assets | 856,533 | 982,415 | - | 1,838,948 |
| Subtotal | <u>490,748,094</u> | <u>9,344,824</u> | <u>(778,068)</u> | <u>499,314,850</u> |
| Less accumulated depreciation/amortization: | | | | |
| Building and improvements | (10,813,902) | (463,283) | - | (11,277,185) |
| Machinery and equipment | (4,902,099) | (529,246) | 397,499 | (5,033,846) |
| Vehicles | (2,648,142) | (467,652) | 380,569 | (2,735,225) |
| Infrastructure | (225,638,896) | (5,534,840) | - | (231,173,736) |
| Intangible right to use assets | (96,681) | (569,321) | - | (666,002) |
| Subtotal | <u>(244,099,720)</u> | <u>(7,564,342)</u> | <u>778,068</u> | <u>(250,885,994)</u> |
| Total depreciable/amortized assets, net | <u>246,648,374</u> | <u>1,780,482</u> | <u>-</u> | <u>248,428,856</u> |
| Total | <u>\$ 288,330,157</u> | <u>\$ 10,911,718</u> | <u>\$ (5,865,254)</u> | <u>\$ 293,376,621</u> |

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2023, are as follows:

| | |
|--|---------------------|
| General government | \$ 632,303 |
| Public safety | 462,632 |
| Public works | 5,858,724 |
| Community development | 114,127 |
| Community services | 496,556 |
| Total depreciation/amortization expense | <u>\$ 7,564,342</u> |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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, 2023, is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|-----------------------|------------------------|--------------------------|
| Nondepreciable assets: | | | | |
| Land and Land improvements | \$ 3,458,322 | \$ - | \$ - | \$ 3,458,322 |
| Construction in progress | 111,672,254 | 1,885,624 | (61,715) | 113,496,163 |
| Total nondepreciable assets | <u>115,130,576</u> | <u>1,885,624</u> | <u>(61,715)</u> | <u>116,954,485</u> |
| Depreciable/amortized assets: | | | | |
| Building and improvements | 730,835 | - | - | 730,835 |
| Machinery and equipment | 90,196,501 | 910,106 | (47,435,327) | 43,671,280 |
| Vehicles | 6,133,406 | 328,731 | (168,454) | 6,293,683 |
| Infrastructure | 145,872,949 | 1,140,835 | - | 147,013,784 |
| Intangible right to use assets | 8,514 | 337,395 | (8,514) | 337,395 |
| Subtotal | <u>242,942,205</u> | <u>2,717,067</u> | <u>(47,612,295)</u> | <u>198,046,977</u> |
| Less accumulated depreciation/amortization: | | | | |
| Building and improvements | (599,625) | (52,163) | - | (651,788) |
| Machinery and equipment | (50,756,518) | (1,745,013) | 24,420,317 | (28,081,214) |
| Vehicles | (4,700,549) | (494,594) | 168,454 | (5,026,689) |
| Infrastructure | (82,870,749) | (4,305,888) | - | (87,176,637) |
| Intangible right to use assets | (2,838) | (75,889) | 2,838 | (75,889) |
| Subtotal | <u>(138,930,279)</u> | <u>(6,673,547)</u> | <u>24,591,609</u> | <u>(121,012,217)</u> |
| Total depreciable/amortized assets, net | <u>104,011,926</u> | <u>(3,956,480)</u> | <u>(23,020,686)</u> | <u>77,034,760</u> |
| Total | <u>\$ 219,142,502</u> | <u>\$ (2,070,856)</u> | <u>\$ (23,082,401)</u> | <u>\$ 193,989,245</u> |

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2023, are as follows:

| | |
|--|---------------------|
| Sewer | \$ 6,125,129 |
| Transit | 548,418 |
| Total depreciation/amortization expense | <u>\$ 6,673,547</u> |

During the current fiscal year, the City decommissioned part of its wastewater plant resulting in a loss on disposal of \$23,015,010. The remainder of the plant is still operational, is functioning, and currently in use. The replacement of the disposed piece will be put into service during the subsequent fiscal year.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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, 2023, is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 | Classification | |
|--|-------------------------|----------------------|-----------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due Within One Year | Due in More Than One Year |
| Governmental Activities: | | | | | | |
| City | | | | | | |
| Lease Liability | \$ 756,608 | \$ 696,732 | \$ (435,045) | \$ 1,018,295 | \$ 454,335 | \$ 563,960 |
| Subscription Liability | - | 583,213 | (280,650) | 302,563 | 283,977 | 18,586 |
| Beaumont Public Financing Authority | | | | | | |
| 1994 Revenue Bonds, Series A | 1,380,000 | - | (1,380,000) | - | - | - |
| 2015 Refunding Revenue Bonds, Series A | 9,535,000 | - | (265,000) | 9,270,000 | 245,000 | 9,025,000 |
| 2015 Refunding Revenue Bonds, Series B | 15,215,000 | - | (835,000) | 14,380,000 | 850,000 | 13,530,000 |
| 2015 Refunding Revenue Bonds, Series C | 3,805,000 | - | (205,000) | 3,600,000 | 245,000 | 3,355,000 |
| 2015 Refunding Revenue Bonds, Series D | 5,645,000 | - | (355,000) | 5,290,000 | 360,000 | 4,930,000 |
| 2019 Refunding Revenue Bonds, Series A | 4,755,000 | - | (340,000) | 4,415,000 | 355,000 | 4,060,000 |
| 2020 Revenue Bonds, Series A | 16,715,000 | - | (515,000) | 16,200,000 | 530,000 | 15,670,000 |
| 2021 Revenue Bonds, Series A | 18,675,000 | - | (1,410,000) | 17,265,000 | 1,370,000 | 15,895,000 |
| Bond premium-2019 Revenue Bond, Series A | 858,778 | - | (78,071) | 780,707 | 78,071 | 702,636 |
| 2023 Revenue Bonds, CFD 2016-3 | - | 8,800,000 | - | 8,800,000 | - | 8,800,000 |
| Total Revenue Bonds | 76,583,778 | 8,800,000 | (5,383,071) | 80,000,707 | 4,033,071 | 75,967,636 |
| Total governmental activities | \$ 77,340,386 | \$ 10,079,945 | \$ (6,098,766) | \$ 81,321,565 | \$ 4,771,383 | \$ 76,550,182 |

Lease liabilities

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

As of June 30, 2023, the City had total outstanding lease liability of \$1,018,295 and right to use asset of \$782,301, net of amortization.

Estimated future lease liability requirements are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|------------------|---------------------|
| 2024 | \$ 454,335 | \$ 23,197 | \$ 477,532 |
| 2025 | 138,728 | 11,525 | 150,253 |
| 2026 | 138,402 | 8,368 | 146,770 |
| 2027 | 146,083 | 5,090 | 151,173 |
| 2028 | 140,747 | 1,631 | 142,378 |
| Totals | \$ 1,018,295 | \$ 49,811 | \$ 1,068,106 |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription liabilities

As of July 1, 2022 and during the current year, the City entered into several subscription-based IT arrangements for the use of various types of software. The agreements range from 18 to 60 months. The City is required to make annual fixed payments ranging from \$2,802 to \$90,000. The agreements have interest rates ranging from 1.71% to 2.894%.

As of June 30, 2023, the governmental activities of the City had total outstanding subscription liability of \$302,563 and right to use asset of \$390,646, net of amortization.

Estimated future subscription liability requirements are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---------------------------------|-------------------|-----------------|-------------------|
| 2024 | \$ 283,977 | \$ 7,722 | \$ 291,699 |
| 2025 | 11,034 | 406 | 11,440 |
| 2026 | 7,552 | 165 | 7,717 |
| Totals | \$ 302,563 | \$ 8,293 | \$ 310,856 |

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. These bonds were paid in full during the current fiscal year.

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%.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$9,270,000 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 as of June 30, 2023 was \$14,380,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

Local Agency Refunding Revenue Bonds - 2015 Series C

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$3,600,000 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 as of June 30, 2023 was \$5,290,000 for the Authority.

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

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

Local Agency Refunding Revenue Bonds - 2019 Series A

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$4,415,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

Local Agency Refunding Revenue Bonds - 2020 Series A

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

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$16,200,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

Local Agency Refunding Revenue Bonds - 2021 Series A

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$17,265,000 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.

2023 Revenue Bonds, CFD 2016-3

On May 9, 2023, the City authorized the issuance of CFD special tax bonds (CFD 2016-3 Sundance) in the amount of \$8,800,000 to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the specific improvement area. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 2053, beginning on September 1, 2023. The bonds bear interest at 5%. Principal payments are due annually beginning on September 1, 2024. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The City is not liable for the repayment of the special tax bonds and these debts do not constitute an obligation of the City.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2023 was \$8,800,000 for the Authority Bonds and is reported in the City's financial statements as the BPIA 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.

In conjunction with the issuance of certain CFD debt, the BPIA issued debt in order to purchase the CFD debt as an investment. As of June 30, 2023, the BPIA owned \$80,000,707 in CFD debt.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Annual Debt Service Requirements to Maturity

The annual debt service requirements to maturity are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|-----------------------|
| 2024 | \$ 3,955,000 | \$ 2,422,631 | \$ 6,377,631 |
| 2025 | 4,170,000 | 2,641,507 | 6,811,507 |
| 2026 | 4,260,000 | 2,519,789 | 6,779,789 |
| 2027 | 4,375,000 | 2,393,855 | 6,768,855 |
| 2028 | 4,475,000 | 2,266,647 | 6,741,647 |
| 2029-2033 | 24,205,000 | 9,569,102 | 33,774,102 |
| 2034-2038 | 16,715,000 | 4,804,171 | 21,519,171 |
| 2039-2044 | 11,090,000 | 2,489,277 | 13,579,277 |
| 2045-2049 | 3,070,000 | 1,027,125 | 4,097,125 |
| 2050-2054 | 2,905,000 | 529,250 | 3,434,250 |
| Totals | \$ 79,220,000 | \$ 30,663,354 | \$ 109,883,354 |

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2023, is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 | Classification | |
|---------------------------------------|-------------------------|-------------------|-----------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due Within One Year | Due in More Than One Year |
| Business-Type Activities: | | | | | | |
| Wastewater Revenue Bonds | \$ 77,565,000 | \$ - | \$ (1,355,000) | \$ 76,210,000 | \$ 1,425,000 | \$ 74,785,000 |
| Bond Premium | 7,217,363 | - | (587,016) | 6,630,347 | 587,015 | 6,043,332 |
| Lease Liability | 3,658 | - | (3,658) | - | - | - |
| Subscription Liability | - | 316,903 | (82,306) | 234,597 | 75,792 | 158,805 |
| Total business-type activities | \$ 84,786,021 | \$ 316,903 | \$ (2,027,980) | \$ 83,074,944 | \$ 2,087,807 | \$ 80,987,137 |

Lease Liability

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 paid in full during the current fiscal year.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Subscription liabilities

As of July 1, 2022 and during the current year, the City entered into several subscription-based IT arrangements for the use of various types of software. The agreements range from 18 to 60 months. The City is required to make annual fixed payments ranging from \$2,802 to \$90,000. The agreements have interest rates ranging from 1.71% to 2.894%.

As of June 30, 2023, the business-type activities of the City had total outstanding subscription liability of \$234,597 and right to use asset of \$261,506, net of amortization.

Estimated future subscription liability requirements are as follows:

| Year Ending | | | |
|--------------------|-------------------|------------------|-------------------|
| June 30, | Principal | Interest | Total |
| 2024 | \$ 75,792 | \$ 5,407 | \$ 81,199 |
| 2025 | 66,072 | 3,644 | 69,716 |
| 2026 | 45,824 | 2,194 | 48,018 |
| 2027 | 46,909 | 1,110 | 48,019 |
| Total | \$ 234,597 | \$ 12,355 | \$ 246,952 |

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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

| Year Ending June 30, | Principal | Interest | Total |
|---------------------------------|----------------------|----------------------|-----------------------|
| 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 |
| Totals | \$ 76,210,000 | \$ 60,711,383 | \$ 136,921,383 |

Note 7 - Debt Without City Commitment

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 7 - Debt Without City Commitment (Continued)

As of June 30, 2023, debt without City or BFA/BPIA commitment is as follows:

| | Balance |
|--|-----------------------|
| | June 30, 2023 |
| 2015 Special Tax Bonds, Series A | \$ 9,270,000 |
| 2015 Special Tax Bonds, Series B | 14,380,000 |
| 2015 Special Tax Bonds, Series C | 3,600,000 |
| 2015 Special Tax Bonds, Series D | 5,290,000 |
| 2019 Refunding Revenue Bonds, Series A | 4,415,000 |
| 2020 Refunding Revenue Bond, Series A | 16,200,000 |
| 2021 Refunding Revenue Bond, Series A | 17,265,000 |
| Premium | 780,707 |
| 2023 Revenue Bonds, CFD 2016-3 | 8,800,000 |
| Subtotal | 80,000,707 |
| 2017 Special Tax Refunding Bonds, Series A | 73,824,898 |
| 2018 Special Tax Bonds, Series A | 32,860,000 |
| 2018 Special Tax Bonds, 1A 7B | 1,905,000 |
| 2018 Special Tax Bonds, 1A 7D | 3,410,000 |
| 2018 Special Tax Bonds, 1A 8E | 12,300,000 |
| 2019 Special Tax Bonds, 1A 2016-1 | 8,295,000 |
| 2019 Revenue Bonds, 1A 2016-2 | 9,750,000 |
| 2019 Revenue Bonds, 1A 2016-4 | 3,925,000 |
| 2020 Revenue Bonds, 1A 8F | 12,645,000 |
| 2020 Revenue Bonds, CFD 2019-1 | 2,260,000 |
| Total Limited Obligation Bond Debt | \$ 241,175,605 |

Note 8 - Compensated Absences

The City's total liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$3,943,673 as of June 30, 2023.

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, 2023, is as follows:

| | Balance | | | Balance | Classification | |
|--------------------------------------|---------------------|-------------------|------------------|----------------------|-----------------------|----------------------|
| | July 1, 2022 | Additions | Deletions | June 30, 2023 | Due Within | Due in More |
| | | | | | One Year | Than One Year |
| Governmental Activities: | | | | | | |
| Compensated absences | \$ 2,902,225 | \$ 562,982 | \$ - | \$ 3,465,207 | \$ 433,150 | \$ 3,032,057 |
| Total governmental activities | \$ 2,902,225 | \$ 562,982 | \$ - | \$ 3,465,207 | \$ 433,150 | \$ 3,032,057 |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 8 - Compensated Absences (Continued)

B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2023, is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 | Classification | |
|-------------------------------|-------------------------|-----------|-----------|--------------------------|------------------------|------------------------------|
| | | | | | Due Within One Year | Due in More Than One Year |
| Business-Type Activities: | | | | | | |
| Compensated absences | \$ 402,570 | \$ 75,896 | \$ - | \$ 478,466 | \$ 57,415 | \$ 421,051 |
| Total governmental activities | \$ 402,570 | \$ 75,896 | \$ - | \$ 478,466 | \$ 57,415 | \$ 421,051 |

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, 2023.

General Liability and Property Damage Insurance

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

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

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 9 - Risk Management (Continued)

Government Crime Policy

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

The change in claims for the year was as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year End |
|-----------|---|---|---------------------------|---|
| 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 |
| 2022-2023 | 2,290,751 | 70,625 | (59,520) | 2,301,856 |

Note 10 - Pension Plans

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

Summary

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| Deferred outflows of resources: | | | |
| CalPERS Miscellaneous | \$ 4,006,950 | \$ 1,558,286 | \$ 5,565,236 |
| CalPERS Safety | 7,844,991 | - | 7,844,991 |
| Total deferred outflows of resources | <u>\$ 11,851,941</u> | <u>\$ 1,558,286</u> | <u>\$ 13,410,227</u> |
| Deferred inflows of resources: | | | |
| CalPERS Miscellaneous | \$ 197,559 | \$ 76,830 | \$ 274,389 |
| CalPERS Safety | 1,366,748 | - | 1,366,748 |
| Total deferred inflows of resources | <u>\$ 1,564,307</u> | <u>\$ 76,830</u> | <u>\$ 1,641,137</u> |
| Net pension liabilities: | | | |
| CalPERS Miscellaneous | \$ 7,257,912 | \$ 2,822,522 | \$ 10,080,434 |
| CalPERS Safety | 13,861,509 | - | 13,861,509 |
| Total net pension liabilities | <u>\$ 21,119,421</u> | <u>\$ 2,822,522</u> | <u>\$ 23,941,943</u> |
| Pension expenses: | | | |
| CalPERS Miscellaneous | \$ 1,506,930 | \$ 586,028 | \$ 2,092,958 |
| CalPERS Safety | 3,517,241 | - | 3,517,241 |
| Total net pension liabilities | <u>\$ 5,024,171</u> | <u>\$ 586,028</u> | <u>\$ 5,610,199</u> |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

General Information about the Pension Plans

Plan Description

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

Benefit Provided

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

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

The Plan's provisions and benefits in effect on June 30, 2023 are summarized as follows:

| | Miscellaneous | Miscellaneous PEPRA | Safety | Safety PEPRA |
|--|----------------------|--------------------------------|------------------|-------------------------|
| 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% | 7.47% | 23.75% | 12.78% |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions

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

Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$1,931,600 and \$2,312,019, for the Miscellaneous and Safety plans, respectively. The actual employer payments of \$3,588,836 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of \$4,965,721 by \$1,376,885, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value of Assets |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table (1) | Derived using CALPERS' membership data for all Funds |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

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

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

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

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

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

Discount Rate

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

Subsequent Events

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. 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, 2023

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability

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

| | Increase(Decrease) | | |
|--|------------------------------------|-----------------------------------|----------------------------------|
| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
| Miscellaneous | | | |
| Balance at: 6/30/21 (Valuation date) | \$ 40,128,834 | \$ 36,193,007 | \$ 3,935,827 |
| Balance at: 6/30/22 (Measurement date) | 45,894,203 | 35,813,769 | 10,080,434 |
| Net changes during 2021-2022 | <u>\$ 5,765,369</u> | <u>\$ (379,238)</u> | <u>\$ 6,144,607</u> |
| Safety | | | |
| Balance at: 6/30/21 (Valuation date) | \$ 52,399,728 | \$ 46,688,864 | \$ 5,710,864 |
| Balance at: 6/30/22 (Measurement date) | 60,447,793 | 46,586,284 | 13,861,509 |
| Net changes during 2021-2022 | <u>\$ 8,048,065</u> | <u>\$ (102,580)</u> | <u>\$ 8,150,645</u> |

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

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2021 and 2022 measurement dates was as follows:

| | Miscellaneous | Safety | Total |
|------------------------------|----------------------|-----------------|-----------------|
| Proportion - June 30, 2022 | 0.20728% | 0.16273% | 0.17837% |
| Proportion - June 30, 2023 | 0.21543% | 0.20172% | 0.20728% |
| Change - Increase (Decrease) | <u>0.00815%</u> | <u>0.03899%</u> | <u>0.02891%</u> |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

Note 10 - Pension Plans (Continued)

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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

| | Plan's Net Pension Liability/(Asset) | | |
|---------------|--------------------------------------|----------------------------------|-------------------------------|
| | Discount Rate - 1% (5.90%) | Current Discount Rate (6.90%) | Discount Rate + 1% (7.90%) |
| Miscellaneous | \$ 16,336,641 | \$ 10,080,434 | \$ 4,933,128 |
| Safety | 22,209,255 | 13,861,509 | 7,039,113 |
| Total | \$ 38,545,896 | \$ 23,941,943 | \$ 11,972,241 |

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, 2023**

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability (Continued)

The EARS L for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2021), the City's net pension liabilities were \$3,935,827 and \$5,710,864, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$2,092,958 and \$3,517,241 for the Miscellaneous and Safety Plans, respectively.

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

| Miscellaneous Plans | | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions made subsequent to measurement date | \$ 1,931,600 | \$ - |
| Difference between projected and actual earning on pension plan investments | 1,846,468 | - |
| Change in Employer's Proportion | 450,274 | - |
| Changes in assumptions | 1,032,951 | - |
| Difference between actual and expected experience | 202,435 | 135,582 |
| Difference between employer's actual contributions and proportionate share of contributions | 101,508 | 138,807 |
| Totals | \$ 5,565,236 | \$ 274,389 |
| Safety Plans | | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions made subsequent to measurement date | \$ 2,312,019 | \$ - |
| Difference between projected and actual earning on pension plan investments | 2,188,926 | - |
| Change in Employer's Proportion | 1,372,708 | - |
| Changes in assumptions | 1,397,660 | - |
| Difference between actual and expected experience | 573,678 | 150,525 |
| Difference between employer's actual contributions and proportionate share of contributions | - | 1,216,223 |
| Totals | \$ 7,844,991 | \$ 1,366,748 |

CITY OF BEAUMONT**Notes to the Basic Financial Statements
For the year ended June 30, 2023****Note 10 - Pension Plans (Continued)*****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 2021/22 measurement period expense. Contributions subsequent to the measurement date of \$1,931,600 and \$2,312,019, 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:

| Year Ended June 30, | Miscellaneous Plans | Safety Plans | Total |
|--------------------------------|--------------------------------|-------------------------|---------------------|
| 2024 | \$ 1,029,075 | \$ 1,286,988 | \$ 2,316,063 |
| 2025 | 801,298 | 999,427 | 1,800,725 |
| 2026 | 399,512 | 544,536 | 944,048 |
| 2027 | 1,129,362 | 1,335,273 | 2,464,635 |
| 2028 | - | - | - |
| Thereafter | - | - | - |
| Totals | \$ 3,359,247 | \$ 4,166,224 | \$ 7,525,471 |

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**

As of June 30, 2023, the following governmental funds had deficit fund balances:

| Fund | Fund Type | Deficit |
|---------------------------|------------------|----------------|
| Other Federal Grants Fund | Non-Major fund | \$ (407,984) |

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, 2023

Note 11 - Other Required Disclosures (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the following functions for the following:

| Fund | Function | Excess Expenditures |
|-------------------------------------|--|---------------------|
| General Fund | General government: Finance and budget | \$ 94,221 |
| | Public works: Public works | 191,375 |
| | Debt service: principal | 697,420 |
| | Debt service: interest | 14,512 |
| Road Maintenance and Rehabilitation | General government | 24 |
| Other Federal Grants Fund | Public safety | 48,074 |
| | Community development | 163,962 |

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

Note 12 - Equity Classification

A. Fund Balances

| | Major Funds | | | | | | |
|---------------------------------|----------------------|--|---|-------------------------------|--|--------------------------|-----------------------|
| | 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 | Other Governmental Funds | Total |
| Nonspendable: | | | | | | | |
| Prepaid expenditures | \$ 244,171 | \$ - | \$ - | \$ - | \$ 270,236 | \$ - | \$ 514,407 |
| Total nonspendable | <u>244,171</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>270,236</u> | <u>-</u> | <u>514,407</u> |
| Restricted | | | | | | | |
| RMRA | - | - | - | - | - | 2,329,871 | 2,329,871 |
| Measure A | - | - | - | - | - | 2,895,980 | 2,895,980 |
| AB 2766 | - | - | - | - | - | 267,785 | 267,785 |
| PEG Fees | - | - | - | - | - | 35,712 | 35,712 |
| COPS Grant | - | - | - | - | - | 523,786 | 523,786 |
| State Asset Forfeiture | - | - | - | - | - | 294,397 | 294,397 |
| Federal Asset Forfeiture | - | - | - | - | - | 59,719 | 59,719 |
| Other Special Projects | - | - | - | - | - | 409,242 | 409,242 |
| Capital Projects | - | 19,073,496 | 13,214,314 | - | - | - | 32,287,810 |
| Debt Service | - | - | - | - | 83,460,624 | - | 83,460,624 |
| Community Facilities Districts | - | - | - | - | - | 1,597,435 | 1,597,435 |
| Investment in Section 115 Trust | 2,529,271 | - | - | - | - | - | 2,529,271 |
| Total restricted | <u>2,529,271</u> | <u>19,073,496</u> | <u>13,214,314</u> | <u>-</u> | <u>83,460,624</u> | <u>8,413,927</u> | <u>126,691,632</u> |
| Committed: | | | | | | | |
| Capital Projects | - | - | - | 39,101,618 | - | - | 39,101,618 |
| Self Insurance | 6,329,219 | - | - | - | - | - | 6,329,219 |
| Total Committed | <u>6,329,219</u> | <u>-</u> | <u>-</u> | <u>39,101,618</u> | <u>-</u> | <u>-</u> | <u>45,430,837</u> |
| Assigned: | | | | | | | |
| Re-appropriation | 2,216,918 | - | - | - | - | - | 2,216,918 |
| Total Assigned | <u>2,216,918</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,216,918</u> |
| Unassigned | <u>30,465,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(407,984)</u> | <u>30,057,935</u> |
| Total Fund Balances | <u>\$ 41,785,498</u> | <u>\$ 19,073,496</u> | <u>\$ 13,214,314</u> | <u>\$ 39,101,618</u> | <u>\$ 83,730,860</u> | <u>\$ 8,005,943</u> | <u>\$ 204,911,729</u> |

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2023

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, 2023, was determined as follows:

| | Governmental Activities |
|---|------------------------------------|
| Capital assets, net of accumulated depreciation | \$ 293,376,621 |
| Less capital related debt balance: | |
| Outstanding principal balance of lease liability | (1,018,295) |
| Outstanding principal balance of subscription liability | (302,563) |
| Outstanding principal balance of Beaumont Public Financing Authority debt | (80,000,707) |
| Net investment in capital assets | \$ 212,055,056 |

Business-type Activities

| | Business-type Activities | | Total Enterprise Funds |
|---|---------------------------------|-------------------------|---------------------------------------|
| | Sewer Fund | Transit Fund | |
| Capital assets, net of accumulated depreciation | \$ 191,273,438 | \$ 2,715,807 | \$ 193,989,245 |
| Plus (less) capital related debt balance: | | | |
| Capital related borrowings | (76,210,000) | - | (76,210,000) |
| Outstanding unamortized bond premium balance | (6,630,347) | - | (6,630,347) |
| Outstanding balance of subscription liability | (37,178) | (197,419) | (234,597) |
| Net investment in capital assets | \$ 108,395,913 | \$ 2,518,388 | \$ 110,914,301 |

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, 2023

Note 13 - Commitments and Contingencies (Continued)

B. Grants

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

C. Construction Commitments

Various construction projects in all fund types were in progress as of June 30, 2023 with a planned cost to complete of approximately \$100,568,128.

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:

| Period | WRCOG* | City |
|--|---------------|-------------|
| 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:

| Improvement | Estimated Cost | Completion Deadline |
|---|-----------------------|----------------------------|
| 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, 2023

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, 2023, recoveries are approximately \$24.7 million. The City continues to share in recoveries at the 35% rate until recoveries total \$18 million at which time the City will begin collecting 50% of any recoveries. The City now shares in recoveries based on the settlement agreement; therefore, a liability has not been accrued.

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

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

Required Supplementary Information (Unaudited)

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CITY OF BEAUMONT

Budgetary Information For the Year Ended June 30, 2023

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 all funds except the Federal Asset Seizure Special Revenue Fund.

CITY OF BEAUMONT

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|------------------|-----------------|---------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Taxes | \$ 34,031,097 | \$ 34,838,462 | \$ 38,675,544 | \$ 3,837,082 |
| Franchise fees | 3,248,286 | 3,248,286 | 3,253,677 | 5,391 |
| Intergovernmental | 6,817,117 | 6,817,117 | 7,013,572 | 196,455 |
| License and permits | 4,582,942 | 4,582,942 | 5,250,590 | 667,648 |
| Fines and forfeitures | 279,628 | 279,628 | 302,859 | 23,231 |
| Assessments levied | 698,607 | 698,607 | 972,981 | 274,374 |
| Use of money and property | 40,000 | 1,040,000 | 859,242 | (180,758) |
| Charges for services | 1,494,723 | 1,494,723 | 1,957,027 | 462,304 |
| Other revenues | 783,591 | 5,340,591 | 5,696,014 | 355,423 |
| Total revenues | 51,975,991 | 58,340,356 | 63,981,506 | 5,641,150 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| City council | 51,131 | 51,593 | 51,593 | - |
| City clerk | 343,242 | 466,441 | 323,962 | 142,479 |
| Administration services | 1,435,070 | 2,435,338 | 1,021,692 | 1,413,646 |
| Finance and budget | 1,520,471 | 1,554,873 | 1,649,094 | (94,221) |
| Information Technology | 1,606,874 | 1,845,009 | 1,635,396 | 209,613 |
| HR / Risk Management | 2,626,205 | 2,987,085 | 2,893,358 | 93,727 |
| Finance | 1,500,000 | 1,500,000 | 1,195,582 | 304,418 |
| Nondepartmental | - | 441,056 | 435,554 | 5,502 |
| Public safety | | | | |
| Animal control | 335,394 | 354,204 | 350,725 | 3,479 |
| Office of Emergency | 162,200 | 162,200 | 160,000 | 2,200 |
| Police department | 13,758,307 | 14,050,048 | 13,761,483 | 288,565 |
| K-9 Unit | 9,600 | 10,271 | 10,271 | - |
| Police support | 2,538,188 | 2,569,829 | 2,091,684 | 478,145 |
| Fire | 4,670,961 | 5,223,487 | 5,111,936 | 111,551 |
| Nondepartmental | 7,946 | 7,946 | 7,946 | - |
| Public works | | | | |
| Public works | 1,797,804 | 1,687,630 | 1,879,005 | (191,375) |
| Street maintenance | 2,291,775 | 2,303,855 | 2,220,456 | 83,399 |
| Community development | | | | |
| Planning and community development | 783,600 | 965,896 | 626,012 | 339,884 |
| Community enhancement | 337,866 | 362,063 | 362,063 | - |
| Building and safety | 1,498,320 | 1,504,625 | 1,213,803 | 290,822 |
| Community development | 1,322,868 | 1,340,426 | 390,000 | 950,426 |
| Community services | | | | |
| Parks and recreation | 1,131,722 | 1,209,284 | 1,152,990 | 56,294 |
| Building maintenance | 1,176,701 | 1,176,701 | 913,894 | 262,807 |
| Parks and ground maintenance | 4,109,251 | 4,598,291 | 3,787,976 | 810,315 |
| Capital outlay | 343,603 | 816,576 | 670,446 | 146,130 |
| Debt service: | | | | |
| Principal | - | - | 697,420 | (697,420) |
| Interest | - | - | 14,512 | (14,512) |
| Total Expenditures | 45,359,099 | 49,624,727 | 44,628,853 | 4,995,874 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 6,616,892 | 8,715,629 | 19,352,653 | 10,637,024 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Lease acquisition | - | - | 696,732 | 696,732 |
| Subscription acquisition | - | - | 552,455 | 552,455 |
| Proceeds from sale of capital assets | 5,000 | 5,000 | 147,743 | 142,743 |
| Transfers in | 8,687,711 | 8,726,238 | 8,899,322 | 173,084 |
| Transfers (out) | (7,932,671) | (33,117,617) | (33,536,835) | (419,218) |
| Total other financing sources | 760,040 | (24,386,379) | (23,240,583) | 1,145,796 |
| Net change in fund balance | \$ 7,376,932 | \$ (15,670,750) | (3,887,930) | \$ 11,782,820 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 45,673,428 | |
| End of year | | | \$ 41,785,498 | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Development Impact Fees (DIF) Special Revenue Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|---|--------------------|-----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| License and permits | \$ 4,727,963 | \$ 4,727,963 | \$ 10,663,998 | \$ 5,936,035 |
| Use of money and property | 87,622 | 87,622 | 1,041,632 | 954,010 |
| Total revenues | <u>4,815,585</u> | <u>4,815,585</u> | <u>11,705,630</u> | <u>6,890,045</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>4,815,585</u> | <u>4,815,585</u> | <u>11,705,630</u> | <u>6,890,045</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 132,921 | 132,921 |
| Transfers (out) | (3,850,000) | (11,087,922) | (3,884,929) | 7,202,993 |
| Total other financing sources (uses) | <u>(3,850,000)</u> | <u>(11,087,922)</u> | <u>(3,752,008)</u> | <u>7,335,914</u> |
| Net change in fund balance | <u>\$ 965,585</u> | <u>\$ (6,272,337)</u> | 7,953,622 | <u>\$ 14,225,959</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>11,119,874</u> | |
| End of year | | | <u>\$ 19,073,496</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, 2023

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 | 0.12477% | 3,423,018 | 5,411,229 | 63.26% | 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 | 0.20727% | 3,935,827 | 8,181,668 | 48.11% | 90.19% |
| 6/30/2022 | 0.21542% | 10,080,434 | 8,512,450 | 118.42% | 78.04% |

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

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

CITY OF BEAUMONT

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (Continued) Last Ten Years For the Year Ended June 30, 2023

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% |
| 6/30/2022 | 0.20172% | 13,861,509 | 5,303,955 | 261.34% | 77.07% |

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

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

CITY OF BEAUMONT

Schedule of Pension Plan Contributions Last Ten Years For the Year Ended June 30, 2023

Miscellaneous Plan

| Fiscal Year | Contractually Determined Contributions | Contribution in Relation to the Contractually Determined Contributions ¹ | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|--|---|--|-------------------------------|---|
| 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% |
| 2022-23 | 1,931,600 | (1,931,600) | - | 10,099,832 | 19.13% |

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

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

Notes to Schedule:

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

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

CITY OF BEAUMONT

Schedule of Pension Plan Contributions (Continued) Last Ten Years For the Year Ended June 30, 2023

Safety Plan

| Fiscal Year | Contractually Determined Contributions | Contribution in Relation to the Contractually Determined Contributions ¹ | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|--|---|--|-------------------------------|---|
| 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% |
| 2022-23 | 2,312,019 | (2,312,019) | - | 6,360,725 | 36.35% |

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

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

Notes to Schedule:

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

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

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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, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|-----------------------|-----------------------|----------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Assessments levied | \$ - | \$ - | \$ 273,110 | \$ 273,110 |
| Use of money and property | - | - | 315,549 | 315,549 |
| Total revenues | <u>-</u> | <u>-</u> | <u>588,659</u> | <u>588,659</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>-</u> | <u>-</u> | <u>588,659</u> | <u>588,659</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(1,300,000)</u> | <u>(1,450,000)</u> | <u>(390,566)</u> | <u>1,059,434</u> |
| Total other financing sources | <u>(1,300,000)</u> | <u>(1,450,000)</u> | <u>(390,566)</u> | <u>1,059,434</u> |
| Net change in fund balance | <u>\$ (1,300,000)</u> | <u>\$ (1,450,000)</u> | <u>198,093</u> | <u>\$ 1,648,093</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>13,016,221</u> | |
| End of year | | | <u>\$ 13,214,314</u> | |

CITY OF BEAUMONT

Major Governmental Fund Budgetary Comparison Schedule General Capital Projects - Capital Projects Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|--------------|----------------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 248,658 | \$ 248,658 |
| Use of money and property | - | - | 434,945 | 434,945 |
| Other revenues | - | - | 1,707,572 | 1,707,572 |
| Total revenues | - | - | 2,391,175 | 2,391,175 |
| EXPENDITURES: | | | | |
| Capital outlay | 14,514,635 | 46,819,242 | 9,380,107 | 37,439,135 |
| Total Expenditures | 14,514,635 | 46,819,242 | 9,380,107 | 37,439,135 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (14,514,635) | (46,819,242) | (6,988,932) | 39,830,310 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 14,514,635 | 49,502,764 | 38,301,641 | (11,201,123) |
| Transfers (out) | - | - | (557,008) | (557,008) |
| Total other financing sources | 14,514,635 | 49,502,764 | 37,744,633 | (11,758,131) |
| Net change in fund balance | \$ - | \$ 2,683,522 | 30,755,701 | \$ 28,072,179 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 8,345,917 | |
| End of year | | | <u>\$ 39,101,618</u> | |

CITY OF BEAUMONT

**Major Governmental Fund Budgetary Comparison Schedule
Beaumont Financing Authority – Debt Service Fund
For the Year Ended June 30, 2023**

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|------------------|----------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Use of money and property | \$ 6,417,870 | \$ 6,417,870 | \$ 2,288,363 | \$ (4,129,507) |
| Total revenues | <u>6,417,870</u> | <u>6,417,870</u> | <u>2,288,363</u> | <u>(4,129,507)</u> |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 4,170,000 | 4,170,000 | 5,383,071 | (1,213,071) |
| Interest, fiscal, and other charges | 2,247,870 | 2,247,870 | 2,549,144 | (301,274) |
| Total Expenditures | <u>6,417,870</u> | <u>6,417,870</u> | <u>7,932,215</u> | <u>(1,514,345)</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>-</u> | <u>(5,643,852)</u> | <u>(5,643,852)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from bond issuance | - | - | 8,800,000 | 8,800,000 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>8,800,000</u> | <u>8,800,000</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>3,156,148</u> | <u>\$ 3,156,148</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>80,574,712</u> | |
| End of year | | | <u>\$ 83,730,860</u> | |

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**Non-Major Governmental Funds
Combining Schedules**

CITY OF BEAUMONT

Combining Balance Sheet Non-Major Governmental Funds June 30, 2023

| | Special Revenue Funds | | | |
|--|-----------------------|--|---------------------|-------------------|
| | State Gas Tax Fund | Road Maintenance and Rehabilitation Act Fund | Measure A Fund | AB 2766 Fund |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ 2,220,332 | \$ 2,761,618 | \$ 249,545 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Due from other governments | - | 109,539 | 134,362 | 18,240 |
| Total assets | <u>\$ -</u> | <u>\$ 2,329,871</u> | <u>\$ 2,895,980</u> | <u>\$ 267,785</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ - | \$ - |
| Deposits payable | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances (deficit): | | | | |
| Restricted | - | 2,329,871 | 2,895,980 | 267,785 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>-</u> | <u>2,329,871</u> | <u>2,895,980</u> | <u>267,785</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 2,329,871</u> | <u>\$ 2,895,980</u> | <u>\$ 267,785</u> |

CITY OF BEAUMONT

Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------------------|-----------------------|--------------------------------|
| | PEG Fees Fund | Other Federal Grants Fund | COPS Grant Fund | State Asset Seizure Fund |
| ASSETS | | | | |
| Cash and investments | \$ 35,546 | \$ 4,472,193 | \$ 523,786 | \$ 323,576 |
| Receivables: | | | | |
| Accounts | 166 | - | - | - |
| Due from other governments | - | 273,071 | - | 944 |
| Total assets | <u>\$ 35,712</u> | <u>\$ 4,745,264</u> | <u>\$ 523,786</u> | <u>\$ 324,520</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ - | \$ - |
| Deposits payable | - | - | - | - |
| Unearned revenue | - | 5,153,248 | - | 30,123 |
| Total liabilities | <u>-</u> | <u>5,153,248</u> | <u>-</u> | <u>30,123</u> |
| Fund Balances (deficit): | | | | |
| Restricted | 35,712 | - | 523,786 | 294,397 |
| Unassigned | - | (407,984) | - | - |
| Total fund balances | <u>35,712</u> | <u>(407,984)</u> | <u>523,786</u> | <u>294,397</u> |
| Total liabilities and fund balances | <u>\$ 35,712</u> | <u>\$ 4,745,264</u> | <u>\$ 523,786</u> | <u>\$ 324,520</u> |

CITY OF BEAUMONT

Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | Total Other Governmental Funds |
|--|----------------------------------|----------------------------------|--|--------------------------------------|
| | Federal Asset Seizure Fund | Other Special Revenue Fund | Community Facilities District (CFD) | |
| ASSETS | | | | |
| Cash and investments | \$ 59,719 | \$ 433,497 | \$ 1,657,512 | \$ 12,737,324 |
| Receivables: | | | | |
| Accounts | - | - | - | 166 |
| Due from other governments | - | 35,679 | 58,575 | 630,410 |
| Total assets | <u>\$ 59,719</u> | <u>\$ 469,176</u> | <u>\$ 1,716,087</u> | <u>\$ 13,367,900</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 72 | \$ 32,957 | \$ 33,029 |
| Deposits payable | - | - | 85,695 | 85,695 |
| Unearned revenue | - | 59,862 | - | 5,243,233 |
| Total liabilities | <u>-</u> | <u>59,934</u> | <u>118,652</u> | <u>5,361,957</u> |
| Fund Balances (deficit): | | | | |
| Restricted | 59,719 | 409,242 | 1,597,435 | 8,413,927 |
| Unassigned | - | - | - | (407,984) |
| Total fund balances | <u>59,719</u> | <u>409,242</u> | <u>1,597,435</u> | <u>8,005,943</u> |
| Total liabilities and fund balances | <u>\$ 59,719</u> | <u>\$ 469,176</u> | <u>\$ 1,716,087</u> | <u>\$ 13,367,900</u> |

CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023**

| | Special Revenue Funds | | | |
|---|-----------------------|--|-------------------|-----------------|
| | State Gas Tax Fund | Road Maintenance and Rehabilitation Act Fund | Measure A Fund | AB 2766 Fund |
| REVENUES: | | | | |
| Taxes | \$ - | \$ - | \$ 901,847 | \$ - |
| Intergovernmental | 1,370,372 | 1,207,000 | - | 89,522 |
| License and permits | - | - | - | - |
| Use of money and property | 1,306 | 4,997 | 69,464 | 7,277 |
| Other revenues | - | - | - | - |
| Total revenues | 1,371,678 | 1,211,997 | 971,311 | 96,799 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | 75 | 24 | - | - |
| Public safety | - | - | - | 173,009 |
| Community development | - | - | - | - |
| Total expenditures | 75 | 24 | - | 173,009 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,371,603 | 1,211,973 | 971,311 | (76,210) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | (1,441,202) | - | (30,452) | - |
| Total other financing sources (uses) | (1,441,202) | - | (30,452) | - |
| Net changes in fund balances | (69,599) | 1,211,973 | 940,859 | (76,210) |
| FUND BALANCES (DEFICIT): | | | | |
| Beginning of year | 69,599 | 1,117,898 | 1,955,121 | 343,995 |
| End of year | \$ - | \$ 2,329,871 | \$ 2,895,980 | \$ 267,785 |

CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2023**

| | Special Revenue Funds | | | |
|---|-----------------------|---------------------------------|-----------------------|--------------------------------|
| | PEG Fees Fund | Other Federal Grants Fund | COPS Grant Fund | State Asset Seizure Fund |
| REVENUES: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 982,401 | 156,938 | 944 |
| License and permits | 13,730 | - | - | - |
| Use of money and property | 900 | 4,905 | 12,839 | 929 |
| Other revenues | - | - | - | - |
| Total revenues | <u>14,630</u> | <u>987,306</u> | <u>169,777</u> | <u>1,873</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | 6,625 | - | - | - |
| Public safety | - | 48,074 | 55,540 | 2,500 |
| Community development | - | 190,753 | - | - |
| Total expenditures | <u>6,625</u> | <u>238,827</u> | <u>55,540</u> | <u>2,500</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>8,005</u> | <u>748,479</u> | <u>114,237</u> | <u>(627)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | - | (975,802) | (43,350) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(975,802)</u> | <u>(43,350)</u> | <u>-</u> |
| Net changes in fund balances | <u>8,005</u> | <u>(227,323)</u> | <u>70,887</u> | <u>(627)</u> |
| FUND BALANCES (DEFICIT): | | | | |
| Beginning of year | <u>27,707</u> | <u>(180,661)</u> | <u>452,899</u> | <u>295,024</u> |
| End of year | <u>\$ 35,712</u> | <u>\$ (407,984)</u> | <u>\$ 523,786</u> | <u>\$ 294,397</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, 2023

| | Special Revenue Funds | | | Total Other Governmental Funds |
|---|----------------------------|----------------------------|-------------------------------------|--------------------------------|
| | Federal Asset Seizure Fund | Other Special Revenue Fund | Community Facilities District (CFD) | |
| REVENUES: | | | | |
| Taxes | \$ - | \$ - | \$ 6,644,815 | \$ 7,546,662 |
| Intergovernmental | 53,147 | 54,833 | - | 3,915,157 |
| License and permits | - | 3,054 | - | 16,784 |
| Use of money and property | 536 | 11,285 | 58,435 | 172,873 |
| Other revenues | - | 78,964 | - | 78,964 |
| Total revenues | 53,683 | 148,136 | 6,703,250 | 11,730,440 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | - | - | - | 6,724 |
| Public safety | - | 33,872 | - | 312,995 |
| Community development | - | 15,847 | 300,115 | 506,715 |
| Total expenditures | - | 49,719 | 300,115 | 826,434 |
| REVENUES OVER (UNDER) EXPENDITURES | 53,683 | 98,417 | 6,403,135 | 10,904,006 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | - | (9,600) | (7,079,876) | (9,580,282) |
| Total other financing sources (uses) | - | (9,600) | (7,079,876) | (9,580,282) |
| Net changes in fund balances | 53,683 | 88,817 | (676,741) | 1,323,724 |
| FUND BALANCES (DEFICIT): | | | | |
| Beginning of year | 6,036 | 320,425 | 2,274,176 | 6,682,219 |
| End of year | \$ 59,719 | \$ 409,242 | \$ 1,597,435 | \$ 8,005,943 |

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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, 2023**

| | Budgeted Amounts | | Actual | Variance with |
|---|--------------------|---------------------|--------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,458,080 | \$ 1,458,080 | \$ 1,370,372 | \$ (87,708) |
| Use of money and property | 1,413 | 1,413 | 1,306 | (107) |
| Total revenues | <u>1,459,493</u> | <u>1,459,493</u> | <u>1,371,678</u> | <u>(87,815)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | - | 441,056 | 75 | 440,981 |
| Total Expenditures | <u>-</u> | <u>441,056</u> | <u>75</u> | <u>440,981</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>1,459,493</u> | <u>1,018,437</u> | <u>1,371,603</u> | <u>353,166</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(1,459,493)</u> | <u>(1,459,493)</u> | <u>(1,441,202)</u> | <u>18,291</u> |
| Total other financing sources | <u>(1,459,493)</u> | <u>(1,459,493)</u> | <u>(1,441,202)</u> | <u>18,291</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (441,056)</u> | <u>(69,599)</u> | <u>\$ 371,457</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | 69,599 | |
| End of year | | | <u>\$ -</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Road Maintenance and Rehabilitation Act Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------|-------------------|---------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,166,685 | \$ 1,166,685 | \$ 1,207,000 | \$ 40,315 |
| Use of money and property | 1,819.00 | 1,819.00 | 4,997 | 3,178 |
| Total revenues | <u>1,168,504</u> | <u>1,168,504</u> | <u>1,211,997</u> | <u>43,493</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | 24 | (24) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>24</u> | <u>(24)</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>1,168,504</u> | <u>1,168,504</u> | <u>1,211,973</u> | <u>43,469</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(892,435)</u> | <u>(892,435)</u> | <u>-</u> | <u>892,435</u> |
| Total other financing sources | <u>(892,435)</u> | <u>(892,435)</u> | <u>-</u> | <u>892,435</u> |
| Net change in fund balance | <u>\$ 276,069</u> | <u>\$ 276,069</u> | <u>1,211,973</u> | <u>\$ 935,904</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>1,117,898</u> | |
| End of year | | | <u>\$ 2,329,871</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Measure A Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|------------------|---------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Taxes | \$ 604,800 | \$ 604,800 | \$ 901,847 | \$ 297,047 |
| Use of money and property | 1,100 | 1,100 | 69,464 | 68,364 |
| Total revenues | <u>605,900</u> | <u>605,900</u> | <u>971,311</u> | <u>365,411</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>605,900</u> | <u>605,900</u> | <u>971,311</u> | <u>365,411</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(604,800)</u> | <u>(604,800)</u> | <u>(30,452)</u> | <u>574,348</u> |
| Total other financing sources | <u>(604,800)</u> | <u>(604,800)</u> | <u>(30,452)</u> | <u>574,348</u> |
| Net change in fund balance | <u>\$ 1,100</u> | <u>\$ 1,100</u> | <u>940,859</u> | <u>\$ 939,759</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>1,955,121</u> | |
| End of year | | | <u>\$ 2,895,980</u> | |

CITY OF BEAUMONT

**Budgetary Comparison Schedule
AB 2766 Fund
For the Year Ended June 30, 2023**

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|---------------------|-------------------|------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 70,000 | \$ 70,000 | \$ 89,522 | \$ 19,522 |
| Use of money and property | 1,130 | 1,130 | 7,277 | 6,147 |
| Total revenues | <u>71,130</u> | <u>71,130</u> | <u>96,799</u> | <u>25,669</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | 188,785 | 173,009 | 15,776 |
| Community services | 12,360 | 12,360 | - | 12,360 |
| Total Expenditures | <u>12,360</u> | <u>201,145</u> | <u>173,009</u> | <u>28,136</u> |
| Net change in fund balance | <u>\$ 58,770</u> | <u>\$ (130,015)</u> | (76,210) | <u>\$ 53,805</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>343,995</u> | |
| End of year | | | <u>\$ 267,785</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule PEG Fees Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|------------------|------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| License and permits | \$ 22,475 | \$ 22,475 | \$ 13,730 | \$ (8,745) |
| Use of money and property | 120 | 120 | 900 | 780 |
| Total revenues | <u>22,595</u> | <u>22,595</u> | <u>14,630</u> | <u>(7,965)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 9,400 | 9,400 | 6,625 | 2,775 |
| Community service | 2,600 | 2,600 | - | 2,600 |
| Total Expenditures | <u>12,000</u> | <u>12,000</u> | <u>6,625</u> | <u>5,375</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>10,595</u> | <u>10,595</u> | <u>8,005</u> | <u>(2,590)</u> |
| Net change in fund balance | <u>\$ 10,595</u> | <u>\$ 10,595</u> | <u>8,005</u> | <u>\$ (2,590)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>27,707</u> | |
| End of year | | | <u>\$ 35,712</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Other Federal Grants Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|---------------------|---------------------|---------------------|--------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 62,000 | \$ 1,826,791 | \$ 982,401 | \$ (844,390) |
| Use of money and property | - | - | 4,905 | 4,905 |
| Total revenues | <u>62,000</u> | <u>1,826,791</u> | <u>987,306</u> | <u>(839,485)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | 48,074 | (48,074) |
| Community development | 12,000 | 26,791 | 190,753 | (163,962) |
| Total Expenditures | <u>12,000</u> | <u>26,791</u> | <u>238,827</u> | <u>(212,036)</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>50,000</u> | <u>1,800,000</u> | <u>748,479</u> | <u>(1,051,521)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(280,000)</u> | <u>(2,030,000)</u> | <u>(975,802)</u> | <u>1,054,198</u> |
| Total other financing sources | <u>(280,000)</u> | <u>(2,030,000)</u> | <u>(975,802)</u> | <u>1,054,198</u> |
| Net change in fund balance | <u>\$ (230,000)</u> | <u>\$ (230,000)</u> | <u>(227,323)</u> | <u>\$ 2,677</u> |
| FUND BALANCE (DEFICIT): | | | | |
| Beginning of year | | | <u>(180,661)</u> | |
| End of year | | | <u>\$ (407,984)</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule COPS Grant Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|--------------------|-------------------|------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 150,000 | \$ 150,000 | \$ 156,938 | \$ 6,938 |
| Use of money and property | 751 | 751 | 12,839 | 12,088 |
| Total revenues | <u>150,751</u> | <u>150,751</u> | <u>169,777</u> | <u>19,026</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 17,726 | 60,266 | 55,540 | 4,726 |
| Total Expenditures | <u>17,726</u> | <u>60,266</u> | <u>55,540</u> | <u>4,726</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>133,025</u> | <u>90,485</u> | <u>114,237</u> | <u>23,752</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(70,456)</u> | <u>(108,983)</u> | <u>(43,350)</u> | <u>65,633</u> |
| Total other financing sources | <u>(70,456)</u> | <u>(108,983)</u> | <u>(43,350)</u> | <u>65,633</u> |
| Net change in fund balance | <u>\$ 62,569</u> | <u>\$ (18,498)</u> | <u>70,887</u> | <u>\$ 89,385</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>452,899</u> | |
| End of year | | | <u>\$ 523,786</u> | |

CITY OF BEAUMONT

**Budgetary Comparison Schedule
State Asset Seizure Fund
For the Year Ended June 30, 2023**

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|-----------------|-------------------|-----------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 2,500 | \$ 2,500 | \$ 944 | \$ (1,556) |
| Use of money and property | 456 | 456 | 929 | 473 |
| Total revenues | <u>2,956</u> | <u>2,956</u> | <u>1,873</u> | <u>(1,083)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | 3,300 | 2,500 | 800 |
| Total Expenditures | <u>-</u> | <u>3,300</u> | <u>2,500</u> | <u>800</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>2,956</u> | <u>(344)</u> | <u>(627)</u> | <u>(283)</u> |
| Net change in fund balance | <u>\$ 2,956</u> | <u>\$ (344)</u> | <u>(627)</u> | <u>\$ (283)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>295,024</u> | |
| End of year | | | <u>\$ 294,397</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Other Special Revenue Fund For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|--------------------|-------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 24,000 | \$ 24,000 | \$ 54,833 | \$ 30,833 |
| License and permits | 5,500 | 5,500 | 3,054 | (2,446) |
| Use of money and property | 576 | 576 | 11,285 | 10,709 |
| Other revenues | 48,700 | 48,700 | 78,964 | 30,264 |
| Total revenues | <u>78,776</u> | <u>78,776</u> | <u>148,136</u> | <u>69,360</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 17,700 | 35,553 | 33,872 | 1,681 |
| Community development | 44,900 | 44,900 | 15,847 | 29,053 |
| Total Expenditures | <u>62,600</u> | <u>80,453</u> | <u>49,719</u> | <u>30,734</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>16,176</u> | <u>(1,677)</u> | <u>98,417</u> | <u>100,094</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | <u>(9,600)</u> | <u>(9,600)</u> | <u>(9,600)</u> | <u>-</u> |
| Total other financing sources | <u>(9,600)</u> | <u>(9,600)</u> | <u>(9,600)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 6,576</u> | <u>\$ (11,277)</u> | <u>88,817</u> | <u>\$ 100,094</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>320,425</u> | |
| End of year | | | <u>\$ 409,242</u> | |

CITY OF BEAUMONT

Budgetary Comparison Schedule Community Facilities Districts (CFD) For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance with |
|---|--------------------|---------------------|---------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Taxes | \$ 6,679,547 | \$ 6,679,547 | \$ 6,644,815 | \$ (34,732) |
| Use of money and property | - | - | 58,435 | 58,435 |
| Total revenues | <u>6,679,547</u> | <u>6,679,547</u> | <u>6,703,250</u> | <u>23,703</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community development | 331,385 | 331,385 | 300,115 | 31,270 |
| Total Expenditures | <u>331,385</u> | <u>331,385</u> | <u>300,115</u> | <u>31,270</u> |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | <u>6,348,162</u> | <u>6,348,162</u> | <u>6,403,135</u> | <u>54,973</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | (6,348,162) | (6,848,162) | (7,079,876) | (231,714) |
| Total other financing sources (uses) | <u>(6,348,162)</u> | <u>(6,848,162)</u> | <u>(7,079,876)</u> | <u>(231,714)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (500,000)</u> | <u>(676,741)</u> | <u>\$ (176,741)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>2,274,176</u> | |
| End of year | | | <u>\$ 1,597,435</u> | |

Fiduciary Funds

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CITY OF BEAUMONT

Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2023

| | Community Facilities District Collection | Evidence Fund | Total |
|--|--|------------------|-------------------------|
| ASSETS | | | |
| Cash and investments | \$ 21,140,368 | \$ 77,819 | \$ 21,218,187 |
| Cash and investments with fiscal agent | 21,506,447 | - | 21,506,447 |
| Due from other governments | 185,631 | - | 185,631 |
| Total assets | <u>42,832,446</u> | <u>77,819</u> | <u>42,910,265</u> |
| LIABILITIES | | | |
| Interest payable | 4,581,756 | - | 4,581,756 |
| Unearned revenue | - | 14,518 | 14,518 |
| Deposits payable | - | 60,829 | 60,829 |
| Due to other governments | 80,000,707 | - | 80,000,707 |
| Due to bondholders | 161,072,601 | - | 161,072,601 |
| Total liabilities | <u>245,655,064</u> | <u>75,347</u> | <u>245,730,411</u> |
| Net Position (deficit) | | | |
| Restricted for: | | | |
| Individuals, organizations and other governments | (202,822,618) | 2,472 | (202,820,146) |
| Total net position | <u>\$ (202,822,618)</u> | <u>\$ 2,472</u> | <u>\$ (202,820,146)</u> |

CITY OF BEAUMONT

Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the Year Ended June 30, 2023

| | Community Facilities District Collection | Evidence Fund | Total |
|-------------------------------|--|------------------|-------------------------|
| ADDITIONS: | | | |
| Investment Income | \$ 374,765 | \$ 52 | \$ 374,817 |
| Assessments | 19,270,292 | 550 | 19,270,842 |
| Bond proceeds | 9,158,389 | - | 9,158,389 |
| Total additions | <u>28,803,446</u> | <u>602</u> | <u>28,804,048</u> |
| DEDUCTIONS: | | | |
| Payments to trustee | 657,573 | - | 657,573 |
| Interest expense | 8,728,570 | 12 | 8,728,582 |
| Bond proceeds | 919,670 | - | 919,670 |
| Payment for infrastructure | 891,231 | - | 891,231 |
| Total deductions | <u>11,197,044</u> | <u>12</u> | <u>11,197,056</u> |
| Change in net position | 17,606,402 | 590 | 17,606,992 |
| NET POSITION: | | | |
| Beginning of year | (220,429,020) | 1,882 | (220,427,138) |
| End of year | <u>\$ (202,822,618)</u> | <u>\$ 2,472</u> | <u>\$ (202,820,146)</u> |

Statistical Section

CITY OF BEAUMONT

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

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|---|-----------------------|------------------------|----------------------|-----------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ - | \$ - | \$ - | \$ 41,036,317 |
| Restricted | 27,651,232 | 32,785,514 | 48,232,914 | 253,984,801 |
| Unrestricted | (34,861,337) | (89,979,209) | (22,231,046) | (13,630,302) |
| Total governmental activities net position | <u>\$ (7,210,105)</u> | <u>\$ (57,193,695)</u> | <u>\$ 26,001,868</u> | <u>\$ 281,390,816</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 47,357,696 | \$ 52,039,617 | \$ 50,742,754 | \$ 127,028,681 |
| Restricted | - | - | - | - |
| Unrestricted | 3,461,080 | (2,786,155) | 897,094 | 2,246,526 |
| Total business-type activities net position | <u>\$ 50,818,776</u> | <u>\$ 49,253,462</u> | <u>\$ 51,639,848</u> | <u>\$ 129,275,207</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 47,357,696 | \$ 52,039,617 | \$ 50,742,754 | \$ 168,064,998 |
| Restricted | 27,651,232 | 32,785,514 | 48,232,914 | 253,984,801 |
| Unrestricted | (31,400,257) | (92,765,364) | (21,333,952) | (11,383,776) |
| Total primary government net position | <u>\$ 43,608,671</u> | <u>\$ (7,940,233)</u> | <u>\$ 77,641,716</u> | <u>\$ 410,666,023</u> |

Source: City of Beaumont Finance Department Audited Financial Statements

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 161,035,919 | \$ 180,996,750 | \$ 191,989,902 | \$ 199,529,502 | \$ 210,229,919 | \$ 212,055,056 |
| 133,927,879 | 125,918,630 | 118,674,754 | 121,676,799 | 121,976,580 | 165,793,250 |
| (7,563,390) | 457,794 | 7,180,682 | 12,223,595 | 39,194,558 | 29,690,983 |
| <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> | <u>\$ 407,539,289</u> |
| | | | | | |
| \$ 124,163,481 | \$ 134,524,431 | \$ 137,744,251 | \$ 134,777,249 | \$ 134,350,805 | \$ 110,914,301 |
| - | - | - | 595,399 | 757,246 | 12,860,020 |
| 9,681,229 | (475,808) | 4,609,395 | 3,069,283 | 11,180,846 | 6,878,345 |
| <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> | <u>\$ 130,652,666</u> |
| | | | | | |
| \$ 285,199,400 | \$ 315,521,181 | \$ 329,734,153 | \$ 334,306,751 | \$ 344,580,724 | \$ 322,969,357 |
| 133,927,879 | 125,918,630 | 118,674,754 | 122,272,198 | 122,733,826 | 178,653,270 |
| 2,117,839 | (18,014) | 11,790,077 | 15,292,878 | 50,375,404 | 36,569,328 |
| <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> | <u>\$ 538,191,955</u> |

CITY OF BEAUMONT

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

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|---|------------------------|------------------------|----------------------|------------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,968,528 | \$ 7,309,913 | \$ 3,397,331 | \$ 7,593,312 |
| Public safety | 15,219,502 | 13,414,301 | 11,236,896 | 13,526,022 |
| Public works | 7,812,711 | 1,552,407 | 1,976,427 | 5,030,993 |
| Community development | 6,947,833 | 1,914,356 | 1,367,789 | 4,441,655 |
| Community services | 156,923 | 4,880,614 | 3,050,603 | 2,528,668 |
| Refuse | - | 4,144,778 | 4,138,062 | 4,239,048 |
| Pass-through payments | - | - | - | - |
| Interest on long-term debt | 161,272 | 2,660,836 | - | 10,369,211 |
| Total governmental activities expenses | <u>35,266,769</u> | <u>35,877,205</u> | <u>25,167,108</u> | <u>47,728,909</u> |
| Business-type activities: | | | | |
| Sewer | 6,074,330 | 7,986,837 | 6,043,880 | 11,192,584 |
| Transit | 2,258,381 | 2,211,872 | 2,478,621 | 2,990,218 |
| Total business-type activities expenses | <u>8,332,711</u> | <u>10,198,709</u> | <u>8,522,501</u> | <u>14,182,802</u> |
| Total primary government expenses | <u>\$ 43,599,480</u> | <u>\$ 46,075,914</u> | <u>\$ 33,689,609</u> | <u>\$ 61,911,711</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services | \$ 7,339,117 | \$ 9,855,807 | \$ 9,561,023 | \$ 15,939,510 |
| Operating grants | 4,708,037 | 6,337,968 | 9,449,166 | 286,368 |
| Capital grants | 6,051,679 | 4,364,103 | 5,304,634 | 12,450,382 |
| Total governmental activities program revenues | <u>18,098,833</u> | <u>\$ 20,557,878</u> | <u>\$ 24,314,823</u> | <u>28,676,260</u> |
| Business-type activities: | | | | |
| Charges for services | 8,041,655 | 8,021,109 | 7,362,793 | 7,644,407 |
| Operating grants | 1,636,434 | 1,847,564 | 2,063,600 | 2,262,277 |
| Capital Grants | 304,610 | 10,445 | 1,479,942 | 473,715 |
| Total business-type activities program revenues | <u>9,982,699</u> | <u>\$ 9,879,118</u> | <u>\$ 10,906,335</u> | <u>10,380,399</u> |
| Total primary government revenues | <u>\$ 28,081,532</u> | <u>\$ 30,436,996</u> | <u>\$ 35,221,158</u> | <u>\$ 39,056,659</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$ (17,167,936) | \$ (15,319,327) | \$ (852,285) | \$ (19,052,649) |
| Business-type activities | 1,649,988 | (319,591) | 2,383,834 | (3,802,403) |
| Total primary government net (expense)/revenue | <u>\$ (15,517,948)</u> | <u>\$ (15,638,918)</u> | <u>\$ 1,531,549</u> | <u>\$ (22,855,052)</u> |

Source: City of Beaumont Finance Department Audited Financial Statements

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 5,356,762 | \$ 6,010,855 | \$ 6,387,414 | \$ 10,322,019 | \$ 4,089,581 | \$ 10,642,725 |
| 18,969,972 | 15,641,308 | 17,326,496 | 17,896,367 | 18,852,535 | 23,317,103 |
| 5,563,653 | 8,536,946 | 4,051,200 | 8,738,889 | 4,337,784 | 9,863,014 |
| 2,431,640 | 2,396,300 | 2,203,993 | 2,109,290 | 2,431,610 | 3,201,954 |
| 3,478,806 | 3,840,603 | 4,805,108 | 4,567,596 | 2,513,365 | 4,987,703 |
| 4,899,889 | 5,504,512 | - | - | - | - |
| - | - | - | - | - | - |
| 7,181,818 | 4,415,612 | 4,980,043 | 4,742,632 | 4,965,899 | 2,563,737 |
| 47,882,540 | 46,346,136 | 39,754,254 | 48,376,793 | 37,190,774 | 54,576,236 |
| 10,430,002 | 14,993,895 | 15,084,760 | 16,480,072 | 17,596,817 | 16,398,348 |
| 3,119,254 | 3,353,923 | 3,260,924 | 3,103,538 | 3,047,754 | 2,864,795 |
| 13,549,256 | 18,347,818 | 18,345,684 | 19,583,610 | 20,644,571 | 19,263,143 |
| \$ 61,431,796 | \$ 64,693,954 | \$ 58,099,938 | \$ 67,960,403 | \$ 57,835,345 | \$ 73,839,379 |
| \$ 15,749,036 | \$ 13,488,153 | \$ 6,004,874 | \$ 6,223,772 | \$ 8,436,192 | \$ 9,460,209 |
| 77,514 | 884,195 | 1,626,798 | 4,116,354 | 1,613,280 | 4,911,820 |
| 20,409,806 | 17,527,025 | 8,773,350 | 16,582,075 | 16,403,235 | 15,864,191 |
| 36,236,356 | 31,899,373 | 16,405,022 | 26,922,201 | 26,452,707 | 30,236,220 |
| 8,282,833 | 8,993,637 | 10,697,882 | 10,955,015 | 23,592,883 | 20,773,380 |
| 2,347,256 | 2,557,412 | 3,228,349 | 2,251,555 | 2,687,154 | 2,500,157 |
| 6,171,672 | 1,575,041 | 7,334,406 | 1,852,603 | 1,881,755 | 2,081,261 |
| 16,801,761 | 13,126,090 | 21,260,637 | 15,059,173 | 28,161,792 | 25,354,798 |
| \$ 53,038,117 | \$ 45,025,463 | \$ 37,665,659 | \$ 41,981,374 | \$ 54,614,499 | \$ 55,591,018 |
| \$ (11,646,184) | \$ (14,446,763) | \$ (23,349,232) | \$ (21,454,592) | \$ (10,738,067) | \$ (24,340,016) |
| 3,252,505 | (5,221,728) | 2,914,953 | (4,524,437) | 7,517,221 | 6,091,655 |
| \$ (8,393,679) | \$ (19,668,491) | \$ (20,434,279) | \$ (25,979,029) | \$ (3,220,846) | \$ (18,248,361) |

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 | 2014 | 2015 | 2016 | 2017 |
| Government activities: | | | | |
| Taxes | | | | |
| Property taxes/in-lieu | \$ 2,846,677 | \$ 3,894,320 | \$ 3,762,290 | \$ 4,852,263 |
| Sales taxes | 4,149,782 | 4,209,246 | 4,966,331 | 4,851,947 |
| Vehicle in lieu tax | 2,709,016 | 3,244,340 | 3,506,871 | 3,768,042 |
| Utility Users Tax | - | 1,373,661 | 1,804,096 | 1,545,893 |
| Franchise tax | 882,609 | 944,869 | 929,261 | 805,244 |
| Transient occupancy tax | - | 224,705 | 283,999 | 325,874 |
| Other taxes | 1,778,239 | 209,124 | 77,163 | 880,255 |
| Business Licenses | - | - | 196,185 | 231,688 |
| Transfers | - | - | - | - |
| Total taxes and transfers | <u>12,366,323</u> | <u>14,100,265</u> | <u>15,526,196</u> | <u>17,261,206</u> |
| Construction bond proceeds | - | - | - | - |
| Developer Contributions | - | - | - | - |
| Investment Earnings | 827,047 | 129,837 | 13,232 | 10,490,307 |
| Miscellaneous | 562,353 | 156,283 | 359,206 | 55,710 |
| Gain (Loss) on sale of capital assets | - | - | - | 42,237 |
| Total governmental activities | <u>13,755,723</u> | <u>14,386,385</u> | <u>15,898,634</u> | <u>27,849,460</u> |
| Business-type activities: | | | | |
| Investment Earnings | 55,973 | 4,267 | 2,552 | 4,475 |
| Developer Contributions | - | - | - | - |
| Miscellaneous | 7,753 | - | - | 30 |
| Mitigation Fees | - | - | - | - |
| Transfers | - | - | - | - |
| Gain (Loss) on sale of capital assets | - | - | - | - |
| Total business-type activities | <u>63,726</u> | <u>4,267</u> | <u>2,552</u> | <u>4,505</u> |
| Total primary government | <u>\$ 13,819,449</u> | <u>\$ 14,390,652</u> | <u>\$ 15,901,186</u> | <u>\$ 27,853,965</u> |
| Extraordinary Items (Governmental Activities) | | | | |
| Write off of advance receivable | \$ - | \$ (21,500,000) | \$ - | \$ - |
| Settlement - restitution | - | - | - | 3,000,000 |
| 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>\$ (21,500,000)</u> | <u>\$ 62,334,300</u> | <u>\$ 3,000,000</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ (3,412,213) | \$ (22,432,942) | \$ 77,380,649 | \$ 11,796,811 |
| Business-type activities | 1,713,714 | (315,324) | 2,386,386 | (3,797,898) |
| Total primary government | <u>\$ (1,698,499)</u> | <u>\$ (22,748,266)</u> | <u>\$ 79,767,035</u> | <u>\$ 7,998,913</u> |

Source: City of Beaumont Finance Department Audited Financial Statements

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 5,199,098 | \$ 5,656,662 | \$ 11,107,476 | \$ 12,701,479 | \$ 13,256,331 | \$ 14,884,970 |
| | 5,631,332 | 6,596,935 | 7,593,729 | 8,869,746 | 26,869,849 | 28,509,903 |
| | 4,125,662 | 4,517,090 | 38,307 | 37,754 | 60,866 | 56,058 |
| | 1,524,158 | 1,584,224 | 1,650,094 | 1,887,031 | 2,058,730 | 2,701,744 |
| | 3,285,697 | 3,908,531 | 8,074,504 | 3,183,803 | 3,164,944 | 3,253,677 |
| | 363,868 | 335,304 | 278,504 | 298,879 | 422,087 | 432,921 |
| | 1,194,389 | 958,614 | - | - | 676,180 | 972,981 |
| | 247,193 | 294,968 | 342,702 | 415,229 | 350,142 | 381,453 |
| | 322 | (3,120,964) | - | 239,958 | (254,358) | (615,736) |
| | <u>21,571,719</u> | <u>20,731,364</u> | <u>29,085,316</u> | <u>27,633,879</u> | <u>46,604,771</u> | <u>50,577,971</u> |
| | - | - | - | 233,922 | - | - |
| | 11,343,940 | 9,055,054 | - | 4,001,607 | - | - |
| | 7,851,992 | 5,390,216 | 4,230,375 | 4,618,626 | 1,157,022 | 5,238,845 |
| | 355,360 | 716,944 | 472,274 | 526,724 | 657,208 | 4,513,689 |
| | 5,341 | 52,377 | 33,431 | 24,392 | 51,186 | 147,743 |
| | <u>41,128,352</u> | <u>35,945,955</u> | <u>33,821,396</u> | <u>37,039,150</u> | <u>48,470,187</u> | <u>60,478,248</u> |
| | 13,606 | 1,564,220 | 565,390 | 57,721 | (1,131,442) | 637,558 |
| | 778,223 | 731,125 | - | - | - | - |
| | 525,491 | 3,393 | 5,242 | 13,719 | 1,206,829 | 23,790 |
| | - | - | 4,819,408 | 1,123,349 | 11,278,753 | - |
| | (322) | 3,120,964 | - | (239,958) | 254,358 | 615,736 |
| | - | 5,939 | 30 | - | - | (23,004,970) |
| | <u>1,316,998</u> | <u>5,425,641</u> | <u>5,390,070</u> | <u>954,831</u> | <u>11,608,498</u> | <u>(21,727,886)</u> |
| \$ | <u>42,445,350</u> | <u>\$ 41,371,596</u> | <u>\$ 39,211,466</u> | <u>\$ 37,993,981</u> | <u>\$ 60,078,685</u> | <u>\$ 38,750,362</u> |
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - | - |
| (11,947,642) | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| \$ | <u>(11,947,642)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ | 17,534,526 | \$ 21,499,192 | \$ 10,472,164 | \$ 15,584,558 | \$ 37,732,120 | \$ 36,138,232 |
| | 4,569,503 | 203,913 | 8,305,023 | (3,569,606) | 19,125,719 | (15,636,231) |
| \$ | <u>22,104,029</u> | <u>\$ 21,703,105</u> | <u>\$ 18,777,187</u> | <u>\$ 12,014,952</u> | <u>\$ 56,857,839</u> | <u>\$ 20,502,001</u> |

CITY OF BEAUMONT

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

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|---|---------------|---------------|---------------|----------------|
| General fund | | | | |
| Non Spendable: | | | | |
| Notes and Loans Receivable | \$ - | \$ 249,493 | \$ 226,186 | \$ 213,399 |
| Advances to RDA Successor Agency | 21,500,000 | - | - | - |
| Prepaid items | - | - | - | - |
| Restricted | | | | |
| Investment in Section 115 Trust | - | - | - | - |
| Committed for: | | | | |
| Capital Projects | - | - | - | 6,839,275 |
| Self Insurance | - | - | - | - |
| Pension Trust Funding | - | - | - | - |
| Assigned for: | | | | |
| Re-appropriation | - | - | - | - |
| Unassigned | (6,354,884) | (7,438,424) | (4,296,822) | 5,034,141 |
| Total general fund | 15,145,116 | (7,188,931) | (4,070,636) | 12,086,815 |
| All other governmental funds | | | | |
| Non Spendable: | | | | |
| Prepaid items | \$ - | \$ - | \$ - | \$ - |
| Restricted for: | | | | |
| CFD Projects | - | 22,748,722 | 32,867,745 | 8,424,392 |
| Capital Projects | 26,605,667 | 8,763,649 | 13,967,685 | 25,157,602 |
| Streets Projects | - | 708,507 | 684,297 | - |
| Public Safety | 406,697 | 422,142 | 550,410 | 688,820 |
| PEG Fees | 109,778 | 142,494 | 162,777 | 219,517 |
| State Gas Tax | - | - | - | 357,051 |
| AB 2766 | - | - | - | 306,698 |
| RMRA | - | - | - | - |
| Measure A | - | - | - | - |
| Other Special Projects | 529,090 | - | - | 981 |
| COPS Grants | - | - | - | - |
| State Asset Forfeiture | - | - | - | - |
| Federal Asset Forfeiture | - | - | - | - |
| Debt service | - | - | - | 223,515,398 |
| Committed for: | | | | |
| Capital Projects | - | - | - | - |
| Unassigned | - | - | - | - |
| Total all other governmental funds | 27,651,232 | 32,785,514 | 48,232,914 | 258,670,459 |
| Total fund balance all governmental funds | \$ 42,796,348 | \$ 25,596,583 | \$ 44,162,278 | \$ 270,757,274 |

Source: City of Beaumont Finance Department Audited Financial Statements

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 215,904 | \$ 220,634 | \$ 224,671 | \$ 225,715 | \$ - | \$ - |
| - | - | - | - | - | - |
| - | 83,141 | - | 26,262 | 61,292 | 244,171 |
| - | - | - | - | - | - |
| - | - | - | - | 2,344,101 | 2,529,271 |
| 6,839,275 | - | 4,550,000 | - | - | - |
| - | - | - | 2,850,717 | 2,154,152 | 6,329,219 |
| - | - | - | 2,500,000 | - | - |
| - | - | - | 214,799 | 796,780 | 2,216,918 |
| 10,315,492 | 14,980,384 | 19,290,503 | 17,576,741 | 40,317,103 | 30,465,919 |
| 17,370,671 | 15,284,159 | 24,065,174 | 23,394,234 | 45,673,428 | 41,785,498 |
| \$ - | \$ - | \$ - | \$ 304,015 | \$ 287,125 | \$ 270,236 |
| 8,462,228 | 9,145,832 | 9,036,520 | 5,884,930 | 2,274,176 | 1,597,435 |
| 15,683,985 | 12,877,575 | 13,336,436 | 13,674,329 | 24,136,095 | 32,287,810 |
| - | - | - | - | - | - |
| 788,141 | 1,110,144 | 664,780 | - | - | - |
| 250,014 | 1,542,017 | 21,482 | 23,675 | 27,707 | 35,712 |
| 263,369 | 103,421 | - | 159,101 | 69,599 | - |
| 370,379 | 1,102,061 | 474,841 | 621,930 | 343,995 | 267,785 |
| - | - | 551,820 | 1,437,670 | 1,117,898 | 2,329,871 |
| - | - | 1,348,379 | 2,568,801 | 1,955,121 | 2,895,980 |
| 90,333 | 305,975 | 163,173 | 183,807 | 320,425 | 409,242 |
| - | - | - | 313,341 | 452,899 | 523,786 |
| - | - | - | 295,014 | 295,024 | 294,397 |
| - | - | - | 6,030 | 6,036 | 59,719 |
| 101,180,155 | 98,006,000 | 92,767,025 | 85,876,699 | 80,287,587 | 83,460,624 |
| - | 1,417,617 | 666,248 | 10,631,472 | 8,345,917 | 39,101,618 |
| - | - | - | (84,997) | (180,661) | (407,984) |
| 127,088,604 | 125,610,642 | 119,030,704 | 121,895,817 | 119,738,943 | 163,126,231 |
| \$ 144,459,275 | \$ 140,894,801 | \$ 143,095,878 | \$ 145,290,051 | \$ 165,412,371 | \$ 204,911,729 |

CITY OF BEAUMONT

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

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|---------------|---------------|
| Revenues | | | | |
| Taxes | \$ 9,681,600 | \$ 19,240,888 | \$ 29,927,330 | \$ 11,027,239 |
| Franchise fees | - | - | - | - |
| Intergovernmental revenues | 7,376,149 | 297,016 | 29,788 | 5,787,280 |
| Licenses, fees and permits | 1,291,053 | 1,201,320 | 1,360,288 | 10,781,152 |
| Fines and forfeitures | 155,671 | 350,287 | 413,052 | 265,831 |
| Assessment levied | | | | 9,309,555 |
| Use of money and property | 110,873 | 129,834 | 148,419 | 10,613,015 |
| Charges for services | 5,900,241 | 12,400,655 | 7,913,344 | 8,355,018 |
| Other revenues | 1,287,290 | 979,582 | 545,313 | 377,102 |
| Interfund charges | 6,175,682 | - | - | - |
| Total Revenues | 31,978,559 | 34,599,582 | 40,337,534 | 56,516,192 |
| Expenditures | | | | |
| General government | 5,067,238 | 4,969,209 | 4,735,084 | 5,464,863 |
| Public safety | 15,482,011 | 13,585,249 | 12,318,788 | 12,524,089 |
| Public works | 7,812,711 | 1,552,407 | 1,976,427 | 2,902,986 |
| Community development | 2,719,182 | 1,914,356 | 1,367,789 | 4,295,350 |
| Community services | 156,923 | 4,880,614 | 3,050,603 | 2,396,166 |
| Refuse | - | 4,144,778 | 4,138,062 | 4,239,048 |
| Capital outlay | 10,404,333 | - | - | 188,738 |
| Debt service: | | | | |
| Principal | 300,000 | - | - | 6,167,352 |
| Refunding escrow agent | - | - | - | - |
| Interest, fiscal, and other charges | - | - | - | 10,369,211 |
| Total Expenditures | 41,942,398 | 31,046,613 | 27,586,753 | 48,547,803 |
| Excess of revenues over (under) expenditures | (9,963,839) | 3,552,969 | 12,750,781 | 7,968,389 |
| Other Financing Sources (Uses) | | | | |
| Subscription acquisition | - | - | - | - |
| Lease acquisition | - | - | - | 96,158 |
| Proceeds from the sale of capital assets | - | - | - | 42,237 |
| Refunding bonds issued | - | - | - | - |
| Premium on refunding bonds issued | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Proceeds from bonds issued | - | - | - | - |
| Developer contributions | 6,051,679 | - | - | - |
| Transfers in | 3,556,910 | - | 11,280 | 22,007,107 |
| Transfers out | (3,556,910) | - | (11,280) | (22,007,107) |
| Total Other Financing Sources (Uses) | 6,051,679 | - | - | 138,395 |
| Net Change in Fund Balances Before Extraordinary Item | (3,912,160) | 3,552,969 | 12,750,781 | 8,106,784 |
| Extraordinary Item | - | (21,500,000) | - | - |
| Special Item | - | - | - | 3,000,000 |
| Net Change in Fund Balances | \$ (3,912,160) | \$(17,947,031) | \$ 12,750,781 | \$ 11,106,784 |
| Debt Service as a percentage of non-capital expenditures | 1.0% | 0.0% | 0.0% | 52.0% |

Source: City of Beaumont Finance Department Audited Financial Statements

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|---------------|---------------|---------------|---------------|---------------|
| \$ 12,163,969 | \$ 13,570,476 | \$ 14,996,887 | \$ 17,410,049 | \$ 36,366,045 | \$ 46,222,206 |
| 3,285,697 | 3,908,531 | 8,074,504 | 3,183,803 | 3,164,944 | 3,253,677 |
| 11,263,234 | 11,581,831 | 10,051,669 | 11,813,339 | 8,973,877 | 11,177,387 |
| 13,283,260 | 8,044,621 | 3,708,535 | 6,525,592 | 12,908,883 | 15,931,372 |
| 262,278 | 249,914 | 617,981 | 344,816 | 425,252 | 302,859 |
| 9,240,825 | 6,786,653 | 6,491,075 | 7,288,277 | 6,898,216 | 1,246,091 |
| 8,023,202 | 5,569,684 | 4,337,680 | 4,693,106 | 1,243,832 | 5,112,604 |
| 7,754,417 | 6,944,423 | 1,469,367 | 1,484,669 | 1,595,732 | 1,957,027 |
| 872,752 | 4,627,173 | 1,021,777 | 7,016,584 | 771,271 | 7,482,550 |
| - | - | - | - | - | - |
| 66,149,634 | 61,283,306 | 50,769,475 | 59,760,235 | 72,348,052 | 92,685,773 |
| 4,434,173 | 5,940,387 | 6,439,508 | 8,460,291 | 8,428,917 | 9,212,955 |
| 12,956,345 | 14,721,189 | 16,731,402 | 17,578,516 | 18,101,157 | 21,807,040 |
| 3,161,648 | 3,929,138 | 2,855,850 | 2,959,287 | 2,681,355 | 4,099,461 |
| 2,000,866 | 2,096,589 | 1,952,789 | 1,951,963 | 2,285,885 | 3,098,593 |
| 3,070,774 | 3,708,469 | 3,998,071 | 4,119,407 | 4,650,945 | 5,854,860 |
| 4,899,889 | 5,504,512 | - | - | - | - |
| 13,194,674 | 12,622,062 | 7,964,820 | 5,074,099 | 8,723,267 | 10,050,553 |
| 118,212,977 | 3,600,000 | 3,405,300 | 3,938,561 | 3,119,925 | 6,080,491 |
| - | - | 1,149,489 | 3,563,485 | - | - |
| 7,181,818 | 4,415,612 | 4,490,634 | 4,820,703 | 5,099,969 | 2,563,656 |
| 169,113,164 | 56,537,958 | 48,987,863 | 52,466,312 | 53,091,420 | 62,767,609 |
| (102,963,530) | 4,745,348 | 1,781,612 | 7,293,923 | 19,256,632 | 29,918,164 |
| - | - | - | - | - | 552,455 |
| 132,444 | 167,456 | 78,046 | - | 856,533 | 696,732 |
| 5,341 | 19,494 | 33,431 | 24,392 | 24,471 | 147,743 |
| - | - | 5,375,000 | 35,875,000 | - | - |
| - | - | 1,014,920 | - | - | - |
| - | - | (6,389,920) | (34,829,600) | - | - |
| - | - | - | - | - | 8,800,000 |
| - | - | - | - | - | - |
| 14,209,907 | 9,682,117 | 10,561,452 | 18,489,635 | 13,031,672 | 47,877,889 |
| (14,209,585) | (12,803,081) | (10,561,452) | (24,659,177) | (13,286,030) | (48,493,625) |
| 138,107 | (2,934,014) | 111,477 | (5,099,750) | 626,646 | 9,581,194 |
| (102,825,423) | 1,811,334 | 1,893,089 | 2,194,173 | 19,883,278 | 39,499,358 |
| - | - | - | - | - | - |
| (11,947,642) | - | - | - | - | - |
| \$ (114,773,065) | \$ 1,811,334 | \$ 1,893,089 | \$ 2,194,173 | \$ 19,883,278 | \$ 39,499,358 |
| 410.8% | 22.3% | 28.3% | 35.1% | 21.1% | 17.0% |

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 |
|-------------|----------------|-----------------|-------------------------|----------------|-------------------|---------------------------|----------------------------|-------------------|---------------|
| 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 |
| 2023 | 7,932,822 | 28,509,903 | 432,921 | 3,253,677 | 2,701,744 | 6,952,148 | 56,058 | 381,453 | 50,220,726 |

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, 2023

| Calendar year 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 |
| 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 |
| Kohls | Department Stores |
| Mayas Chevron | Service Stations |
| Oak Valley Chevron | Service Stations |
| Raising Cane's | Quick-Service Restaurants |
| Rancho Ready Mix Products | Contractors |
| Ross | Family Apparel |
| Shell | Service Stations |
| Stater Bros | Grocery Stores |
| Trailer Factory Outlet | Trailers/RVs |
| USA Gas | Service Stations |
| Walmart Supercenter | Discount Dept Stores |
| Wolverine Worldwide | Fulfillment Centers |

Percent of Fiscal Year Total Paid by Top 25 Accounts=90.32%

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, 2023

| <u>Business Name</u> | <u>Calendar year 2013</u> | <u>Business Category</u> |
|----------------------------------|---------------------------|------------------------------|
| 1st Street Arco | | Service Stations |
| 84 Lumber Co | | Building Materials |
| Baker's Burgers | | Quick-Service Restaurants |
| Beaumont Gas Mart | | Service Stations |
| Beaumont RV | | Trailers/RVs |
| 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 |
| Shell | | Service Stations |
| Staples | | Office Supplies/Furniture |
| Stater Bros | | Grocery Stores |
| USA Gasoline | | Service Stations |
| Verizon Wireless | | Electronics/Appliance Stores |
| Walmart Supercenter | | Discount Dept Stores |

Percent of Fiscal Year Total Paid by Top 25 Accounts=73.76%

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, 2023

| Calendar Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| Food Stores | \$ 18,227 | \$ 18,558 | \$ 19,259 | \$ 21,016 | \$ 21,879 | \$ 23,369 | \$ 24,224 | \$ 27,104 | \$ 27,107 | \$ 28,433 |
| Eating and Drinking Places | 37,418 | 44,537 | 48,097 | 52,677 | 54,955 | 58,832 | 64,596 | 69,001 | 92,028 | 91,659 |
| Building Materials | 44,479 | 48,119 | 51,999 | 55,011 | 59,738 | 66,532 | 68,381 | 86,704 | 103,831 | 106,532 |
| Auto Dealers and Supplies | 17,701 | 21,792 | 28,347 | 31,958 | 37,260 | 39,850 | 38,810 | 44,345 | 58,846 | 61,414 |
| Services Stations | 68,696 | 65,560 | 55,945 | 50,076 | 54,400 | 66,439 | 74,214 | 61,827 | 88,347 | 114,699 |
| Other Retail Stores | 140,906 | 144,897 | 152,353 | 154,132 | 151,516 | 156,081 | 155,083 | 152,615 | 182,886 | 181,362 |
| All Other Outlets | 65,430 | 70,820 | 85,854 | 102,192 | 102,082 | 107,750 | 139,482 | 290,833 | 891,152 | 2,325,658 |
| Total | <u>\$ 392,857</u> | <u>\$ 414,283</u> | <u>\$ 441,854</u> | <u>\$ 467,062</u> | <u>\$ 481,830</u> | <u>\$ 518,853</u> | <u>\$ 564,790</u> | <u>\$ 732,429</u> | <u>\$ 1,444,197</u> | <u>\$2,909,757</u> |

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 |
| 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 |
| 2023 | 5,425,637,238 | 527,073,189 | 654,270,775 | 41,338,497 | 3,852,891 | 10,153 | 15,152,407 | 270,175,555 | 120,008 | 6,215,484 |

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 |
|-----------------------|---|--------------------------------------|---------------------|----------------------------|--------------------------------|---|
| \$ 68,677,971 | 2,833,569,181 | \$ (1,899,747) | \$ - | \$ 2,833,569,181 | 0.10876 | 100% |
| 66,013,382 | 3,352,859,152 | (1,937,692) | - | 3,352,859,152 | 0.10600 | 100% |
| 66,523,710 | 3,690,286,550 | (2,346,527) | - | 3,690,286,550 | 0.10440 | 100% |
| 69,045,531 | 3,963,822,600 | (2,411,293) | - | 3,963,822,600 | 0.10348 | 100% |
| 72,696,977 | 4,313,350,687 | (2,442,788) | - | 4,313,350,687 | 0.10275 | 100% |
| 102,926,670 | 4,750,009,869 | (2,498,684) | - | 4,750,009,869 | 0.10177 | 100% |
| 116,425,944 | 5,265,128,994 | - | 4,168,358 | 5,269,297,352 | 0.10049 | 100% |
| 191,707,077 | 6,016,677,170 | - | 4,968,448 | 6,021,645,618 | 0.10092 | 100% |
| 331,571,397 | 6,700,991,838 | - | 1,577,940 | 6,702,569,778 | 0.09441 | 100% |
| 385,609,044 | 7,460,183,197 | - | 1,483,275 | 7,461,666,472 | 0.09413 | 100% |

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 ¹ | Total Direct Rate ² |
|-------------|------------|---|--------------------|---------------------|--|------------------------|-----------------------|---------------------------|----------------------|---|--------------------------------------|
| | | | Banning Unified | Beaumont Unified | Mt San Jacinto Community College | San Jacinto Unified | | | | | |
| 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 |
| 2023 | 1.0000 | 0.06242 | 0.14609 | 0.07777 | 0.01320 | 0.14988 | 0.00350 | 0.17500 | 1.62786 | 0.00000 | 0.09413 |

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

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

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

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

CITY OF BEAUMONT

Principal Property Taxpayers As of June 30, 2023

| Taxpayer | 2022/2023 | | | 2013/14 | | |
|---------------------------------------|-----------------------|------|--|-----------------------|------|--|
| | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Amazon Com Services LLC | \$ 164,853,676 | 2 | 2.25% | | | |
| Brixton Beaumont LLC | 57,298,000 | 4 | 0.78% | | | |
| Baldi Bros Construction | | | | \$ 16,696,679 | 10 | 0.59% |
| MPLD II Inland Empire ULC LLC | 45,484,080 | 6 | 0.62% | | | |
| CJ Foods Manufacturing | 124,647,913 | 3 | 1.70% | | | |
| Exeter 630 Nicholas LP | 33,975,918 | 8 | 0.46% | | | |
| Exeter Cherry Valley Land LLC | 33,323,400 | 9 | 0.45% | | | |
| CT Beaumont Partners | | | | 36,896,460 | 1 | 1.30% |
| Sundance LLC | 32,161,945 | 10 | 0.44% | | | |
| Dura Plastics Products Inc | 34,728,575 | 7 | 0.47% | 19,967,486 | 8 | 0.71% |
| Frederick J Hanshaw | | | | 34,520,496 | 3 | 1.22% |
| High Desert Partners | | | | 36,801,324 | 2 | 1.30% |
| Loma Linda University | | | | 24,551,101 | 4 | 0.87% |
| HHI Riverside LLC | | | | 20,621,506 | 7 | 0.73% |
| Trinity Partners LLC | | | | 24,393,342 | 5 | 0.86% |
| SDC Fairway Canyon LLC | | | | 22,848,002 | 6 | 0.81% |
| Lowes HIW Inc | | | | 18,372,584 | 9 | 0.65% |
| USEF Crossroads I/II | 392,606,667 | 1 | 5.36% | | | |
| Beaumont Crossroads Logistics Park II | 50,390,726 | 5 | 0.69% | | | |
| | <u>\$ 969,470,900</u> | | <u>13.22%</u> | <u>\$ 255,668,980</u> | | <u>9.04%</u> |

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

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

² Pending Appeals on Parcels

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

CITY OF BEAUMONT

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

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|--------------------------------------|---|--|---------------------------------------|---------------------------|-----------------------|
| | | Current Tax Collections | Percent of Current Taxes Collected | | Amount | Percentage of Levy |
| 2014 | \$ 2,831,669 | \$ 2,884,144 | 101.9% | \$ 128,141 | \$ 3,012,285 | 106.4% |
| 2015 | 3,350,921 | 3,321,742 | 99.1% | 139,009 | 3,460,752 | 103.3% |
| 2016 | 3,687,940 | 3,578,931 | 97.0% | 132,853 | 3,711,784 | 100.6% |
| 2017 | 3,961,411 | 3,908,158 | 98.7% | 129,042 | 4,037,200 | 101.9% |
| 2018 | 4,310,908 | 4,644,611 | 107.7% | 131,947 | 4,776,558 | 110.8% |
| 2019 | 4,747,511 | 5,054,013 | 106.5% | 143,229 | 5,197,242 | 109.5% |
| 2020 | 5,269,297 | 5,474,560 | 103.9% | 159,844 | 5,634,404 | 106.9% |
| 2021 | 6,021,646 | 6,684,394 | 111.0% | 100,766 | 6,785,160 | 112.7% |
| 2022 | 6,581,880 | 7,015,381 | 106.6% | 91,862 | 7,107,243 | 108.0% |
| 2023 | 7,330,939 | 7,932,822 | 108.2% | 99,955 | 8,032,777 | 109.6% |

Source: Riverside County Auditor-Controller Property Tax Division

CITY OF BEAUMONT

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

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income | Per Capita ¹ |
|-------------|-------------------------|-------------------------------------|------------------------------|--------------------------|--------------|-----------------------|--------------------------|-------------------------------|-------------------------|
| | Lease/SBITA Liability | Beaumont Public Financing Authority | AB 1484 Due Diligence Review | Revenue Bonds | Bond Premium | Lease/SBITA Liability | | | |
| 2014 | \$ - | \$ - | \$ 2,575,912 | \$ 8,430,000 | \$ - | \$ - | \$ 11,005,912 | 177% | \$ 269 |
| 2015 | - | - | 2,575,912 | - | - | - | 2,575,912 | 146% | 63 |
| 2016 | - | - | 2,275,912 | - | - | - | 2,275,912 | 994% | 50 |
| 2017 | 79,323 | 205,668,880 | 1,975,912 | - | - | - | 207,724,115 | 1683% | 133 |
| 2018 | 186,483 | 91,881,186 | 1,675,912 | - | - | 346,313 | 94,089,894 | 4979% | 46 |
| 2019 | 297,242 | 88,605,000 | 1,375,912 | 81,105,000 | 9,469,765 | 268,459 | 181,121,378 | 127% | 1,911 |
| 2020 | 251,240 | 84,839,620 | 1,075,912 | 80,105,000 | 8,495,497 | 183,671 | 174,950,940 | 141% | 1,751 |
| 2021 | 152,680 | 79,681,849 | 775,912 | 78,860,000 | 7,842,647 | 99,306 | 167,412,394 | 155% | 1,665 |
| 2022 | 756,608 | 76,583,778 | - | 77,565,000 | 7,217,363 | 3,658 | 162,126,407 | 170% | 1,564 |
| 2023 | 1,320,858 | 80,000,707 | - | 76,210,000 | 6,630,347 | 234,597 | 164,396,509 | 200% | 1,482 |

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

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

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Direct and Overlapping Governmental Activities Debt As of June 30, 2023

| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT: | Total Debt 6/30/23 | Percent Applicable (1) | Debt 6/30/23 |
|--|-----------------------|---------------------------|-----------------------|
| CFD 93-1 IA 3 | \$ 1,660,000 | 100.000% | \$ 1,660,000 |
| CFD 93-1 IA 6A1 | 23,621,378 | 100.000% | 23,621,378 |
| CFD 93-1 IA 7A1 | 9,270,000 | 100.000% | 9,270,000 |
| CFD 93-1 IA 7B | 3,420,000 | 100.000% | 3,420,000 |
| CFD 93-1 IA 7C | 1,370,000 | 100.000% | 1,370,000 |
| CFD 93-1 IA 7D | 3,410,000 | 100.000% | 3,410,000 |
| CFD 93-1 IA 8 | 5,295,000 | 100.000% | 5,295,000 |
| CFD 93-1 IA 8A | 4,895,072 | 100.000% | 4,895,072 |
| CFD 93-1 IA 8B | 4,700,000 | 100.000% | 4,700,000 |
| CFD 93-1 IA 8C | 27,313,368 | 100.000% | 27,313,368 |
| CFD 93-1 IA 8D | 8,207,238 | 100.000% | 8,207,238 |
| CFD 93-1 IA 8E | 12,300,000 | 100.000% | 12,300,000 |
| CFD 93-1 IA 8F | 12,645,000 | 100.000% | 12,645,000 |
| CFD 93-1 IA 9 | 305,000 | 100.000% | 305,000 |
| CFD 93-1 IA 10 | 1,090,000 | 100.000% | 1,090,000 |
| CFD 93-1 IA 11 | 680,000 | 100.000% | 680,000 |
| CFD 93-1 IA 12 | 680,000 | 100.000% | 680,000 |
| CFD 93-1 IA 14 | 5,000,000 | 100.000% | 5,000,000 |
| CFD 93-1 IA 14A | 9,970,000 | 100.000% | 9,970,000 |
| CFD 93-1 IA 14B | 3,162,694 | 100.000% | 3,162,694 |
| CFD 93-1 IA 16 | 5,290,000 | 100.000% | 5,290,000 |
| CFD 93-1 IA 17A | 7,485,000 | 100.000% | 7,485,000 |
| CFD 93-1 IA 17B | 10,695,000 | 100.000% | 10,695,000 |
| CFD 93-1 IA 17C | 8,550,000 | 100.000% | 8,550,000 |
| CFD 93-1 IA 18 | 3,600,000 | 100.000% | 3,600,000 |
| CFD 93-1 IA 19A | 14,380,000 | 100.000% | 14,380,000 |
| CFD 93-1 IA 19C | 15,925,148 | 100.000% | 15,925,148 |
| CFD 93-1 IA 20 | 2,450,000 | 100.000% | 2,450,000 |
| CFD 2016-1 | 8,295,000 | 100.000% | 8,295,000 |
| CFD 2016-2 | 9,750,000 | 100.000% | 9,750,000 |
| CFD 2016-3 | 8,800,000 | 100.000% | 8,800,000 |
| CFD 2016-4 | 3,925,000 | 100.000% | 3,925,000 |
| CFD 2019-1 | 2,260,000 | 100.000% | 2,260,000 |
| CFD 2018-1 IA-1 Beaumont USD | 4,885,000 | 100.000% | 4,885,000 |
| CFD 2020-1 IA-1 Beaumont USD | 3,420,000 | 100.000% | 3,420,000 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | | <u>\$ 248,704,898</u> |

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:

| | | | |
|---|------------------|-----------------|---------------------------|
| Beaumont Unified School B & I (0.07777%) | \$ 112,394,151 | 100.000% | \$ 112,394,151 |
| MT San Jacinto Comm (0.01320%) | 247,850,000 | 6.024% | 14,930,014 |
| San Gorgonio Memorial Healthcare District (0.06281%) | 97,260,000 | 55.699% | 54,172,830 |
| City of Beaumont Lease/SBITA | 1,018,295 | 100.000% | 1,018,295 |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT | | | <u>\$ 182,515,291</u> |
| OVERLAPPING TAX INCREMENT DEBT: | \$ - | - | \$ - |
| TOTAL DIRECT DEBT | | | 156,657,292 |
| TOTAL OVERLAPPING OBLIGATION DEBT | | | <u>430,201,894</u> |
| COMBINED TOTAL DEBT | | | <u>\$ 586,859,186 (2)</u> |

(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 2022-23 Assessed Valuation:

| | |
|---|--------------|
| Total Overlapping Debt (excluding tax increment)..... | 3.33% |
| Total Direct Debt (\$156,657,292)..... | 2.10% |
| Combined Total Debt (excluding tax increment)..... | 5.78% |

Ratios to Redevelopment Incremental Valuation (0):

| | |
|---|-------|
| Total Overlapping Tax Increment Debt..... | 0.00% |
|---|-------|

Source: Spicer Consulting Group, City of Beaumont Finance Department, the County of Riverside, Beaumont Unified School District, Mount San Jacinto Community College, and the San Gorgonio Memorial Healthcare District

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Limit | \$ 106,258,844 | \$ 125,732,218 | \$ 138,385,746 | \$ 148,643,348 |
| Total net debt applicable to limit | <u>-</u> | <u>-</u> | <u>-</u> | <u>96,158</u> |
| Legal debt margin | <u>\$ 106,258,844</u> | <u>\$ 125,732,218</u> | <u>\$ 138,385,746</u> | <u>\$ 148,547,190</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.06% |

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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| \$ 161,750,651 | \$ 178,125,370 | \$ 197,598,651 | \$ 225,811,711 | \$ 251,346,367 | \$ 279,812,493 |
| <u>132,444</u> | <u>167,456</u> | <u>78,046</u> | <u>251,240</u> | <u>760,266</u> | <u>1,007,835</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> | <u>\$ 278,804,658</u> |
| 0.08% | 0.09% | 0.04% | 0.11% | 0.30% | 0.36% |
| Net Assessed Value | | | | | \$ 7,330,938,516 |
| Plus Exempt Property | | | | | - |
| Total Assessed Value | | | | | <u>\$ 7,330,938,516</u> |
| Debt Limit: 3.75 percent of Total Assessed Value | | | | | 274,910,194 |
| Debt applicable to Limitation: | | | | | |
| Net Combined applicable to Limitation | | | | | 646,129,002 |
| Total Debt applicable to Limitation | | | | | <u>1,007,835</u> |
| Legal Debt Margin | | | | | <u>\$ 273,902,359</u> |

CITY OF BEAUMONT

Pledge-Revenue Coverage Last Ten (10) Fiscal Years

| Fiscal Year | Wastewater Revenue Bonds | | | | | Coverage |
|----------------|--------------------------|-----------------------|-------------------------------|------------|------------------------------|----------|
| | Gross Revenues | Operating Expenses | Net Revenue | | Debt Service Requirements | |
| | | Less Depreciation | Available for Debt Service | | | |
| 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% | |
| 2023 | 13,272,802 | 5,809,605 | 7,463,197 | 5,073,213 | 147% | |

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

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Demographic and Economic Statistics Last Ten (10) Fiscal Years

| Calendar Year | Population ^{1*} | Personal Income ^{2*} | Per Capita Personal Income * | Unemployment Rate (percentage) * | Median Age * | % of Pop 25+ with High School Degree* | % of Pop 25+ with Bachelors Degree |
|------------------|--------------------------|----------------------------------|---------------------------------------|--|-----------------|--|---------------------------------------|
| 2013 | 40,876 | \$ 958,297 | 23,444 | 9.50% | 33.2 | 87% | 26.4% |
| 2014 | 40,853 | 1,007,108 | 24,652 | 4.90% | 32.9 | 86% | 25.2% |
| 2015 | 45,118 | 1,054,947 | 23,381 | 4.00% | 34.4 | 87% | 25.4% |
| 2016 | 46,179 | 1,035,820 | 22,430 | 3.60% | 34.6 | 87% | 24.5% |
| 2017 | 48,237 | 1,099,759 | 22,799 | 3.00% | 34.4 | 87% | 24.5% |
| 2018 | 48,401 | 1,170,336 | 24,179 | 3.30% | 35 | 87% | 25.1% |
| 2019 | 51,475 | 1,269,357 | 24,659 | 3.30% | 35 | 88% | 25.3% |
| 2020 | 52,686 | 1,361,682 | 25,845 | 8.60% | 34.5 | 88% | 26.1% |
| 2021 | 54,690 | 1,454,165 | 26,589 | 6.30% | 34.4 | 88% | 25.9% |
| 2022 | 56,590 | 1,669,762 | 29,506 | 3.40% | 34.7 | 89% | 26.5% |

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

CITY OF BEAUMONT

Principal Employers Current Fiscal Year

| Employer | 2023 | | | 2014 | | |
|----------------------------------|--------------|------|---|------------|------|---|
| | Employees | Rank | Percentage of total City Employment | Employees | Rank | Percentage of total City Employment |
| Amazon | 6,300 | 1 | 77.20% | N/A | | 0.00% |
| Beaumont Unified School District | 1,377 | 2 | 16.87% | 639 | 1 | 17.23% |
| CJ Foods | 630 | 3 | 7.72% | N/A | | 0.00% |
| Walmart | 526 | 4 | 6.45% | 100 | 2 | 2.70% |
| Total | 8,833 | | 108.23% | 739 | | 19.92% |

Source: City of Beaumont Economic Development Department

CITY OF BEAUMONT

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

| Function | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Administration | | | | | | | | | | |
| Administration | 20.00 | 17.00 | 11.00 | 11.00 | 17.00 | 9.00 | 9.00 | 8.00 | 8.00 | 6.00 |
| City Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| City Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Economic Development | - | - | - | - | - | - | - | - | - | 2.00 |
| Finance | - | - | - | - | - | 7.00 | 7.00 | 7.00 | 7.00 | 8.00 |
| Human Resources | - | - | - | - | - | 2.00 | 2.00 | 2.00 | 3.00 | 3.75 |
| Information Technology | - | - | - | - | - | 1.00 | 1.00 | 3.00 | 4.00 | 5.00 |
| Public safety | | | | | | | | | | |
| Animal Control | 5.00 | 4.00 | 3.00 | 2.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Police Officers | 43.00 | 42.00 | 37.00 | 38.00 | 43.00 | 43.00 | 43.00 | 43.00 | 49.00 | 54.00 |
| Police Support | 19.00 | 15.50 | 12.00 | 16.00 | 16.00 | 16.50 | 16.50 | 17.00 | 18.00 | 23.00 |
| Community Development | | | | | | | | | | |
| Planning | 7.00 | 1.00 | 3.00 | 2.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 5.50 |
| Community Enhancement | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Building and Safety | 5.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 | 7.00 |
| Community Services | | | | | | | | | | |
| Parks and Recreation | 17.00 | 19.00 | 15.00 | 16.00 | 8.50 | 8.00 | 8.00 | 5.00 | 5.00 | 7.50 |
| Grounds Maintenance/Streets | 19.00 | 11.50 | 5.50 | 7.50 | 19.00 | 20.00 | 20.00 | 20.00 | 20.00 | 19.50 |
| Building Maintenance | - | - | - | - | - | - | - | - | - | 4.00 |
| Pool* | 15.00 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | - | - |
| Public Works | | | | | | | | | | |
| Public Works | 3.00 | 2.00 | 2.00 | 2.00 | 3.00 | 2.75 | 3.50 | 6.50 | 6.50 | 9.00 |
| Street Maintenance | 2.00 | 2.00 | 2.00 | 1.50 | 5.00 | 5.00 | 5.00 | 5.00 | 7.00 | 7.00 |
| Wastewater | - | - | - | 2.50 | 7.00 | 7.25 | 12.00 | 10.50 | 14.50 | 17.00 |
| Transit | 22.00 | 22.00 | 25.00 | 25.00 | 26.00 | 26.00 | 26.00 | 23.00 | 23.00 | 23.25 |

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

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Operating Indicators by Function Last Ten (10) Fiscal Years

| Function | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| Calls for service | 31,667 | 29,852 | 30,753 | 26,357 | 26,526 | 27,277 | 32,056 | 27,506 | 46,253 | 47,087 |
| Citations issued by Officers | 4,611 | 2,320 | 1,308 | 2,667 | 1,702 | 1,398 | 1,711 | 1,036 | 4,132 | 3,445 |
| Physical arrests | 1,621 | 1,281 | 1,434 | 1,529 | 1,254 | 891 | 821 | 1,036 | 1,377 | 1,066 |
| Fire | | | | | | | | | | |
| Total number of calls answered | 3,020 | 3,177 | 3,186 | 3,225 | 3,618 | 3,886 | 4,282 | 3,879 | 4,244 | 5,023 |
| % of calls for medical aid | 81.0% | 83.7% | 85.0% | 82.2% | 82.5% | 81.7% | 80.2% | 84.0% | 75.0% | 74.8% |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | N/A | N/A | N/A | 0.65 | 1.05 | 9 | 20 | 28 | 29 | 30 |
| Potholes repaired | N/A | N/A | N/A | 49 | 100 | 395 | 638 | 494 | 618 | 531 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (million gallons) | 3.080 | 3.080 | 3.160 | 3.270 | 3.390 | 3.670 | 3.820 | 3.700 | 3.595 | 3736 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|-----------|---------|-------------|---------|-----------|------------|------------|------------|-----------|-----------|
| Public safety | | | | | | | | | | |
| * Police | | | | | | | | | | |
| Vehicles Added Value | 60,000 | 140,000 | - | 188,738 | 247,760 | 89,268 | 187,282 | 487,242 | 526,164 | 664,992 |
| Highways and streets | | | | | | | | | | |
| Storm Drain Added Value | - | - | - | - | 1,184,800 | 1,596,757 | - | 4,001,608 | 185,007 | 36,581 |
| Street Improvements | - | - | - | 399,000 | - | - | 1,395,105 | 25,352,242 | 5,854,301 | 6,086,700 |
| Culture and recreation | | | | | | | | | | |
| Parks Added Value | - | - | - | - | 2,208,322 | 3,600,000 | 1,050,000 | - | 6,385,002 | 736,810 |
| Sewer | | | | | | | | | | |
| Sewer Line Added Value | 1,560,925 | - | 131,226,200 | - | - | 3,676,047 | 3,950,198 | - | - | 1,140,835 |
| Lift Station Added Value | - | 302,719 | - | 172,238 | 969,346 | - | 3,352,629 | - | 185,501 | 359,613 |
| Treatment Plant Expansion | - | - | 14,684 | 427,311 | 2,236,307 | 15,377,340 | 26,290,328 | 20,188,903 | 7,046,105 | 1,290,940 |
| Brine Pipeline | - | 3,334 | - | 613,161 | 1,103,175 | 18,128,897 | 16,538,109 | 2,073,430 | 412,677 | 70,500 |

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

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

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