



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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CITY OF BEAUMONT

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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.

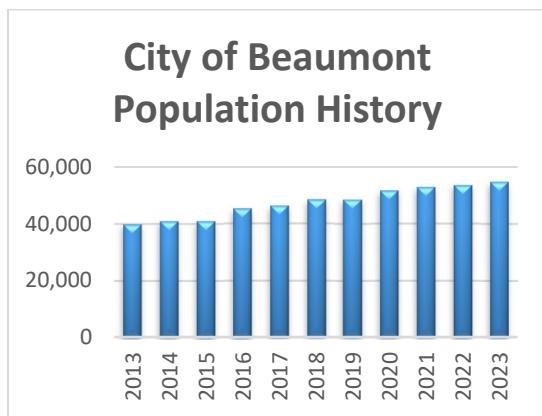
Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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 Gorgonio Pass, began its roots as an ideal route for the transport of goods and services from the Missouri River to the Pacific Ocean. The Pass Area remains an important route for the transportation of goods and services from the West Coast today.

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

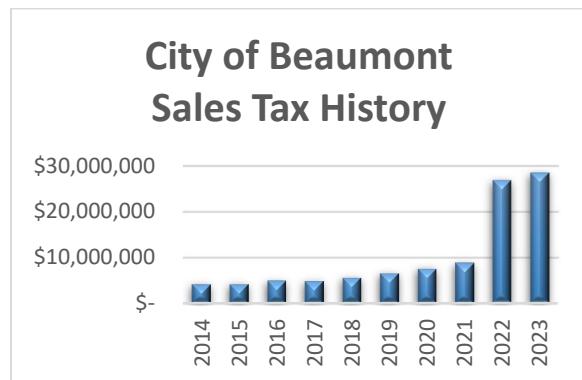
Public Works

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

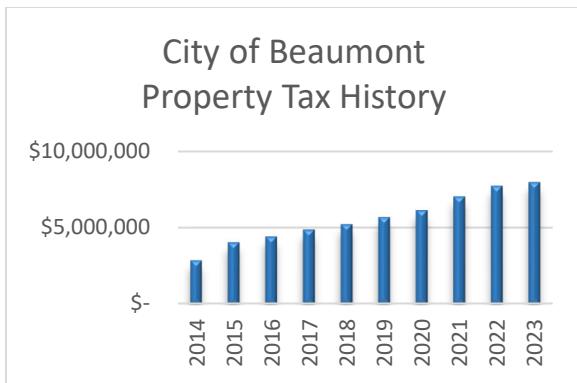
As presented in the 2040 General Plan Update, the City will support downtown revitalizations as well as growth and business expansion in targeted industries that include healthcare, retail, and technology-based industries. Beaumont has continued to experience growth in its retail, commercial and industrial 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.

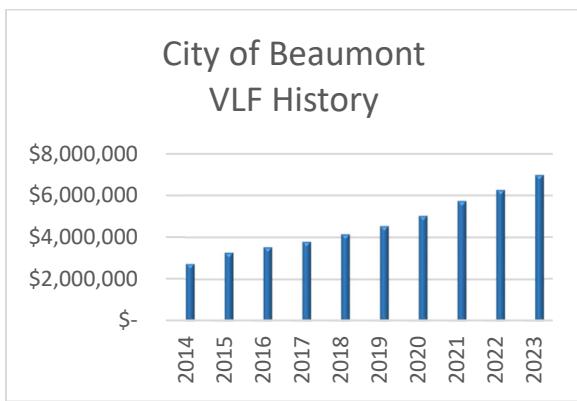


The Sales Tax History chart is a ten-year historical presentation of the City's sales tax revenue through fiscal year ending June 30, 2023. In 2023, the city received \$28,509,903 in sales tax revenues, an increase of 6.10% or \$1,640,054 from \$26,869,849.

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.



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



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

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 assessed value as well as increasing property values.

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.

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 human. 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

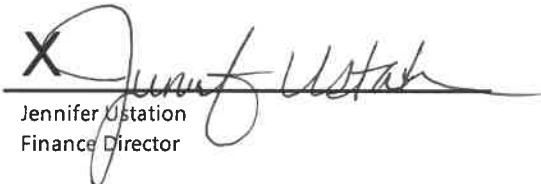
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beaumont for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the first year the City received the extinguished award. 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 L. Station
Finance Director

CITY OF BEAUMONT
PRINCIPAL OFFICIALS

Elected Officials

Julio Martinez III
Mayor

David Fenn
Mayor Pro Tem

Lloyd White
Council Member

Mike Lara
Council Member

Jessica Voigt
Council Member

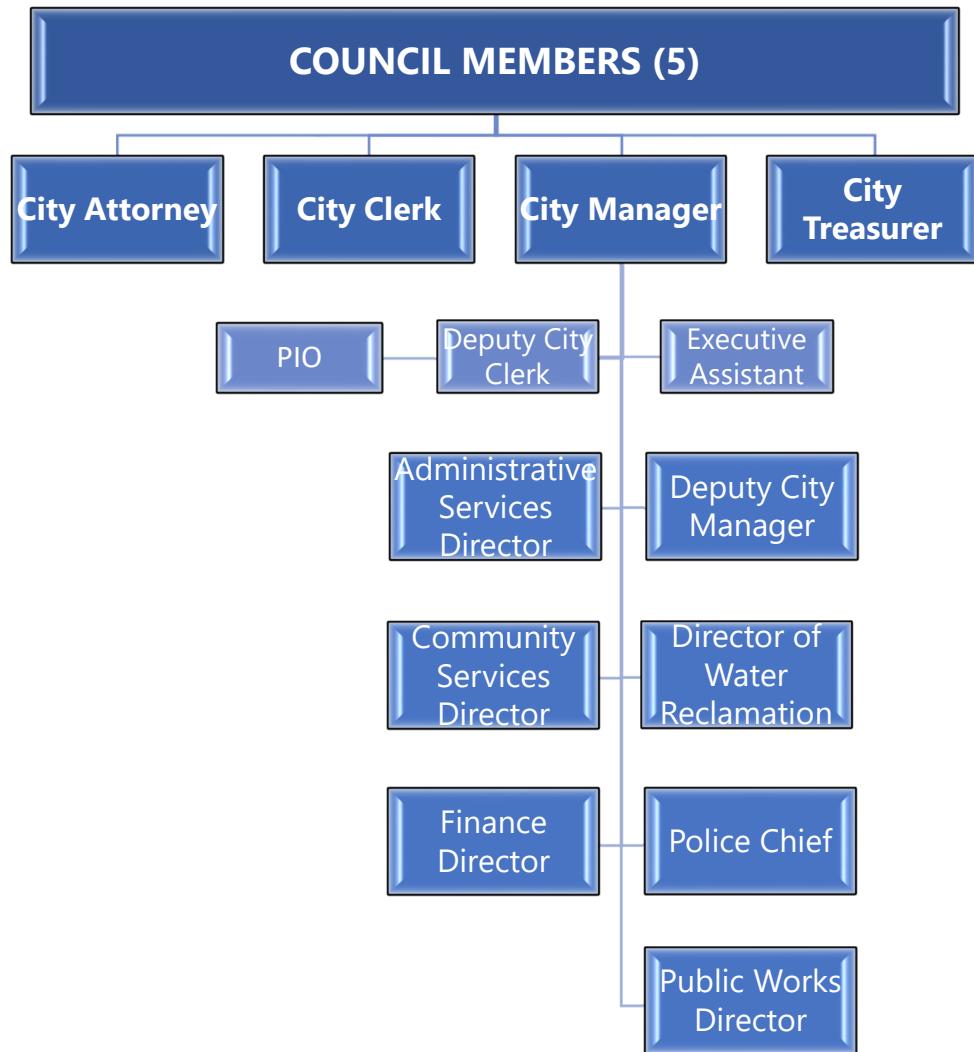
APPOINTED OFFICIALS

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. Monill

Executive Director/CEO



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ramscpa.net

PARTNERS

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

MANAGERS / STAFF

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

MEMBERS

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Certified Public Accountants

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Governmental Audit
Quality Center

California Society of
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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	<u>553,271</u>	<u>509,297</u>	<u>219,495</u>	<u>242,016</u>	<u>772,766</u>	<u>751,313</u>
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	<u>155,409</u>	<u>137,424</u>	<u>90,324</u>	<u>94,404</u>	<u>245,733</u>	<u>231,828</u>
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	<u>2,175</u>	<u>5,961</u>	<u>77</u>	<u>2,071</u>	<u>2,252</u>	<u>8,032</u>
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	<u>\$ 407,539</u>	<u>\$ 371,401</u>	<u>\$ 130,652</u>	<u>\$ 146,289</u>	<u>\$ 538,191</u>	<u>\$ 517,690</u>

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						
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	\$ 54,577	\$ 37,191	\$ 17,386	\$ 24,340	\$ 10,738	\$ 13,602

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	\$ 293,377	\$ 288,330	\$ 193,989	\$ 219,142	\$ 487,366	\$ 507,472

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	<u>52,470,514</u>	<u>6,093,451</u>	<u>58,563,965</u>
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	<u>102,938,044</u>	<u>84,230,710</u>	<u>187,168,754</u>
Total liabilities	<u>155,408,558</u>	<u>90,324,161</u>	<u>245,732,719</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	1,564,307	76,830	1,641,137
Leases	<u>610,726</u>	-	<u>610,726</u>
Total deferred inflows of resources	<u>2,175,033</u>	<u>76,830</u>	<u>2,251,863</u>
NET POSITION			
Net investment in capital assets	<u>212,055,056</u>	<u>110,914,301</u>	<u>322,969,357</u>
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	<u>165,793,250</u>	<u>12,860,020</u>	<u>178,653,270</u>
Unrestricted	<u>29,690,983</u>	<u>6,878,345</u>	<u>36,569,328</u>
Total net position	<u>\$ 407,539,289</u>	<u>\$ 130,652,666</u>	<u>\$ 538,191,955</u>

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	54,576,236	9,460,209	4,911,820	15,864,191	30,236,220	
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	19,263,143	20,773,380	2,500,157	2,081,261	25,354,798	
Total primary government	\$ 73,839,379	\$ 30,233,589	\$ 7,411,977	\$ 17,945,452	\$ 55,591,018	

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	(24,340,016)	-	(24,340,016)
Business-type activities:			
Sewer	-	5,968,091	5,968,091
Transit	-	123,564	123,564
Total business-type activities	-	6,091,655	6,091,655
Total primary government	(24,340,016)	6,091,655	(18,248,361)
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	51,193,707	-	51,193,707
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	(615,736)	615,736	-
Total general revenues and transfers	60,478,248	(21,727,886)	38,750,362
Change in net position	36,138,232	(15,636,231)	20,502,001
Net position:			
Beginning of year	371,401,057	146,288,897	517,689,954
End of year	\$ 407,539,289	\$ 130,652,666	\$ 538,191,955

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.

8,359,174

Net Position of Governmental Activities \$ 407,539,289

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	<u>45,673,428</u>	<u>11,119,874</u>	<u>13,016,221</u>
End of year	<u>\$ 41,785,498</u>	<u>\$ 19,073,496</u>	<u>\$ 13,214,314</u>

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

	<u>Capital Projects Funds</u> <u>General Capital Projects</u>	<u>Debt Service Fund</u> <u>Beaumont Financing Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
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	2,391,175	2,288,363	11,730,440	92,685,773
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	9,380,107	7,932,215	826,434	62,767,609
REVENUES OVER (UNDER) EXPENDITURES	(6,988,932)	(5,643,852)	10,904,006	29,918,164
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)	37,744,633	8,800,000	(9,580,282)	9,581,194
Net changes in fund balances	30,755,701	3,156,148	1,323,724	39,499,358
FUND BALANCES:				
Beginning of year	8,345,917	80,574,712	6,682,219	165,412,371
End of year	\$ 39,101,618	\$ 83,730,860	\$ 8,005,943	\$ 204,911,729

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
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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)
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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
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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	-			
Prepads	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	\$ 127,701,043	\$ 2,951,623	\$ 130,652,666	\$ 8,359,174	

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>	
RECONCILATION 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	1,220,294	(327,998)	892,296	(220,332)
Net cash provided by (used in) operating activities	\$ 1,203,362	\$ (3,101,258)	\$ (1,897,896)	\$ 531,340

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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	185,631
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	161,072,601
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>\$ (202,820,146)</u>

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	9,158,389
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	891,231
Total deductions	<u>11,197,056</u>
Change in net position	17,606,992
NET POSITION (DEFICIT):	
Beginning of year	(220,427,138)
End of year	<u>\$ (202,820,146)</u>

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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. Prepays 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	21,506,447
Total	\$ 315,574,842

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	274,975,992
Total cash and investments	\$ 315,574,842

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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:

Investment Type	Total as of June 30, 2023	Measurement Inputs
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.

Investment Type	Total as of June 30, 2023	Percentage of Investments
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	\$ 274,975,992	

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	<u>8,899,322</u>	
Development Impact Fees	Non-major Funds	132,921	Capital projects
	Subtotal	<u>132,921</u>	
Wastewater Fund	General Fund	195,170	One time equity bonus; final Vactor Truck payment
	Non-major Funds	385,726	Capital Projects
	Subtotal	<u>580,896</u>	
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	<u>38,301,641</u>	
Non-major Funds - Transit Fund	General Fund	34,840	Correct CIP funding
	Subtotal	<u>34,840</u>	
	Total	<u>\$ 47,949,620</u>	

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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	41,681,783	9,131,236	(5,865,254)	44,947,765
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	490,748,094	9,344,824	(778,068)	499,314,850
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	(244,099,720)	(7,564,342)	778,068	(250,885,994)
Total depreciable/amortized assets, net	246,648,374	1,780,482	-	248,428,856
Total	\$ 288,330,157	\$ 10,911,718	\$ (5,865,254)	\$ 293,376,621

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	\$ 7,564,342

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	115,130,576	1,885,624	(61,715)	116,954,485
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	242,942,205	2,717,067	(47,612,295)	198,046,977
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	(138,930,279)	(6,673,547)	24,591,609	(121,012,217)
Total depreciable/amortized assets, net	104,011,926	(3,956,480)	(23,020,686)	77,034,760
Total	\$ 219,142,502	\$ (2,070,856)	\$ (23,082,401)	\$ 193,989,245

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	\$ 6,673,547

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	<u>\$ 76,583,778</u>	<u>8,800,000</u>	<u>(5,383,071)</u>	<u>80,000,707</u>	<u>4,033,071</u>	<u>75,967,636</u>
Total governmental activities	<u><u>\$ 77,340,386</u></u>	<u><u>\$ 10,079,945</u></u>	<u><u>\$ (6,098,766)</u></u>	<u><u>\$ 81,321,565</u></u>	<u><u>\$ 4,771,383</u></u>	<u><u>\$ 76,550,182</u></u>

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	Principal	Interest	Total
June 30,			
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 Premium	17,265,000 780,707
2023 Revenue Bonds, CFD 2016-3	<u>8,800,000</u>
Subtotal	<u>80,000,707</u>
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, IA 2016-2	9,750,000
2019 Revenue Bonds, IA 2016-4	3,925,000
2020 Revenue Bonds, IA 8F	12,645,000
2020 Revenue Bonds, CFD 2019-1	<u>2,260,000</u>
Total Limited Obligation Bond Debt	<u><u>\$ 241,175,605</u></u>

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

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 PERC) 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	Safety	Safety
	PEPRA	PEPRA	PEPRA	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)	<u>45,894,203</u>	<u>35,813,769</u>	<u>10,080,434</u>
Net changes during 2021-2022	<u><u>\$ 5,765,369</u></u>	<u><u>\$ (379,238)</u></u>	<u><u>\$ 6,144,607</u></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)	<u>60,447,793</u>	<u>46,586,284</u>	<u>13,861,509</u>
Net changes during 2021-2022	<u><u>\$ 8,048,065</u></u>	<u><u>\$ (102,580)</u></u>	<u><u>\$ 8,150,645</u></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	<u>0.21543%</u>	<u>0.20172%</u>	<u>0.20728%</u>
Change - Increase (Decrease)	<u><u>0.00815%</u></u>	<u><u>0.03899%</u></u>	<u><u>0.02891%</u></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 EARSL 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		Safety	Total
	Plans		Plans	
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							Total	
	General Fund	Development Impact Fees (DIF) Special Revenue Fund	Community Facilities District (CFD) Capital Projects Fund	General Capital Projects Fund	Beaumont Financing Authority Debt Service Fund	Other Governmental Funds			
Nonspendable:									
Prepaid expenditures	\$ 244,171	\$ -	\$ -	\$ -	\$ 270,236	\$ -	\$ 514,407		
Total nonspendable	244,171	-	-	-	270,236	-	514,407		
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	2,529,271	19,073,496	13,214,314	-	83,460,624	8,413,927	126,691,632		
Committed:									
Capital Projects	-	-	-	39,101,618	-	-	39,101,618		
Self Insurance	6,329,219	-	-	-	-	-	6,329,219		
Total Committed	6,329,219	-	-	39,101,618	-	-	45,430,837		
Assigned:									
Re-appropriation	2,216,918	-	-	-	-	-	2,216,918		
Total Assigned	2,216,918	-	-	-	-	-	2,216,918		
Unassigned	30,465,919	-	-	-	-	(407,984)	30,057,935		
Total Fund Balances	\$ 41,785,498	\$ 19,073,496	\$ 13,214,314	\$ 39,101,618	\$ 83,730,860	\$ 8,005,943	\$ 204,911,729		

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	<u>(80,000,707)</u>
Net investment in capital assets	<u>\$ 212,055,056</u>

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	<u>(37,178)</u>	<u>(197,419)</u>	<u>(234,597)</u>
Net investment in capital assets	<u>\$ 108,395,913</u>	<u>\$ 2,518,388</u>	<u>\$ 110,914,301</u>

Note 13 - Commitments and Contingencies

A. Litigation

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

CITY OF BEAUMONT

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

Recovery Amount	WRCOG	City**
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 Amounts	Variance with Final Budget
	Original	Final		
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 Amounts	Variance with Final Budget
	Original	Final		
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	4,815,585	4,815,585	11,705,630	6,890,045
REVENUES OVER (UNDER) EXPENDITURES				
	4,815,585	4,815,585	11,705,630	6,890,045
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)	(3,850,000)	(11,087,922)	(3,752,008)	7,335,914
Net change in fund balance	\$ 965,585	\$ (6,272,337)	7,953,622	\$ 14,225,959
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 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 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 Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments levied	\$ -	\$ -	\$ 273,110	\$ 273,110
Use of money and property	-	-	315,549	315,549
Total revenues	-	-	588,659	588,659
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	588,659	588,659
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(1,300,000)	(1,450,000)	(390,566)	1,059,434
Total other financing sources	(1,300,000)	(1,450,000)	(390,566)	1,059,434
Net change in fund balance	\$ (1,300,000)	\$ (1,450,000)	198,093	\$ 1,648,093
FUND BALANCE:				
Beginning of year			13,016,221	
End of year			\$ 13,214,314	

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 Amounts	Variance with Final Budget
	Original	Final		
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			\$ 39,101,618	

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 Amounts	Variance with Final Budget
	Original	Final		
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	<u>-</u>	<u>-</u>	<u>8,800,000</u>	<u>8,800,000</u>
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
ASSETS				AB 2766 Fund
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	\$ -	\$ 2,329,871	\$ 2,895,980	\$ 267,785
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balances (deficit):				
Restricted	-	2,329,871	2,895,980	267,785
Unassigned	-	-	-	-
Total fund balances	\$ -	\$ 2,329,871	\$ 2,895,980	\$ 267,785
Total liabilities and fund balances	\$ -	\$ 2,329,871	\$ 2,895,980	\$ 267,785

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	\$ 35,712	\$ 4,745,264	\$ 523,786	\$ 324,520
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	5,153,248	-	30,123
Total liabilities	-	5,153,248	-	30,123
Fund Balances (deficit):				
Restricted	35,712	-	523,786	294,397
Unassigned	-	(407,984)	-	-
Total fund balances	35,712	(407,984)	523,786	294,397
Total liabilities and fund balances	\$ 35,712	\$ 4,745,264	\$ 523,786	\$ 324,520

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	\$ 59,719	\$ 469,176	\$ 1,716,087	\$ 13,367,900	
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	-	59,934	118,652	5,361,957	
Fund Balances (deficit):					
Restricted	59,719	409,242	1,597,435	8,413,927	
Unassigned	-	-	-	(407,984)	
Total fund balances	59,719	409,242	1,597,435	8,005,943	
Total liabilities and fund balances	\$ 59,719	\$ 469,176	\$ 1,716,087	\$ 13,367,900	

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	14,630	987,306	169,777	1,873
EXPENDITURES:				
Current:				
General Government	6,625	-	-	-
Public safety	-	48,074	55,540	2,500
Community development	-	190,753	-	-
Total expenditures	6,625	238,827	55,540	2,500
REVENUES OVER (UNDER) EXPENDITURES	8,005	748,479	114,237	(627)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(975,802)	(43,350)	-
Total other financing sources (uses)	-	(975,802)	(43,350)	-
Net changes in fund balances	8,005	(227,323)	70,887	(627)
FUND BALANCES (DEFICIT):				
Beginning of year	27,707	(180,661)	452,899	295,024
End of year	\$ 35,712	\$ (407,984)	\$ 523,786	\$ 294,397

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 Amounts	Variance with Final Budget
	Original	Final		
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	1,459,493	1,459,493	1,371,678	(87,815)
EXPENDITURES:				
Current:				
General Government	-	441,056	75	440,981
Total Expenditures	-	441,056	75	440,981
REVENUES OVER (UNDER) EXPENDITURES				
	1,459,493	1,018,437	1,371,603	353,166
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(1,459,493)	(1,459,493)	(1,441,202)	18,291
Total other financing sources	(1,459,493)	(1,459,493)	(1,441,202)	18,291
Net change in fund balance	\$ -	\$ (441,056)	(69,599)	\$ 371,457
FUND BALANCE:				
Beginning of year			69,599	
End of year			\$ -	

CITY OF BEAUMONT

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
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	1,168,504	1,168,504	1,211,997	43,493
EXPENDITURES:				
Current:				
General government	-	-	24	(24)
Total Expenditures	-	-	24	(24)
REVENUES OVER (UNDER) EXPENDITURES				
	1,168,504	1,168,504	1,211,973	43,469
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(892,435)	(892,435)	-	892,435
Total other financing sources	(892,435)	(892,435)	-	892,435
Net change in fund balance	\$ 276,069	\$ 276,069	1,211,973	\$ 935,904
FUND BALANCE:				
Beginning of year			1,117,898	
End of year			\$ 2,329,871	

CITY OF BEAUMONT

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
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	605,900	605,900	971,311	365,411
REVENUES OVER (UNDER) EXPENDITURES				
	605,900	605,900	971,311	365,411
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(604,800)	(604,800)	(30,452)	574,348
Total other financing sources	(604,800)	(604,800)	(30,452)	574,348
Net change in fund balance	\$ 1,100	\$ 1,100	940,859	\$ 939,759
FUND BALANCE:				
Beginning of year			1,955,121	
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 Amounts	Variance with Final Budget
	Original	Final		
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	71,130	71,130	96,799	25,669
EXPENDITURES:				
Current:				
Public safety	-	188,785	173,009	15,776
Community services	12,360	12,360	-	12,360
Total Expenditures	12,360	201,145	173,009	28,136
Net change in fund balance	\$ 58,770	\$ (130,015)	(76,210)	\$ 53,805
FUND BALANCE:				
Beginning of year			343,995	
End of year			\$ 267,785	

CITY OF BEAUMONT

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

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

CITY OF BEAUMONT

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

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

CITY OF BEAUMONT

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

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

CITY OF BEAUMONT

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

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

CITY OF BEAUMONT

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
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	78,776	78,776	148,136	69,360
EXPENDITURES:				
Current:				
Public safety	17,700	35,553	33,872	1,681
Community development	44,900	44,900	15,847	29,053
Total Expenditures	62,600	80,453	49,719	30,734
REVENUES OVER (UNDER) EXPENDITURES	16,176	(1,677)	98,417	100,094
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(9,600)	(9,600)	(9,600)	-
Total other financing sources	(9,600)	(9,600)	(9,600)	-
Net change in fund balance	\$ 6,576	\$ (11,277)	88,817	\$ 100,094
FUND BALANCE:				
Beginning of year			320,425	
End of year			\$ 409,242	

CITY OF BEAUMONT

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 6,679,547	\$ 6,679,547	\$ 6,644,815	\$ (34,732)
Use of money and property	-	-	58,435	58,435
Total revenues	6,679,547	6,679,547	6,703,250	23,703
EXPENDITURES:				
Current:				
Community development	331,385	331,385	300,115	31,270
Total Expenditures	331,385	331,385	300,115	31,270
REVENUES OVER (UNDER) EXPENDITURES				
	6,348,162	6,348,162	6,403,135	54,973
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(6,348,162)	(6,848,162)	(7,079,876)	(231,714)
Total other financing sources (uses)	(6,348,162)	(6,848,162)	(7,079,876)	(231,714)
Net change in fund balance	\$ -	\$ (500,000)	(676,741)	\$ (176,741)
FUND BALANCE:				
Beginning of year			2,274,176	
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	42,832,446	77,819	42,910,265
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	245,655,064	75,347	245,730,411
Net Position (deficit)			
Restricted for:			
Individuals, organizations and other governments	(202,822,618)	2,472	(202,820,146)
Total net position	\$ (202,822,618)	\$ 2,472	\$ (202,820,146)

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	28,803,446	602	28,804,048
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	11,197,044	12	11,197,056
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	\$ (202,822,618)	\$ 2,472	\$ (202,820,146)

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	
<u>47,882,540</u>	<u>46,346,136</u>	<u>39,754,254</u>	<u>48,376,793</u>	<u>37,190,774</u>	<u>54,576,236</u>	
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	
<u>13,549,256</u>	<u>18,347,818</u>	<u>18,345,684</u>	<u>19,583,610</u>	<u>20,644,571</u>	<u>19,263,143</u>	
<u>\$ 61,431,796</u>	<u>\$ 64,693,954</u>	<u>\$ 58,099,938</u>	<u>\$ 67,960,403</u>	<u>\$ 57,835,345</u>	<u>\$ 73,839,379</u>	
\$	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	
<u>20,409,806</u>	<u>17,527,025</u>	<u>8,773,350</u>	<u>16,582,075</u>	<u>16,403,235</u>	<u>15,864,191</u>	
<u>36,236,356</u>	<u>31,899,373</u>	<u>16,405,022</u>	<u>26,922,201</u>	<u>26,452,707</u>	<u>30,236,220</u>	
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	
<u>16,801,761</u>	<u>13,126,090</u>	<u>21,260,637</u>	<u>15,059,173</u>	<u>28,161,792</u>	<u>25,354,798</u>	
<u>\$ 53,038,117</u>	<u>\$ 45,025,463</u>	<u>\$ 37,665,659</u>	<u>\$ 41,981,374</u>	<u>\$ 54,614,499</u>	<u>\$ 55,591,018</u>	
\$	(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	
<u>\$ (8,393,679)</u>	<u>\$ (19,668,491)</u>	<u>\$ (20,434,279)</u>	<u>\$ (25,979,029)</u>	<u>\$ (3,220,846)</u>	<u>\$ (18,248,361)</u>	

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)	
21,571,719	20,731,364	29,085,316	27,633,879	46,604,771	50,577,971	
			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	
41,128,352	35,945,955	33,821,396	37,039,150	48,470,187	60,478,248	
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)	
1,316,998	5,425,641	5,390,070	954,831	11,608,498	(21,727,886)	
\$ 42,445,350	\$ 41,371,596	\$ 39,211,466	\$ 37,993,981	\$ 60,078,685	\$ 38,750,362	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
(11,947,642)	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ (11,947,642)	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 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)	
\$ 22,104,029	\$ 21,703,105	\$ 18,777,187	\$ 12,014,952	\$ 56,857,839	\$ 20,502,001	

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	<u>15,145,116</u>	<u>(7,188,931)</u>	<u>(4,070,636)</u>	<u>12,086,815</u>
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	<u>27,651,232</u>	<u>32,785,514</u>	<u>48,232,914</u>	<u>258,670,459</u>
Total fund balance all governmental funds	<u>\$ 42,796,348</u>	<u>\$ 25,596,583</u>	<u>\$ 44,162,278</u>	<u>\$ 270,757,274</u>

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	
<u>17,370,671</u>	<u>15,284,159</u>	<u>24,065,174</u>	<u>23,394,234</u>	<u>45,673,428</u>	<u>41,785,498</u>	
\$ -	\$ -	\$ -	\$ 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)	
<u>127,088,604</u>	<u>125,610,642</u>	<u>119,030,704</u>	<u>121,895,817</u>	<u>119,738,943</u>	<u>163,126,231</u>	
<u>\$ 144,459,275</u>	<u>\$ 140,894,801</u>	<u>\$ 143,095,878</u>	<u>\$ 145,290,051</u>	<u>\$ 165,412,371</u>	<u>\$ 204,911,729</u>	

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
-	-	-	-	-	-
<u>66,149,634</u>	<u>61,283,306</u>	<u>50,769,475</u>	<u>59,760,235</u>	<u>72,348,052</u>	<u>92,685,773</u>
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	-	-
<u>7,181,818</u>	<u>4,415,612</u>	<u>4,490,634</u>	<u>4,820,703</u>	<u>5,099,969</u>	<u>2,563,656</u>
<u>169,113,164</u>	<u>56,537,958</u>	<u>48,987,863</u>	<u>52,466,312</u>	<u>53,091,420</u>	<u>62,767,609</u>
<u>(102,963,530)</u>	<u>4,745,348</u>	<u>1,781,612</u>	<u>7,293,923</u>	<u>19,256,632</u>	<u>29,918,164</u>
-	-	-	-	-	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
<u>(14,209,585)</u>	<u>(12,803,081)</u>	<u>(10,561,452)</u>	<u>(24,659,177)</u>	<u>(13,286,030)</u>	<u>(48,493,625)</u>
<u>138,107</u>	<u>(2,934,014)</u>	<u>111,477</u>	<u>(5,099,750)</u>	<u>626,646</u>	<u>9,581,194</u>
<u>(102,825,423)</u>	<u>1,811,334</u>	<u>1,893,089</u>	<u>2,194,173</u>	<u>19,883,278</u>	<u>39,499,358</u>
<u>(11,947,642)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ (114,773,065)</u></u>	<u><u>\$ 1,811,334</u></u>	<u><u>\$ 1,893,089</u></u>	<u><u>\$ 2,194,173</u></u>	<u><u>\$ 19,883,278</u></u>	<u><u>\$ 39,499,358</u></u>

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

<u>Business Name</u>	<u>Calendar year 2022</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	\$ 392,857	\$ 414,283	\$ 441,854	\$ 467,062	\$ 481,830	\$ 518,853	\$ 564,790	\$ 732,429	\$ 1,444,197	\$ 2,909,757

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											SBE Nonunitary Property	Cross Reference Property
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Miscellaneous Property	Recreational Property	Vacant 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		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 Gorgonio Pass Mem Hospital		Schools			Metropolitan Water	San Gorgonio Pass Water	Total Tax Rate	RDA Incremental Rate ¹	Total Direct Rate ²
		Banning Unified	Beaumont Unified	Mt San Jacinto Community College	San Jacinto Unified						
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			Total Collections to Date		
		Current Tax Collections	Percent of Current Taxes Collected	Collections in Subsequent Years	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			
	AB 1484		Due Diligence Review		Revenue Bonds	Bond Premium	Lease/SBITA Liability							
	Lease/SBITA Liability	Beaumont Public Financing Authority												
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	Percent	Debt 6/30/23
	6/30/23	Applicable (1)	
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			\$ 248,704,898

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>				
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</u>	(2)

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

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

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

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

	2014	2015	2016	2017
Debt Limit	\$ 106,258,844	\$ 125,732,218	\$ 138,385,746	\$ 148,643,348
Total net debt applicable to limit	<hr/> -	<hr/> -	<hr/> -	96,158
Legal debt margin	<hr/> \$ 106,258,844	<hr/> \$ 125,732,218	<hr/> \$ 138,385,746	<hr/> \$ 148,547,190
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 Available for Debt Service		Debt Service Requirements		
		Less Depreciation						
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	<u>8,833</u>		<u>108.23%</u>	<u>739</u>		<u>19.92%</u>

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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