



City of Beaumont

Beaumont, California

Annual Comprehensive Financial Report

For the year ended June 30, 2025

City of Beaumont, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended June 30, 2025

Prepared by the Finance Department

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City of Beaumont
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For the year ended June 30, 2025

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December 1, 2025

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, 2025. 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 judgments 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.

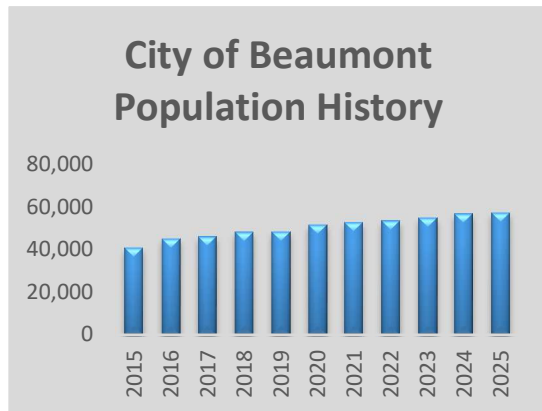
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Beaumont's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Beaumont has a rich history and is nestled in the foothills of the San Bernardino National Forest. Originally settled in the mid-1800s as a stop along the Southern Pacific Railroad, people drawn to the beautiful mountain views, crisp air and abundance of apple orchards remained in the area and the City of Beaumont was incorporated on November 18, 1912. The city is located 79 miles east of Los Angeles, 111 miles northeast of San Diego and 28 miles west of Palm Springs. Beaumont's incorporated area encompasses two of the region's most important highway interchanges, IH-10 and SR-60 and IH-10 and SR-79. Beaumont (beautiful mountain), originally the community of the San Geronio Pass, began its roots as an ideal route for the transport of goods and services from the Missouri River to the Pacific Ocean. The Pass Area remains an important route for the transportation of goods and services from the West Coast today.

Beaumont’s continued growth can be attributed to its desirable location and its reputation as an affordable community that offers a high quality of life. Local officials, supported by engaged community members, have worked tirelessly to prepare for a sustainable future and a vibrant community. Since the early 2000s Beaumont has undergone a major building boom and for several years has remained one of the fastest growing cities in Riverside County, mainly due to its housing affordability and convenient proximity to major urban centers. Beaumont’s median income is \$105,164 which is 17% 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 2023 US Census estimated the population to be 56,987. The California Department of Finance now estimates the 2024 population has grown to 59,708, an increase of 2,721 from 2023 (4% 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 26 and 29 in the body of the financial statements.

The Finance Director is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is the level at which expenditures are not to exceed Council approved appropriations, is established at the fund and department level. The City Manager has authority to amend the budget within a departmental appropriation; however, changes in employee counts must be approved by the City Council. Adjustments at the object level within major categories of expenditures are permissible at the department level, however, adjustments involving transfers between major categories of expenditures such as movement from personnel budget to operating budget, or capital budget to operating budget, between departmental and division budgets, or between departments within the same fund, 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's Downtown Incentive Program continued to gain strong traction this year, with multiple businesses applying for funding to support building improvements and new business ventures. These efforts are already enhancing property values, attracting investment, and creating momentum for additional revitalization.

The City advanced several major downtown projects, including the completion of building renovations and partner leases for the Biz Hub building, as well as physical assessments to prepare City-owned properties for future redevelopment. To expand Beaumont's reach and visibility, the City also invested in a significant presence at ICSC Las Vegas—hosting its own booth for the first time—and launched regional advertising campaigns to highlight the community's business-friendly opportunities. Recognizing the growing demand from the business and development community, the department also expanded staffing to improve service delivery and support.

Together, these initiatives have strengthened Beaumont's reputation as a thriving, business-friendly community where local entrepreneurs and national retailers alike can succeed.

Community Development

Community Development guides the City's growth, supports safe and livable neighborhoods, and promotes economic vitality through planning, building, fire prevention, and community enhancement services.

The **Building and Safety Division** established a new process for collecting Western Riverside County MSHCP fees, ensuring consistency with regional conservation requirements.

The **Community Enhancement Division** improved public outreach with a "Common Code Violations" flyer to encourage voluntary compliance and updated the subscription-based weed abatement program to provide more efficient service and reduce fire risks.

The **Fire Services Division** updated the City's fire hazard severity zone maps in line with state standards and launched an annual business fire inspection program to strengthen public safety and fire prevention efforts.

The **Planning Division** completed state-required annual progress reports, coordinated community relations projects such as special event deposit waivers (including one for a regional rugby event), and facilitated repeal of the Noble Creek Specific Plan to simplify land use and potentially reduce the strain on the ecology of the land. Major projects included advancing the Regency Center Development Agreement and Oak Valley Village Target project, guiding entitlements for Beaumont Pointe, and adopting a streamlined Home Occupation Permit program to better support home-based businesses.

Together, these efforts demonstrate the department's focus on clear processes, public safety, and responsive community services that align with the City's long-term goals.

Community Services

In alignment with the City of Beaumont's Strategic Plan mission to ensure Beaumont remains a safe and desirable place to live, work, and play, the Community Services Department continues to expand recreational opportunities and enhance public spaces for residents of all ages. In 2025, Beaumont Parks and Recreation significantly grew its community programming. The popular "Beaumont Nights" series expanded from 7 to 15 weeks, drawing an average of 2,800 visitors weekly for live music, local vendors, and family entertainment. New recreational offerings included the launch of an adult volleyball league and the expansion of the Learn to Swim program. Through 60 sessions, our dedicated lifeguards provided essential water safety and swimming instruction to 490 youth participants, reinforcing our commitment to wellness and safety. Overall, recreational programming increased by 42%, with offerings growing from 21 to 30 programs, reflecting the City's investment in diverse, accessible, and inclusive opportunities for all residents.

The completion of the Community Services Master Park Plan marks a major milestone in Beaumont's commitment to long-term community development and quality of life. Developed through extensive public engagement, data analysis, and stakeholder collaboration, the plan identifies current needs, community priorities, and opportunities for growth over the next decade. It provides a data-driven framework to guide capital investments, improve maintenance practices, and strengthen grant applications, ensuring equitable access to high-quality parks and recreational services for all neighborhoods.

Additionally, the City proudly completed the renovation of the Veterans and First Responders Memorial Plaza at City Hall, just in time for the 2024 Veterans Day celebration. Completed under a Public Works Agreement with R Dependable Construction Inc., the project transformed the plaza into a vibrant and secure space that honors those who have served. The enhancements include upgraded hardscaping, water features, lighting, landscaping, and security measures, all while preserving the integrity of the original memorial monuments. This achievement reflects Beaumont's ongoing dedication to honoring its heroes and fostering civic pride through thoughtfully designed public spaces.

Public Safety

The 2024–2025 fiscal year was one of development, growth, and progress for the Beaumont Police Department. Our commitment to service, innovation, and community partnerships guided every step forward. Below are some of the highlights from the past year.

Strengthening Our Team

Four new positions were created, including one police officer, one lieutenant to strengthen field services management, and two full-time dispatchers to meet increasing call volumes. Our Traffic Enforcement Team grew from three to five motorcycle officers, allowing us to increase traffic safety enforcement. Established in fall 2024, the Commercial Enforcement Unit, now includes two dedicated officers. In spring 2025, we equipped the team with a specialized vehicle to enhance their work. Community Behavioral Assessment Team (CBAT), Added a second clinician in 2025, expanding mental health support services available to the community throughout the week.

Modernizing Operations

The safety team implemented a new Computer Aided Dispatch and Records Management System, advancing technology integration into daily operations. Property & Evidence introduced high-capacity graphic processing computers to handle growing digital evidence needs and acquired a currency counter to improve accuracy and efficiency. Finally, the records division welcomed the department's first crime analyst intern and added a certified notary to better serve both the department and the public.

Community & Animal Services

Our animal control partnerships built a regional rescue network that provided positive outcomes for nearly 100 animals this year. The department expanded specialized services and partnerships, reinforcing our commitment to compassion and care for all members of our community—both human and animal.

Looking to the Future

The City of Beaumont purchased land and partnered with LPA Inc. to begin planning a future police station that will span nearly six acres. This facility will serve as a modern hub for public safety operations and community engagement for decades to come.

The progress made this year reflects our department's ongoing dedication to public safety, transparency, and continuous improvement. As Beaumont grows, so does our commitment to providing the highest quality service to our community.

Public Works

The City is making exciting progress in building a safer, smoother, and more sustainable community. In fiscal year end 2025, several major infrastructure projects moved forward, including the Second Street Extension, which broke ground in April and is on track to finish ahead of schedule. The Pennsylvania Grade Separation project was selected to potentially receive \$50.4 million in funding from the California Transportation Commission, and the Potrero Interchange Project is now fully funded, with construction bidding set to begin soon.

Our local streets also saw major improvements. Through the Annual Citywide Street Rehabilitation and Maintenance Project, the City completed miles of upgrades and finalized the Pavement Management Plan using cutting-edge LiDAR technology to scan pavement conditions. Safety and traffic flow improved at Cougar Way and Beaumont Avenue with the addition of a dedicated turn signal, and a Citywide study was completed to bring AI smart technology to our traffic signals in the future.

Beyond roads, the Public Works team has worked tirelessly to maintain sidewalks and infrastructure, while also investing in community well-being. Two community cleanup events collected over 120 tons of waste, and residents took part in free composting classes to promote sustainability at home.

Together, these efforts highlight the City's dedication to keeping our community safe, connected, and thriving—today and for years to come.

Wastewater

The City is making significant progress on important sewer infrastructure improvements, including the WWTP Improvements Project and upgrades to the lift stations to meet city growth, commencing with the Mesa Lift Station Upgrade project. In 2025, the City awarded construction contracts for WWTP Improvements which include the addition of a Vactor Dump station, parking lot, erosion and dust control, other necessary improvements, and site landscaping. The capital investment in the WWTP is \$4.3M million. Mesa Lift Station is located on Potrero Blvd next to San Timoteo Canyon and is a critical facility receiving wastewater conveyed from five smaller lift stations.

The capital improvements to Mesa Lift Station involve two complementary capital projects. The force main project comprised of a new 1.4-mile sewer force main having a 16-inch diameter, which addressed the current limited capacity of the existing 12-inch force main to enable the lift station to convey wastewater to the treatment plant to meet the demands of the current and future development in the northwestern part of the City. The construction cost of this force main project was \$3.2 million and was substantially completed in October 2024.

In 2024, the City also awarded a construction contract for \$6.8M to upgrade the Mesa lift station to increase pump and storage capacity needed to accommodate future growth in this western area of the City, to be completed in Spring 2026. In total, the combined capital improvements for the Mesa Lift Station are estimated to be \$10M in construction value.

The City is now studying the Upper Oak Valley Lift Station for a future upgrade as well as planning for additional lift stations to bring online. The City has accepted one new lift station and is anticipating the completion of two other developer-built lift stations by the end of 2025.

City staff are performing sewer video inspections on a periodic basis to build a condition assessment log. The resulting condition information will be added to the City's GIS for future planning purposes. Other capital improvement projects include sewer bridge maintenance, manhole grading, and pipeline air vac replacements. The City added Rudolph Foods, a Significant Industrial User (SIU), to its list of dischargers.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

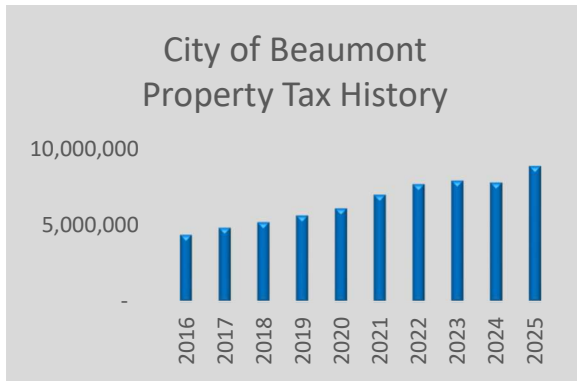
As presented in the 2040 General Plan Update, the City will support downtown revitalizations as well as growth and business expansion in targeted industries that include healthcare, retail, and technology-based industries. Beaumont has continued to experience growth in its retail, commercial and industrial 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 City's commercial and industrial sectors include major companies like Amazon, Duraplastics, Perricone Juices, iFit Health and Fitness, United Legwear, 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 2025, the median price of a home in Beaumont remained flat at \$528,750, a decrease of \$4,750 or 0.89% from \$532,391 in 2024, according to the Riverside County Recorder via HDL, Coren & Cone. Beaumont is reaching the end of its single-family residential development which is expected to be completed in 2026 with only one development plan for the future. The continuous past growth continues to attract 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, 2025. In 2025, the city received \$35,903,161 in sales tax revenues, an increase of 19.3% or \$5,817,736 from \$30,085,425. The majority of this increase was due to a sales tax audit performed by HDL on behalf of the City.

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 and Oak Valley Parkway with other vacant sites at key locations being targeted for retail-specific economic development recruitment. The City is in its second year of the Downtown Business Incentive Program to attract new businesses.



On June 30, 2025, property tax revenues were reported at \$8,880,402, a net increase of \$1,073,570 or 13.75% from fiscal year 2024 due to the completion of new home sales.

The Property Tax History chart is a ten-year historical presentation of the City's property taxes through fiscal year ending June 30, 2025



Protection Package, a Vehicle License Fee (VLF) program was implemented. The program provides for the exchange of the current VLF backfill from the State's general fund for an equivalent amount of property tax revenues in FY2004/2005. Any future growth in VLF revenue would be calculated in proportion to growth in gross assessed valuation. As presented in the ten-year history chart, VLF has steadily increased. In fiscal year 2024/2025, the City collected \$8,892,724 in VLF revenue, an increase of \$1,199,342 or 15.58% due to an increase in property values within the City.

In fiscal year 2004/2005, as part of the California Governor's Budget/Constitutional

LONG-TERM FINANCIAL PLANING 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 as an insurance reserve within the budget to address unforeseen emergency disaster brought upon by nature or huma. The City plans to continue to enhance financial policies including the reserve policy and to review these policies each year.

INDEPENDENT AUDIT

An independent audit of the City's records was performed for the year ended June 30, 2025, 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 Financing Authority and the Beaumont Public Improvement Authority, as of June 30, 2025, 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, 2024. This was the second 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,

A rectangular box containing a handwritten signature in dark ink. The signature is cursive and appears to read 'Jennifer Ustation'. There is a small 'X' mark at the beginning of the signature.

Jennifer Ustation
Finance Director

CITY OF BEAUMONT

PRINCIPAL OFFICIALS

Elected Officials

Mike Lara
Mayor

Jessica Voigt
Mayor Pro Tem

Julio Martinez III
Council Member

Lloyd White
Council Member

David Fenn
Council Member

APPOINTED OFFICIALS

Elizabeth Gibbs
City Manager

John Pinkney
City Attorney

Elain Morgan City Clerk
Nicole Wheelwright Deputy City Clerk
AJ Patel City Treasurer
Shannon Doyle Executive Assistant
Kari Mendoza Administrative Services Director
Chris Ramos Chief of Police
Jennifer Ustation Finance Director

City of Beaumont Organizational Chart



CITYWIDE FY 25/26 ORGANIZATIONAL CHART



● FILLED POSITIONS
● PROPOSED POSITIONS



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, 2024

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

To the Honorable City Council
City of 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, 2025, 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, 2025, 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 (*Government Auditing Standards*). 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.

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2025, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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 required supplementary information, 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 GAAS, 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the accompanying supplementary information 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 1, 2025 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, Malachy & Scott, LLP.

San Bernardino, California
December 1, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Beaumont, we offer readers of the City of Beaumont's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the enclosed letter of transmittal and basic financial statements.

Financial Highlights

The City of Beaumont's overall financial condition remained strong during fiscal year 2025, with continued growth in both governmental and business-type activities. The City's total net position increased by \$37 million, or 6 percent, reaching \$625 million at June 30, 2025. Of this amount, \$487 million is attributable to governmental activities and \$137 million to business-type activities.

Governmental activities benefited from robust sales tax performance, increasing 19 percent due to a one-time audit recovery of misallocated county allocations and continued local economic expansion. Property tax revenues also grew 15 percent, reflecting new home construction and property transfers. The City's investment earnings rose 16 percent, supported by improved interest rates and higher cash reserves.

Despite these gains, governmental expenses increased 29 percent, primarily due to staffing realignment within Community Development, additional costs in public safety for the operation of a new fire station, and one-time infrastructure allocations for capital facilities. Interest and fiscal charges, however, decreased by 44 percent due to a reduction in outstanding bonded debt.

On the fund level, the General Fund's fund balance increased 13 percent, supported by one-time sales tax recovery and solid revenue performance. The Community Facilities District (CFD) Capital Projects Fund reported higher revenues from unbonded improvement areas operating on a pay-as-you-go basis but experienced a net decrease in fund balance due to transfers out to support debt service refunding's. The General Capital Projects Fund balance decreased by 31 percent due to major capital outlays, while the Development Impact Fees Fund saw a modest decline of 4 percent due to reduced permit activity.

Business-type activities also showed a \$4.5 million, or 3 percent, increase in net position, supported by the transfer of ARPA funding for the Mesa Lift Station project. Operating expenses in the Sewer and Transit Funds increased due to higher depreciation, but overall fund balance growth was maintained through capital subsidies and investment income.

Overall, the City's financial position improved in 2025, reflecting prudent financial management, strong local economic conditions, and effective cost controls that have positioned the City for sustained fiscal stability. In addition, certain prior-year revenues totaling \$1,940,086 were reclassified from Operating Grants and Contributions to Capital Grants and Contributions to better reflect the nature of those revenues; this reclassification does not affect total revenues or the change in net position.

Overview of the Financial Statements

The City's financial report contains basic financial statements. Those financial statements present the City's finances at both an overall and a detailed level. The first two – the *government-wide financial statement* – cover the City's governmental activities and business-type activities (together,

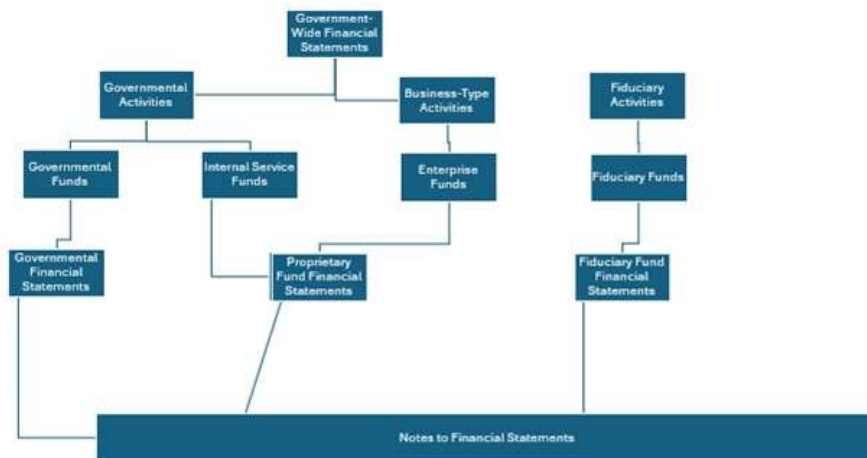
the *primary government*) and discretely presented component units. (See the diagram in Figure A-1.)

- *Governmental activities* comprise the City's most basic functions, such as public safety, parks and recreation, public works, and economic development. Governmental activities primarily are financed by taxes paid by City residents, businesses and visitors.
- *Business-type activities* are City services primarily financed in whole or in part with charges to customers-wastewater utility and transit services.

The remaining basic financial statements present the City's finances in greater detail and present fiduciary activities. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The City reports three groups of funds:

- *Governmental fund financial statements* report on all of the governmental activities except those that involve providing services to City departments. In addition to the City's main operating fund-the general fund-those financial statements report a special revenue fund to track the use of development impact fees, a community facilities district capital fund to account for capital projects benefiting specific areas, a general capital projects fund to account for resources used to acquire transportation infrastructure and certain other long-lived assets, a debt service fund to record the repayment of outstanding bonds, and an other government fund to account for other special revenues such as grants and donations.
- *Proprietary fund financial statements* report all of the business-type activities (*enterprise funds*) and the services provided to City departments (*internal service funds*).
- *Fiduciary fund financial statements* report resources for which the City acts as a trustee or custodian, including the Community Facilities Districts and Evidence funds. The resources in those funds do not belong to the City and cannot be used to provide services, which is why they are not included in the government-wide financial statements.

Figure A-1. Contents of the City's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into the City's finances as reported in the financial statements. The information in the notes is as important to understanding the City's finances as the information in the financial statements. The City uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of the City's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus* and *accrual basis accounting*. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets*-resources the City controls, from short-term assets like cash to long-term assets like roads and bridges
- *Liabilities*-amounts the City owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions
- *Deferred outflows of resources and deferred inflows of resources*-flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- *Revenues and expenses*-inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds

from issuing bonds or selling equipment, as well as principle and interest payments on bonds and spending on the construction of a City building.

Figure A-2. Types of Information Reported in the City's Financial Statements

	Financial Statements				
	Government-Wide	Proprietary Fund	Fiduciary Fund	Component Unit	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term				Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received				Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid				Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year				Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant policies, beginning on page 40.

Analysis of the City's Finances

Table 1
Statement of Net Position
As of June 30,
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 269,559	\$ 259,709	\$ 31,506	\$ 27,307	\$ 301,065	\$ 287,016
Capital assets	332,881	314,934	191,669	192,188	524,550	507,122
Total assets	<u>602,440</u>	<u>574,643</u>	<u>223,175</u>	<u>219,495</u>	<u>825,615</u>	<u>794,138</u>
Deferred outflows:						
Deferred outflows related to pension	9,842	12,108	1,254	1,504	11,096	13,612
Liabilities:						
Current and other liabilities	34,782	38,302	7,412	6,266	42,194	44,568
Noncurrent liabilities	88,058	91,597	79,944	82,129	168,002	173,726
Total liabilities	<u>122,840</u>	<u>129,899</u>	<u>87,356</u>	<u>88,395</u>	<u>210,196</u>	<u>218,294</u>
Deferred inflows:						
Deferred inflows related to debt	-	-	-	-	-	-
Deferred inflows related to leases	1,669	1,243	-	-	1,669	1,243
Total deferred inflows	<u>1,989</u>	<u>2,156</u>	<u>18</u>	<u>46</u>	<u>2,007</u>	<u>2,202</u>
Net position:						
Net investment in capital assets	271,685	250,261	112,573	111,188	384,258	361,449
Restricted	179,011	171,745	17,207	12,860	196,218	184,605
Unrestricted	36,757	32,690	7,275	8,510	44,032	41,200
Total net position	<u>\$ 487,453</u>	<u>\$ 454,696</u>	<u>\$ 137,055</u>	<u>\$ 132,558</u>	<u>\$ 624,508</u>	<u>\$ 587,254</u>

Table 1 shows that as of June 30, 2025, the City's total net position-assets and deferred outflows minus liabilities and deferred inflows-was over \$625 million, an increase of \$37 million or 6 percent compared with 2024. This increase is primarily due to a \$8 million or 19 percent increase in unrestricted net position for governmental activities. The increase in net position was the result of financial performance of the governmental and business-type activities. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

Governmental Activities

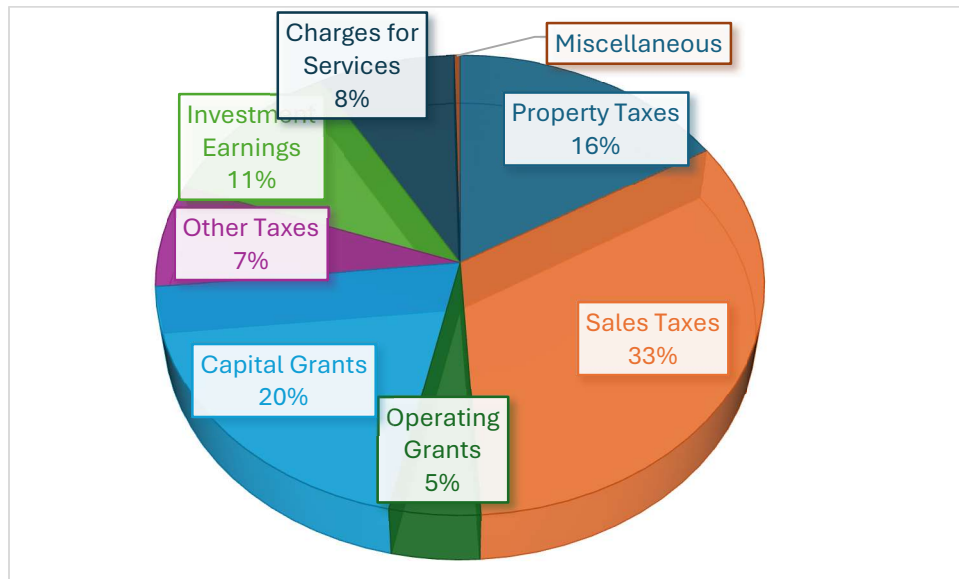
Table 2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. The total net position of the City's governmental activities was over \$488 million, an increase of \$33 million or 7 percent compared with 2024. Various events contributed to this increase in net position; however, the five primary factors affecting the change in net position are as follows:

- 1) Increase in sales taxes mostly due to a one-time audit correction due to misallocation
- 2) Growth in various revenues due to the strength of the local economy
- 3) Increase in investment earnings
- 4) Increases in expenses for certain programs and functions
- 5) Transfers to the business-type activities and custodial funds

Table 2
Statement of Activities
For the years ended June 30,
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 8,746	\$ 9,193	\$ 15,850	\$ 17,009	\$ 24,596	\$ 26,202
Operating grants	4,783	3,941	2,199	3,867	6,982	7,808
Capital grants	21,762	27,372	7,235	1,669	28,997	29,041
General Revenues:						
Property taxes/in-lieu	17,774	15,500	-	-	17,774	15,500
Sales taxes	35,903	30,085	-	-	35,903	30,085
Motor vehicle in lieu taxes	91	70	-	-	91	70
Utility users tax	2,791	2,549	-	-	2,791	2,549
Franchise taxes	3,359	3,347	-	-	3,359	3,347
Transient occupancy taxes	441	397	-	-	441	397
Business licenses	432	430	-	-	432	430
Other taxes	896	753	-	-	896	753
Capital contribution	-	-	-	-	-	-
Investment earnings	11,589	10,446	1,124	1,039	12,713	11,485
Miscellaneous	87	562	228	361	315	923
Loss on sale of assets	-	-	(19)	-	(19)	-
Total revenues	<u>108,954</u>	<u>104,645</u>	<u>26,617</u>	<u>23,945</u>	<u>135,571</u>	<u>128,590</u>
Expenses:						
General government	14,275	9,732	-	-	14,275	9,732
Public safety	29,063	23,792	-	-	29,063	23,792
Public works	10,791	10,238	-	-	10,791	10,238
Community development	10,030	2,774	-	-	10,030	2,774
Refuse	-	-	-	-	-	-
Interest and fiscal charges	1,834	3,263	-	-	1,834	3,263
Sewer	-	-	20,032	18,723	20,032	18,723
Transit	-	-	4,136	3,393	4,136	3,393
Total expenses	<u>74,149</u>	<u>57,411</u>	<u>24,168</u>	<u>22,116</u>	<u>98,317</u>	<u>79,527</u>
Changes in net position before Transfers	<u>34,805</u>	<u>47,234</u>	<u>2,449</u>	<u>1,829</u>	<u>37,254</u>	<u>49,063</u>
Transfers	<u>(2,047)</u>	<u>(77)</u>	<u>2,047</u>	<u>77</u>	<u>-</u>	<u>-</u>
Change in net position	<u>32,758</u>	<u>47,157</u>	<u>4,496</u>	<u>1,906</u>	<u>37,254</u>	<u>49,063</u>
Net position, beginning of year	<u>454,696</u>	<u>407,539</u>	<u>132,559</u>	<u>130,653</u>	<u>587,255</u>	<u>538,192</u>
Net position, end of year	<u>\$ 487,454</u>	<u>\$ 454,696</u>	<u>\$ 137,055</u>	<u>\$ 132,559</u>	<u>\$ 624,509</u>	<u>\$ 587,255</u>

Figure A. Governmental Activities Revenues by Source



Decline in intergovernmental grant revenues

There were notable decreases in 2025 in both operating and capital grants and contributions. Capital grants and contributions, which account for 20 percent of overall revenues for governmental activities, decreased \$5.5 million from 2024 to 2025. Most of that decline came from a reduction of development impact fees and one-time debt proceeds.

Operating grants and contributions, which account for 5 percent of overall revenues for governmental activities, increased 21 percent to \$4.8 million in 2025. Most of that increase came from a recognition of ARPA funds for capital projects.

Increase in revenues due to economic growth

The strength of the City and national economies has resulted in growth of several of the City's most significant revenue sources. Property taxes, which are 16 percent of the City's governmental activities revenue sources, rose 15 percent as a result of new home purchases and property transfers. Sales taxes, which are 33 percent of the City's governmental activities and the largest revenue source, rose 19 percent as a result of steady revenues and a one-time audit of county allocations.

Other taxes include franchise fees and utility users tax, which are the City's next two largest sources of revenue from taxes. Revenues from franchise fees- which derive from a franchisee as a rent or toll for the use of the streets and rights-of-way of a municipality-increased less than 1 percent. Utility users tax revenues grew 9 percent due to an increase in population and use of utility services.

Lastly, earnings on the City's investments, which were 11 percent of the governmental activities revenues, rose 16 percent from the prior year as local economic growth extended throughout all of 2025 leading to more cash to invest. The value of the City's investments related to governmental activities increased 7 percent last year, accounting for the majority of the overall 8 percent increase in current assets.

Growth in expenses

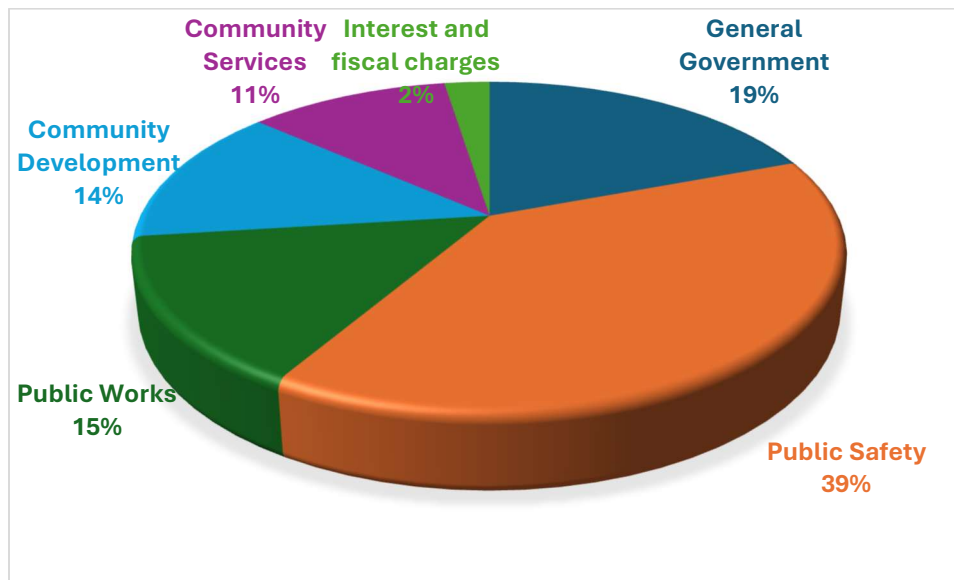


Table 3
Net Cost of Governmental Activities
(Dollars in Thousands)

	Total Cost			Net Cost		
	2025	2024	Change	2025	2024	Change
Functions:						
General government	\$ 14,275	\$ 9,732	\$ 4,543	\$ 8,769	\$ 5,650	\$ 3,119
Public safety	29,063	23,792	5,271	21,247	13,186	8,061
Public works	10,791	10,238	553	(2,161)	(5,697)	3,536
Community development	10,030	2,774	7,256	6,454	(1,482)	7,936
Community services	8,156	7,612	544	2,715	1,986	729
Interest and fiscal charges	1,834	3,263	(1,429)	1,834	3,263	(1,429)
Total Governmental Activities	<u>\$ 74,149</u>	<u>\$ 57,411</u>	<u>\$ 16,738</u>	<u>\$ 38,858</u>	<u>\$ 16,906</u>	<u>\$ 21,952</u>

The increases in revenue were accompanied by a more rapid increase in the City's cost of providing services. Governmental activities expenses rose 29 percent overall. Most notably, community development expenses increased significantly to over \$10 million in 2025. As a result, community development expenses represented 14 percent of total expenses (see Table 2); by contrast, they were just 4.8 percent in of expenses in 2024. The increase in 2025 was attributable to staffing being aligned to the appropriate level required to adequately support this function, with the largest increase driven by the allocation of funds for capital facilities.

Public safety activity expenses increased, in part, due to higher contracted service costs required to staff the new fire station under the City's agreement with Riverside County and Cal Fire. Overall, public safety activities increased by more than \$5 million, or 22 percent.

Expenses for governmental activities related to finance programs increased, in part, due to contractual payments to the sales tax compliance auditor for the recovery of misallocated sales tax. While these costs were more than offset by the corresponding increase in sales tax revenue, they accounted for approximately \$1 million of the \$4.5 million total increase. The remaining increase was primarily driven by higher insurance costs and software purchases.

Expenses for public works programs, at 15 percent of total expenses, increased 5 percent in 2025. The expense in this area related primarily to the one-time cost for traffic and engineering studies for potential future capital projects.

Community services programs accounted for 11 percent of total expenses and increased by 7 percent in 2025. The increase was primarily related to expanded programming for Beaumont Nights summer concerts and additional maintenance services for newly acquired facilities.

By contrast, interest and fiscal charges decreased by 44 percent in 2025. This reduction is primarily due to the City having fewer outstanding bonds requiring debt service payments, resulting in lower interest costs and related fiscal charges for the year.

Other changes in net position

Total governmental activities revenues exceeded total expenses in 2025 by 34.9 million. That amount is greater than the \$32.9 million increase in net position due to resources were transferred from governmental activities to business-type activities (enterprise funds) for the purpose of financing capital projects for those activities. The total transfer of \$2 million to the sewer fund was ARPA funding for the Mesa Lift Station project.

Governmental funds

The City reports five major funds individually in the governmental fund financial statements. Those funds are the general fund, development impact fees fund, community facilities district capital projects fund, general capital projects fund, and the debt service fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the City's current financial health are more apparent in the fund financial statements than in the government-wide financial statements.

There were significant changes to three of the five major funds. Those five major funds are shown in Table 4 and are discussed in more detail below (for the years ending June 30,).

Table 4
Revenues, Expenditures, and Changes in Fund Balance
(Dollars in Thousands)

	General Fund		Development Impact Fees		Community Facilities District (CFD) Capital Projects	
	2025	2024	2025	2024	2025	2024
Total Revenues	\$ 72,793	\$ 64,068	\$ 7,918	\$ 19,087	\$ 1,145	\$ 585
Total Expenditures	57,068	51,343	-	-	5,908	-
Excess (deficiency) of revenues over expenditures	15,725	12,725	7,918	19,087	(4,763)	585
Other Financing Sources (Uses)						
Other debt activity (net)	1,214	752	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-
Transfers in	7,029	7,391	-	-	-	-
Transfers out	(18,390)	(14,605)	(8,990)	(9,854)	(2,584)	(1,182)
Total other financing sources (uses)	(10,147)	(6,462)	(8,990)	(9,854)	(2,584)	(1,182)
Net change in fund balance	5,578	6,263	(1,072)	9,233	(7,347)	(597)
Fund balances, beginning of year	48,048	41,785	28,306	19,073	12,617	13,214
Fund balances, end of year	\$ 53,626	\$ 48,048	\$ 27,234	\$ 28,306	\$ 5,270	\$ 12,617

Table 5
Revenues, Expenditures, and Changes in Fund Balance
(Dollars in Thousands)

	General Capital Projects		Beaumont Financing Authority		Other Governmental Funds	
	2025	2024	2025	2024	2025	2024
Total Revenues	\$ 8,008	\$ 4,287	\$ 2,586	\$ 2,403	\$ 16,194	\$ 13,927
Total Expenditures	24,425	22,562	6,250	6,295	1,803	694
Excess (deficiency) of revenues over expenditures	(16,417)	(18,275)	(3,664)	(3,892)	14,391	13,233
Other Financing Sources (Uses)						
Other debt activity (net)	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-
Transfers in	32,287	30,231	-	-	-	402
Transfers out	-	-	-	-	(11,399)	(12,460)
Total other financing sources (uses)	32,287	30,231	-	-	(11,399)	(12,058)
Net change in fund balance	15,870	11,956	(3,664)	(3,892)	2,992	1,175
Fund balances, beginning of year	51,058	39,102	71,039	74,931	9,180	8,005
Fund balances, end of year	\$ 66,928	\$ 51,058	\$ 67,375	\$ 71,039	\$ 12,172	\$ 9,180

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General fund

The fund balance of the City's general fund increased by 13 percent. This increase in fund balance is attributable to (1) the \$6.4 million one-time audit recovery of county allocated sales tax, and (2) growth in revenues (previously discussed).

Development impact fees fund

The fund balance of the Development Impact Fees Fund decreased by 4 percent. This decrease is attributable to a 59 percent reduction in revenue resulting from fewer building permits issued due to a slowdown in single-family housing development.

Community facilities district capital projects fund

The fund balance of the Community Facilities District (CFD) Capital Projects Fund decreased in 2025. Although revenues increased due to higher collections from unbonded improvement areas operating on a pay-as-you-go basis, these additional resources were more than offset by transfers out to support debt service refunding's. The transfers were made to reduce future debt service costs and provide long-term savings for property owners within the CFD, resulting in a net decrease in fund balance for the year.

General capital projects fund

Outlays for capital assets increased in 2025 in the capital projects fund to the highest level in 10 years. The increase was the product of several major components of the city-wide street improvement program and substantial progress being made on others. (Capital asset activity is discussed further below.) The progress in projects decreased fund balance by 31 percent.

Beaumont Financing Authority

The fund balance of the Beaumont Financing Authority Fund decreased 5 percent in 2025 due to the continued scheduled payments on outstanding bonds. As debt service obligations were fulfilled during the year, the use of accumulated resources resulted in a reduction in fund balance, consistent with the Authority's long-term financing plan and repayment schedule.

Other governmental funds

The Other Governmental Fund balance increased by 34 percent, primarily due to higher State SB 1 revenues and the delay of related capital project expenditures.

Business-type activities and enterprise funds

The total net position of the City's business-type activities (which also are reported as major enterprise funds) increased in 2025, though more modestly than that of the governmental activities. The business-type activities net position increased \$4.5 million or 3 percent to \$137 million from the prior year. The increase reflects the transfer of ARPA funds to the sewer fund for the Mesa Lift Station capital project.

Table 6
Revenues and Expenses and Changes in Net Position
For the years ending June30,
(Dollars in Thousands)

	Enterprise Funds				Governmental Activities	
	Sewer Fund		Transit Fund		Internal Service Funds	
	2025	2024	2025	2024	2025	2024
Total operating revenues	\$ 15,392	\$ 13,746	\$ 149	\$ 102	\$ 1,585	\$ 1,814
Total operating expenses	17,022	15,650	4,136	3,392	961	747
Operating income (loss)	(1,630)	(1,904)	(3,987)	(3,290)	624	1,067
Nonoperating revenues (expenses)						
Local transport funds	-	-	1,840	2,291	-	-
Lease revenue	-	-	43	126	-	-
Gain/(loss) on sale of capital assets	-	-	(18)	-	10	15
Mitigation fees	494	3,396	-	-	-	-
Intergovernmental	-	-	359	1,576	-	-
Total nonoperating revenues (expenses)	494	3,396	2,224	3,993	10	15
Income (loss) before operating transfers and noncapital subsidies	(1,136)	1,492	(1,763)	703	634	1,082
Investment earnings	1,068	1,053	55	(15)	297	279
Interest expense	(3,009)	(3,073)	-	-	-	-
Riverside county transportation commission	-	-	5,666	-	-	-
Capital contributions	1,567	9	-	1,660	-	-
Transfers in restricted for capital assets	2,047	41	-	36	-	-
Transfers out	-	-	-	-	-	-
Total other nonoperating revenues (expenses)	1,673	(1,970)	5,721	1,681	297	279
Change in net position	537	(478)	3,958	2,384	931	1,361
Net position, beginning of year	127,223	127,701	5,336	2,952	9,720	8,359
Net position, end of year	\$ 127,760	\$ 127,223	\$ 9,294	\$ 5,336	\$ 10,651	\$ 9,720

Both enterprise funds had a negative financial performance from operations in 2025. (See Table 6.) Operating expenses for the sewer utility rose 8.6 percent, predominantly because of a significant increase in depreciation expense of \$2.1 million. Operating revenues, of which 98.6 percent were charges for services, fell short of expenses by 9.5 percent. Overall net position of the sewer fund increased by \$537 thousand mostly due to the use of ARPA funds for the Mesa Lift Station project.

The transit fund operating expenses exceeded operating revenues, which was primarily caused by an increase in depreciation expenses of \$512 thousand. Overall net position of the transit fund increased by \$3.9 million mostly due to the subsidy provided by Riverside County Transportation Commission.

The Internal Service Funds reported positive operating results in 2025, with operating revenues exceeding operating expenses by \$624 thousand. (See Table 6.) Operating revenues, of which 100 percent were charges for services to City departments, decreased by 12.6 percent from the prior year; however, expenses increased by a greater margin of 28.2 percent, resulting in an improvement in operating income. Non-operating revenues contributed an additional \$307 thousand, primarily from investment earnings. After accounting for all non-operating items, the Internal Service Funds experienced an increase in net position of \$297 thousand, bringing the ending net position to \$10.7 million at year-end.

General Fund Budgetary Highlights

The General Fund ended fiscal year 2025 in a stronger position than anticipated in the adopted budget. Actual revenues exceeded budget estimates by approximately \$10.5 million, while expenditures were \$7.5 million less than the final budget. The resulting positive budget variance totaled \$19 million, contributing to a net fund balance increase of 13 percent for the year.

Revenue performance was driven primarily by a \$6.4 million one-time sales tax audit recovery from county reallocation adjustments, coupled with higher property tax receipts and interest earnings. Several key revenue categories outperformed expectations, including:

- Sales and use taxes: up 19 percent from the prior year.
- Property taxes: up 15 percent due to continued housing growth.
- Investment earnings: up 16 percent due to favorable market rates.

On the expenditure side, the City achieved savings through position vacancies, project timing differences, and reduced operating costs. Delayed start times on select capital and contractual projects further contributed to the year-end expenditure savings.

During the year, the City Council approved several budget amendments, including an appropriation of \$5 million of General Fund reserves to support the Potrero Phase 2 Capital Project, a key infrastructure investment. Even with this amendment, the General Fund maintained reserves well above policy thresholds, including the 16 percent working capital reserve and the \$5 million budget stabilization reserve.

Overall, the City concluded fiscal year 2025 with a structurally balanced General Fund, a healthy reserve position, and improved liquidity—demonstrating strong fiscal discipline and the ability to adapt to evolving economic conditions.

Significant capital asset and long-term financing activity

Table 7
Capital Assets (net of depreciation)
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Asset Type:						
Land	\$ 32,853	\$ 32,803	\$ 3,454	\$ 3,458	\$ 36,307	\$ 36,261
Construction in progress	37,576	34,228	6,356	3,600	43,932	37,828
Structures, machinery & equipment	36,262	22,603	21,733	18,584	57,995	41,187
Infrastructure	224,298	223,997	159,866	166,262	384,164	390,259
Right-to-use assets	1,892	1,303	260	284	2,152	1,587
Total	<u>\$ 332,881</u>	<u>\$ 314,934</u>	<u>\$ 191,669</u>	<u>\$ 192,188</u>	<u>\$ 524,550</u>	<u>\$ 507,122</u>

The discussion thus far has only touched upon certain significant transactions and events during 2025 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original costs minus accumulated depreciation—increased 6 percent over 2024. However, that relatively small change does not completely capture the substantial amount of capital investment activity that occurred in 2025.

The City's governmental activities had \$34.2 million in its beginning balance of construction in progress with another \$23.5 million in capital projects started during 2025. Of those amounts, the City put \$20.2 million into operation during the year and, therefore, reclassified that amount to the other capital asset classifications of infrastructure and buildings and improvements. This resulted in an ending balance of construction in progress of \$37.5 million. Many of the completed and ongoing capital projects are a part of the city-wide highway and street improvement program.

Long-Term Liabilities

Table 8
Long-Term Liabilities
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
2015 Refunding Revenue Bonds, Series A	\$ 8,755	\$ 9,005	\$ -	\$ -	\$ 8,755	\$ 9,005
2015 Refunding Revenue Bonds, Series B	12,640	13,530	-	-	12,640	13,530
2015 Refunding Revenue Bonds, Series C	3,100	3,355	-	-	3,100	3,355
2015 Refunding Revenue Bonds, Series D	4,555	4,930	-	-	4,555	4,930
2019 Refunding Revenue Bonds, Series A	3,695	4,060	-	-	3,695	4,060
2020 Revenue Bonds, Series A	15,125	15,670	-	-	15,125	15,670
2021 Revenue Bonds, Series A	14,540	15,895	-	-	14,540	15,895
Bond premium						
2019 revenue bond series A	625	703	-	-	625	703
Wastewater Revenue Bonds, Series 2018A	-	-	73,290	74,785	73,290	74,785
Bond premium	-	-	5,538	6,084	5,538	6,084
Lease Liability	1,099	1,015	167	109	1,266	1,124
Subscription liability	637	149	-	21	637	-
Compensated absences	3,638	3,511	482	437	4,120	3,948
Claims payable	2,181	1,544	-	-	2,181	1,544
Net pension liability	23,472	23,720	2,803	2,935	26,275	26,655
Total	<u>\$ 94,062</u>	<u>\$ 97,087</u>	<u>\$ 82,280</u>	<u>\$ 84,371</u>	<u>\$ 176,342</u>	<u>\$ 181,288</u>

Total bonds and notes payable outstanding decreased 3 percent to \$94 million in 2025. The most prominent aspect of that change was the reduction of \$4 million bonds backed by special district taxes. Netted against the principle that was repaid during the year, that new decreased tax-backed bonds outstanding by 6 percent.

In July 2025, the City's 2025 refunding bonds issued received a credit rating of A+.

Currently known facts, decision, or conditions

The City is aware of 3 developments that will have an impact on the City's finances in the future and were therefore incorporated into next year's budget:

- 1) Additional 27 new full-time positions and 1 position upgrade
- 2) New animal control shelter contract
- 3) Additional funding for capital improvements

Amendments to the City budget

The first mid-year amendment to the City's operating budget addresses budgetary variances that are found in the actual results for the first quarter ending September 30, 2025. An additional \$800 thousand general fund reserves were appropriated to the Potrero Phase 2 capital project, a priority project to the City. This amount has been committed in the fund balance of the general fund in this report.

Recent economic reports

The unemployment rate for the City of Beaumont as of August 2025 is 5.2% slightly higher than the 5% in August of 2024.

Building permit applications for single family units were assumed in the adopted budget for fiscal year 2026 to increase by 66 percent and decrease for commercial by 12 percent, a higher level than the average annual decrease of 6 percent since 2020. However, through the first quarter of fiscal year 2026, applications decreased 71 percent compared with the same period last year.

Adoption of the State budget

In June 2025, the State adopted its operating budget for the fiscal year ending June 30, 2026. California's general fund and overall budget outlook for 2025-26 are weaker than initially projected: the state is facing a structural deficit in the range of \$12 billion or more. The enacted budget for 2025-26 continues to draw on reserves, shift funds, borrow internally and make program adjustments to balance the year. If state grants become more competitive or funding criteria change (because of budget pressure), the City may face higher competition for state grant programs that support the five-year CIP.

As far as the City is aware, there is no jeopardy to city funding or grants in relation to the state's budget deficit.

Pension plan changes

The City provides pension benefits to its employees through CalPERS, a cost-sharing defined benefit plan. CalPERS reported preliminary investment returns of 11.6 percent for fiscal year 2025, significantly above the assumed 6.8 percent return rate. These favorable variances are not yet reflected in the annual valuation but are expected to reduce the City's unfunded liability over time.

The 2025 Asset Liability Management (ALM) review proposes maintaining the discount rate at 6.8 percent, increasing inflation to 2.5 percent, and raising wage growth assumptions to 3 percent. Minor mortality adjustments are also anticipated, with final approval in November. The effect of these changes on the City's required contributions is not yet known.

Contacting the City's Financial Management

The purpose of management's discussion and analysis (MD&A) is to help City residents and other readers understand what the financial statements and notes in this financial report say about the City's financial health and why it has changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the City's finances.

If you have questions about this report or require further information, contact the Finance Department at finance@beaumontca.gov or 951-572-3236.

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Government-Wide Financial Statements

CITY OF BEAUMONT

Statement of Net Position June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 187,283,289	\$ 29,485,929	\$ 216,769,218
Restricted cash and investments	4,372,256	-	4,372,256
Receivables:			
Accounts, net	678,180	1,919,482	2,597,662
Interest	722,564	-	722,564
Intergovernmental	7,069,556	84,163	7,153,719
Leases	1,635,418	-	1,635,418
Prepaid items	659,345	12,332	671,677
Total current assets	202,420,608	31,501,906	233,922,514
Noncurrent assets:			
Restricted cash and investments with fiscal agent	4,103,821	4,284	4,108,105
Restricted investment in CFDs	63,034,565	-	63,034,565
Capital assets:			
Nondepreciable	70,429,325	9,810,357	80,239,682
Depreciable, net	262,451,782	181,858,632	444,310,414
Total capital assets, net	332,881,107	191,668,989	524,550,096
Total noncurrent assets	400,019,493	191,673,273	591,692,766
Total assets	602,440,101	223,175,179	825,615,280
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	9,842,287	1,253,718	11,096,005
Total deferred outflows of resources	9,842,287	1,253,718	11,096,005

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Net Position (Continued) June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 8,977,346	\$ 2,696,838	\$ 11,674,184
Salaries payable and related liabilities	747,010	97,674	844,684
Interest payable	675,270	1,173,241	1,848,511
Deposits payable	5,185,117	1,686	5,186,803
Unearned revenue	13,192,790	1,105,708	14,298,498
Compensated absences - due within one year	909,493	168,679	1,078,172
Claims payable - due within one year	332,771	-	332,771
Long-term liabilities - due within one year	4,762,258	2,168,048	6,930,306
Total current liabilities	34,782,055	7,411,874	42,193,929
Long-term liabilities:			
Compensated absences - due in more than one year	2,728,478	313,260	3,041,738
Claims payable - due in more than one year	1,847,890	-	1,847,890
Long-term liabilities - due in more than one year	60,008,695	76,827,698	136,836,393
Net pension liability	23,472,702	2,802,675	26,275,377
Total long-term liabilities	88,057,765	79,943,633	168,001,398
Total liabilities	122,839,820	87,355,507	210,195,327
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	319,833	18,452	338,285
Leases	1,669,193	-	1,669,193
Total deferred inflows of resources	1,989,026	18,452	2,007,478
NET POSITION			
Net investment in capital assets	271,684,799	112,572,835	384,257,634
Restricted for:			
Special projects	39,405,940	-	39,405,940
Debt service	63,034,565	-	63,034,565
Capital projects	72,198,680	17,206,609	89,405,289
Pension trust	4,372,256	-	4,372,256
Total restricted	179,011,441	17,206,609	196,218,050
Unrestricted	36,757,302	7,275,494	44,032,796
Total net position	\$ 487,453,542	\$ 137,054,938	\$ 624,508,480

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Activities For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 14,274,771	\$ 3,101,375	\$ 2,253,345	\$ 151,522	\$ 5,506,242
Public safety	29,062,548	1,665,394	845,525	5,305,049	7,815,968
Public works	10,790,631	798,677	1,619,226	10,533,475	12,951,378
Community development	10,029,825	3,074,389	64,559	436,745	3,575,693
Community services	8,156,073	105,680	-	5,335,641	5,441,321
Interest on long-term debt	1,834,423	-	-	-	-
Total governmental activities	<u>74,148,271</u>	<u>8,745,515</u>	<u>4,782,655</u>	<u>21,762,432</u>	<u>35,290,602</u>
Business-type activities:					
Sewer	20,031,796	15,791,543	-	1,567,953	17,359,496
Transit	4,135,850	58,668	2,199,300	5,667,038	7,925,006
Total business-type activities	<u>24,167,646</u>	<u>15,850,211</u>	<u>2,199,300</u>	<u>7,234,991</u>	<u>25,284,502</u>
Total primary government	<u>\$ 98,315,917</u>	<u>\$ 24,595,726</u>	<u>\$ 6,981,955</u>	<u>\$ 28,997,423</u>	<u>\$ 60,575,104</u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Activities (Continued) For the year ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (8,768,529)	\$ -	\$ (8,768,529)
Public safety	(21,246,580)	-	(21,246,580)
Public works	2,160,747	-	2,160,747
Community development	(6,454,132)	-	(6,454,132)
Community services	(2,714,752)	-	(2,714,752)
Interest and fiscal charges	(1,834,423)	-	(1,834,423)
Total governmental activities	(38,857,669)	-	(38,857,669)
Business-type activities:			
Sewer	-	(2,672,300)	(2,672,300)
Transit	-	3,789,156	3,789,156
Total business-type activities	-	1,116,856	1,116,856
Total primary government	(38,857,669)	1,116,856	(37,740,813)
General revenues:			
Taxes:			
Property taxes	8,880,402	-	8,880,402
Property taxes in-lieu of motor vehicle taxes	8,892,724	-	8,892,724
Sales taxes	35,903,161	-	35,903,161
Vehicle License	90,529	-	90,529
Utility users tax	2,790,575	-	2,790,575
Franchise tax	3,358,769	-	3,358,769
Transient occupancy tax	441,328	-	441,328
Business licenses	431,759	-	431,759
Other taxes	896,446	-	896,446
Total taxes	61,685,693	-	61,685,693
Other revenue	300,000	-	300,000
Loss on disposal of capital assets	-	(19,219)	(19,219)
Investment earnings	11,589,261	1,123,702	12,712,963
Miscellaneous	86,924	227,882	314,806
Transfers	(2,047,090)	2,047,090	-
Total general revenues and transfers	71,614,788	3,379,455	74,994,243
Change in net position	32,757,119	4,496,311	37,253,430
Net position:			
Beginning of year	454,696,423	132,558,627	587,255,050
End of year	<u>\$ 487,453,542</u>	<u>\$ 137,054,938</u>	<u>\$ 624,508,480</u>

See accompanying Notes to the Basic Financial Statements

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Governmental Fund Financial Statements

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, 2025

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
ASSETS			
Cash and investments	\$ 53,940,594	\$ 38,249,096	\$ 5,270,302
Cash and investments with fiscal agent	-	-	-
Restricted investments in Section 115 Trust	4,372,256	-	-
Investment in CFDs	-	-	-
Receivables:			
Accounts, net	599,685	76,288	-
Interest	722,564	-	-
Lease	1,635,418	-	-
Due from other governments	6,063,526	-	-
Prepays	422,889	-	-
Total assets	\$ 67,756,932	\$ 38,325,384	\$ 5,270,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 5,936,380	\$ 491,676	\$ -
Accrued payroll and related liabilities	747,010	-	-
Deposits payable	5,057,292	-	-
Unearned revenue	720,841	10,599,408	-
Total liabilities	12,461,523	11,091,084	-
Deferred Inflows of Resources:			
Leases	1,669,193	-	-
Total deferred inflows of resources	1,669,193	-	-
Fund Balances:			
Nonspendable	422,889	-	-
Restricted	4,372,256	27,234,300	5,270,302
Committed	7,687,325	-	-
Assigned	569,092	-	-
Unassigned	40,574,654	-	-
Total fund balances	53,626,216	27,234,300	5,270,302
Total liabilities, deferred inflows of resources and fund balances	\$ 67,756,932	\$ 38,325,384	\$ 5,270,302

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Balance Sheet (Continued) Governmental Funds June 30, 2025

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 69,007,495	\$ -	\$ 13,592,113	\$ 180,059,600
Cash and investments with fiscal agent	-	4,103,821	-	4,103,821
Restricted investments in Section 115 Trust	-	-	-	4,372,256
Investment in CFDs	-	63,034,565	-	63,034,565
Receivables:				
Accounts, net	-	-	2,207	678,180
Interest	-	-	-	722,564
Lease	-	-	-	1,635,418
Due from other governments	392,375	-	613,655	7,069,556
Prepays	-	236,456	-	659,345
Total assets	\$ 69,399,870	\$ 67,374,842	\$ 14,207,975	\$ 262,335,305
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,471,492	\$ -	\$ 35,969	\$ 8,935,517
Accrued payroll and related liabilities	-	-	-	747,010
Deposits payable	-	-	127,825	5,185,117
Unearned revenue	-	-	1,872,541	13,192,790
Total liabilities	2,471,492	-	2,036,335	28,060,434
Deferred Inflows of Resources:				
Leases	-	-	-	1,669,193
Total deferred inflows of resources	-	-	-	1,669,193
Fund Balances:				
Nonspendable	-	236,456	-	659,345
Restricted	-	67,138,386	12,171,640	116,186,884
Committed	66,928,378	-	-	74,615,703
Assigned	-	-	-	569,092
Unassigned	-	-	-	40,574,654
Total fund balances	66,928,378	67,374,842	12,171,640	232,605,678
Total liabilities, deferred inflows of resources and fund balances	\$ 69,399,870	\$ 67,374,842	\$ 14,207,975	\$ 262,335,305

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2025

Total Fund Balances - Total Governmental Funds \$ 232,605,678

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

Capital assets, nondepreciable	70,429,325
Capital assets, depreciable/amortized	262,451,782
Less internal service fund capital assets	(3,469,358)

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

Compensated absences	(3,637,971)
Claims payable	(2,180,661)
Long-term liabilities	(64,770,953)
Interest payable	(675,270)

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. (23,472,702)

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	9,842,287
Pension-related deferred inflows of resources	(319,833)

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.

10,651,218

Net Position of Governmental Activities \$ 487,453,542

CITY OF BEAUMONT

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended June 30, 2025

	General Fund	Special Revenue Fund Development Impact Fees (DIF)	Capital Projects Funds Community Facilities District (CFD)
REVENUES			
Taxes	\$ 47,070,984	\$ -	\$ -
Franchise fees	3,358,769	-	-
Intergovernmental	9,014,653	-	-
License and permits	3,477,439	6,219,813	-
Fines and forfeitures	330,046	-	-
Assessments levied	896,446	-	669,994
Use of money and property	4,031,830	1,698,621	475,152
Charges for services	1,614,849	-	-
Other revenues	2,998,469	-	-
Total revenues	72,793,485	7,918,434	1,145,146
EXPENDITURES			
Current:			
General government	13,302,742	-	-
Public safety	27,086,384	-	-
Public works	5,139,580	-	214,799
Community development	3,049,103	-	5,693,298
Community services	7,308,053	-	-
Capital outlay	511,065	-	-
Debt service:			
Principal	640,952	-	-
Interest, fiscal, and other charges	30,500	-	-
Total expenditures	57,068,379	-	5,908,097
REVENUES OVER (UNDER) EXPENDITURES	15,725,106	7,918,434	(4,762,951)
OTHER FINANCING SOURCES (USES)			
Lease acquisition	447,840	-	-
Subscription acquisition	765,777	-	-
Proceeds from sale of property	105	-	-
Transfers in	7,028,831	-	-
Transfers (out)	(18,389,656)	(8,990,571)	(2,583,548)
Total other financing sources (uses)	(10,147,103)	(8,990,571)	(2,583,548)
Net changes in fund balances	5,578,003	(1,072,137)	(7,346,499)
FUND BALANCES			
Beginning of year	48,048,213	28,306,437	12,616,801
End of year	\$ 53,626,216	\$ 27,234,300	\$ 5,270,302

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued) Governmental Funds For the year ended June 30, 2025

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 9,225,548	\$ 56,296,532
Franchise fees	-	-	-	3,358,769
Intergovernmental	732,866	-	6,091,486	15,839,005
License and permits	-	-	13,809	9,711,061
Fines and forfeitures	-	-	-	330,046
Assessments levied	-	-	-	1,566,440
Use of money and property	2,275,394	2,286,319	580,564	11,347,880
Charges for services	-	-	-	1,614,849
Other revenues	5,000,000	300,000	282,387	8,580,856
Total revenues	<u>8,008,260</u>	<u>2,586,319</u>	<u>16,193,794</u>	<u>108,645,438</u>
EXPENDITURES				
Current:				
General government	-	-	8,711	13,311,453
Public safety	-	-	501,188	27,587,572
Public works	-	-	-	5,354,379
Community development	-	-	1,075,973	9,818,374
Community services	-	-	79	7,308,132
Capital outlay	24,425,124	-	216,843	25,153,032
Debt service:				
Principal	-	4,035,000	-	4,675,952
Interest, fiscal, and other charges	-	2,215,474	-	2,245,974
Total expenditures	<u>24,425,124</u>	<u>6,250,474</u>	<u>1,802,794</u>	<u>95,454,868</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(16,416,864)</u>	<u>(3,664,155)</u>	<u>14,391,000</u>	<u>13,190,570</u>
OTHER FINANCING SOURCES (USES)				
Lease acquisition	-	-	-	447,840
Subscription acquisition	-	-	-	765,777
Proceeds from sale of property	-	-	-	105
Transfers in	32,287,675	-	-	39,316,506
Transfers (out)	-	-	(11,399,821)	(41,363,596)
Total other financing sources (uses)	<u>32,287,675</u>	<u>-</u>	<u>(11,399,821)</u>	<u>(833,368)</u>
Net changes in fund balances	15,870,811	(3,664,155)	2,991,179	12,357,202
FUND BALANCES				
Beginning of year	<u>51,057,567</u>	<u>71,038,997</u>	<u>9,180,461</u>	<u>220,248,476</u>
End of year	<u>\$ 66,928,378</u>	<u>\$ 67,374,842</u>	<u>\$ 12,171,640</u>	<u>\$ 232,605,678</u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 12,357,202

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)	26,014,329
Depreciation expense (net of Internal Service Fund)	(8,231,155)

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

Principal payments on long term liabilities	4,675,952
Lease/SBITA acquisition	(1,213,617)
Premium amortization	78,071
Change in Interest payable	333,480

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	(1,424,890)
---------------------------------	-------------

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	(126,880)
Changes in claims payable	(636,705)

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.

931,332

Change in Net Position of Governmental Activities \$ 32,757,119

See accompanying Notes to the Basic Financial Statements

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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 Fund Net Position Proprietary Funds June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
ASSETS				
Current assets:				
Cash and investments	\$ 27,587,252	\$ 1,898,677	\$ 29,485,929	\$ 7,223,689
Receivables:				
Accounts, net	1,919,482	-	1,919,482	-
Due from other governments	13,791	70,372	84,163	-
Prepays	11,345	987	12,332	-
Total current assets	29,531,870	1,970,036	31,501,906	7,223,689
Noncurrent assets:				
Restricted cash and investments with fiscal agent	4,284	-	4,284	-
Capital assets:				
Nondepreciable	8,721,772	1,088,585	9,810,357	553,873
Depreciable	304,765,266	14,464,449	319,229,715	4,154,839
Less: accumulated depreciation and amortization	(131,446,207)	(5,924,876)	(137,371,083)	(1,239,354)
Total capital assets	182,040,831	9,628,158	191,668,989	3,469,358
Total noncurrent assets	182,045,115	9,628,158	191,673,273	3,469,358
Total assets	211,576,985	11,598,194	223,175,179	10,693,047
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	752,230	501,488	1,253,718	-
Total deferred outflows of resources	752,230	501,488	1,253,718	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,847,000	849,838	2,696,838	41,829
Salaries payable and related liabilities	49,645	48,029	97,674	-
Interest payable	1,173,227	14	1,173,241	-
Unearned revenue	538,348	567,360	1,105,708	-
Deposits payable	1,686	-	1,686	-
Compensated absences - due within one year	98,386	70,293	168,679	-
Long-term liabilities- due within one year	2,165,727	2,321	2,168,048	-
Total current liabilities	5,874,019	1,537,855	7,411,874	41,829
Noncurrent liabilities:				
Compensated absences - due in more than one year	182,716	130,544	313,260	-
Long-term liabilities - due in more than one year	76,819,338	8,360	76,827,698	-
Net pension liability	1,681,605	1,121,070	2,802,675	-
Total noncurrent liabilities	78,683,659	1,259,974	79,943,633	-
Total liabilities	84,557,678	2,797,829	87,355,507	41,829
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	11,072	7,380	18,452	-
Total deferred inflows of resources	11,072	7,380	18,452	-
NET POSITION (DEFICIT)				
Net investment in capital assets	102,955,358	9,617,477	112,572,835	3,469,358
Restricted for capital projects	17,206,609	-	17,206,609	-
Unrestricted	7,598,498	(323,004)	7,275,494	7,181,860
Total net position	\$ 127,760,465	\$ 9,294,473	\$ 137,054,938	\$ 10,651,218

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the year ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
OPERATING REVENUES				
Charges for services	\$ 15,297,285	\$ 58,668	\$ 15,355,953	\$ 1,585,018
Other revenue	94,492	90,190	184,682	-
Total operating revenues	15,391,777	148,858	15,540,635	1,585,018
OPERATING EXPENSES				
Salaries	1,848,317	1,720,145	3,568,462	-
Fringe benefits	698,929	704,140	1,403,069	-
Administration	327,715	163,653	491,368	-
Contract services	1,762,569	36,954	1,799,523	-
Fuels, lubricants, and maintenance	720,431	161,203	881,634	-
Replacement expense	-	-	-	369,623
Supplies	891,651	49,708	941,359	-
Office	61,173	36,304	97,477	-
Utilities	1,281,921	105,704	1,387,625	-
Depreciation and amortization	9,429,702	1,157,821	10,587,523	591,000
Total operating expenses	17,022,408	4,135,632	21,158,040	960,623
OPERATING INCOME (LOSS)	(1,630,631)	(3,986,774)	(5,617,405)	624,395
NONOPERATING REVENUES (EXPENSES)				
Local transportation funds	-	1,839,921	1,839,921	-
Lease revenue	-	43,200	43,200	-
Gain on sale of capital assets	-	835	835	10,355
Loss on disposal of capital assets	-	(19,219)	(19,219)	-
Mitigation fees	494,258	-	494,258	-
Intergovernmental	-	359,379	359,379	-
Investment earnings	1,068,547	55,155	1,123,702	296,582
Interest expense	(3,009,388)	(218)	(3,009,606)	-
Total nonoperating revenues (expenses)	(1,446,583)	2,279,053	832,470	306,937
Income (loss) before transfers and capital contributions	(3,077,214)	(1,707,721)	(4,784,935)	931,332
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Riverside County Transportation Commission	-	5,666,203	5,666,203	-
Developer capital contributions	1,567,953	-	1,567,953	-
Transfers in	2,047,090	-	2,047,090	-
Transfers (out)	-	-	-	-
Total transfers and capital contributions	3,615,043	5,666,203	9,281,246	-
Change in net position	537,829	3,958,482	4,496,311	931,332
NET POSITION				
Beginning of year	127,222,636	5,335,991	132,558,627	9,719,886
End of year	<u>\$ 127,760,465</u>	<u>\$ 9,294,473</u>	<u>\$ 137,054,938</u>	<u>\$ 10,651,218</u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Cash Flows Proprietary Funds For the year ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Transit Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 15,583,347	\$ 110,212	\$ 15,693,559	\$ 1,585,018
Payments to suppliers for goods and services	(4,185,267)	401,071	(3,784,196)	(327,459)
Payments for general and administrative expenses	(2,727,068)	(2,580,249)	(5,307,317)	-
Cash received from developers and others	94,492	90,190	184,682	-
Other cash receipts	-	43,200	43,200	-
Net cash provided by (used in) operating activities	8,765,504	(1,935,576)	6,829,928	1,257,559
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Local transportation funds	-	1,839,921	1,839,921	-
Proceeds from other governmental entities	-	2,005,584	2,005,584	-
Transfers in	2,047,090	-	2,047,090	-
Transfers (out)	-	-	-	-
Net cash provided by noncapital financial activities	2,047,090	3,845,505	5,892,595	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(4,250,603)	(5,733,079)	(9,983,682)	(754,695)
Proceeds from disposition of capital assets	-	835	835	10,355
Mitigation fees	494,258	-	494,258	-
Developer capital contributions	1,570,138	-	1,570,138	-
Capital grants received	-	5,666,202	5,666,202	-
Payment of principal on long-term liabilities	(1,557,423)	(6,794)	(1,564,217)	-
Payment of interest on long-term liabilities	(3,580,131)	(204)	(3,580,335)	-
Net cash used in capital and related financing activities	(7,323,761)	(73,040)	(7,396,801)	(744,340)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	1,069,810	55,155	1,124,965	296,582
Net cash provided by investing activities	1,069,810	55,155	1,124,965	296,582
Net change in cash and cash equivalents	4,558,643	1,892,044	6,450,687	809,801
CASH AND CASH EQUIVALENTS				
Beginning of year	23,032,893	6,633	23,039,526	6,413,888
End of year	\$ 27,591,536	\$ 1,898,677	\$ 29,490,213	\$ 7,223,689
RECONCILIATION TO STATEMENT OF NET POSITION				
Cash and investments	\$ 27,587,252	\$ 1,898,677	\$ 29,485,929	\$ 7,223,689
Restricted cash and investments with fiscal agent	4,284	-	4,284	-
Total cash and cash equivalents	\$ 27,591,536	\$ 1,898,677	\$ 29,490,213	\$ 7,223,689

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Cash Flows (Continued) Proprietary Funds For the year ended June 30, 2025

	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)	\$ (1,630,631)	\$ (3,986,774)	\$ (5,617,405)	\$ 624,395
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	9,429,702	1,157,821	10,587,523	591,000
Other adjustments	-	43,200	43,200	-
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	693,960	51,544	745,504	-
Due from other governments	(2,580)	-	(2,580)	-
Prepays	(11,345)	13	(11,332)	335
Pension-related deferred outflows of resources	115,252	134,666	249,918	-
Accounts payable and accrued liabilities	542,137	790,931	1,333,068	41,829
Salaries payable and related liabilities	8,216	11,523	19,739	-
Unearned revenue	(405,318)	-	(405,318)	-
Deposits payable	1,686	-	1,686	-
Compensated absences	51,325	(5,928)	45,397	-
Aggregate net pension liability	(11,445)	(120,500)	(131,945)	-
Pension-related deferred inflows of resources	(15,455)	(12,072)	(27,527)	-
Total adjustments	10,396,135	2,051,198	12,447,333	633,164
Net cash provided by (used in) operating activities	\$ 8,765,504	\$ (1,935,576)	\$ 6,829,928	\$ 1,257,559
NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Assets acquired with leases	\$ 114,576	\$ 12,010	\$ 126,586	\$ -
Loss on disposal of capital assets	-	(19,219)	(19,219)	-

See accompanying Notes to the Basic Financial Statements

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Fiduciary Fund Financial Statements

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

CITY OF BEAUMONT

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 7,920,536
Restricted cash and investments with fiscal agent	36,979,612
Due from other governments	<u>265,608</u>
Total assets	<u>45,165,756</u>
 LIABILITIES	
Interest payable	4,004,622
Deposits payable	142,987
Due to other governments	63,034,565
Due to bondholders	<u>189,293,459</u>
Total liabilities	<u>256,475,633</u>
 NET POSITION (DEFICIT)	
Restricted for:	
Individuals, organizations and other governments	<u>(211,309,877)</u>
Total net position	<u><u>\$ (211,309,877)</u></u>

See accompanying Notes to the Basic Financial Statements

CITY OF BEAUMONT

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Investment income	\$ 1,333,094
Assessments	21,886,445
Bond proceeds	11,294,424
Payments from City	<u>6,329,280</u>
Total additions	<u>40,843,243</u>
 DEDUCTIONS	
Administration	1,029,600
Payments to trustee	11,071,101
Interest expense	11,431,064
Payments to the City	300,000
Bond proceeds to developer	<u>23,002,289</u>
Total deductions	<u>46,834,054</u>
 Change in net position	(5,990,811)
 NET POSITION (DEFICIT)	
Beginning of year	<u>(205,319,066)</u>
 End of year	<u><u>\$ (211,309,877)</u></u>

See accompanying Notes to the Basic Financial Statements

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Notes to the Basic Financial Statements

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CITY OF BEAUMONT

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For the year ended June 30, 2025**

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CITY OF BEAUMONT

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For the Year Ended June 30, 2025

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025

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, 2025

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, 2025.

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, 2025.

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, 2025

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, 2025

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.

Major 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.

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, 2025

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 (major)

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, 2025

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, 2025

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

C. Cash, Cash Equivalents and Investments, (Continued)

The City holds investments in California Class securities, which are primarily comprised of municipal bonds issued by the State of California and other California-based local government securities. These investments are managed in accordance with the City's investment policy.

D. Restricted Cash and Investments

Certain restricted cash and investments are held 1) for transit related activities or 2) by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Prepaids and Inventory

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

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

F. Capital Assets

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

	Years
Buildings	30
Infrastructure	35 - 120
Machinery and equipment	3 - 5
Furniture and fixtures	3 - 5
Vehicles	3
Computer equipment	3

The City defines infrastructure as the basic physical assets that allow the City to function. The infrastructure assets include streets (including bridges, streetlights, sidewalks, culverts and curbs), sewer system (including plant, collection systems, drains, lift stations), and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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

F. Capital Assets, (Continued)

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.

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 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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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

H. Compensated Absences, (Continued)

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.

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.

GAAP 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, 2023
Measurement date (MD)	June 30, 2024
Measurement period (MP)	July 1, 2023 to June 30, 2024

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 as of June 30 available taxes or those collected within 60 days.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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

J. Property Taxes, (Continued)

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.

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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

L. Fund Balances (Continued)

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.

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.

Notes to the Basic Financial Statements
For the year ended June 30, 2025

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

O. Implementation of New GASB Pronouncements

GASB Statement No. 101 - Compensated Absences. The primary objective of this Statement is to establish accounting and financial reporting guidance for compensated absences, which are leave benefits that are attributable to services already rendered, relate to rights that accumulate, and are more likely than not to be used for time off or otherwise paid to employees. The Statement requires governments to recognize a liability for certain types of compensated absences, such as vacation, sick leave, and paid time off, when the leave is earned rather than when it is taken.

The adoption of GASB Statement No. 101 did not result in a restatement of beginning net position, as the entity's existing policies and practices for compensated absences were consistent with the provisions of the Statement. The entity has updated its disclosures to conform with the new requirements.

GASB Statement No. 102 - Certain Risk Disclosures. The primary objective of this Statement is to provide users of financial statements with better insight into risks that could have a material impact on the government's ability to provide services or meet obligations. These risks include concentration in revenue sources, investments, or loans; constraints imposed by external parties or legislation; and other conditions that may expose the entity to significant vulnerabilities.

Upon evaluation, management determined that there were no concentrations, constraints, or vulnerabilities that met the disclosure criteria under GASB Statement No. 102 for the current fiscal year. The entity has incorporated the applicable disclosure considerations in accordance with the new requirements.

P. 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:

Government Accounting Standards Board Statement No. 103

GASB Statement No. 103, *Financial Reporting Model Improvements* is effective for periods beginning after June 15, 2025

Government Accounting Standards Board Statement No. 104

GASB Statement No. 104, *Disclosures of Certain Capital Assets* is effective for fiscal years beginning after June 15, 2025.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025:

Statement of Net Position	
Cash and investments	\$ 216,769,218
Restricted cash and investments	4,372,256
Restricted cash and investments with fiscal agent	4,108,105
Restricted investments in CFDs	63,034,565
Statement of Fiduciary Net Position	
Cash and investments	7,920,536
Restricted cash and investments with fiscal agent	<u>36,979,612</u>
Total	<u>\$ 333,184,292</u>

Cash, cash equivalents, and investments, consisted of the following as of June 30, 2025:

Deposits with financial institutions	\$ 49,646,968
Deposits with fiscal agents	41,087,717
Petty cash	5,254
Investments	<u>242,444,353</u>
Total cash and investments	<u>\$ 333,184,292</u>

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 2 - Cash and Investments (Continued)

A. Summary (Continued)

As of June 30, 2025, 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, 2025:

Investment Type	Total as of June 30, 2025	Measurement Inputs
State investment pool	\$ 52,413,792	Uncategorized
California CLASS pool	40,611,319	Uncategorized
Certificate of deposit	5,310,198	Uncategorized
Medium Term Notes	7,245,670	Level 2
Money market funds	812,894	Level 2
US Treasury Bills	426,558	Level 2
US Treasury Notes	62,168,469	Level 2
Federal Home Loan Bank	1,414,532	Level 2
Federal Farm Credit Bank	4,634,100	Level 2
Restricted investments in CFDs	63,034,565	Uncategorized
Highmark Plus	4,372,256	Uncategorized
Total	\$ 242,444,353	

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, 2025

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%

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 2 - Cash and Investments (Continued)

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, 2025.

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.

The City participates in California CLASS, a local government investment pool established for California public agencies. California CLASS is not registered with the Securities and Exchange Commission; however, it is managed by a governing board comprised of public agency participants. The City's investment in California CLASS is measured at fair value based on the City's pro-rata share of the pool's underlying investments, in accordance with GASB Statement No. 72.

California CLASS is rated AAA by Standard & Poor's. The pool's investment guidelines limit holdings to high-quality, short-term securities to minimize credit risk. The pool maintains a weighted average maturity of less than 60 days, thereby reducing exposure to interest rate fluctuations. The City's investment is not evidenced by securities that exist in physical or book-entry form. Instead, the City's ownership interest is represented by shares in the pool. Funds are available for withdrawal on a same-day basis, providing the City with immediate access to cash when needed.

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 2 - Cash and Investments (Continued)

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, 2025, 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	\$ 52,413,792	\$ 52,413,792	\$ -	\$ -
California CLASS pool	40,611,319	40,611,319	-	-
Certificates of deposit	5,310,198	5,310,198		
Medium Term Notes	7,245,670	730,365	6,515,305	-
Money market funds	812,894	-	812,894	-
Municipal bonds	426,558	230,255	196,303	-
US Treasury Notes	62,168,469	-	62,168,469	-
Federal Home Loan Bank	1,414,532	-	1,414,532	-
Federal Farm Credit Bank	4,634,100	-	4,634,100	-
Restricted:				
Investments in CFDs	63,034,565	4,120,000	21,135,000	37,779,565
Pension trust - Highmark Plus	4,372,256	4,372,256	-	-
Total	\$ 242,444,353	\$ 107,788,185	\$ 96,876,603	\$ 37,779,565

CITY OF BEAUMONT**Notes to the Basic Financial Statements
For the year ended June 30, 2025**

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	\$ 52,413,792	Not Rated	Not Rated
California CLASS pool	40,611,319	Not Rated	AAA
Certificates of deposit	5,310,198	Not Rated	Not Rated
Medium Term Notes	7,245,670	A1-Aaa	A1-Aaa
Money market funds	812,894	Aaa-mf	AAAm
US Treasury Notes	426,558	A1-Aaa	A1-Aaa
Municipal bonds	62,168,469	A1-Aaa	A1-Aaa
Federal Home Loan Banks	1,414,532	A1-Aaa	A1-Aaa
Federal Farms Credit Banks	4,634,100	A1-Aaa	A1-Aaa
Restricted investments in CFDs	63,034,565	Not Rated	Not Rated
Pension trust - Highmark Plus	4,372,256	Not Rated	Not Rated
Total	\$ 242,444,353		

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, 2025

Note 2 - Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. City investments that are greater than 5 percent of the total investments are in either an external investment pool or mutual funds and are therefore exempt. The City's investment in CFDs is restricted and is secured by special assessments from property owners and a tax lien on the underlying property.

<u>Investment Type</u>	<u>Total as of June 30, 2025</u>	<u>Percentage of Investments</u>
State investment pool	\$ 52,413,792	21.62%
California CLASS pool	40,611,319	16.75%
Certificates of deposit	5,310,198	2.19%
Medium Term Notes	7,245,670	2.99%
Money market funds	812,894	0.34%
US Treasury Notes	426,558	0.18%
Municipal bonds	62,168,469	25.64%
Federal Home Loan Banks	1,414,532	0.58%
Federal Farms Credit Banks	4,634,100	1.91%
Restricted investments in CFDs	63,034,565	26.00%
Pension trust - Highmark Plus	4,372,256	1.80%
Total	\$ 242,444,353	

Note 3 - Receivables

A. Governmental Activities

Lease receivables

As of June 30, 2025, the City had 3 active leases. The leases have receipts that range from \$24,000 to \$57,315 and interest rates that range from 1.3310% to 3.3560%. As of June 30, 2025, the total combined value of the lease receivable is \$1,635,418, the total combined value of the short-term lease receivable is \$91,501, and the combined value of the deferred inflow of resources is \$1,669,193.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 4 - Interfund Balances and Transactions

A. Transfers

Transfers in and out for the year ended June 30, 2025, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non-major Funds	\$ 7,028,831	CFD - City maintenance/admin; Council approved project funding
	Subtotal	<u>7,028,831</u>	
General Capital Projects Fund	General Fund	18,389,656	Capital projects
	CFD Capital Project Fund	2,583,548	Capital Projects
	Development Impact Fees Fund	8,990,571	Capital Projects
	Non-major fund	<u>2,323,900</u>	Capital Projects
	Subtotal	<u>32,287,675</u>	
Wastewater Fund	Non-major funds	2,047,090	Capital Projects
	Subtotal	<u>2,047,090</u>	
	Total	<u>\$ 41,363,596</u>	

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 5 - Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Adjustment	Balance June 30, 2025
Nondepreciable assets:					
Land	\$ 32,803,234	\$ 50,000	\$ -	\$ -	\$ 32,853,234
Construction in progress	34,228,340	23,886,479	(20,538,728)	-	37,576,091
Total nondepreciable assets	67,031,574	23,936,479	(20,538,728)	-	70,429,325
Depreciable/amortized assets:					
Building and improvements	24,362,883	14,664,462	(208,856)	-	38,818,489
Machinery, furniture, and equipment	12,224,116	811,936	(146,111)	-	12,889,941
Vehicles	6,693,097	794,601	(162,515)	-	7,325,183
Infrastructure	460,774,397	5,966,545	-	-	466,740,942
Intangible right to use assets - building	696,732	-	-	(99,563)	597,169
Intangible right to use assets - equipment	609,072	447,841	-	-	1,056,913
Intangible right to use assets - subscriptions	563,142	765,778	(337,667)	-	991,253
Subtotal	505,923,439	23,451,163	(855,149)	(99,563)	528,419,890
Less accumulated depreciation/amortization:					
Building and improvements	(11,768,494)	(813,859)	208,856	-	(12,373,497)
Machinery, furniture, and equipment	(5,524,429)	(786,082)	143,525	-	(6,166,986)
Vehicles	(3,384,650)	(1,008,788)	162,515	-	(4,230,923)
Infrastructure	(236,776,906)	(5,666,068)	-	-	(242,442,974)
Intangible right to use assets - building	(155,767)	(118,382)	-	22,259	(251,890)
Intangible right to use assets - equipment	(98,175)	(172,919)	-	-	(271,094)
Intangible right to use assets - subscriptions	(312,354)	(256,057)	337,667	-	(230,744)
Subtotal	(258,020,775)	(8,822,155)	852,563	22,259	(265,968,108)
Total depreciable/amortized assets, net	247,902,664	14,629,008	(2,586)	(77,304)	262,451,782
Totals	\$ 314,934,238	\$ 38,565,487	\$ (20,541,314)	\$ (77,304)	\$ 332,881,107

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2025, are as follows:

General government	\$ 513,367
Public safety	1,268,664
Public works	6,079,713
Community development	185,092
Community services	775,319
Total depreciation/amortization expense	\$ 8,822,155

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Adjustments	Balance June 30, 2025
Nondepreciable assets:					
Land and Land improvements	\$ 3,458,322	\$ -	\$ (4,200)	\$ -	\$ 3,454,122
Construction in progress	3,600,035	2,756,200	-	-	6,356,235
Total nondepreciable assets	7,058,357	2,756,200	(4,200)	-	9,810,357
Depreciable/amortized assets:					
Building and improvements	730,835	-	(63,568)	-	667,267
Machinery, furniture, and equipment	44,482,630	376,410	(245,265)	-	44,613,775
Vehicles	9,515,248	5,685,358	(1,765,141)	-	13,435,465
Infrastructure	258,821,935	1,165,714	-	-	259,987,649
Intangible right to use assets - building	-	-	-	99,563	99,563
Intangible right to use assets - equipment	109,094	27,023	-	-	136,117
Intangible right to use assets - subscriptions	337,395	-	(47,516)	-	289,879
Subtotal	313,997,137	7,254,505	(2,121,490)	99,563	319,229,715
Less accumulated depreciation/amortization:					
Building and improvements	(690,574)	(27,767)	67,768	-	(650,573)
Machinery, furniture, and equipment	(29,863,937)	(1,760,658)	245,265	-	(31,379,330)
Vehicles	(5,590,283)	(1,110,335)	1,745,922	-	(4,954,696)
Infrastructure	(92,560,051)	(7,561,358)	-	-	(100,121,409)
Intangible right to use assets - building	-	(19,737)	-	(22,259)	(41,996)
Intangible right to use assets - equipment	(2,046)	(30,694)	-	-	(32,740)
Intangible right to use assets - subscriptions	(160,881)	(76,974)	47,516	-	(190,339)
Subtotal	(128,867,772)	(10,587,523)	2,106,471	(22,259)	(137,371,083)
Total depreciable/amortized assets, net	185,129,365	(3,333,018)	(15,019)	77,304	181,858,632
Totals	\$ 192,187,722	\$ (576,818)	\$ (19,219)	\$ 77,304	\$ 191,668,989

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2025, are as follows:

Sewer	\$ 9,429,702
Transit	1,157,821
Total depreciation/amortization expense	<u>\$ 10,587,523</u>

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due Within One Year	Due in More Than One Year
Governmental Activities:						
City						
Lease Liability	\$ 1,015,051	\$ 447,840	\$ (363,933)	\$ 1,098,958	\$ 316,166	\$ 782,792
Subscription Liability	148,672	765,777	(277,019)	637,430	248,021	389,409
Beaumont Public Financing Authority						
2015 Refunding Revenue Bonds, Series A	9,005,000	-	(250,000)	8,755,000	260,000	8,495,000
2015 Refunding Revenue Bonds, Series B	13,530,000	-	(890,000)	12,640,000	935,000	11,705,000
2015 Refunding Revenue Bonds, Series C	3,355,000	-	(255,000)	3,100,000	260,000	2,840,000
2015 Refunding Revenue Bonds, Series D	4,930,000	-	(375,000)	4,555,000	390,000	4,165,000
2019 Refunding Revenue Bonds, Series A	4,060,000	-	(365,000)	3,695,000	385,000	3,310,000
2020 Revenue Bonds, Series A	15,670,000	-	(545,000)	15,125,000	555,000	14,570,000
2021 Revenue Bonds, Series A	15,895,000	-	(1,355,000)	14,540,000	1,335,000	13,205,000
Bond premium 2019 Revenue Bond, Series A	702,636	-	(78,071)	624,565	78,071	546,494
Total Revenue Bonds	67,147,636	-	(4,113,071)	63,034,565	4,198,071	58,836,494
Total governmental activities	\$ 68,311,359	\$ 1,213,617	\$ (4,754,023)	\$ 64,770,953	\$ 4,762,258	\$ 60,008,695

Lease liabilities

As of June 30, 2025, the City had 5 active leases. The leases have payments that range from \$7,758 to \$142,495 and interest rates that range from 0.6900% to 5.0000%. As of June 30, 2025, the lease liability is \$1,098,958 with the right to use asset of \$1,654,082 with accumulated amortization of \$522,894.

Estimated future lease liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 316,166	\$ 33,598	\$ 349,764
2027	330,450	23,088	353,538
2028	333,906	12,092	345,998
2029	94,407	2,317	96,724
2030	24,029	143	24,172
Totals	\$ 1,098,958	\$ 71,238	\$ 1,170,196

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription liabilities

As of June 30, 2025, the City had 20 active subscriptions. The subscriptions have payments that range from \$3,726 to \$58,611 and interest rates that range from 0.0000% to 3.1790%. As of June 30, 2025, the subscription liability is \$637,430 with a value of the right to use asset of \$991,253 with accumulated amortization of \$230,744.

Estimated future subscription liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 248,021	\$ 14,840	\$ 262,861
2027	229,207	10,493	239,700
2028	83,424	3,965	87,389
2029	62,754	2,185	64,939
2030	14,024	352	14,376
Totals	\$ 637,430	\$ 31,835	\$ 669,265

Revenue Bonds

Local Agency Refunding Revenue Bonds - 2015 Series A

On March 17, 2015, the BFA issued \$11,110,000 of 2015 Local Agency Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2005 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 5.00%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness as of June 30, 2025 was \$8,755,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2025 was \$12,640,000 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%.

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, 2025 was \$3,100,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2025 was \$4,555,000 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, 2025

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, 2025 was \$3,695,000 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, 2025 was \$15,125,000 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, 2025

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, 2025 was \$14,540,000 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.

Annual Debt Service Requirements to Maturity

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 4,120,000	\$ 2,084,450	\$ 6,204,450
2027	4,230,000	1,965,516	6,195,516
2028	4,320,000	1,823,683	6,143,683
2029	4,430,000	1,692,241	6,122,241
2030	4,535,000	1,622,151	6,157,151
2031-2035	23,445,000	5,421,699	28,866,699
2036-2040	9,490,000	2,296,038	11,786,038
2041-2045	7,200,000	718,275	7,918,275
2046-2050	640,000	15,375	655,375
Totals	\$ 62,410,000	\$ 17,639,428	\$ 80,049,428

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due Within One Year	Due in More Than One Year
Business-Type Activities:						
Wastewater Revenue Bonds	\$ 74,785,000	\$ -	\$ (1,495,000)	\$ 73,290,000	\$ 1,570,000	\$ 71,720,000
Bond Premium	6,084,194	-	(546,153)	5,538,041	546,153	4,991,888
Lease Liabilities	109,094	106,511	(47,900)	167,705	51,895	115,810
Subscription Liabilities	21,317	-	(21,317)	-	-	-
Total business-type activities	\$ 80,999,605	\$ 106,511	\$ (2,110,370)	\$ 78,995,746	\$ 2,168,048	\$ 76,827,698

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 6 - Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Lease liabilities

As of June 30, 2025, the City had 3 active leases. The leases have payments that range from \$7,758 to \$142,495 and interest rates that range from 0.6900% to 5.0000%. As of June 30, 2025, the total combined value of the lease liability is \$167,705 with a value of the right to use asset of \$235,680 with accumulated amortization of \$74,736.

Estimated future lease liability requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 51,895	\$ 3,615	\$ 55,510
2027	53,852	2,287	56,139
2028	53,972	910	54,882
2029	5,609	129	5,738
2030	2,377	14	2,391
Totals	\$ 167,705	\$ 6,955	\$ 174,660

Subscription liabilities

As of June 30, 2025, the City had 2 active subscriptions. The subscriptions have payments that range from \$3,726 to \$58,611 and interest rates that range from 0.0000% to 3.1790%. As of June 30, 2025, the subscription liability is \$0 with a value of the right to use asset of \$289,879 with accumulated amortization of \$190,339.

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, 2025

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
2026	\$ 1,570,000	\$ 3,499,088	\$ 5,069,088
2027	1,655,000	3,418,463	5,073,463
2028	1,740,000	3,333,558	5,073,558
2029	1,825,000	3,244,463	5,069,463
2030	1,920,000	3,150,838	5,070,838
2031-2035	11,000,000	14,354,644	25,354,644
2036-2040	13,665,000	11,686,750	25,351,750
2041-2045	17,475,000	7,881,875	25,356,875
2046-2050	22,440,000	2,917,250	25,357,250
Totals	\$ 73,290,000	\$ 53,486,929	\$ 126,776,929

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 7 - Debt Without City Commitment (Continued)

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.

As of June 30, 2025, debt without City or BFA/BPIA commitment is as follows:

	Balance
	June 30, 2025
2015 Special Tax Bonds, Series A	\$ 8,755,000
2015 Special Tax Bonds, Series B	12,640,000
2015 Special Tax Bonds, Series C	3,100,000
2015 Special Tax Bonds, Series D	4,555,000
2019 Refunding Revenue Bonds, Series A	3,695,000
2020 Refunding Revenue Bond, Series A	15,125,000
2021 Refunding Revenue Bond, Series A	14,540,000
Premium	624,565
Subtotal	63,034,565
2017 Special Tax Refunding Bonds, Series A	64,393,033
2018 Special Tax Bonds, Series A	32,405,000
2018 Special Tax Bonds, 1A 7B	1,685,000
2018 Special Tax Bonds, 1A 7D	3,250,000
2018 Special Tax Bonds, 1A 8E	12,075,000
2019 Special Tax Bonds, 1A 2016-1	7,940,000
2019 Revenue Bonds, 1A 2016-2	9,335,000
2019 Revenue Bonds, 1A 2016-4	3,760,000
2020 Revenue Bonds, 1A 8F	12,450,000
2020 Revenue Bonds, CFD 2019-1	2,165,000
2023 Revenue Bonds, CFD 2016-3	8,665,000
2024 Revenue Bonds, CFD	14,240,000
2024 Revenue Bonds, CFD	9,400,000
2025 Revenue Bonds	6,580,000
Total Limited Obligation Bond Debt	\$ 251,377,598

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 8 - Compensated Absences

The City's total liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$4,119,910 as of June 30, 2025.

A. Governmental Activities

Summary of changes in compensated absences for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Net Change	Balance June 30, 2025	Classification	
				Due Within One Year	Due in More Than One Year
Governmental Activities:					
Compensated absences	\$ 3,511,091	\$ 126,880	\$ 3,637,971	\$ 909,493	\$ 2,728,478
Total governmental activities	\$ 3,511,091	\$ 126,880	\$ 3,637,971	\$ 909,493	\$ 2,728,478

B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Net Change	Balance June 30, 2025	Classification	
				Due Within One Year	Due in More Than One Year
Business-Type Activities:					
Compensated absences	\$ 436,542	\$ 45,397	\$ 481,939	\$ 168,679	\$ 313,260
Total business-type activities	\$ 436,542	\$ 45,397	\$ 481,939	\$ 168,679	\$ 313,260

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, 2025.

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.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 9 - Risk Management (Continued)

Workers' Compensation

The City of Beaumont maintains a self-insured workers' compensation plan, whereby the City covers the cost of medical claims its employees incur. The City has stop loss coverage for this plan to cover claims in excess of \$300,000 per participant per year. The City utilizes a third-party administrator to manage claims in accordance with state law.

Government Crime Policy

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

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
2022-2023	\$ 2,290,751	\$ 70,625	\$ (59,520)	\$ 2,301,856
2023-2024	2,301,856	(578,397)	(179,503)	1,543,956
2024-2025	1,543,956	939,224	(302,519)	2,180,661

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	\$ 3,761,153	\$ 1,253,718	\$ 5,014,871
CalPERS Safety	6,081,134	-	6,081,134
Total deferred outflows of resources	<u>\$ 9,842,287</u>	<u>\$ 1,253,718</u>	<u>\$ 11,096,005</u>
Deferred inflows of resources:			
CalPERS Miscellaneous	\$ 55,355	\$ 18,452	\$ 73,807
CalPERS Safety	264,478	-	264,478
Total deferred inflows of resources	<u>\$ 319,833</u>	<u>\$ 18,452</u>	<u>\$ 338,285</u>
Net pension liabilities:			
CalPERS Miscellaneous	\$ 8,408,022	\$ 2,802,675	\$ 11,210,697
CalPERS Safety	15,064,680	-	15,064,680
Total net pension liabilities	<u>\$ 23,472,702</u>	<u>\$ 2,802,675</u>	<u>\$ 26,275,377</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 2,213,161	\$ 737,720	\$ 2,950,881
CalPERS Safety	3,647,600	-	3,647,600
Total net pension expenses	<u>\$ 5,860,761</u>	<u>\$ 737,720</u>	<u>\$ 6,598,481</u>

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 10 - Pension Plans (Continued)

General Information about the Pension Plans

Plan Description

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

Benefit Provided

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

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

The Plan's provisions and benefits in effect on June 30, 2025 are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA
Benefit formula	3.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-67	52-67	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%	3.0%	2.0% to 2.7%
Required employer contribution rate	17.33%	7.87%	27.32%	13.76%

Notes to the Basic Financial Statements
For the year ended June 30, 2025

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 are 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. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance 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, 2025 were \$5,083,144.

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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

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CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
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	Contract COLA up to 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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details to the 2021 experience study 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, 2025

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 2021-22 Asset Liability Management study.

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

There were no subsequent events that would materially affect the results presented in this disclosure.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 10 - Pension Plans (Continued)

Net Pension Liability (Continued)

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.

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)		
	<u>Total</u>	<u>Fiduciary</u>	<u>Net Pension</u>
	<u>Pension Liability</u>	<u>Net Position</u>	<u>Liability</u>
Miscellaneous			
Balance at: 6/30/23 (Valuation date)	\$ 49,834,513	\$ 38,547,510	\$ 11,287,003
Balance at: 6/30/24 (Measurement date)	54,420,834	43,210,137	11,210,697
Net changes during 2023-2024	<u>\$ 4,586,321</u>	<u>\$ 4,662,627</u>	<u>\$ (76,306)</u>
Valuation Date (VD), Measurement Date (MD).			
Safety			
Balance at: 6/30/23 (Valuation date)	\$ 63,546,139	\$ 48,178,097	\$ 15,368,042
Balance at: 6/30/24 (Measurement date)	69,144,044	54,079,364	15,064,680
Net changes during 2023-2024	<u>\$ 5,597,905</u>	<u>\$ 5,901,267</u>	<u>\$ (303,362)</u>
Valuation Date (VD), Measurement Date (MD).			

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2025**

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability (Continued)

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, 2023 and 2024 measurement dates was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.22572%	0.20559%	0.21366%
Proportion - June 30, 2024	0.23179%	0.20662%	0.21666%
Change - Increase (Decrease)	0.00607%	0.00103%	0.00300%

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	\$ 18,554,265	\$ 11,210,697	\$ 5,165,858
Safety	24,509,690	15,064,680	7,339,990
Total	\$ 43,063,955	\$ 26,275,377	\$ 12,505,848

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 10 - Pension Plans (Continued)

Proportionate Share of Net Pension Liability (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

As of the start of the measurement period (July 1, 2023), the City's net pension liabilities were \$11,287,003 and \$15,368,042 for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2024 (the measurement date), the City incurred a pension expense of \$2,950,881 and \$3,647,600 for the Miscellaneous and Safety Plans, respectively.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2025**

Note 10 - Pension Plans (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

As of June 30, 2025, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,361,882	\$ -
Difference between projected and actual earning on pension plan investments	645,388	-
Change in Employer's Proportion	364,187	-
Changes in assumptions	288,138	-
Difference between actual and expected experience	969,267	37,820
Difference between employer's actual contributions and proportionate share of contributions	386,009	35,987
Totals	\$ 5,014,871	\$ 73,807
Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,721,262	\$ -
Difference between projected and actual earning on pension plan investments	728,158	-
Change in Employer's Proportion	467,330	-
Changes in assumptions	371,163	-
Difference between actual and expected experience	1,229,412	39,973
Difference between employer's actual contributions and proportionate share of contributions	563,809	224,505
Totals	\$ 6,081,134	\$ 264,478

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$2,361,882 and \$2,721,262, 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.

CITY OF BEAUMONT

**Notes to the Basic Financial Statements
For the year ended June 30, 2025**

Note 10 - Pension Plans (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended June 30,	Miscellaneous Plans	Safety Plans	Total
2026	\$ 982,627	\$ 1,252,590	\$ 2,235,217
2027	1,697,294	1,965,567	3,662,861
2028	120,426	126,381	246,807
2029	(221,165)	(249,144)	(470,309)
2030	-	-	-
Thereafter	-	-	-
Totals	\$ 2,579,182	\$ 3,095,394	\$ 5,674,576

Payable to the Pension Plan

The City had \$136,257 in outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2025.

Note 11 - Other Required Disclosures

A. Deficit Fund Balances

As of June 30, 2025, there were no funds with deficit fund balances.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following functions for the following:

Fund	Function	Excess Expenditures
General Fund	General government: city clerk	\$ (30,764)
	General government: information technology	(81,253)
	Capital outlay	(145,918)
	Debt service: principal	(633,247)
	Debt service: interest	(30,447)

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

Note 11 - Other Required Disclosures

B. Expenditures Exceeding Appropriations (Continued)

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

Note 12 - Equity Classification

A. Fund Balances

	Major Funds						
	General Fund	Development Impact Fees (DIF) Special Revenue Fund	Community Facilities District (CFD) Capital Projects Fund	General Capital Projects Fund	Beaumont Financing Authority Debt Service Fund	Other Governmental Funds	Total
Nonspendable:							
Prepaid expenditures	\$ 422,889	\$ -	\$ -	\$ -	\$ 236,456	\$ -	\$ 659,345
Total nonspendable	<u>422,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,456</u>	<u>-</u>	<u>659,345</u>
Restricted							
State Gas Tax	-	-	-	-	-	552,573	552,573
RMRA	-	-	-	-	-	3,475,975	3,475,975
Measure A	-	-	-	-	-	2,727,646	2,727,646
AB 2766	-	-	-	-	-	241,099	241,099
PEG Fees	-	-	-	-	-	45,748	45,748
Other Federal Grants	-	-	-	-	-	511,578	511,578
COPS Grant	-	-	-	-	-	445,519	445,519
State Asset Forfeiture	-	-	-	-	-	110,626	110,626
Federal Asset Forfeiture	-	-	-	-	-	125,825	125,825
Other Special Projects	-	-	-	-	-	600,474	600,474
Capital Projects	-	27,234,300	5,270,302	-	-	-	32,504,602
Debt Service	-	-	-	-	67,138,386	-	67,138,386
Community Facilities Districts	-	-	-	-	-	3,334,577	3,334,577
Investment in Section 115 Trust	4,372,256	-	-	-	-	-	4,372,256
Total restricted	<u>4,372,256</u>	<u>27,234,300</u>	<u>5,270,302</u>	<u>-</u>	<u>67,138,386</u>	<u>12,171,640</u>	<u>116,186,884</u>
Committed:							
Capital Projects	800,000	-	-	66,928,378	-	-	67,728,378
Self Insurance	6,304,943	-	-	-	-	-	6,304,943
MOU Revenue Bonds	582,382	-	-	-	-	-	582,382
Total Committed	<u>7,687,325</u>	<u>-</u>	<u>-</u>	<u>66,928,378</u>	<u>-</u>	<u>-</u>	<u>74,615,703</u>
Assigned:							
Re-appropriation	569,092	-	-	-	-	-	569,092
Total Assigned	<u>569,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,092</u>
Unassigned	<u>40,574,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,574,654</u>
Total Fund Balances	<u>\$ 53,626,216</u>	<u>\$ 27,234,300</u>	<u>\$ 5,270,302</u>	<u>\$ 66,928,378</u>	<u>\$ 67,374,842</u>	<u>\$ 12,171,640</u>	<u>\$ 232,605,678</u>

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025, was determined as follows:

	Governmental Activities
Capital assets, net of accumulated depreciation	\$ 332,881,107
Less capital related debt balance:	
Outstanding principal balance of lease liability	(1,098,958)
Outstanding principal balance of subscription liability	(637,430)
Outstanding principal balance of Beaumont Public Financing Authority debt	(63,034,565)
Less retainage payable related to capital assets	(529,176)
Plus capital related unspent proceeds	4,103,821
Net investment in capital assets	\$ 271,684,799

Business-type Activities

	Business-type Activities		Total Enterprise Funds
	Sewer Fund	Transit Fund	
Capital assets, net of accumulated depreciation	\$ 182,040,831	\$ 9,628,158	\$ 191,668,989
Less capital related debt balance:			
Capital related borrowings	(73,290,000)	-	(73,290,000)
Outstanding unamortized bond premium balance	(5,538,041)	-	(5,538,041)
Outstanding balance of lease liability	(157,024)	(10,681)	(167,705)
Less retainage payable related to capital assets	(100,408)	-	(100,408)
Net investment in capital assets	\$ 102,955,358	\$ 9,617,477	\$ 112,572,835

Note 13 - Commitments and Contingencies

A. Litigation

The City is a defendant in a number of lawsuits and a recipient of various claims that have arisen in the normal course of business. Subsequent to June 30, 2025, the City settled one such claim on November 13, 2025, resulting in a payment of \$950,000.

CITY OF BEAUMONT

Notes to the Basic Financial Statements For the year ended June 30, 2025

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, 2025 with a planned cost to complete of approximately \$177,677,294.

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, 2025

Note 13 - Commitments and Contingencies (Continued)

D. WRCOG Restated Settlement Agreement (Continued)

The City also agreed to assign Third Party Claims to WRCOG to diligently pursue civil lawsuits and through requests/applications for restitution in the criminal actions pending against Third Parties. Recovery related to Third Party Claims would be shared on the following schedule:

<u>Recovery Amount</u>	<u>WRCOG</u>	<u>City**</u>
First \$9,000,000	100%	0%
\$9,000,001 - \$12,000,000	85%	15%
\$12,000,001 - \$18,000,000	65%	35%
\$18,000,001 and above	50%	50%

**City guarantees \$7,000,000 recovery to WRCOG and will pay 50% of the legal fees not to exceed \$1,000,000

The settlement agreement stipulates that if Third Party Claims have not produced recoveries of at least \$8,000,000 by July 2, 2022, the City will begin making payments to WRCOG in 20 equal annual installments beginning August 1, 2022. Any subsequent recoveries would adjust the annual installments as necessary. As of June 30, 2025, 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.

Note 14 - Reclassification of Prior-year amounts

Certain amounts in the prior year's government-wide Statement of Activities have been reclassified to conform to the current-year presentation. Specifically, \$1,940,086 previously reported as Operating Grants and Contributions has been reclassified to Capital Grants and Contributions to better reflect the nature of the underlying revenues.

These reclassifications had no effect on total revenues, the change in net position, or beginning net position.

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Required Supplementary Information (Unaudited)

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CITY OF BEAUMONT

Budgetary Information For the Year Ended June 30, 2025

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 Council. 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.

CITY OF BEAUMONT

Required Supplementary Information Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 38,796,804	\$ 39,756,919	\$ 47,070,984	\$ 7,314,065
Franchise fees	3,421,662	3,421,662	3,358,769	(62,893)
Intergovernmental	8,195,586	8,195,586	9,014,653	819,067
License and permits	3,801,037	4,051,037	3,477,439	(573,598)
Fines and forfeitures	174,194	174,194	330,046	155,852
Assessments levied	710,681	710,681	896,446	185,765
Use of money and property	1,575,134	1,735,134	4,031,830	2,296,696
Charges for services	1,344,312	1,344,312	1,614,849	270,537
Other revenues	2,834,469	2,834,469	2,998,469	164,000
Total revenues	60,853,879	62,223,994	72,793,485	10,569,491
EXPENDITURES				
Current:				
General government				
City council	258,132	358,132	351,722	6,410
City clerk	735,687	736,213	766,977	(30,764)
Administration services	1,415,425	1,446,925	1,333,315	113,610
Finance and budget	1,947,981	2,930,837	2,895,044	35,793
Information Technology	1,927,193	1,927,193	2,008,446	(81,253)
HR / Risk Management	3,780,143	3,780,143	3,531,773	248,370
Legal	1,500,000	1,500,000	1,134,920	365,080
Communications	583,904	603,904	494,726	109,178
Nondepartmental	608,102	1,380,741	785,819	594,922
Public safety				
Animal control	368,025	372,247	313,763	58,484
Police department	17,309,612	17,391,191	16,812,249	578,942
K-9 Unit	17,463	27,327	24,666	2,661
Police support	3,306,054	3,310,412	2,872,267	438,145
Fire	9,271,237	9,271,237	7,063,439	2,207,798
Public works				
Public works	2,820,992	2,916,507	2,420,803	495,704
Street maintenance	2,922,935	3,017,744	2,718,777	298,967
Community development				
Planning and community development	964,171	999,478	764,998	234,480
Community enhancement	385,343	425,068	343,416	81,652
Building and safety	1,430,099	1,699,509	1,310,056	389,453
Community development	928,647	2,005,145	630,633	1,374,512
Community services				
Parks and recreation	2,122,288	2,134,756	1,761,412	373,344
Building maintenance	1,403,328	1,403,328	1,276,863	126,465
Parks and ground maintenance	4,517,654	4,562,654	4,269,778	292,876
Capital outlay	275,000	365,147	511,065	(145,918)
Debt service:				
Principal	7,705	7,705	640,952	(633,247)
Interest	53	53	30,500	(30,447)
Total expenditures	60,807,173	64,573,596	57,068,379	7,505,217
REVENUES OVER (UNDER)				
EXPENDITURES	46,706	(2,349,602)	15,725,106	18,074,708
OTHER FINANCING SOURCES (USES)				
Lease acquisition	-	-	447,840	447,840
Subscription acquisition	-	-	765,777	765,777
Proceeds from sale of capital assets	-	-	105	105
Transfers in	7,263,776	7,341,076	7,028,831	(312,245)
Transfers (out)	(5,927,743)	(18,412,743)	(18,389,656)	23,087
Total other financing sources	1,336,033	(11,071,667)	(10,147,103)	924,564
Net change in fund balance	\$ 1,382,739	\$ (13,421,269)	5,578,003	\$ 18,999,272
FUND BALANCE				
Beginning of year			48,048,213	
End of year			<u>\$ 53,626,216</u>	

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CITY OF BEAUMONT

**Required Supplementary Information
Budgetary Comparison Schedule
Development Impact Fees (DIF) Special Revenue Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
License and permits	\$ 5,191,154	\$ 5,191,154	\$ 6,219,813	\$ 1,028,659
Use of money and property	182,234	182,234	1,698,621	1,516,387
Total revenues	<u>5,373,388</u>	<u>5,373,388</u>	<u>7,918,434</u>	<u>2,545,046</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>5,373,388</u>	<u>5,373,388</u>	<u>7,918,434</u>	<u>2,545,046</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(2,352,651)</u>	<u>(31,550,210)</u>	<u>(8,990,571)</u>	<u>22,559,639</u>
Total other financing (uses)	<u>(2,352,651)</u>	<u>(31,550,210)</u>	<u>(8,990,571)</u>	<u>22,559,639</u>
Net change in fund balance	<u>\$ 3,020,737</u>	<u>\$ (26,176,822)</u>	<u>(1,072,137)</u>	<u>\$ 25,104,685</u>
FUND BALANCE				
Beginning of year			28,306,437	
End of year			<u>\$ 27,234,300</u>	

CITY OF BEAUMONT

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability and Related Ratios Last Ten Years

Miscellaneous Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Miscellaneous Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.12477%	\$ 3,423,018	\$ 5,411,229	63.26%	77.28%
6/30/2016	0.16750%	5,818,570	4,722,459	123.21%	73.03%
6/30/2017	0.17352%	6,840,289	4,864,133	140.63%	71.64%
6/30/2018	0.17792%	6,705,339	5,052,100	132.72%	72.71%
6/30/2019	0.18574%	7,438,139	5,203,663	142.94%	70.85%
6/30/2020	0.19475%	8,214,777	5,145,199	159.66%	69.88%
6/30/2021	0.20727%	3,935,827	8,181,668	48.11%	90.49%
6/30/2022	0.21542%	10,080,434	8,512,450	118.42%	78.19%
6/30/2023	0.22572%	11,287,003	10,099,832	111.75%	77.97%
6/30/2024	0.23179%	11,210,697	11,642,973	96.29%	79.91%

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

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (Continued) Last Ten Years

Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Safety Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.17862%	\$ 7,359,819	\$ 4,134,515	178.01%	74.99%
6/30/2016	0.17381%	9,002,206	3,613,896	249.10%	70.87%
6/30/2017	0.17034%	10,177,973	3,722,313	273.43%	70.93%
6/30/2018	0.17176%	10,078,078	3,862,606	260.91%	72.39%
6/30/2019	0.17251%	10,769,243	3,978,484	270.69%	73.25%
6/30/2020	0.17600%	11,725,412	3,676,631	318.92%	72.59%
6/30/2021	0.16273%	5,710,864	4,334,892	131.74%	86.61%
6/30/2022	0.20172%	13,861,509	5,303,955	261.34%	75.52%
6/30/2023	0.20594%	15,368,042	6,360,725	241.61%	74.87%
6/30/2024	0.20662%	15,064,680	6,886,421	218.76%	76.66%

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

Required Supplementary Information Schedule of Pension Plan Contributions Last Ten Years

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
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%
2023-24	1,961,630	(1,961,630)	-	11,642,973	16.85%
2024-25	2,361,882	(2,361,882)	-	11,522,470	20.50%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

CITY OF BEAUMONT

Required Supplementary Information Schedule of Pension Plan Contributions (Continued) Last Ten Years

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
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%
2023-24	2,510,413	(2,510,413)	-	6,886,421	36.45%
2024-25	2,721,262	(2,721,262)	-	6,576,782	41.38%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

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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, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Assessments levied	\$ -	\$ -	\$ 669,994	\$ 669,994
Use of money and property	2,127	2,127	475,152	473,025
Total revenues	<u>2,127</u>	<u>2,127</u>	<u>1,145,146</u>	<u>1,143,019</u>
EXPENDITURES				
Current:				
Public works	-	-	214,799	(214,799)
Community development	-	-	5,693,298	(5,693,298)
Total expenditures	<u>-</u>	<u>-</u>	<u>5,908,097</u>	<u>(5,908,097)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,127</u>	<u>2,127</u>	<u>(4,762,951)</u>	<u>(4,765,078)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(75,000)	(8,394,734)	(2,583,548)	5,811,186
Total other financing (uses)	<u>(75,000)</u>	<u>(8,394,734)</u>	<u>(2,583,548)</u>	<u>5,811,186</u>
Net change in fund balance	<u>\$ (72,873)</u>	<u>\$ (8,392,607)</u>	<u>(7,346,499)</u>	<u>\$ 1,046,108</u>
FUND BALANCE				
Beginning of year			12,616,801	
End of year			<u>\$ 5,270,302</u>	

CITY OF BEAUMONT

**Major Governmental Fund Budgetary Comparison Schedule
General Capital Projects - Capital Projects Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 7,000,000	\$ 68,295,367	\$ 732,866	\$ (67,562,501)
Use of money and property	-	-	2,275,394	2,275,394
Other revenues	-	-	5,000,000	5,000,000
Total revenues	<u>7,000,000</u>	<u>68,295,367</u>	<u>8,008,260</u>	<u>(60,287,107)</u>
EXPENDITURES				
Capital outlay	19,744,560	182,180,230	24,425,124	157,755,106
Total expenditures	<u>19,744,560</u>	<u>182,180,230</u>	<u>24,425,124</u>	<u>157,755,106</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(12,744,560)</u>	<u>(113,884,863)</u>	<u>(16,416,864)</u>	<u>97,467,999</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,744,560	75,408,468	32,287,675	(43,120,793)
Total other financing (uses)	<u>12,744,560</u>	<u>75,408,468</u>	<u>32,287,675</u>	<u>(43,120,793)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (38,476,395)</u>	<u>15,870,811</u>	<u>\$ 54,347,206</u>
FUND BALANCE				
Beginning of year			51,057,567	
End of year			<u>\$ 66,928,378</u>	

CITY OF BEAUMONT

Major Governmental Fund Budgetary Comparison Schedule Beaumont Financing Authority – Debt Service Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 6,233,585	\$ 6,233,585	\$ 2,286,319	\$ (3,947,266)
Other revenues	-	-	300,000	300,000
Total revenues	<u>6,233,585</u>	<u>6,233,585</u>	<u>2,586,319</u>	<u>(3,647,266)</u>
EXPENDITURES				
Debt service:				
Principal	4,035,000	4,035,000	4,035,000	-
Interest, fiscal, and other charges	2,198,585	2,215,474	2,215,474	-
Total expenditures	<u>6,233,585</u>	<u>6,250,474</u>	<u>6,250,474</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (16,889)</u>	<u>(3,664,155)</u>	<u>\$ (3,647,266)</u>
FUND BALANCE				
Beginning of year			71,038,997	
End of year			<u>\$ 67,374,842</u>	

**Non-Major Governmental Funds
Combining Schedules**

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CITY OF BEAUMONT

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
ASSETS				
Cash and investments	\$ 414,693	\$ 3,344,658	\$ 2,564,012	\$ 241,099
Receivables:				
Accounts, net	-	-	-	-
Due from other governments	137,880	131,317	163,634	-
Total assets	<u>\$ 552,573</u>	<u>\$ 3,475,975</u>	<u>\$ 2,727,646</u>	<u>\$ 241,099</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	552,573	3,475,975	2,727,646	241,099
Total fund balances	<u>552,573</u>	<u>3,475,975</u>	<u>2,727,646</u>	<u>241,099</u>
Total liabilities and fund balances	<u>\$ 552,573</u>	<u>\$ 3,475,975</u>	<u>\$ 2,727,646</u>	<u>\$ 241,099</u>

CITY OF BEAUMONT

Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
ASSETS				
Cash and investments	\$ 43,541	\$ 2,194,258	\$ 447,100	\$ 144,749
Receivables:				
Accounts, net	2,207	-	-	-
Due from other governments	-	82,577	16,667	-
Total assets	<u>\$ 45,748</u>	<u>\$ 2,276,835</u>	<u>\$ 463,767</u>	<u>\$ 144,749</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,581	\$ -
Deposits payable	-	-	-	-
Unearned revenue	-	1,765,257	16,667	34,123
Total liabilities	<u>-</u>	<u>1,765,257</u>	<u>18,248</u>	<u>34,123</u>
Fund Balances:				
Restricted	45,748	511,578	445,519	110,626
Total fund balances	<u>45,748</u>	<u>511,578</u>	<u>445,519</u>	<u>110,626</u>
Total liabilities and fund balances	<u>\$ 45,748</u>	<u>\$ 2,276,835</u>	<u>\$ 463,767</u>	<u>\$ 144,749</u>

CITY OF BEAUMONT

Combining Balance Sheet (Concluded) Non-Major Governmental Funds June 30, 2025

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
ASSETS				
Cash and investments	\$ 122,581	\$ 656,968	\$ 3,418,454	\$ 13,592,113
Receivables:				
Accounts, net	-	-	-	2,207
Due from other governments	3,244	-	78,336	613,655
Total assets	<u>\$ 125,825</u>	<u>\$ 656,968</u>	<u>\$ 3,496,790</u>	<u>\$ 14,207,975</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 34,388	\$ 35,969
Deposits payable	-	-	127,825	127,825
Unearned revenue	-	56,494	-	1,872,541
Total liabilities	<u>-</u>	<u>56,494</u>	<u>162,213</u>	<u>2,036,335</u>
Fund Balances:				
Restricted	125,825	600,474	3,334,577	12,171,640
Total fund balances	<u>125,825</u>	<u>600,474</u>	<u>3,334,577</u>	<u>12,171,640</u>
Total liabilities and fund balances	<u>\$ 125,825</u>	<u>\$ 656,968</u>	<u>\$ 3,496,790</u>	<u>\$ 14,207,975</u>

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CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 944,484	\$ -
Intergovernmental	1,619,226	1,558,752	-	76,509
License and permits	-	-	-	-
Use of money and property	38,498	106,080	99,301	9,494
Other revenues	-	-	-	-
Total revenues	<u>1,657,724</u>	<u>1,664,832</u>	<u>1,043,785</u>	<u>86,003</u>
EXPENDITURES				
Current:				
General government	26	50	-	-
Public safety	-	-	-	93,275
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	463	-	-	-
Total expenditures	<u>489</u>	<u>50</u>	<u>-</u>	<u>93,275</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,657,235</u>	<u>1,664,782</u>	<u>1,043,785</u>	<u>(7,272)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,244,693)	(900,840)	(626,781)	-
Total other financing sources (uses)	<u>(1,244,693)</u>	<u>(900,840)</u>	<u>(626,781)</u>	<u>-</u>
Net changes in fund balances	412,542	763,942	417,004	(7,272)
FUND BALANCES				
Beginning of year	<u>140,031</u>	<u>2,712,033</u>	<u>2,310,642</u>	<u>248,371</u>
End of year	<u>\$ 552,573</u>	<u>\$ 3,475,975</u>	<u>\$ 2,727,646</u>	<u>\$ 241,099</u>

CITY OF BEAUMONT

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)**

**Non-Major Governmental Funds
For the Year Ended June 30, 2025**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,549,025	211,330	18,358
License and permits	9,908	-	-	-
Use of money and property	1,800	129,288	22,616	7,714
Other revenues	-	138,566	-	-
Total revenues	<u>11,708</u>	<u>2,816,879</u>	<u>233,946</u>	<u>26,072</u>
EXPENDITURES				
Current:				
General government	8,635	-	-	-
Public safety	-	-	301,697	2,420
Community development	-	108,273	101	-
Community services	-	-	79	-
Capital outlay	-	-	-	216,380
Total expenditures	<u>8,635</u>	<u>108,273</u>	<u>301,877</u>	<u>218,800</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,073</u>	<u>2,708,606</u>	<u>(67,931)</u>	<u>(192,728)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(2,288,577)	(16,654)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,288,577)</u>	<u>(16,654)</u>	<u>-</u>
Net changes in fund balances	<u>3,073</u>	<u>420,029</u>	<u>(84,585)</u>	<u>(192,728)</u>
FUND BALANCES				
Beginning of year	<u>42,675</u>	<u>91,549</u>	<u>530,104</u>	<u>303,354</u>
End of year	<u>\$ 45,748</u>	<u>\$ 511,578</u>	<u>\$ 445,519</u>	<u>\$ 110,626</u>

CITY OF BEAUMONT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Concluded) Non-Major Governmental Funds For the Year Ended June 30, 2025

	Special Revenue Funds			Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	Community Facilities District (CFD)	
REVENUES				
Taxes	\$ -	\$ -	\$ 8,281,064	\$ 9,225,548
Intergovernmental	19,977	38,309	-	6,091,486
License and permits	-	3,901	-	13,809
Use of money and property	5,142	26,941	133,690	580,564
Other revenues	-	143,821	-	282,387
Total revenues	<u>25,119</u>	<u>212,972</u>	<u>8,414,754</u>	<u>16,193,794</u>
EXPENDITURES				
Current:				
General government	-	-	-	8,711
Public safety	-	103,796	-	501,188
Community development	-	14,038	953,561	1,075,973
Community services	-	-	-	79
Capital outlay	-	-	-	216,843
Total expenditures	<u>-</u>	<u>117,834</u>	<u>953,561</u>	<u>1,802,794</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>25,119</u>	<u>95,138</u>	<u>7,461,193</u>	<u>14,391,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(17,463)	(6,304,813)	(11,399,821)
Total other financing sources (uses)	<u>-</u>	<u>(17,463)</u>	<u>(6,304,813)</u>	<u>(11,399,821)</u>
Net changes in fund balances	25,119	77,675	1,156,380	2,991,179
FUND BALANCES				
Beginning of year	100,706	522,799	2,178,197	9,180,461
End of year	<u>\$ 125,825</u>	<u>\$ 600,474</u>	<u>\$ 3,334,577</u>	<u>\$ 12,171,640</u>

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**Non-Major Governmental
Budgetary Comparison Schedules**

CITY OF BEAUMONT

**Budgetary Comparison Schedule
State Gas Tax Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 1,565,135	\$ 1,565,135	\$ 1,619,226	\$ 54,091
Use of money and property	-	-	38,498	38,498
Total revenues	<u>1,565,135</u>	<u>1,565,135</u>	<u>1,657,724</u>	<u>92,589</u>
EXPENDITURES				
Current:				
General government	-	-	26	(26)
Capital outlay	-	-	463	(463)
Total expenditures	<u>-</u>	<u>-</u>	<u>489</u>	<u>(489)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>1,565,135</u>	<u>1,565,135</u>	<u>1,657,235</u>	<u>92,100</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(1,565,135)</u>	<u>(1,565,135)</u>	<u>(1,244,693)</u>	<u>320,442</u>
Total other financing (uses)	<u>(1,565,135)</u>	<u>(1,565,135)</u>	<u>(1,244,693)</u>	<u>320,442</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>412,542</u>	<u>\$ 412,542</u>
FUND BALANCE				
Beginning of year			140,031	
End of year			<u>\$ 552,573</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Road Maintenance and Rehabilitation Act Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 1,448,271	\$ 1,448,271	\$ 1,558,752	\$ 110,481
Use of money and property	1,148	1,148	106,080	104,932
Total revenues	<u>1,449,419</u>	<u>1,449,419</u>	<u>1,664,832</u>	<u>215,413</u>
EXPENDITURES				
Current:				
General government	-	-	50	(50)
Total expenditures	<u>-</u>	<u>-</u>	<u>50</u>	<u>(50)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,449,419</u>	<u>1,449,419</u>	<u>1,664,782</u>	<u>215,363</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(1,448,271)</u>	<u>(2,349,111)</u>	<u>(900,840)</u>	<u>1,448,271</u>
Total other financing (uses)	<u>(1,448,271)</u>	<u>(2,349,111)</u>	<u>(900,840)</u>	<u>1,448,271</u>
Net change in fund balance	<u>\$ 1,148</u>	<u>\$ (899,692)</u>	<u>763,942</u>	<u>\$ 1,663,634</u>
FUND BALANCE				
Beginning of year			2,712,033	
End of year			<u>\$ 3,475,975</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Measure A Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 918,000	\$ 918,000	\$ 944,484	\$ 26,484
Use of money and property	5,257	5,257	99,301	94,044
Total revenues	<u>923,257</u>	<u>923,257</u>	<u>1,043,785</u>	<u>120,528</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>923,257</u>	<u>923,257</u>	<u>1,043,785</u>	<u>120,528</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(918,000)</u>	<u>(1,534,800)</u>	<u>(626,781)</u>	<u>908,019</u>
Total other financing (uses)	<u>(918,000)</u>	<u>(1,534,800)</u>	<u>(626,781)</u>	<u>908,019</u>
Net change in fund balance	<u>\$ 5,257</u>	<u>\$ (611,543)</u>	<u>417,004</u>	<u>\$ 1,028,547</u>
FUND BALANCE				
Beginning of year			<u>2,310,642</u>	
End of year			<u>\$ 2,727,646</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
AB 2766 Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 68,511	\$ 68,511	\$ 76,509	\$ 7,998
Use of money and property	2,920	2,920	9,494	6,574
Total revenues	<u>71,431</u>	<u>71,431</u>	<u>86,003</u>	<u>14,572</u>
EXPENDITURES				
Current:				
Public safety	215,500	215,500	93,275	122,225
Total expenditures	<u>215,500</u>	<u>215,500</u>	<u>93,275</u>	<u>122,225</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(144,069)</u>	<u>(144,069)</u>	<u>(7,272)</u>	<u>136,797</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(50,000)	-	50,000
Total other financing (uses)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	<u>\$ (144,069)</u>	<u>\$ (194,069)</u>	<u>(7,272)</u>	<u>\$ 186,797</u>
FUND BALANCE				
Beginning of year			248,371	
End of year			<u>\$ 241,099</u>	

CITY OF BEAUMONT

Budgetary Comparison Schedule PEG Fees Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
License and permits	\$ 12,010	\$ 12,010	\$ 9,908	\$ (2,102)
Use of money and property	357	357	1,800	1,443
Total revenues	<u>12,367</u>	<u>12,367</u>	<u>11,708</u>	<u>(659)</u>
EXPENDITURES				
Current:				
General government	-	23,934	8,635	15,299
Total expenditures	<u>-</u>	<u>23,934</u>	<u>8,635</u>	<u>15,299</u>
Net change in fund balance	<u>\$ 12,367</u>	<u>\$ (11,567)</u>	<u>3,073</u>	<u>\$ 14,640</u>
FUND BALANCE				
Beginning of year			42,675	
End of year			<u>\$ 45,748</u>	

CITY OF BEAUMONT

Budgetary Comparison Schedule Other Federal Grants Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 6,122,275	\$ 2,549,025	\$ (3,573,250)
Use of money and property	51,590	51,590	129,288	77,698
Other revenues	16,700	183,700	138,566	(45,134)
Total revenues	<u>68,290</u>	<u>6,357,565</u>	<u>2,816,879</u>	<u>(3,540,686)</u>
EXPENDITURES				
Current:				
Community development	-	99,975	108,273	(8,298)
Total expenditures	<u>-</u>	<u>99,975</u>	<u>108,273</u>	<u>(8,298)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>68,290</u>	<u>6,257,590</u>	<u>2,708,606</u>	<u>(3,548,984)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(146,700)</u>	<u>(10,488,116)</u>	<u>(2,288,577)</u>	<u>8,199,539</u>
Total other financing (uses)	<u>(146,700)</u>	<u>(10,488,116)</u>	<u>(2,288,577)</u>	<u>8,199,539</u>
Net change in fund balance	<u>\$ (78,410)</u>	<u>\$ (4,230,526)</u>	<u>420,029</u>	<u>\$ 4,650,555</u>
FUND BALANCE				
Beginning of year			<u>91,549</u>	
End of year			<u>\$ 511,578</u>	

CITY OF BEAUMONT

Budgetary Comparison Schedule COPS Grant Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 211,330	\$ 111,330
Use of money and property	5,237	5,237	22,616	17,379
Total revenues	<u>105,237</u>	<u>105,237</u>	<u>233,946</u>	<u>128,709</u>
EXPENDITURES				
Current:				
Public safety	243,467	243,467	301,697	(58,230)
Community development	28,652	28,652	101	28,551
Community services	-	-	79	(79)
Total expenditures	<u>272,119</u>	<u>272,119</u>	<u>301,877</u>	<u>(29,758)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(166,882)</u>	<u>(166,882)</u>	<u>(67,931)</u>	<u>98,951</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(71,348)</u>	<u>(71,348)</u>	<u>(16,654)</u>	<u>54,694</u>
Total other financing (uses)	<u>(71,348)</u>	<u>(71,348)</u>	<u>(16,654)</u>	<u>54,694</u>
Net change in fund balance	<u>\$ (238,230)</u>	<u>\$ (238,230)</u>	<u>(84,585)</u>	<u>\$ 153,645</u>
FUND BALANCE				
Beginning of year			530,104	
End of year			<u>\$ 445,519</u>	

CITY OF BEAUMONT**Budgetary Comparison Schedule
State Asset Seizure Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 18,358	\$ 18,358
Use of money and property	2,944	2,944	7,714	4,770
Total revenues	<u>2,944</u>	<u>2,944</u>	<u>26,072</u>	<u>23,128</u>
EXPENDITURES				
Current:				
Public safety	10,000	10,000	2,420	7,580
Capital outlay	276,462	276,462	216,380	60,082
Total expenditures	<u>286,462</u>	<u>286,462</u>	<u>218,800</u>	<u>67,662</u>
Net change in fund balance	<u>\$ (283,518)</u>	<u>\$ (283,518)</u>	(192,728)	<u>\$ 90,790</u>
FUND BALANCE				
Beginning of year			303,354	
End of year			<u>\$ 110,626</u>	

CITY OF BEAUMONT

**Budgetary Comparison Schedule
Federal Asset Seizure Fund
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 19,977	\$ 19,977
Use of money and property	597	597	5,142	4,545
Total revenues	<u>597</u>	<u>597</u>	<u>25,119</u>	<u>24,522</u>
 Net change in fund balance	 <u>\$ 597</u>	 <u>\$ 597</u>	 25,119	 <u>\$ 24,522</u>
 FUND BALANCE				
Beginning of year			100,706	
End of year			<u>\$ 125,825</u>	

CITY OF BEAUMONT

Budgetary Comparison Schedule Other Special Revenue Fund For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 24,497	\$ 24,497	\$ 38,309	\$ 13,812
License and permits	-	-	3,901	3,901
Use of money and property	4,092	4,092	26,941	22,849
Other revenues	47,167	47,167	143,821	96,654
Total revenues	<u>75,756</u>	<u>75,756</u>	<u>212,972</u>	<u>137,216</u>
EXPENDITURES				
Current:				
Public safety	16,500	188,574	103,796	84,778
Community development	51,108	51,108	14,038	37,070
Total expenditures	<u>67,608</u>	<u>239,682</u>	<u>117,834</u>	<u>121,848</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>8,148</u>	<u>(163,926)</u>	<u>95,138</u>	<u>259,064</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(17,463)</u>	<u>(17,463)</u>	<u>(17,463)</u>	<u>-</u>
Total other financing (uses)	<u>(17,463)</u>	<u>(17,463)</u>	<u>(17,463)</u>	<u>-</u>
Net change in fund balance	<u>\$ (9,315)</u>	<u>\$ (181,389)</u>	<u>77,675</u>	<u>\$ 259,064</u>
FUND BALANCE				
Beginning of year			522,799	
End of year			<u>\$ 600,474</u>	

CITY OF BEAUMONT

Budgetary Comparison Schedule Community Facilities Districts (CFD) For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ 8,281,064	\$ 8,281,064
Assessments levied	7,752,345	7,752,345	-	(7,752,345)
Use of money and property	15,661	15,661	133,690	118,029
Total revenues	<u>7,768,006</u>	<u>7,768,006</u>	<u>8,414,754</u>	<u>646,748</u>
EXPENDITURES				
Current:				
Community development	280,006	332,481	953,561	(621,080)
Total expenditures	<u>280,006</u>	<u>332,481</u>	<u>953,561</u>	<u>(621,080)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>7,488,000</u>	<u>7,435,525</u>	<u>7,461,193</u>	<u>25,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(7,486,025)</u>	<u>(8,315,884)</u>	<u>(6,304,813)</u>	<u>2,011,071</u>
Total other financing (uses)	<u>(7,486,025)</u>	<u>(8,315,884)</u>	<u>(6,304,813)</u>	<u>2,011,071</u>
Net change in fund balance	<u>\$ 1,975</u>	<u>\$ (880,359)</u>	<u>1,156,380</u>	<u>\$ 2,036,739</u>
FUND BALANCE				
Beginning of year			<u>2,178,197</u>	
End of year			<u>\$ 3,334,577</u>	

Fiduciary Funds

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CITY OF BEAUMONT

Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2025

	Community Facilities District Collection	Evidence Fund	Total
ASSETS			
Cash and investments	\$ 7,773,961	\$ 146,575	\$ 7,920,536
Restricted cash and investments with fiscal agent	36,979,612	-	36,979,612
Due from other governments	265,608	-	265,608
Total assets	<u>45,019,181</u>	<u>146,575</u>	<u>45,165,756</u>
LIABILITIES			
Interest payable	4,004,622	-	4,004,622
Deposits payable	-	142,987	142,987
Due to other governments	63,034,565	-	63,034,565
Due to bondholders	189,293,459	-	189,293,459
Total liabilities	<u>256,332,646</u>	<u>142,987</u>	<u>256,475,633</u>
NET POSITION (DEFICIT)			
Restricted for:			
Individuals, organizations and other governments	(211,313,465)	3,588	(211,309,877)
Total net position	<u>\$ (211,313,465)</u>	<u>\$ 3,588</u>	<u>\$ (211,309,877)</u>

CITY OF BEAUMONT

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025**

	Community Facilities District Collection	Evidence Fund	Total
ADDITIONS			
Investment Income	\$ 1,331,754	\$ 1,340	\$ 1,333,094
Assessments	21,886,445	-	21,886,445
Bond proceeds	11,294,424	-	11,294,424
Payments from the City	6,329,280	-	6,329,280
Total additions	<u>40,841,903</u>	<u>1,340</u>	<u>40,843,243</u>
DEDUCTIONS			
Administration	1,010,000	19,600	1,029,600
Payments to trustee	11,071,101	-	11,071,101
Interest expense	11,431,064	-	11,431,064
Payments to the City	300,000	-	300,000
Bond proceeds to developer	23,002,289	-	23,002,289
Total deductions	<u>46,814,454</u>	<u>19,600</u>	<u>46,834,054</u>
Change in net position	(5,972,551)	(18,260)	(5,990,811)
NET POSITION (DEFICIT)			
Beginning of year	<u>(205,340,914)</u>	<u>21,848</u>	<u>(205,319,066)</u>
End of year	<u>\$ (211,313,465)</u>	<u>\$ 3,588</u>	<u>\$(211,309,877)</u>

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Statistical Section

STATISTICAL SECTION

This part of the City of Beaumont's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
<i>Financial Trends</i>	118
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	128
These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax and supplemented by property tax.	
<i>Debt Capacity</i>	137
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
<i>Operating Information</i>	146
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

CITY OF BEAUMONT

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

Fiscal Year	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ -	\$ 41,036,317	\$ 161,035,919	\$ 180,996,750
Restricted	48,232,914	253,984,801	133,927,879	125,918,630
Unrestricted	(22,231,046)	(13,630,302)	(7,563,390)	457,794
Total governmental activities net position	<u>\$ 26,001,868</u>	<u>\$ 281,390,816</u>	<u>\$ 287,400,408</u>	<u>\$ 307,373,174</u>
Business-type activities				
Net investment in capital assets	\$ 50,742,754	\$ 127,028,681	\$ 124,163,481	\$ 134,524,431
Restricted	-	-	-	-
Unrestricted	897,094	2,246,526	9,681,229	(475,808)
Total business-type activities net position	<u>\$ 51,639,848</u>	<u>\$ 129,275,207</u>	<u>\$ 133,844,710</u>	<u>\$ 134,048,623</u>
Primary government				
Net investment in capital assets	\$ 50,742,754	\$ 168,064,998	\$ 285,199,400	\$ 315,521,181
Restricted	48,232,914	253,984,801	133,927,879	125,918,630
Unrestricted	(21,333,952)	(11,383,776)	2,117,839	(18,014)
Total primary government net position	<u>\$ 77,641,716</u>	<u>\$ 410,666,023</u>	<u>\$ 421,245,118</u>	<u>\$ 441,421,797</u>

Source: City of Beaumont Finance Department Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 191,989,902	\$ 199,529,502	\$ 210,229,919	\$ 212,055,056	\$ 250,260,894	\$ 271,684,799
118,674,754	121,676,799	121,976,580	165,793,250	171,745,497	179,145,639
7,180,682	12,223,595	39,194,558	29,690,983	32,690,032	36,757,302
<u>\$ 317,845,338</u>	<u>\$ 333,429,896</u>	<u>\$ 371,401,057</u>	<u>\$ 407,539,289</u>	<u>\$ 454,696,423</u>	<u>\$ 487,587,740</u>
\$ 137,744,251	\$ 134,777,249	\$ 134,350,805	\$ 110,914,301	\$ 111,188,117	\$ 112,572,835
-	595,399	757,246	12,860,020	12,860,020	17,206,609
4,609,395	3,069,283	11,180,846	6,878,345	8,510,490	7,275,494
<u>\$ 142,353,646</u>	<u>\$ 138,441,931</u>	<u>\$ 146,288,897</u>	<u>\$ 130,652,666</u>	<u>\$ 132,558,627</u>	<u>\$ 137,054,938</u>
\$ 329,734,153	\$ 334,306,751	\$ 344,580,724	\$ 322,969,357	\$ 361,449,011	\$ 384,257,634
118,674,754	122,272,198	122,733,826	178,653,270	184,605,517	196,352,248
11,790,077	15,292,878	50,375,404	36,569,328	41,200,522	44,032,796
<u>\$ 460,198,984</u>	<u>\$ 471,871,827</u>	<u>\$ 517,689,954</u>	<u>\$ 538,191,955</u>	<u>\$ 587,255,050</u>	<u>\$ 624,642,678</u>

CITY OF BEAUMONT

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

Fiscal Year	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 3,397,331	\$ 7,593,312	\$ 5,356,762	\$ 6,010,855
Public safety	11,236,896	13,526,022	18,969,972	15,641,308
Public works	1,976,427	5,030,993	5,563,653	8,536,946
Community development	1,367,789	4,441,655	2,431,640	2,396,300
Community services	3,050,603	2,528,668	3,478,806	3,840,603
Refuse	4,138,062	4,239,048	4,899,889	5,504,512
Interest on long-term debt	-	10,369,211	7,181,818	4,415,612
Total governmental activities expenses	25,167,108	47,728,909	47,882,540	46,346,136
Business-type activities:				
Sewer	6,043,880	11,192,584	10,430,002	14,993,895
Transit	2,478,621	2,990,218	3,119,254	3,353,923
Total business-type activities expenses	8,522,501	14,182,802	13,549,256	18,347,818
Total primary government expenses	\$ 33,689,609	\$ 61,911,711	\$ 61,431,796	\$ 64,693,954
Program Revenues				
Governmental activities:				
Charges for services	\$ 9,561,023	\$ 15,939,510	\$ 15,749,036	\$ 13,488,153
Operating grants	9,449,166	286,368	77,514	884,195
Capital grants	5,304,634	12,450,382	20,409,806	17,527,025
Total governmental activities program revenues	\$ 24,314,823	28,676,260	36,236,356	31,899,373
Business-type activities:				
Charges for services	7,362,793	7,644,407	8,282,833	8,993,637
Operating grants	2,063,600	2,262,277	2,347,256	2,557,412
Capital Grants	1,479,942	473,715	6,171,672	1,575,041
Total business-type activities program revenues	\$ 10,906,335	10,380,399	16,801,761	13,126,090
Total primary government revenues	\$ 35,221,158	\$ 39,056,659	\$ 53,038,117	\$ 45,025,463
Net (expense)/revenue				
Governmental activities	\$ (852,285)	\$ (19,052,649)	\$ (11,646,184)	\$ (14,446,763)
Business-type activities	2,383,834	(3,802,403)	3,252,505	(5,221,728)
Total primary government net (expense)/revenue	\$ 1,531,549	\$ (22,855,052)	\$ (8,393,679)	\$ (19,668,491)

Source: City of Beaumont Finance Department Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 6,387,414	\$ 10,322,019	\$ 4,089,581	\$ 10,642,725	\$ 9,732,268	\$ 14,274,770
17,326,496	17,896,367	18,852,535	23,317,103	23,792,153	29,062,548
4,051,200	8,738,889	4,337,784	9,863,014	10,238,467	10,790,631
2,203,993	2,109,290	2,431,610	3,201,954	2,773,721	10,029,825
4,805,108	4,567,596	2,513,365	4,987,703	7,612,112	8,156,073
-	-	-	-	-	-
4,980,043	4,742,632	4,965,899	2,563,737	3,263,298	1,834,423
39,754,254	48,376,793	37,190,774	54,576,236	57,412,019	74,148,270
15,084,760	16,480,072	17,596,817	16,398,348	18,723,090	20,031,796
3,260,924	3,103,538	3,047,754	2,864,795	3,392,642	4,135,850
18,345,684	19,583,610	20,644,571	19,263,143	22,115,732	24,167,646
\$ 58,099,938	\$ 67,960,403	\$ 57,835,345	\$ 73,839,379	\$ 79,527,751	\$ 98,315,916
\$ 6,004,874	\$ 6,223,772	\$ 8,436,192	\$ 9,460,209	\$ 9,192,525	\$ 8,745,515
1,626,798	4,116,354	1,613,280	4,911,820	3,941,319	4,782,655
8,773,350	16,582,075	16,403,235	15,864,191	27,372,234	21,896,629
16,405,022	26,922,201	26,452,707	30,236,220	40,506,078	35,424,799
10,697,882	10,955,015	23,592,883	20,773,380	17,009,304	15,850,211
3,228,349	2,251,555	2,687,154	2,500,157	3,866,942	2,199,300
7,334,406	1,852,603	1,881,755	2,081,261	1,668,682	7,234,991
21,260,637	15,059,173	28,161,792	25,354,798	22,544,928	25,284,502
\$ 37,665,659	\$ 41,981,374	\$ 54,614,499	\$ 55,591,018	\$ 63,051,006	\$ 60,709,301
\$ (23,349,232)	\$ (21,454,592)	\$ (10,738,067)	\$ (24,340,016)	\$ (16,905,941)	\$ (38,723,471)
2,914,953	(4,524,437)	7,517,221	6,091,655	429,196	1,116,856
\$ (20,434,279)	\$ (25,979,029)	\$ (3,220,846)	\$ (18,248,361)	\$ (16,476,745)	\$ (37,606,615)

CITY OF BEAUMONT

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

Fiscal Year	2016	2017	2018	2019
Government activities:				
Taxes				
Property taxes/in-lieu	\$ 3,762,290	\$ 4,852,263	\$ 5,199,098	\$ 5,656,662
Sales taxes	4,966,331	4,851,947	5,631,332	6,596,935
Vehicle in lieu tax	3,506,871	3,768,042	4,125,662	4,517,090
Utility Users Tax	1,804,096	1,545,893	1,524,158	1,584,224
Franchise tax	929,261	805,244	3,285,697	3,908,531
Transient occupancy tax	283,999	325,874	363,868	335,304
Other taxes	77,163	880,255	1,194,389	958,614
Business Licenses	196,185	231,688	247,193	294,968
Transfers	-	-	322	(3,120,964)
Total taxes and transfers	15,526,196	17,261,206	21,571,719	20,731,364
Construction bond proceeds	-	-	-	-
Developer Contributions	-	-	11,343,940	9,055,054
Investment Earnings	13,232	10,490,307	7,851,992	5,390,216
Miscellaneous	359,206	55,710	355,360	716,944
Other revenue	-	-	-	-
Gain (Loss) on sale of capital assets	-	42,237	5,341	52,377
Total governmental activities	15,898,634	27,849,460	41,128,352	35,945,955
Business-type activities:				
Investment Earnings	2,552	4,475	13,606	1,564,220
Developer Contributions	-	-	778,223	731,125
Miscellaneous	-	30	525,491	3,393
Mitigation Fees	-	-	-	-
Transfers	-	-	(322)	3,120,964
Gain (Loss) on sale of capital assets	-	-	-	5,939
Total business-type activities	2,552	4,505	1,316,998	5,425,641
Total primary government	\$ 15,901,186	\$ 27,853,965	\$ 42,445,350	\$ 41,371,596
Extraordinary Items (Governmental Activities)				
Settlement - restitution	-	3,000,000	-	-
Refunding CFD 93-01	-	-	(11,947,642)	-
Successor Agency debt reversal	4,235,674	-	-	-
WRCOG judgement settlement	58,098,626	-	-	-
Total primary government	\$ 62,334,300	\$ 3,000,000	\$ (11,947,642)	\$ -
Change in Net Position				
Governmental activities	\$ 77,380,649	\$ 11,796,811	\$ 17,534,526	\$ 21,499,192
Business-type activities	2,386,386	(3,797,898)	4,569,503	203,913
Total primary government	\$ 79,767,035	\$ 7,998,913	\$ 22,104,029	\$ 21,703,105

Source: City of Beaumont Finance Department Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 11,107,476	\$ 12,701,479	\$ 13,256,331	\$ 14,884,970	\$ 15,500,214	\$ 17,773,126
7,593,729	8,869,746	26,869,849	28,509,903	30,085,425	35,903,161
38,307	37,754	60,866	56,058	69,901	90,529
1,650,094	1,887,031	2,058,730	2,701,744	2,549,379	2,790,575
8,074,504	3,183,803	3,164,944	3,253,677	3,347,040	3,358,769
278,504	298,879	422,087	432,921	397,343	441,328
-	-	676,180	972,981	753,376	896,446
342,702	415,229	350,142	381,453	430,052	431,759
-	239,958	(254,358)	(615,736)	(77,363)	(2,047,090)
29,085,316	27,633,879	46,604,771	50,577,971	53,055,367	59,638,603
-	233,922	-	-	-	-
-	4,001,607	-	-	-	-
4,230,375	4,618,626	1,157,022	5,238,845	10,445,726	11,589,261
472,274	526,724	657,208	4,513,689	561,982	86,924
-	-	-	-	-	300,000
33,431	24,392	51,186	147,743	-	-
33,821,396	37,039,150	48,470,187	60,478,248	64,063,075	71,614,788
565,390	57,721	(1,131,442)	637,558	1,038,707	1,123,702
-	-	-	-	-	-
5,242	13,719	1,206,829	23,790	360,695	227,882
4,819,408	1,123,349	11,278,753	-	-	-
-	(239,958)	254,358	615,736	77,363	2,047,090
30	-	-	(23,004,970)	-	(19,219)
5,390,070	954,831	11,608,498	(21,727,886)	1,476,765	3,379,455
\$ 39,211,466	\$ 37,993,981	\$ 60,078,685	\$ 38,750,362	\$ 65,539,840	\$ 74,994,243
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,472,164	\$ 15,584,558	\$ 37,732,120	\$ 36,138,232	\$ 47,157,134	\$ 32,891,317
8,305,023	(3,569,606)	19,125,719	(15,636,231)	1,905,961	4,496,311
\$ 18,777,187	\$ 12,014,952	\$ 56,857,839	\$ 20,502,001	\$ 49,063,095	\$ 37,387,628

CITY OF BEAUMONT

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

Fiscal Year	2016	2017	2018	2019
General fund				
Non Spendable:				
Notes and Loans Receivable	\$ 226,186	\$ 213,399	\$ 215,904	\$ 220,634
Prepaid items	-	-	-	83,141
Restricted				
Investment in Section 115 Trust	-	-	-	-
Committed for:				
Capital Projects	-	6,839,275	6,839,275	-
Self Insurance	-	-	-	-
Pension Trust Funding	-	-	-	-
MOU Revenue Bonds	-	-	-	-
Assigned for:				
Re-appropriation	-	-	-	-
Unassigned	(4,296,822)	5,034,141	10,315,492	14,980,384
Total general fund	(4,070,636)	12,086,815	17,370,671	15,284,159
All other governmental funds				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted for:				
CFD Projects	32,867,745	8,424,392	8,462,228	9,145,832
Capital Projects	13,967,685	25,157,602	15,683,985	12,877,575
Streets Projects	684,297	-	-	-
Public Safety	550,410	688,820	788,141	1,110,144
PEG Fees	162,777	219,517	250,014	1,542,017
State Gas Tax	-	357,051	263,369	103,421
AB 2766	-	306,698	370,379	1,102,061
RMRA	-	-	-	-
Measure A	-	-	-	-
Other Special Projects	-	981	90,333	305,975
COPS Grants	-	-	-	-
State Asset Forfeiture	-	-	-	-
Federal Asset Forfeiture	-	-	-	-
Other Federal Grants	-	-	-	-
Debt service	-	223,515,398	101,180,155	98,006,000
Committed for:				
Capital Projects	-	-	-	1,417,617
Unassigned	-	-	-	-
Total all other governmental funds	48,232,914	258,670,459	127,088,604	125,610,642
Total fund balance all governmental funds	\$ 44,162,278	\$ 270,757,274	\$ 144,459,275	\$ 140,894,801

Source: City of Beaumont Finance Department Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 224,671	\$ 225,715	\$ -	\$ -	\$ -	\$ -
-	26,262	61,292	244,171	42,305	422,889
-	-	2,344,101	2,529,271	3,436,595	4,372,256
4,550,000	-	-	-	3,865,000	800,000
-	2,850,717	2,154,152	6,329,219	6,807,713	6,304,943
-	2,500,000	-	-	-	-
-	-	-	-	-	582,382
-	214,799	796,780	2,216,918	1,318,631	569,092
19,290,503	17,576,741	40,317,103	30,465,919	32,577,969	40,574,654
24,065,174	23,394,234	45,673,428	41,785,498	48,048,213	53,626,216
\$ -	\$ 304,015	\$ 287,125	\$ 270,236	\$ 253,346	\$ 236,456
9,036,520	5,884,930	2,274,176	1,597,435	2,178,197	3,334,577
13,336,436	13,674,329	24,136,095	32,287,810	40,923,238	32,504,602
-	-	-	-	-	-
664,780	-	-	-	-	-
21,482	23,675	27,707	35,712	42,675	45,748
-	159,101	69,599	-	140,031	552,573
474,841	621,930	343,995	267,785	248,371	241,099
551,820	1,437,670	1,117,898	2,329,871	2,712,033	3,610,173
1,348,379	2,568,801	1,955,121	2,895,980	2,310,642	2,727,646
163,173	183,807	320,425	409,242	522,799	600,474
-	313,341	452,899	523,786	530,104	445,519
-	295,014	295,024	294,397	303,354	110,626
-	6,030	6,036	59,719	100,706	125,825
-	-	-	-	91,549	511,578
92,767,025	85,876,699	80,287,587	74,660,624	70,785,651	67,138,386
666,248	10,631,472	8,345,917	39,101,618	51,057,567	66,928,378
-	(84,997)	(180,661)	(407,984)	-	-
119,030,704	121,895,817	119,738,943	154,326,231	172,200,263	179,113,660
\$ 143,095,878	\$ 145,290,051	\$ 165,412,371	\$ 196,111,729	\$ 220,248,476	\$ 232,739,876

CITY OF BEAUMONT

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

Fiscal Year	2016	2017	2018	2019
Revenues				
Taxes	\$ 29,927,330	\$ 11,027,239	\$ 12,163,969	\$ 13,570,476
Franchise fees	-	-	3,285,697	3,908,531
Intergovernmental revenues	29,788	5,787,280	11,263,234	11,581,831
Licenses, fees and permits	1,360,288	10,781,152	13,283,260	8,044,621
Fines and forfeitures	413,052	265,831	262,278	249,914
Assessment levied		9,309,555	9,240,825	6,786,653
Use of money and property	148,419	10,613,015	8,023,202	5,569,684
Charges for services	7,913,344	8,355,018	7,754,417	6,944,423
Other revenues	545,313	377,102	872,752	4,627,173
Total Revenues	40,337,534	56,516,192	66,149,634	61,283,306
Expenditures				
General government	4,735,084	5,464,863	4,434,173	5,940,387
Public safety	12,318,788	12,524,089	12,956,345	14,721,189
Public works	1,976,427	2,902,986	3,161,648	3,929,138
Community development	1,367,789	4,295,350	2,000,866	2,096,589
Community services	3,050,603	2,396,166	3,070,774	3,708,469
Refuse	4,138,062	4,239,048	4,899,889	5,504,512
Capital outlay	-	188,738	13,194,674	12,622,062
Debt service:				
Principal	-	6,167,352	118,212,977	3,600,000
Refunding escrow agent	-	-	-	-
Interest, fiscal, and other charges	-	10,369,211	7,181,818	4,415,612
Total Expenditures	27,586,753	48,547,803	169,113,164	56,537,958
Excess of revenues over (under) expenditures	12,750,781	7,968,389	(102,963,530)	4,745,348
Other Financing Sources (Uses)				
Lease acquisition	-	96,158	132,444	167,456
Subscription acquisition	-	-	-	-
Proceeds from the sale of capital assets	-	42,237	5,341	19,494
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	11,280	22,007,107	14,209,907	9,682,117
Transfers out	(11,280)	(22,007,107)	(14,209,585)	(12,803,081)
Total Other Financing Sources (Uses)	-	138,395	138,107	(2,934,014)
Net Change in Fund Balances Before Extraordinary Item	12,750,781	8,106,784	(102,825,423)	1,811,334
Extraordinary Item	-	-	-	-
Special Item	-	3,000,000	(11,947,642)	-
Net Change in Fund Balances	\$ 12,750,781	\$ 11,106,784	\$ (114,773,065)	\$ 1,811,334
Debt Service as a percentage of non-capital expenditures	0.0%	52.0%	410.8%	22.3%

Source: City of Beaumont Finance Department Audited Financial Statements

	2020	2021	2022	2023	2024	2025
\$	14,996,887	\$ 17,410,049	\$ 36,366,045	\$ 46,222,206	\$ 48,387,306	\$ 56,296,532
	8,074,504	3,183,803	3,164,944	3,253,677	3,347,040	3,358,769
	10,051,669	11,813,339	8,973,877	11,177,387	13,165,592	15,973,202
	3,708,535	6,525,592	12,908,883	15,931,372	22,052,807	9,711,061
	617,981	344,816	425,252	302,859	391,623	330,046
	6,491,075	7,288,277	6,898,216	1,246,091	760,969	1,566,440
	4,337,680	4,693,106	1,243,832	5,112,604	10,210,898	11,347,880
	1,469,367	1,484,669	1,595,732	1,957,027	1,488,996	1,614,849
	1,021,777	7,016,584	771,271	7,482,550	4,550,771	8,580,856
	50,769,475	59,760,235	72,348,052	92,685,773	104,356,002	108,779,635
	6,439,508	8,460,291	8,428,917	9,212,955	10,081,683	13,311,452
	16,731,402	17,578,516	18,101,157	21,807,040	23,884,654	27,587,572
	2,855,850	2,959,287	2,681,355	4,099,461	5,121,943	5,354,379
	1,952,789	1,951,963	2,285,885	3,098,593	3,685,633	9,818,374
	3,998,071	4,119,407	4,650,945	5,854,860	7,565,715	7,308,132
	-	-	-	-	-	-
	7,964,820	5,074,099	8,723,267	10,050,553	23,622,250	25,153,032
	3,405,300	3,938,561	3,119,925	6,080,491	4,600,214	4,675,952
	1,149,489	3,563,485	-	-	-	-
	4,490,634	4,820,703	5,099,969	2,563,656	2,332,299	2,245,974
	48,987,863	52,466,312	53,091,420	62,767,609	80,894,391	95,454,867
	1,781,612	7,293,923	19,256,632	29,918,164	23,461,611	13,324,768
	78,046	-	856,533	696,732	578,440	447,840
	-	-	-	552,455	173,241	765,777
	33,431	24,392	24,471	147,743	818	105
	5,375,000	35,875,000	-	-	-	-
	1,014,920	-	-	-	-	-
	(6,389,920)	(34,829,600)	-	-	-	-
	10,561,452	18,489,635	13,031,672	47,877,889	38,023,251	39,316,506
	(10,561,452)	(24,659,177)	(13,286,030)	(48,493,625)	(38,100,614)	(41,363,596)
	111,477	(5,099,750)	626,646	781,194	675,136	(833,368)
	1,893,089	2,194,173	19,883,278	30,699,358	24,136,747	12,491,400
	-					
	-	-	-	-	-	-
\$	1,893,089	\$ 2,194,173	\$ 19,883,278	\$ 30,699,358	\$ 24,136,747	\$ 12,491,400
	28.3%	35.1%	21.1%	17.0%	12.9%	10.0%

CITY OF BEAUMONT

Governmental 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	Other Taxes	Total
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	628,355	17,029,518
2018	5,199,098	5,029,443	363,868	876,551	1,524,158	4,125,662	-	242,634	951,755	18,313,170
2019	5,656,662	5,558,667	335,304	912,924	1,584,224	4,517,090	23,154	287,908	958,614	19,834,547
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	676,180	46,009,120
2023	7,932,822	28,509,903	432,921	3,253,677	2,701,744	6,952,148	56,058	381,453	972,981	51,193,707
2024	7,806,832	30,085,425	397,343	3,347,040	2,549,379	7,693,382	69,901	430,052	753,376	53,132,730
2025	8,880,402	35,903,161	441,328	3,358,769	2,790,575	8,892,724	90,529	431,759	896,446	61,685,693

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 June 30, 2024 and Nine Years Ago

For Calendar Year 2024	
<u>Business Name</u>	<u>Business Category</u>
1st Street Arco	Service Stations
7 Eleven	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 Tex Trailers	Trailers/RVs
Dura Plastic Products	Light Industrial/Printers
Grove 76	Service Stations
Home Depot	Building Materials
Icon Health & Fitness	Light Industrial/Printers
In N Out Burger	Quick-Service Restaurants
Kohls	Department Stores
Mayas Chevron	Service Stations
Oak Valley 76	Service Stations
Oak Valley Chevron	Service Stations
Raising Cane's	Quick-Service Restaurants
Ross	Family Apparel
Shell	Service Stations
Stater Bros	Grocery Stores
USA Gas	Service Stations
Walmart Supercenter	Discount Dept Stores
Wolverine Worldwide	Fulfillment Centers

Percent of Calendar Year Total Paid By Top 25 Accounts=89.08%

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 June 30, 2024 and Nine Years Ago

Calendar year 2015	
<u>Business Name</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 Motorcycles	Boats/Motorcycles
Beaumont RV	Trailers/RVs
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
Big Tex Trailer World	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
Stater Bros	Grocery Stores
Trailer Factory Outlet	Trailers/RVs
USA Gasoline	Service Stations
Verizon Wireless	Electronics/Appliance Stores
Walmart Supercenter	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts=72.21%

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)

Calendar Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Food Stores	\$ 19,259	\$ 21,016	\$ 21,879	\$ 23,369	\$ 24,224	\$ 27,104	\$ 27,107	\$ 28,433	\$ 29,805	\$ 30,831
Eating and Drinking Places	48,097	52,677	54,955	58,832	64,596	69,001	92,028	91,659	94,084	100,242
Building Materials	51,999	55,011	59,738	66,532	68,381	86,704	103,831	106,532	95,079	88,798
Auto Dealers and Supplies	28,347	31,958	37,260	39,850	38,810	44,345	58,846	61,414	50,214	48,228
Services Stations	55,945	50,076	54,400	66,439	74,214	61,827	88,347	114,699	103,095	102,759
Other Retail Stores	152,353	154,132	151,516	156,081	155,083	152,615	182,886	181,362	180,935	178,092
All Other Outlets	85,854	102,192	102,082	107,750	139,482	290,833	891,152	2,325,658	2,191,120	2,257,638
Total	<u>\$ 441,854</u>	<u>\$ 467,062</u>	<u>\$ 481,830</u>	<u>\$ 518,853</u>	<u>\$ 564,790</u>	<u>\$ 732,429</u>	<u>\$ 1,444,197</u>	<u>\$ 2,909,757</u>	<u>\$ 2,744,332</u>	<u>\$ 2,806,588</u>

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF BEAUMONT

Assessed Value and Estimated Actual Value of Taxable Property Last Ten (10) Fiscal Years

Fiscal Year Ended June 30	Real Property										
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Govt. Owned Property	Institutional Property	Miscellaneous Property	Recreational Property	Vacant Property	SBE Nonunitary Property	Cross Reference Property
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
2024	6,075,819,024	575,698,622	663,899,380	6,125,579		4,022,198	10,354	17,077,967	294,128,048	120,008	6,311,757
2025	6,611,811,228	618,308,399	1,217,065,685	6,248,389	183,600	4,640,983	10,560	17,427,673	283,543,835	120,008	6,448,763

Source: City of Beaumont Finance Department

CITY OF BEAUMONT

Assessed Value and Estimated Actual Value of Taxable Property (concluded) Last Ten (10) Fiscal Years

Unsecured Property	Estimated Actual Taxable Value	Less: Tax Exempt Real Property	Unknown Property	Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
\$ 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%
469,769,786	8,113,781,673	-	798,950	8,114,580,623	0.09538	100%
604,987,440	9,370,796,563	-	-	9,370,796,563	0.09694	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
		Debt Service	Banning Unified	Beaumont Unified	Mt San Jacinto Community College	San Jacinto Unified					
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
2024	1.0000	0.06200	0.14871	0.07777	0.01320	0.14988	0.00350	0.17500	1.63006	0.00000	0.09538
2025	1.0000	0.04607	0.14871	0.07326	0.00268	0.14000	0.00700	0.17500	1.59272	0.00000	0.09694

Sources: HdL Coren & Cone, Riverside County Assessor 2015/16-2024/25 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, 2025, and Nine Years Ago

Taxpayer	2024/2025			2015/2016		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
MPLD II Inland Empire ULC LLC ²	565,144,016	1	6.03%			
USEF Crossroads I/II ²	332,072,285	2	3.54%			
Amazon Com Services LLC	214,240,943	3	2.29%			
CJ Foods Manufacturing Beaumont Corp	151,193,721	4	1.61%			
Exeter 630 Nicholas LP ²	136,292,400	5	1.45%			
Beaumont ESS LLC	112,177,262	6	1.20%			
Brixton Beaumont LLC ²	52,616,856	7	0.56%			
Sundance LLC ²	39,159,749	8	0.42%			
EPC Highland Springs LLC ²	37,900,000	9	0.40%			
Dura California LLC	35,853,552	10	0.38%			
Frederick J Hanshaw ²				39,177,894	1	1.06%
High Desert Partners				37,707,016	2	1.02%
Ambest Real Estate ²				30,000,000	3	0.81%
Loma Linda University ¹				25,383,280	4	0.69%
Walmart Real Estate Business Trust				24,394,440	5	0.66%
SDC Fairway Canyon LLC				23,410,218	6	0.63%
Home Depot USA Inc ²				23,382,218	7	0.63%
Valley View Center LLC				22,493,747	8	0.61%
Dura Plastics Products Inc				19,764,302	9	0.54%
Lowes HIW Inc ²				19,040,079	10	0.52%
	<u>\$ 1,676,650,784</u>		<u>17.88%</u>	<u>\$ 264,753,194</u>		<u>7.17%</u>

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

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

² Pending Appeals on Parcels

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

CITY OF BEAUMONT

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
2016	\$ 3,687,940	\$ 3,515,243	95.3%	\$ 132,853	\$ 3,648,096	98.9%
2017	3,961,411	3,775,305	95.3%	129,042	3,904,347	98.6%
2018	4,310,908	4,163,585	96.6%	131,947	4,295,532	99.6%
2019	4,747,511	4,564,546	96.1%	143,229	4,707,775	99.2%
2020	5,269,297	4,974,369	94.4%	159,844	5,134,213	97.4%
2021	6,021,646	5,800,812	96.3%	100,766	5,901,578	98.0%
2022	6,581,880	6,279,744	95.4%	91,862	6,371,606	96.8%
2023	7,330,939	7,464,734	101.8%	99,955	7,564,689	103.2%
2024	8,113,782	7,221,275	89.0%	136,254	7,357,529	90.7%
2025	9,370,797	8,353,788	89.1%	175,737	8,529,525	91.0%

Source: Riverside County Auditor-Controller Property Tax Division/HDL Property Tax ACFR Reports

CITY OF BEAUMONT

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ¹
	Lease/SBITA Liability	Beaumont Public Financing Authority	AB 1484 Due Diligence Review	Revenue Bonds	Bond Premium	Lease/SBITA Liability			
2016	\$ -	\$ -	\$ 2,275,912	\$ -	\$ -	\$ -	\$ 2,275,912	146%	56
2017	79,323	205,668,880	1,975,912	-	-	-	207,724,115	50%	133
2018	186,483	91,881,186	1,675,912	-	-	346,313	94,089,894	117%	46
2019	297,242	88,605,000	1,375,912	81,105,000	9,469,765	268,459	181,121,378	65%	1,911
2020	251,240	84,839,620	1,075,912	80,105,000	8,495,497	183,671	174,950,940	73%	1,751
2021	152,680	79,681,849	775,912	78,860,000	7,842,647	99,306	167,412,394	81%	1,665
2022	756,608	76,583,778	-	77,565,000	7,217,363	3,658	162,126,407	90%	1,564
2023	1,320,858	80,000,707	-	76,210,000	6,630,347	234,597	164,396,509	102%	1,482
2024	1,163,723	67,147,636	-	74,785,000	6,084,194	130,411	149,310,964	128%	1,482
2025	1,736,388	63,034,565	-	73,290,000	5,538,041	167,705	143,766,699	142%	2,504

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, 2025

2024-2025 Assessed Valuation

\$ 9,298,347,737

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/25	Percent Applicable (1)	Debt 6/30/25
CFD 93-1 IA 1	\$ -	100.000%	\$ -
CFD 93-1 IA 2	-	100.000%	-
CFD 93-1 IA 3	1,385,000	100.000%	1,385,000
CFD 93-1 IA 4	-	100.000%	-
CFD 93-1 IA 5	-	100.000%	-
CFD 93-1 IA 6A1	20,688,610	100.000%	20,688,610
CFD 93-1 IA 6B	-	100.000%	-
CFD 93-1 IA 7A1	8,755,000	100.000%	8,755,000
CFD 93-1 IA 7B	3,085,000	100.000%	3,085,000
CFD 93-1 IA 7C	1,230,000	100.000%	1,230,000
CFD 93-1 IA 7D	3,250,000	100.000%	3,250,000
CFD 93-1 IA 8	4,370,000	100.000%	4,370,000
CFD 93-1 IA 8A	4,288,967	100.000%	4,288,967
CFD 93-1 IA 8B	4,220,000	100.000%	4,220,000
CFD 93-1 IA 8C	26,517,558	100.000%	26,517,558
CFD 93-1 IA 8D	8,055,823	100.000%	8,055,823
CFD 93-1 IA 8E	12,075,000	100.000%	12,075,000
CFD 93-1 IA 8F	12,450,000	100.000%	12,450,000
CFD 93-1 IA 9	255,000	100.000%	255,000
CFD 93-1 IA 10A	915,000	100.000%	915,000
CFD 93-1 IA 11	570,000	100.000%	570,000
CFD 93-1 IA 12A	570,000	100.000%	570,000
CFD 93-1 IA 14	4,115,000	100.000%	4,115,000
CFD 93-1 IA 14A	8,415,000	100.000%	8,415,000
CFD 93-1 IA 14B	2,847,371	100.000%	2,847,371
CFD 93-1 IA 16	4,555,000	100.000%	4,555,000
CFD 93-1 IA 17A	6,315,000	100.000%	6,315,000
CFD 93-1 IA 17B	9,810,000	100.000%	9,810,000
CFD 93-1 IA 17C	8,390,000	100.000%	8,390,000
CFD 93-1 IA 17D	9,400,000	100.000%	9,400,000
CFD 93-1 IA 18	3,100,000	100.000%	3,100,000
CFD 93-1 IA 19A	12,640,000	100.000%	12,640,000
CFD 93-1 IA 19C	13,684,704	100.000%	13,684,704
CFD 93-1 IA 20	2,100,000	100.000%	2,100,000
CFD 2016-1	7,940,000	100.000%	7,940,000
CFD 2016-2	9,335,000	100.000%	9,335,000
CFD 2016-3	15,245,000	100.000%	15,245,000
CFD 2016-4	3,760,000	100.000%	3,760,000
CFD 2019-1	2,165,000	100.000%	2,165,000
CFD 2021-1	14,240,000	100.000%	14,240,000
CFD 2018-1 IA-1 Beaumont USD	4,835,000	100.000%	4,835,000
CFD 2020-1 IA-1 Beaumont USD	3,395,000	100.000%	3,395,000

(Continued)

CFD 2020-1 IA-2 Beaumont USD	7,490,000	100.000%	7,490,000
CFD 2022-1 IA-2 Beaumont USD	2,540,000	100.000%	2,540,000
CFD 2022-1 IA-2 Beaumont USD	5,135,000	100.000%	5,135,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 274,133,033
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Beaumont Unified School B & I (0.077777%)	\$ 124,246,221	100.000%	\$ 124,246,221
MT San Jacinto Comm (0.01320%)	237,330,000	6.397%	15,181,565
San Geronio Memorial Healthcare District (0.06200%)	90,700,000	56.629%	51,362,940
City of Beaumont Leases liability	1,098,958	100.000%	1,098,958
City of Beaumont Subscription liability	637,430	100.000%	637,430
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 192,527,115
OVERLAPPING TAX INCREMENT DEBT:	\$ -	-	\$ -
TOTAL DIRECT DEBT			64,770,953
TOTAL OVERLAPPING OBLIGATION DEBT			464,923,760
COMBINED TOTAL DEBT			\$ 529,694,713 (2)

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

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

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	2.95%
Total Direct Debt (\$38,984).....	0.70%
Combined Total Debt (excluding tax increment).....	5.02%

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

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 Geronio Memorial Healthcare District

CITY OF BEAUMONT

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 138,385,746	\$ 148,643,348	\$ 161,750,651	\$ 178,125,370
Total net debt applicable to limit	<u>-</u>	<u>96,158</u>	<u>132,444</u>	<u>167,456</u>
Legal debt margin	<u>\$ 138,385,746</u>	<u>\$ 148,547,190</u>	<u>\$ 161,618,207</u>	<u>\$ 177,957,914</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.06%	0.08%	0.09%

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

(Continued)

2020	2021	2022	2023	2024	2025
\$ 197,598,651	\$ 225,811,711	\$ 251,346,367	\$ 279,812,493	\$ 304,296,773	\$ 351,404,871
78,046	251,240	760,266	1,007,835	1,320,858	1,736,388
<u>\$ 197,520,605</u>	<u>\$ 225,560,471</u>	<u>\$ 250,586,101</u>	<u>\$ 278,804,658</u>	<u>\$ 302,975,915</u>	<u>\$ 349,668,483</u>
0.04%	0.11%	0.30%	0.36%	0.43%	0.49%
Net Assessed Value					\$ 9,370,796,563
Plus Exempt Property					-
Total Assessed Value					<u>\$ 9,370,796,563</u>
Debt Limit: 3.75 percent of Total Assessed Value					351,404,871
Debt applicable to Limitation:					
Net Combined applicable to Limitation					464,923,760
Total Debt applicable to Limitation					<u>1,736,388</u>
Legal Debt Margin					<u>\$ 349,668,483</u>

CITY OF BEAUMONT

Pledge-Revenue Coverage Last Ten (10) Fiscal Years

Fiscal Year	Wastewater Revenue Bonds					Coverage
	Gross	Operating	Net Revenue	Debt Service		
	Revenues	Expenses Less Depreciation	Available for Debt Service	Requirements		
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%	
2024	13,745,723	8,439,410	5,306,313	5,073,713	105%	
2025	15,391,777	7,592,706	7,799,071	5,070,713	154%	

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) Calendar 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
2015	45,118	\$ 1,054,947	\$ 23,381	4.00%	34.4	87%	25.4%
2016	46,179	1,035,820	22,430	3.00%	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%
2023	57,416	1,916,563	33,380	4.00%	35.1	90%	26.8%
2024	59,708	2,047,989	34,300	4.60%	35.4	89.7%	27.8%

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

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 and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Amazon	5,800	1	65.02%	N/A		0.00%
Beaumont Unified School District	2,520	2	28.25%	722	1	19.46%
CJ Foods	630	3	7.06%	N/A		0.00%
Walmart	550	4	6.17%	250	2	3.13%
Total	<u>9,500</u>		<u>106.49%</u>	<u>972</u>		<u>22.59%</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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration										
Administration	11.00	11.00	17.00	9.00	9.00	8.00	8.00	6.00	5.00	6.00
City Clerk	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Communication	-	-	-	-	-	-	-	-	1.00	1.00
Economic Development	-	-	-	-	-	-	-	2.00	2.00	2.00
Finance	-	-	-	7.00	7.00	7.00	7.00	8.00	10.00	10.00
Human Resources	-	-	-	2.00	2.00	2.00	3.00	3.75	4.75	4.75
Information Technology	-	-	-	1.00	1.00	3.00	4.00	5.00	6.00	6.00
Public safety										
Animal Control	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Officers	37.00	38.00	43.00	43.00	43.00	43.00	49.00	54.00	57.00	60.00
Police Support	12.00	16.00	16.00	16.50	16.50	17.00	18.00	23.00	27.50	28.50
Community Development										
Planning	3.00	2.00	7.00	7.00	7.00	7.00	7.00	5.50	6.50	7.50
Community Enhancement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building and Safety	4.00	4.00	4.00	4.00	4.00	5.00	5.00	7.00	7.00	7.00
Community Services										
Parks and Recreation	15.00	16.00	8.50	8.00	8.00	5.00	5.00	7.50	9.50	9.50
Grounds Maintenance/Streets	5.50	7.50	19.00	20.00	20.00	20.00	20.00	19.50	21.50	22.00
Building Maintenance	-	-	-	-	-	-	-	4.00	4.00	5.00
Pool*	7.50	7.50	7.50	7.50	7.50	7.50	-	-	1.00	5.00
Public Works										
Public Works	2.00	2.00	3.00	2.75	3.50	6.50	6.50	9.00	11.00	11.00
Street Maintenance	2.00	1.50	5.00	5.00	5.00	5.00	7.00	7.00	9.00	9.00
Wastewater	-	2.50	7.00	7.25	12.00	10.50	14.50	17.00	15.00	15.00
Transit	25.00	25.00	26.00	26.00	26.00	23.00	23.00	23.25	23.25	25.75

*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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Calls for service	30,753	26,357	26,526	27,277	32,056	27,506	46,253	47,087	83,868	74,410
Citations issued by Officers	1,308	2,667	1,702	1,398	1,711	1,036	4,132	3,445	3,975	4,854
Physical arrests	1,434	1,529	1,254	891	821	1,036	1,377	1,066	971	953
Fire										
Total number of calls answered	3,186	3,225	3,618	3,886	4,282	3,879	4,244	5,023	6,172	6,462
% of calls for medical aid	85.0%	82.2%	82.5%	81.7%	80.2%	84.0%	75.0%	74.8%	76.0%	46%
Highways and streets										
Street resurfacing (miles)	N/A	0.65	1.05	9	20	28	29	30	4	5
Potholes repaired	N/A	49	100	395	638	494	618	531	768	388
Street light repaired	-	-	-	-	-	-	-	-	260	315
										1,800
Wastewater										
Average daily sewage treatment (million gallons)	3.160	3.270	3.390	3.670	3.820	3.700	3.595	3.736	3.900	3.947

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
* Police										
Vehicles Added Value	-	188,738	247,760	89,268	187,282	487,242	526,164	664,992	735,374	602,966
Highways and streets										
Storm Drain Added Value	-	-	1,184,800	1,596,757	-	4,001,608	185,007	36,581	-	72,353
Street Improvements	-	399,000	-	-	1,395,105	25,352,242	5,854,301	6,086,700	21,530	617,309
Culture and recreation										
Parks Added Value	-	-	2,208,322	3,600,000	1,050,000	-	6,385,002	736,810	451,901	-
Sewer										
Sewer Line Added Value	131,226,200	-	-	3,676,047	3,950,198	-	-	1,140,835	2,580,409	1,165,715
Lift Station Added Value	-	172,238	969,346	-	3,352,629	-	185,501	359,613	1,927	298,492
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	-	613,161	1,103,175	18,128,897	16,538,109	2,073,430	412,677	70,500	120,001	-
I&I Rehabilitation Value	-	-	-	-	-	-	-	-	126,329	-

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