



## FINANCE AND AUDIT COMMITTEE MEETING

550 E. Sixth Street, Beaumont, CA

Monday, December 20, 2021 - 6:00 PM

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Materials related to an item on this agenda submitted to the Finance and Audit Committee after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

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### AGENDA

#### MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming as well as open to public attendance subject to social distancing and applicable health orders. All City of Beaumont public meetings will be available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access.

[beaumontca.gov/livestream](https://beaumontca.gov/livestream)

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: [nicolew@beaumontca.gov](mailto:nicolew@beaumontca.gov)
2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the call **(951) 922 - 4845**.
3. In person comments subject to the adherence of the applicable health orders and social distancing requirements.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196**. Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

## **REGULAR SESSION**

6:00 PM

### **CALL TO ORDER**

Committee Members: Council Member Julio Martinez, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Thomas LeMasters, Vice Chair Steve Cooley, Member Cesar Marrufo, Member David Vanderpool, Member Christina Sanchez, Member Dennis Garcia, Alternate Member Dameon Butler, and Alternate Member Caroline Hopkins

Action of any Requests for Excused Absence

Pledge of Allegiance

Adjustments to Agenda

Conflict of Interest Disclosure

### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

*Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.*

### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

- 1. Introduction of Member Christina Sanchez, Member Dennis Garcia, and Alternate Member Caroline Hopkins**

- 2. Approval of Minutes**

**Recommended Action:**

Approve Minutes dated November 8, 2021.

- 3. FY2022 General Fund and Wastewater Fund Budget to Actual through November 2021**

**Recommended Action:**

Receive and file the attached report.

- 4. Financial Training Subcommittee Presentation**

**Recommended Action:**

Review the presentation and recommend approval by the City Council or provide the subcommittee with modifications.

- 5. City of Beaumont Grant Policies and Procedures**

**Recommended Action:**

Recommend the City Council Approve the proposed City of Beaumont Grant Policies and Procedures.

- 6. Review of Draft FY2021 Annual Comprehensive Financial Report**

**Recommended Action:**

Discussion of the Annual Comprehensive Financial Report and recommend for City Council consideration once a final version is received.

## **SUB-COMMITTEE UPDATES**

- Internal Control Committee
- Financial Training Committee
- CFD Training and FAQ Committee
- Reserve Policy Committee
- CalPERS Liability Committee
- Long-Term Financial Sustainability
- Bond Accountability

## **FUTURE AGENDA ITEMS**

## **MEETING REVIEW - TREASURER**

## **FINANCE DIRECTOR'S COMMENTS**

## **ADJOURNMENT**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, January 10, 2022, at 6:00 p.m.

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)

# FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, November 08, 2021 - 6:00 PM

## MINUTES

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### REGULAR SESSION

6:00 PM

#### **CALL TO ORDER at 6:01 p.m.**

**Present:** Committee Members: Council Member Julio Martinez (in attendance at 6:21 p.m.), Council Member David Fenn, Treasurer Baron Ginnetti, Chair Thomas LeMasters, Vice Chair Steve Cooley, Member Keith Bacon, Member Cesar Marrufo, and Member David Vanderpool

**Absent:** Alternate Member Dameon Butler

Action of any Requests for Excused Absence

Pledge of Allegiance

Adjustments to Agenda: **None**

Conflict of Interest Disclosure: **None**

#### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

**No comments.**

#### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

1. Approval of Minutes

**Motion by Council Member Fenn**

**Second by Vice Chair Cooley**

**To approve Minutes dated September 13, 2021.**

**Approved by a 6-0 vote.**

2. Current Vacancies and Upcoming End of Term

**Motion by Treasurer Ginnetti**

**Second by Vice Chair Cooley**

**To receive and file.**

**Approved by a 6-0 vote.**

3. Assignment of Sub-Committees to New Tasks Directed by City Council

**Motion by Vice Chair Cooley  
Second by Treasurer Ginnetti**

**To appoint Treasurer Ginnetti, Finance Director Jennifer Ustation and Vice Chair Cooley to a subcommittee to address the task of researching the CalPERS Liability.**

**To appoint Member Vanderpool, Chairman LeMasters and Finance Director Jennifer Ustation to a subcommittee to address the task of researching Bond Accountability.**

**Approved by a 6-0 vote  
Abstain: Council Member Martinez**

4. FY2022 General Fund and Wastewater Fund Budget to Actual through October 2021 and First Quarter Investment Report and Certification

**Motion by Treasurer Ginnetti  
Second by Vice Chair Cooley**

**To receive and file the attached report.**

**Approved by a unanimous vote.**

#### **SUB-COMMITTEE UPDATES**

**Internal Control Committee – *No new updates.***

**Financial Training Committee – *Presentation complete and ready for a future meeting.***

**CFD Training and FAQ Committee – *Motion to assign Member Vanderpool to the sub-committee.***

**Motion by Member Cooley**

**Second by Member Fenn**

**Approved by a unanimous vote.**

#### **FUTURE AGENDA ITEMS**

**Financial Training Committee Presentation**

#### **MEETING REVIEW - TREASURER**

#### **FINANCE DIRECTOR'S COMMENTS**

*Gave an update of the current audit. Shared the date of the upcoming budget workshop.*

#### **ADJOURNMENT 6:46 p.m.**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, December 13, 2021, at 6:00 p.m.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** December 20, 2021  
**SUBJECT:** **FY2022 General Fund and Wastewater Fund Budget to Actual through November 2021**

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### Background and Analysis:

#### General Fund and Wastewater Fund Budget to Actual

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2022 with results through November 2021.

#### General Fund Analysis:

- Three months of sales tax has been received, trending higher than budget;
- Increased building permit activity from prior years while other permitting activity is lower, mostly due to putting invoices directly against deposits;
- Low-rate market is continuing to keep interest earnings estimated lower than budget, however funds have been deposited with the Trustee for investment with Public Trust (will monitor results);
- 10 of 26 pay periods have been reported and costs are trending lower than budget but funds have been deposited with Trustee for investment with Public Trust, results will be monitored and reported quarterly;
- Recruitment costs are trending high;
- Utilities are trending slightly high; and
- Contractual services is trending lower than budget however the fire services contract has had no payments yet.

The City is 5 months into FY2022 and provided in the report are very preliminary estimates as receipts are normally collected in arrears. Estimate values can change as we record more activity. Property tax is received in Jan and May. Three months of sales tax received is trending high. Building permit activity is trending high, however, other permit activity will be decreased due to a change in deposit accounting. Investment

income remains lower than budget but will be monitored. Personnel costs are trending to have a savings; however, recruitment is trending high. On August 3, City Council approved a budget amendment for unspent prior year appropriations and reappropriated \$214,799 for FY2022. This still leaves City Council with \$741,845 of available funds for appropriation throughout the year. Once City Council appropriates these funds they will be reflected in the appropriate expenditure categories and will reduce any estimated surplus balance.

**Wastewater Fund Analysis:**

- 2 of 6 utility billings recorded,
- Low-rate market continuing to keep interest earnings estimated lower than budget (will monitor continuing results),
- 10 of 26 pay periods recorded and costs are trending lower than budget,
- Fuel costs are trending higher than budget,
- Supplies are trending lower than budget, and
- 1 of 2 debt service payments have been recorded.

Based on year-end projections the Wastewater Fund is trending to have approximately \$424,000 to be retained for utility reserves for FY2022. This is driven by savings in both personnel and operating costs and a slight increase of revenues.

**Recommended Action:**

Receive and file the attached report.

**Attachments:**

- A. General Fund Budget to Actual Through November 2021
- B. Wastewater Fund Budget to Actual Through November 2021



Budget Comparison Report  
**General Fund Budget to Actual through November 2021**

Item 3.

Estimated Beginning Fund Balance: **17.6m**

SubCategory	2019-2020 YTD Activity	2020-2021 YTD Activity	2021-2022 YTD Activity	Parent Budget	FY2022 Estimate	Notes
				2021-2022 V3		
<b>Category: 40 - TAXES</b>						
400 - Real Property Taxes	123,168.65	333,167.76	75,361.69	6,516,588.00	6,516,588.00	
403 - Personal Property Taxes	229,770.24	180,345.41	207,936.32	277,822.00	236,232.00	
409 - Sales Taxes	1,433,690.45	2,106,690.30	3,209,283.19	6,926,638.00	7,992,630.00	
420 - Other Taxes	647,191.95	784,734.46	846,047.33	8,462,873.00	8,570,667.00	Sales Tax coming in higher than anticipated
<b>Total Category: 40 - TAXES:</b>	<b>2,433,821.29</b>	<b>3,404,937.93</b>	<b>4,338,628.53</b>	<b>22,183,921.00</b>	<b>23,316,117.00</b>	
<b>Category: 41 - LICENSES</b>						
430 - Business Licenses	124,126.03	202,004.85	120,873.65	405,000.00	402,350.00	
<b>Total Category: 41 - LICENSES:</b>	<b>124,126.03</b>	<b>202,004.85</b>	<b>120,873.65</b>	<b>405,000.00</b>	<b>402,350.00</b>	
<b>Category: 42 - PERMITS</b>						
450 - Building Permits	846,939.20	581,194.57	1,415,567.23	2,857,250.00	3,091,631.00	
453 - Inspections	65,088.80	121,824.98	25,000.00	376,200.00	113,520.00	
456 - Other Permits	183,276.83	167,598.23	166,911.04	746,575.00	527,354.00	
515 - Public Works	-	-	2,039.98	-	2,040.00	
<b>Total Category: 42 - PERMITS:</b>	<b>1,095,304.83</b>	<b>870,617.78</b>	<b>1,609,518.25</b>	<b>3,980,025.00</b>	<b>3,734,545.00</b>	
<b>Category: 43 - FRANCHISE FEES</b>						
406 - Franchise Fees	6,171,910.11	1,170,498.57	1,169,124.31	3,111,474.00	3,092,134.00	
<b>Total Category: 43 - FRANCHISE FEES:</b>	<b>6,171,910.11</b>	<b>1,170,498.57</b>	<b>1,169,124.31</b>	<b>3,111,474.00</b>	<b>3,092,134.00</b>	
<b>Category: 45 - INTERGOVERNMENTAL</b>						
460 - Federal	-	-	17,037.45	-	-	Receipt will be reclassified
465 - State	-	-	-	-	-	
470 - Local	-	-	-	-	-	
<b>tal Category: 45 - INTERGOVERNMENTAL:</b>	<b>-</b>	<b>-</b>	<b>17,037.45</b>	<b>-</b>	<b>-</b>	
<b>Category: 47 - CHARGES FOR SERVICE</b>						



500 - Sanitation	112,614.53	19,428.94	-	-	-	
505 - Animal Control	41,251.56	45,789.64	39,014.93	111,564.00	93,633.00	
510 - Community Development	2,348.00	1,512.00	1,752.00	6,135.00	4,205.00	
515 - Public Works	3,829.00	42,772.06	-	15,500.00	5,500.00	
525 - Abatements	5,323.50	9,948.42	10,924.20	67,399.00	56,318.00	
530 - Public Safety	41,317.73	30,926.75	282,774.09	450,496.00	475,365.00	
535 - Facilities	56,478.80	38,953.10	101,762.47	131,020.00	219,548.00	
540 - Programs	48,387.00	500.00	5,717.00	18,750.00	13,720.00	
545 - Other	22,466.49	29,996.67	14,100.00	280,050.00	247,050.00	Passport services \$33k of budget, not doing them at this time
<b>Total Category: 47 - CHARGES FOR SERVICE:</b>	<b>334,016.61</b>	<b>219,827.58</b>	<b>456,044.69</b>	<b>1,080,914.00</b>	<b>1,115,339.00</b>	
<b>Category: 50 - FINES AND FORFEITURES</b>						
555 - Vehicle	30,675.59	19,985.68	31,983.37	76,608.00	76,759.00	
557 - Other	14,226.88	6,402.45	22,323.36	52,195.00	53,575.00	
<b>Total Category: 50 - FINES AND FORFEITURES:</b>	<b>44,902.47</b>	<b>26,388.13</b>	<b>54,306.73</b>	<b>128,803.00</b>	<b>130,334.00</b>	
<b>Category: 53 - COST RECOVERY</b>						
465 - State	24,854.02	-	13,226.32	20,000.00	26,592.00	
565 - Other Income	233,815.57	120,758.88	272,958.61	432,500.00	518,825.00	Insurance Recovery Higher than expected
<b>Total Category: 53 - COST RECOVERY:</b>	<b>258,669.59</b>	<b>120,758.88</b>	<b>286,184.93</b>	<b>452,500.00</b>	<b>545,417.00</b>	
<b>Category: 54 - MISCELLANEOUS REVENUE</b>						
560 - Investment Earnings	51,960.83	28,886.61	10,064.77	275,000.00	75,000.00	Interest rates still low however will watch activity now that funds are invested with Public Trust
565 - Other Income	22,853.66	10,989.84	(3,138.38)	34,000.00	36,450.00	
<b>Total Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>74,814.49</b>	<b>39,876.45</b>	<b>6,926.39</b>	<b>309,000.00</b>	<b>111,450.00</b>	
<b>Category: 58 - OTHER FINANCING SOURCES</b>						
595 - Sale of Assets	13,400.00	-	1,128.51	-	2,500.00	
599 - Other	(33.34)	(6.99)	94.06	-	100.00	
<b>Total Category: 58 - OTHER FINANCING SOURCES:</b>	<b>13,366.66</b>	<b>(6.99)</b>	<b>1,222.57</b>	<b>-</b>	<b>2,600.00</b>	
<b>Category: 90 - TRANSFERS</b>						
900 - Transfers	580,656.23	2,826,944.51	475,524.56	7,859,575.00	7,859,575.00	All transfers expected to be made

<b>Total Category: 90 - TRANSFERS:</b>	<b>580,656.23</b>	<b>3,006,217.98</b>	<b>475,524.56</b>	<b>7,859,575.00</b>	<b>7,859,575.00</b>
<b>Total Revenue</b>	<b>11,131,588.31</b>	<b>9,061,121.16</b>	<b>8,518,354.61</b>	<b>39,511,212.00</b>	<b>40,309,861.00</b>

**Category: 60 - PERSONNEL SERVICES**

600 - SALARIES AND WAGES	4,530,250.29	4,699,906.75	5,213,371.57	14,705,777.00	14,368,050.00	10 out of 26 pay periods recorded
610 - BENEFITS	3,568,403.56	2,957,815.78	2,990,285.31	6,538,910.00	6,011,503.00	
615 - OTHER	99,822.85	96,750.05	111,106.88	299,816.00	288,877.01	
699 - OTHER	8,430.64	8,458.75	9,531.80	95,850.00	95,850.00	
<b>otal Category: 60 - PERSONNEL SERVICES:</b>	<b>8,206,907.34</b>	<b>7,762,931.33</b>	<b>8,324,295.56</b>	<b>21,640,353.00</b>	<b>20,764,280.00</b>	

**Category: 65 - OPERATING COSTS**

615 - OTHER	13,831.43	15,133.70	21,960.00	35,000.00	52,704.00	Recruitment costs running high
650 - UTILITIES	773,476.01	736,116.07	834,734.56	1,624,392.00	2,003,363.00	Utilities running high
655 - ADMINISTRATIVE	145,071.65	147,169.67	172,360.75	642,892.00	579,132.00	
660 - FLEET COSTS	155,736.89	152,749.10	182,316.09	415,389.00	486,176.00	
665 - PROGRAM COSTS	358,362.93	423,860.75	329,291.00	750,250.00	711,268.00	
670 - REPAIRS AND MAINTENANCE	115,543.28	257,652.44	343,452.54	885,627.00	865,500.00	
675 - SUPPLIES	108,920.29	92,107.23	204,301.78	998,261.00	935,486.00	
680 - SPECIAL SERVICES	380,926.71	74,757.32	233,497.40	946,200.00	788,413.00	
690 - CONTRACTUAL SERVICES	1,128,546.02	1,051,902.53	945,181.93	7,337,385.00	7,008,702.00	Fire Contract invoice not in actuals yet
697 - ADMIN OVERHEAD	(187,500.00)	-	-	-		
699 - OTHER	1,154,843.20	1,477,556.01	1,750,603.54	1,915,874.00	1,847,887.01	
<b>Total Category: 65 - OPERATING COSTS:</b>	<b>4,147,758.41</b>	<b>4,429,004.82</b>	<b>5,017,699.59</b>	<b>15,551,270.00</b>	<b>15,278,631.00</b>	

**Category: 70 - CAPITAL IMPROVEMENTS**

700 - EQUIPMENT	18,634.70	41,115.21	121,441.96	344,751.00	320,606.00	
703 - FURNITURE	6,465.81	-	-	-		
705 - VEHICLE	106,394.72	139,208.64	157,114.16	848,626.00	848,626.00	
710 - STRUCTURE	-	-	62,500.00	-	250,000.00	Budgeted in Transfer Out
<b>Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>131,495.23</b>	<b>180,323.85</b>	<b>341,056.12</b>	<b>1,193,377.00</b>	<b>1,419,232.00</b>	

**Category: 77 - CONTINGENCY**

770 - CONTINGENCY	-	-	-	150,000.00	150,000.00
<b>Total Category: 77 - CONTINGENCY:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000.00</b>	<b>150,000.00</b>

**Category: 90 - TRANSFERS**

900 - Transfers	-	8,226.53	-	449,166.00	199,166.00
<b>Total Category: 90 - TRANSFERS:</b>	<b>-</b>	<b>8,226.53</b>	<b>-</b>	<b>449,166.00</b>	<b>199,166.00</b>
<b>Total Expense</b>	<b>12,486,160.98</b>	<b>12,380,486.53</b>	<b>13,683,051.27</b>	<b>38,984,166.00</b>	<b>37,811,309.01</b>
<b>Total Fund 100 - General Fund</b>	<b>(1,354,572.67)</b>	<b>(3,319,365.37)</b>	<b>(5,164,696.66)</b>	<b>527,046.00</b>	<b>2,498,552.00</b>
<b>Add Back Reappropriation of Unspent Funds</b>				<b>214,799.00</b>	<b>214,799.00</b>
<b>Funds Over/(Under) Budget</b>				<b>741,845.00</b>	<b>2,713,351.00</b>
<b>Estimated Ending Fund Balance</b>					<b>\$20.3m</b>



Budget Comparison Report  
 City of Beaumont, CA  
 through November 2021

**Estimated Beginning Fund Balance: \$6.4m**

	2019-2020 YTD Activity	2020-2021 YTD Activity	2021-2022 YTD Activity Through Per	Parent Budget 2021-2022 V3	FY2022 Estimate	Notes
<b>Category: 50 - FINES AND FORFEITURES</b>						
557 - Other	-	-	-	5,000.00	5,000.00	
<b>Total Category: 50 - FINES AND FORFEITURES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000.00</b>	<b>5,000.00</b>	
<b>Category: 53 - COST RECOVERY</b>						
565 - Other Income	6,236.10	-	-	5,000.00	5,000.00	
<b>Total Category: 53 - COST RECOVERY:</b>	<b>6,236.10</b>	<b>-</b>	<b>-</b>	<b>5,000.00</b>	<b>5,000.00</b>	
<b>Category: 54 - MISCELLANEOUS REVENUES</b>						
560 - Investment Earnings	16,118.54	7,092.61	2,570.17	25,000.00	25,000.00	Interest rates still low however will monitor since funds have been invested with Public Trust
<b>Total Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>16,118.54</b>	<b>7,092.61</b>	<b>2,570.17</b>	<b>25,000.00</b>	<b>25,000.00</b>	
<b>Category: 56 - PROPRIETARY REVENUES</b>						
570 - WasteWater	3,309,322.42	3,340,331.14	3,718,695.29	12,300,500.00	12,305,162.00	2 of 6 billings recorded
<b>Total Category: 56 - PROPRIETARY REVENUES:</b>	<b>3,309,322.42</b>	<b>3,340,331.14</b>	<b>3,718,695.29</b>	<b>12,300,500.00</b>	<b>12,305,162.00</b>	
<b>Category: 58 - OTHER FINANCING SOURCES</b>						
599 - Other	-	-	660.00	-	600.00	
<b>Total Category: 58 - OTHER FINANCING SOURCES:</b>	<b>-</b>	<b>-</b>	<b>660.00</b>	<b>-</b>	<b>600.00</b>	
<b>Total Revenue</b>	<b>3,331,677.06</b>	<b>3,347,423.75</b>	<b>3,721,925.46</b>	<b>12,335,500.00</b>	<b>12,340,762.00</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>						
600 - SALARIES AND WAGES	403,724.00	390,081.03	535,855.50	1,743,067.00	1,598,953.00	10 out of 26 payrolls posted
610 - BENEFITS	167,765.96	148,803.81	226,412.15	648,237.00	521,745.99	
615 - OTHER	6,733.05	6,105.40	8,156.26	24,103.00	23,562.00	
699 - OTHER	294.22	1,237.70	1,305.29	12,300.00	12,300.00	
<b>Total Category: 60 - PERSONNEL SERVICES:</b>	<b>578,517.23</b>	<b>546,227.94</b>	<b>771,729.20</b>	<b>2,427,707.00</b>	<b>2,156,561.00</b>	

**Category: 65 - OPERATING COSTS**

615 - OTHER	-	-	-	-	-	
650 - UTILITIES	364,818.68	333,747.17	345,055.46	767,796.00	828,133.00	Utilities running high
655 - ADMINISTRATIVE	44,882.37	58,120.85	62,014.10	187,475.00	163,717.00	
660 - FLEET COSTS	11,220.49	11,458.28	19,015.13	34,820.00	45,636.00	Fuel costs running high
670 - REPAIRS AND MAINTENANCE	32,378.45	19,472.52	10,822.33	96,200.00	96,200.00	
675 - SUPPLIES	82,495.40	137,980.69	163,641.86	553,900.00	521,122.00	
690 - CONTRACTUAL SERVICES	274,447.06	305,111.07	275,832.17	1,318,816.00	1,261,996.99	
697 - ADMIN OVERHEAD	162,500.00	-	-	-	-	
699 - OTHER	74,020.01	24,765.91	101,177.72	649,050.00	542,826.00	
<b>Total Category: 65 - OPERATING COSTS:</b>	<b>1,046,762.46</b>	<b>890,656.49</b>	<b>977,558.77</b>	<b>3,608,057.00</b>	<b>3,459,631.00</b>	

**Category: 70 - CAPITAL IMPROVEMENTS**

700 - EQUIPMENT	-	34,545.84	148,049.02	198,638.00	198,638.00	
705 - VEHICLE	-	-	89,711.14	215,000.00	215,000.00	
750 - OTHER	-	-	-	263,693.00	263,693.00	
<b>Total Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>-</b>	<b>34,545.84</b>	<b>280,832.16</b>	<b>677,331.00</b>	<b>677,331.00</b>	

**Category: 90 - TRANSFERS**

900 - Transfers	2,967,753.16	3,334,343.75	171,537.50	5,622,405.00	5,622,405.00	All transfers expected to be made
<b>Total Category: 90 - TRANSFERS:</b>	<b>2,967,753.16</b>	<b>3,334,343.75</b>	<b>171,537.50</b>	<b>5,622,405.00</b>	<b>5,622,405.00</b>	

<b>Total Expense</b>	<b>4,593,032.85</b>	<b>4,805,774.02</b>	<b>2,201,657.63</b>	<b>12,335,500.00</b>	<b>11,915,928.00</b>	
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<b>Total Fund 700 - Wastewater Fund</b>	<b>(1,261,355.79)</b>	<b>(1,458,350.27)</b>	<b>1,520,267.83</b>	<b>-</b>	<b>424,834.01</b>	
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**Estimated Ending Fund Balance: \$6.8m**



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** December 20, 2021  
**SUBJECT:** Financial Training Subcommittee Presentation

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### Background and Analysis:

The City Council directed the Finance and Audit Committee with creating a subcommittee to create a financial training program for the general public. The subcommittee met multiple times and has completed a presentation for Finance and Audit Committee's review.

### Recommended Action:

Review the presentation and recommend approval by the City Council or provide the subcommittee with modifications.

### Attachments:

- A. Financial Training Presentation

# Introduction to Local Government Finance

City of Beaumont



# Why does the City of Beaumont collect taxes and fees?

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- **To provide high quality public services, such as...**
- High quality police and fire services.
- Beautiful parks.
- Clean water.
- High quality roads.
- And much much more!



# Who pays these taxes and fees?

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- **Residents and visitors**
  - This is done through the payments of permit and utility fees, property taxes, sales taxes, and vehicle license fees.
- **Businesses**
  - This is done through business licenses and permits.
- **Other**
  - The City receives grants from various sources for operations and capital improvements.

# Where does the money go?

---

- **The City uses separate funds to account for its operations and the various funding sources that support operations. The City has THREE operating funds.**
  - 1. The General Fund-** This is the primary operating fund for the City. It funds core services including public safety, parks and recreation, streets maintenance, administration and finance, permitting and code enforcement.
  - 2. The Waste Water Fund-** These funds fund the operation of a wastewater system for residents and businesses of Beaumont.
  - 3. The Transit Fund-** These funds help provide transit operations to Beaumont's residents to enhance local and regional mobility.

# Special Revenue Funds

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- In addition to the three operating funds listed above, there are also special funds.
- The largest portion of special revenue funds are CFD funds.
- What is a CFD fund?
- CFD funds establish a Mello-Roos Community Facilities District (a “CFD”) which allows for financing of public improvements and services.

# Capital Project Funds

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- Finally, there are capital project funds.
- These funds are used to receive and track funds received from a variety of sources that are used to directly support the city's infrastructure and capital improvement projects.

# How is the City held accountable?

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- **Audits**
- Outside Firm (Not City Staff)
- Certified Public Accountants (CPA)
- Follow Professional Standards

# What do audits do?

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- Occur Every Year
- Examine Financial Records
- Review Agreements and Contracts
- Test Internal Controls and Processes
- Interview Leadership & Staff

# What are the possible opinions the city can get from the audit?

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- Unqualified: Clean – City of Beaumont has this opinion
- Qualified: Some Problems
- Adverse: Significant Problems
- Disclaimer: No Opinion, Big Problems

# What is provided in the Financial Statements?

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- Management Discussion and Analysis – provides financial highlights and overview of the financial statements.
- Government-wide Financial Statements – provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.
- Fund-Specific Financial Statements – report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives.
- Required Supplemental Information – includes schedules required to be presented showing information related to the City's pension plan, and a budgetary comparison schedule for the General Fund and the City's major special revenue funds.
- Supplementary Information – includes the combining statements and schedules of the non-major governmental funds, internal service funds, and agency funds.



# What are notes to the Financial Statements?

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- Most valuable section to the general public.
- Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# What is an audit finding?

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- A finding identifies an area where the City needs to improve.
- This report tracks progress toward fixing prior year findings and identifies any new ones.

# Where can I find the City's most recent audits?

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- [Audits and Reports | Beaumont, CA - Official Website \(beaumontca.gov\)](https://www.beaumontca.gov/audits-reports)

# Who do I contact if I have further questions?

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- You may call the City of Beaumont finance department at 951-572-3236.
- We look forward to hearing from you!



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Kyle Warsinski, Economic Development Manager  
**DATE:** December 13, 2021  
**SUBJECT:** **City of Beaumont Grant Policies and Procedures**

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### Background and Analysis:

The purpose of the grant procedures outlined in the proposed document are:

1. To ensure proper oversight of all funds awarded to the City.
2. To minimize the City's risk of losing funding due to non-compliance with grant requirements.
3. To ensure proper administration and accounting of all grants.

This policy is applicable to any City of Beaumont program, department, or fund division preparing and submitting grant applications to agencies outside the City government for funds, materials, or equipment to be received and administered by the City or by an entity for which the City acts as fiscal agent. The goals and objectives of the City departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant policies and regulations conflict with regulations and policies of the City, the federal and state regulations will prevail unless they are less restrictive than City policies where City policy prevails.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant.

The main highlights of the proposed Grant Policies and Procedures are as follows:

1. Create a central responsibility for the management and reporting of all grants.
2. Establish Grant Application Procedures, including City Manager approval prior to grant application submittals.
3. Establish procedures for acceptance of Grants.

4. Creation of a grant master file and fiscal file to assist in management and reporting.
5. Establish detailed guidelines for grant reporting and monitoring.
6. Establish procedures for grants involving personnel.
7. Establish procurement rules to ensure compliance with grantor entities
8. Fiscal year-end procedures
9. A process for grant closeouts
10. Detailed federal grant procurement policy

**Recommended Action:**

Recommend the City Council Approve the proposed City of Beaumont Grant Policies and Procedures

**Attachments:**

- A. City of Beaumont Grant Policies and Procedures



# Grant Policies and Procedures

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<b>City of Beaumont Grant Policies and Procedures</b>
<a href="#">Administrative Services Department</a>

**SECTION 1: DEFINITION AND PURPOSE**

The definition of a grant for purposes of this policy is as follows: An award of financial assistance in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, and private businesses and citizens that the City can accept or reject.

The purpose of the grant procedures outlined in this document is:

1. To ensure proper oversight of all funds awarded to the City.
2. To minimize the City's risk of losing funding due to non-compliance with grant requirements.
3. To ensure proper administration and accounting of all grants.

**SECTION 2: SCOPE**

This policy is applicable to any City of Beaumont program, department, or fund division preparing and submitting grant applications to agencies outside the City government for funds, materials, or equipment to be received and administered by the City or by an entity for which the City acts as fiscal agent. The goals and objectives of the City departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant policies and regulations conflict with regulations and policies of the City, the federal and state regulations will prevail unless they are less restrictive than City policies where City policy prevails.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant.

**SECTION 3: CENTRAL RESPONSIBILITY**

The City Council authorizes the Administrative Services Director and Finance Director to promulgate any procedures and controls that minimize the City's risk for non-compliance with grant requirements and the Administrative Services Director or their assigned designee for providing support to requesting agencies. The Administrative Services Department will maintain the back-up file for all grants in order to facilitate management, reporting and overall monitoring. The required central grant file will be maintained by the department seeking grant funds and must be retained in accordance with City of Beaumont retention policy.

For Federal Grants, the Department applying for the grant and the Finance Department should ensure compliance with the Federal Office of Management and Budget (OMB) general requirements and any other state and/or federal requirements specified in the grant conditions. The Administrative Services Department and Finance Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All City programs, departments, and fund divisions shall submit any/all grant information required by the Administrative Services Department to carry out its oversight responsibilities.

**SECTION 4: GRANT APPLICATION PROCEDURES**

- 4.1 The City program, department, or fund division desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. Grant applications will be reviewed by the department(s) seeking grant(s) in order to make an independent assessment of all financial aspects of the application to ensure funds availability. The department director should sign the grant application as approval that funds are available and that they are supportive of the fiscal impacts to their department. The department applying for the grant should make every effort to project all initial and ongoing costs associated with the grant program including but not limited to staff support, needed assistance for computer systems, office space, utilities, systems furniture, vehicles, office equipment, office supplies, computer software and hardware, and/or telephone charges.
- 4.2 Upon the department completing its financial assessment, they shall prepare and submit a Grant Processing Request Form (Appendix A) to the Administrative Services Department with the original grant application, along with any required assurances and conditions prior to submitting the application to the grantor entity for approval. This Form must be approved by the City Manager prior to the grant application being submitted. The purpose of this from

notification to Administration is to eliminate duplication of submissions by City departments for the same grant, to allow Administrative Services to maintain a comprehensive list of pending grant applications as well as active grants, to provide assistance as appropriate to departments in the preparation and administration of grants, and to ensure availability of matching funds, where applicable. The Administrative Services department will obtain the City Manager's approval and notify the department that the application has been approved. Administrative Services will also send a Memorandum of Understanding, if necessary, on the grant's requirements to the department applying for the grant and will assist departments on inquiries concerning compliance issues.

- 4.3 The Administrative Services Department will request additional information or revised submittals if needed. The Administrative Services and Finance Departments will work with the departments to ensure the availability of funds. For those grant applications where a Grant Processing Request Form has not been submitted within a reasonable time, Administrative Services will follow up with the applicable department to see that the proper procedures are followed. Grant applications shall not be submitted to the grantor entity prior to the Administrative Services Department receiving and the City Manager approving the Grant Process Request Form. In some cases, the grant application shall not be submitted until approved by the City Council.
- 4.4 Any grant pertaining to technology will be required to complete a Technology Service Request (Appendix B) Form and forward it to the Administrative Services Department before applying for the grant. City of Beaumont's Software/Hardware standards and IT staffing must be considered for any software/hardware purchases. IT staff must make assurances that any equipment/software purchased will be technologically compatible and can be supported in years to come.
- 4.5 If the grant is incorporated into the Adopted City of Beaumont Budget and appropriated, then no additional Board approval is required for the application and acceptance of the grant, unless otherwise required by individual grant requirements. However, supporting documentation to assist in monitoring of the grant shall be forwarded to the Administrative Services Department for their records.
- 4.6 All grant award acceptances must have approval from the City Manager and/or the City Council,

under the provisions of the limits established in the City of Beaumont Purchasing Policy. This action may involve preparation of a City Council agenda item for inclusion on the next regular meeting agenda for consideration. In order for an item to be considered at a board meeting, the department must forward the required staff report and any necessary documentation to the City Clerk's office in accordance with the City's agenda procedures. Please refer to the City Council calendar or consult with the City Clerk's office for additional information on the agenda deadlines. In the event that a grant cannot be presented at City Council due to a short timeline, staff is required to bring the grant to city Council at the first available meeting for ratification.

- 4.7 If a grant application is denied by the grantor, a copy of the letter of denial shall be forwarded to the Administrative Services Department for their records. In addition to the letter of denial, the department which submitted the grant shall draft and submit a summary of the denial to the Administrative Services Department for their records.

## **SECTION 5: GRANT ACCEPTANCE PROCEDURES**

- 5.1 Whenever possible, all requests for acceptance of grants of a recurring nature should be submitted to the Finance Department through the normal budget process that must be approved by the City Council.
- 5.2 The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements) will be forwarded to the Administrative Services Department, who will review the grant award for reporting requirements, special conditions, and deadlines related to administering the grant.
- 5.3 If deemed necessary by Administrative Services Director and time permits, the Administrative Services Department may forward the grant award letter/agreement to the City Attorney for legal review of any clauses or grant special conditions to ensure compliance with Federal or state laws.
- 5.4 In order for expenditures to be processed against a grant, a budget appropriation must be established using procedures and limits set forth in the City of Beaumont Financial Management Policy. The department requesting a grant will work with the Finance Department to prepare a City Council agenda item requesting appropriation of grant funds, unless the grant

has already been approved by the City Council as part of the adopted annual budget process.

- 5.5 Upon obtaining a copy of the Council action approving a grant, the Finance Department will assign an account code to the grant and the applicable department will be notified of the account code. For reimbursable grants, all reimbursement requests should be copied and forwarded to Administrative Services and Finance Departments, noting the applicable account code for the receipting of the funds. The Finance Department will notify the departments of such anticipated receipts of revenue for those reimbursements made to the City. The Finance Department will track receipts for reporting with annual audits.
- 5.6 Departments should notify the Administrative Services and Finance Departments if:
- A. There is a subsequent alteration in the funding configuration.
  - B. There is a subsequent alteration in the City's financial obligation.
  - C. Grant funds will be carried forward into the next fiscal year.
  - D. There is any notification that the grant will be terminated.
- 5.7 Departments shall process Personnel action/status forms at year end for those grants that have new account numbers each year, to eliminate necessary future adjustments.
- 5.8 Departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant period, for funds to be used adequately and not lost in future award periods.

## **SECTION 6: GRANT MASTER FILE AND FISCAL FILE**

### 6.1 Grant Master File

The program manager is required to maintain a grant master file in order to document all major actions from the grant award through closeout. The master file should include the following documents:

- A. Grant Application: Funding opportunity announcement and the original grant application that was submitted to the awarding agency.

- B. Grant Award Documents: Grant award, terms and conditions, assurances, award modifications, and approved Request for Council Action (RCA) for the acceptance of the award. Also include subrecipient agreement if portion of the award was transferred to a subrecipient.
- C. Financial Documents: Approved budget and budget amendments.
- D. Grant Reports: Periodic and Final Financial and/or Performance reports including any communications regarding these reports.
- E. Grant Reimbursement/Payment Requests: Reimbursement/Payment Request form, supporting documents including copy of invoices, copy of transmittal letter, copy of check payment or EFT notification, and copy of Deposit Transmittal Form (DTF).
- F. General Communications: Internal or external communications pertaining to the grant.

## 6.2 Fiscal File

To assist in administering the grant, the Administrative Services Department should also maintain a fiscal file. The fiscal file contains all documentation related to the financial history of the grant. To ensure the creation of the fiscal file, the program manager should provide the following documents to Administrative Services:

- A. Executed copy of the grant Award and approved RCA
- B. Terms & Conditions
- C. Award modifications
- D. Approved grant budget
- E. Budget modifications
- F. Financial Reports
- G. Reimbursement/Payment Requests and supporting documentation

Grant files must be retained in accordance with the City of Beaumont's file retention policy or, for federal awards, the retention requirements for records per 2 CFR 200-333 whichever is more restrictive.

## **SECTION 7: GRANT MONITORING AND REPORTING**

### 7.1 Monitoring of Grants

- 7.1.1 Departments are responsible for continuous monitoring of the financial status of grants. The Finance Department will provide departments with regular access of monthly financial

reports for such monitoring. This report will include information, such as money already expended, remaining funding, budget to actual analysis, payments already received, grant receivable or advance payment balance, and if applicable, matching funds already provided. Departments must review the monthly financial reports and notify the Administrative Services and Finance Departments promptly of any discrepancies noted and/or any additional reports needed.

- 7.1.2 Line-item budget amendments must be approved prior to grant expenditures being made in order to avoid loss of funding or denial of reimbursement. Line-item adjustments must be completed in accordance with the awarding agency's policies and procedures. Line items can go negative, as long as the grant account is not negative in total if the granting entity allows it, but the department should remember that expenditures must be reported to the grantor by line item and must be allowable in the line item reported and spent.
- 7.1.3 Departments must also monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures remain in compliance with grant procurement policies and procedures. For example, equipment procured with grant funds must be disposed of in accordance with the terms of the grant and OMB Circular A-87 requires payroll costs to be supported properly based on the percentage worked on the grant. Federal grants must meet requirements set out in OMB Circulars A-87, A-102, and A-133 or the Uniform Grant Guidance, as applicable. Departments should contact Administrative Services and/or Finance if assistance is needed with compliance issues.
- 7.1.4 Departments shall require Sub-recipients of grant funds to prepare and submit progress reports to the City. Departments shall notify all sub-recipients of the grant's compliance requirements, reporting requirements, and cost principles. Departments shall establish periodic monitoring meetings with sub-recipients to ensure grant compliance. Sub-recipients shall provide a written acknowledgement that they have received and agree to the items detailed above and any other requirements explained by the City.

## 7.2 Grant Reporting

- 7.2.1 The requesting department is responsible for providing performance and financial reports to grantors. If it is determined that the report preparation is to be handled by the Administrative Services or Finance Department, this must be indicated on the Grant Processing Request Form. In some cases, grantors may prohibit the same individual from

submitting both performance and financial reports. If the program manager identifies this scenario, or something similar they shall notify the Administrative Services Department who will designate a different party to perform the financial report.

7.2.2 Departments handling grant reporting are responsible for complying by the due dates with all reporting requirements of the grant including financial reporting and reimbursement requests. All reimbursement requests should be copied and forwarded to Administrative Services and Finance for review and monitoring of timeliness of revenue reimbursements.

7.2.3 Timely requests for reimbursements are crucial to maximize the financial benefits of the grants to the City. Grant reimbursements should be completed timely and in accordance with the requirements of the specific grant.

## **SECTION 8: INDIRECT COSTS**

Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect cost are allowed in the grant. Departments should contact the Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. These funds may be used by the Finance Department to offset costs in overseeing the grant including staff time, external auditor expenditures, etc.

## **SECTION 9: PERSONNEL**

9.1 Any new personnel positions to be created as a result of grant funding must be approved by the City Manager and City Council, and properly classified by Human Resources. Departments are to promptly notify Payroll each year of coding changes needed for those persons being charged to grants since project/grant codes may change each year. (Coding changes are noted on personnel action/status forms and turned into Human Resources by the applicable departments.) The Department applying for a grant that will create a new position(s) shall prepare a staffing plan and submit such plan to the Administrative Services Department. The staffing plan should include the duration of the position(s) (temporary or permanent), detail the work to be performed by the new position(s), and describe how the position(s) will be funded upon the expiration of the grant funding.

9.2 Where employees are 100% federally funded by a grant, salaries and wages will be supported



by quarterly certifications stating that the employee worked solely on that program for the period covered by the certification. The certification must be signed by the supervisory official having firsthand knowledge of the work performed by the employee. Where employees are partially federally funded, their daily tasks must be listed on Daily Activity Logs if provided by the grantor to support the percentage of time spent working on the grant. Distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards. For example, someone working 75% out of federal funding and 25% out of local funding must complete the daily activity log to substantiate the percentages.

- 9.3 Any employee whose salary is paid in part by a grant must develop an activity log that will allow him/her to track actual times and effort performed for the grant. When completing the required bi-weekly timesheet, the employee must itemize time by activity, indicating the account number and for each activity. The program manager will review/sign the timesheet ensuring the following: (1) total hours allocated to the grant based on actual hours recorded in the employee's activity log; and (2) the account numbers and project account codes being used are correct ensuring proper distribution of wages. Once review, the program manager will forward the timesheet to the department head for approval/signature. Once approved by the department head, it will go to Administrative Services Department to the attention of the payroll technician for processing. Personnel costs that are to be funded using Grant funds may not be used for compensatory time.

## **SECTION 10: GRANT-RELATED PROCUREMENT AND POLICY ISSUES**

### **10.1 Procurement Using Grant Funds**

When submitting purchase requisitions with the intention of using grant funds, the department head or program manager must clearly indicate the source of funding for the procurement. The department head or program manager must also communicate to the Finance Department the applicable procurement standards for the grant preferably via e-mail. The Finance Department must review the grant procurement standards and incorporates them, if necessary, in the procurement process.

### **10.2 Procurement Using Federal Grant Funds**

- 10.2.1 The Finance Department must be notified that federal funds are involved for all purchases with federally funded grants, regardless of the dollar amount involved.

All purchases, of any amount, made with federal grant funds must comply with the following requirements detailed in Section 14 below.

- 10.2.2 If federal funding is involved, the department head, program manager and Finance Department must ensure the procurement standards outlined in 2 CFR 200-320 and the required suspension and debarment testing- 2 CFR 200-213 - for covered transactions are met. Covered transactions include procurement of goods and services that equal or exceed \$25,000, non-procurement transactions as defined in 2 CFR 180.970 and subcontracts/sub awards that equal or exceed \$25,000.
- 10.2.3 List of debarred or excluded vendors can be found in the System for Award Management web page and can be accessed at the following address: <http://www.sam.gov>. From there, go to Search Records at the top left of the page, and search for your vendor by name. You will receive a message showing whether your vendor is excluded or not. If excluded, you shall not purchase from that source. If there are no records matching the search request, you may purchase from that vendor, assuming all other purchasing and grant requirements have been met. In either case, please print out the pages for your grant file, to show compliance with this requirement.
- 10.2.4 A copy of the required certification related to the suspension and disbarment of the vendor **MUST** be obtained before any funds are spent. The program manager must document the result of the sam.gov search in the grant Master file and fiscal file and be made available to the department head, Administrative Services Department, Finance Department and/or external auditors upon request.
- 10.2.5 In some cases, the City of Beaumont's procurement standards may be more restrictive than the grant's procurement standards. For example, 2 CFR 200-320 allows the use of procurement by small purchase method when acquiring goods or services that do not cost more than the simplified acquisition threshold (currently at \$150,000). In this method of procurement, informal solicitation of price or rate quotes from adequate number of sources is acceptable. However, the City of Beaumont's procurement policy (BMC; Chapter 3) requires an informal competitive bid for purchases between \$45,000 and \$175,000. In such a circumstance, the program manager must follow the City of Beaumont's procurement standards because it is more restrictive.
- 10.2.6 The Finance Department also needs to be notified so that assets acquired using Federal funds can be properly identified. Equipment items purchased with federal funds that cost

\$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every two years in order to be properly safeguarded against theft, damage, or loss. Inventory records should be maintained in accordance with State Library Regulations. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the City Attorney's office to ensure restriction compliance. When assets acquired with Federal funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen, or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$5,000 or more at the time of disposition. If the federal entity is compensated for the current fair market value of the item, the equipment may be retained by the entity.

- 10.2.7 Grantees should follow the City's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to the Administrative Services and Finance Departments for assistance in compliance monitoring. If grant guidelines require grantees to abide by different procurement procedures other than those adopted by the City, the grantee should resolve the situation with the Finance Department prior to submitting the application. As a rule, the federal and state regulations prevail unless less restrictive than City policies-where City policy prevails.

## **SECTION 11: CLASSIFICATION OF GRANT REVENUE**

All federal, state and local grant revenue should be receipted as revenue as opposed to as expenditure refunds in order to remain in compliance with approved grant policies and GAAP revenue recognitions requirements. Budgets of expenditures for revenues received are obtained through the City of Beaumont Financial Management Policy and as previously described in above paragraphs.

## **SECTION 12: YEAR-END PROCEDURES**

- 12.1 Indicate clearly on the June and July invoices which fiscal year (prior or current) they are to be posted. Only goods and services received prior to July 1st can be posted back to the prior year. Receipts received in July and August for prior year expenditures should be reconciled promptly.

12.2 Ensure all funds are expended or encumbered prior to the end of the grant period so that funds will be used adequately and not lost in future award periods.

### **SECTION 13: GRANT CLOSEOUT**

13.1 A grant is considered completed when all work funded by the grant is completed or the grant's period of performance ends. If work cannot be completed within the specified period of performance, the program manager is responsible of ensuring that a continuation or no-cost extension is requested in a timely manner. All continuation or no-cost extension requests should be submitted to the Administrative Services Department for review and approval prior to submitting the request to the grantor.

13.2 Each grant has specific closeout procedures to which the City must adhere to. The closeout documentation and the due dates for submission of required final reports and final payment request are stated in the terms and conditions of the award. The program manager must see to it that all the required work for the grant is completed, no further expenditures are incurred after the grant's period of performance and all invoices are paid and posted to the accounting software before finalizing the final financial report and the final payment request.

13.3 To ensure accuracy of the final financial report and final payment request, the program manager must obtain a final grant recap from the Finance Department and an account summary report covering the grant's period of performance. These reports must be reviewed and reconciled. Once the final financial report and final payment request have been prepared, it will be submitted to the department head or appropriate City management personnel for review to ensure they are mathematically accurate and supporting documentation agrees to the final financial report/final payment request. The department head or City management personnel will send the program manager an email indicating review and approval of the prepared final financial report/final payment request.

13.4 The program manager is responsible for complying with the due dates specified in the award terms and conditions.

### **SECTION 14: DETAILED FEDERAL GRANT PROCUREMENT POLICY**

#### **14.1 Purpose**

The City of Beaumont is a potential recipient of Federal Grant Funds and as such, is required to confirm with Federal laws and standards identified in 2 CFR 200.318-326. Therefore,

procurements in which federal funds are contemplated or used must be conducted in accordance with federal procurement requirements. This policy explains the City Procurement Policy with respect to federally funded procurements by providing a cross-reference between federal procurement regulations, explains the applicable City procurement policy and how it conforms to federal requirements.

*CFR Reference: 2CFR 200.318(a)*

## 14.2 Procedures

City staff shall consult this policy when dealing with any procurements in which federal funds are contemplated or used. This document will be updated as needed to reflect changes in federal regulations. All procurements in which federal funds are contemplated or used must be conducted in accordance with federal procurement requirements. This policy explains the applicable City procurement policy and how it conforms to federal requirements. Note, certain grants will have additional procurement requirements, i.e. Buy America. In those instances, all procurement requirements identified in the circular shall also apply.

## 14.3 Policy

### GENERAL PROCUREMENT STANDARDS

*CFR Reference: 2CFR 200.318*

#### 14.3.1 Goal

All purchasing functions are to be conducted with the highest ethical standard. Department directors, division managers and employees must remain constantly aware of their responsibilities when spending public funds. The Finance Department will provide a purchasing process that implements and maintains the requirements of the City Municipal Code Chapter 3.0 and provide a centralized purchasing system to:

- A. Establish a purchasing program providing for competitive bidding in the open market and obtaining the greatest possible advantage to the City.
- B. Provide a cost-effective purchasing process utilizing high ethical standards.
- C. Obtain the appropriate quality of materials and services at the lowest ultimate cost and in a timely manner
- D. Provide a system to purchase, using effective fiscal controls that ensure adherence

to budget, expenditures, and encumbrances. Obtain appropriate levels of approval as established herein.

- E. Award purchases to the lowest responsive and most responsible vendors meeting specifications and city requirements.
- F. Promote and maintain good relationship with vendors. City staff shall deal in a professional manner and promote equal opportunity, fairness and courtesy in all vendor relations.

#### 14.3.2 Staff Responsibilities

It is the responsibility of all City of Beaumont staff assigned to purchase materials, equipment, supplies and services for all City functions to follow the established Procurement Process. These purchasing activities shall be conducted in the most economical and efficient manner.

#### 14.3.3 Responsibilities of the Finance Department

Pursuant to the City Municipal Code the Finance Director is responsible for administration of purchases for all City departments. The City Municipal Code provides for the delegation of some or all the purchasing responsibilities to the department director and to his/her designee. With the promulgation of this provision, department directors are responsible for ensuring their department purchases are made in accordance with the Purchasing Guidelines and the approved Annual budget. The Finance Director is responsible for oversight of the various departments and to ensure adherence to the rules and regulations of the City Municipal Code Chapter 3. The Finance Director will assist department directors/designees to comply with the requirements of the purchasing guidelines.

The Department director may delegate the authority of procurement to staff member(s) within his/her department and division. The designated staff carries the full responsibility for the purchasing processes designated to them.

#### 14.3.4 Code of Ethics

- A. Regard public service as a sacred trust, giving primary consideration to the interests of the City.
- B. Purchase the best value obtainable, securing the maximum benefit for each tax

dollar expended.

- C. Allow for full and open competition and not participate in uniform bidding.
- D. Know and respect their obligations to the public, private sector and using agencies.
- E. Accord vendor representatives' courteous treatment remembering that they are important sources of information and assistance in purchasing decisions.
- F. Avoid all appearances of unethical or compromising acts during interaction with vendors.
- G. Ensure that all vendors have the opportunity to participate in the bidding procedure.
- H. Strive constantly for greater knowledge of purchasing methods and of the goods and services to be procured.
- I. Conduct one-self with fairness and dignity, and demand honesty in buying and selling.
- J. Remember that their conduct reflects on the City.

#### 14.3.5 Conflict of Interest

No officer or employee of the City having any supervisory authority to purchase any specific goods, services or construction for the City shall engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

#### 14.3.6 Gratuities

The Finance Director and all other officers and employees of the City are prohibited from accepting directly or indirectly from any person to whom any purchase order or contract is, or might be, awarded, any rebate, kickback, gift, money or other unlawful consideration. The offer of such gratuity to an official or employee by any supplier or contractor shall be cause for declaring such individual to be an irresponsible bidder and for preventing such supplier or contractor from bidding. The City may elect to audit any supplier or contractor documents as it pertains to this section.

#### 14.3.7 Pre-Solicitation

- A. The Finance Director and all other officers and employees of the City procuring with federal funds must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical purchase.

*CFR Reference: 2CFR 200.318(d)*

- B. Where advantageous for the City, when competitively bid and awarded and to foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the City is encouraging staff to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

*CFR Reference: 2CFR 200.318(e)*

- C. The City is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

*CFR Reference: 2CFR 200.318(g)*

#### 14.3.8 Post-Solicitation

- A. The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.213 Suspension and debarment.

*CFR Reference: 2CFR 200.318(h)*

- B. The City must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.



*CFR Reference: 2CFR 200.318(i)*

- C. The City may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-federal entity is the sum of:
- (i) The actual cost of materials; and
  - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

In addition, since time-and-material type contract generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, City staff must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls

*CFR Reference: 2CFR 200.318(j)*

- D. The City alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the City of any contractual responsibilities under its contracts. The federal awarding agency will not substitute its judgment for that of City staff unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

*CFR Reference: 2CFR 200.318(k)*

#### 14.4 Competition

*CFR Reference: 2CFR 200.319*

- 14.4.1 All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests

for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- A. Placing unreasonable requirements on firms for them to qualify to do business.
- B. Requiring unnecessary experience and excessive bonding.
- C. Noncompetitive pricing practices between firms or between affiliated companies.
- D. Noncompetitive contracts to consultants that are on retainer contracts.
- E. Organizational conflicts of interest.
- F. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. Any arbitrary action in the procurement process.

14.4.2 City staff must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

14.4.3 City staff must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- A. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to make a clear and accurate

description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

- B. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

- 14.4.3 City Staff working on each grant must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, staff must not preclude potential bidders from qualifying during the solicitation period.

#### 14.5 Methods of Procurement to be Followed

*CFR Reference: 2CFR 200.320*

City staff must use one of the following methods of procurement.

- A. Procurement by **micro-purchases**. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed **\$3,000** (as currently defined in CFR Reference: 2 CFR 200.67 or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold to the extent practicable, City staff must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if City staff considers the price to be reasonable.
- B. Procurement by **small purchase** procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold of **\$150,000** (as currently defined in CFR Reference: 2 CFR 200.88). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

- C. Procurement by sealed bids (**formal procurement**). is the acquisition of supplies or services, the aggregate dollar amount of which **exceed \$150,000** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
1. In order for sealed bidding to be feasible, the following conditions should be present:
    - (a). A complete, adequate, and realistic specification or purchase description is available.
    - (b). Two or more responsible bidders are willing and able to compete effectively for the business; and
    - (c). The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  2. If sealed bids are used, the following requirements apply:
    - (a) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised.
    - (b) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
    - (c) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly.
    - (d) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of;

and

- (e) Any or all bids may be rejected if there is a sound documented reason.

D. Procurement by competitive proposals (RFP)

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. City staff must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
5. City staff may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

E. [Reserved by Code of Federal Regulations]

F. **Procurement by noncompetitive proposals (Sole/Single Source).**

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from City staff; or
4. After solicitation of several sources, competition is determined inadequate.

14.6 Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

*CFR Reference: 2CFR 200.321*

- A. City staff must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- B. Affirmative steps must include:
  1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
  2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
  3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
  4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
  5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

14.7 Procurement of Recovered Materials

*CFR Reference: 2CFR 200.322*

Contracts must contain a clause stating contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of

the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

#### 14.8 Contract Cost and Price

*CFR Reference: 2CFR 200.323*

- 14.8.1 City staff must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$150,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the procurement situation, but as a starting point, City staff must make independent estimates before receiving bids or proposals.
- 14.8.2 City staff must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- 14.8.3 Costs or prices based on estimated costs for contracts under the federal award are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable for City staff under Subpart E—Cost Principles of this part. City staff may reference its own cost principles that comply with the federal cost principles.
- 14.8.4 The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

#### 14.9 Federal Awarding Agency or Pass-Through Entity Review

*CFR Reference: 2CFR 200.324*

- 14.9.1 City staff must make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if City staff desires to have the review accomplished after a solicitation has been developed, the federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- 14.9.2 City staff must make available upon request, for the federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
- A. City staff's procurement procedures or operation fails to comply with the procurement standards in this part;
  - B. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
  - C. The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
  - D. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
  - E. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- 14.9.3 City staff is exempt from the pre-procurement review in paragraph (b) of this section if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
- A. City staff may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party



contracts are awarded on a regular basis;

- B. City staff may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from City staff that it is complying with these standards. City staff must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

#### 14.10 Bonding Requirements

*CFR Reference: 2CFR 200.325*

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (\$150,000 as currently defined in CFR Reference: 2 CFR 200.88), the federal awarding agency or pass-through entity may accept the bonding policy and requirements of City staff provided that the federal awarding agency or pass-through entity has made a determination that the federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- A. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

*(To be submitted with the bidding documents)*

- B. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

*(To be submitted at time of contract award)*

- C. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

*(To be submitted at time of contract award)*

#### 14.11 Contract Provisions

*CFR Reference: 2CFR 200.326*

City staff's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts under Federal Awards.

**SECTION 15: CITY MANAGER EXEMPTION**

The City Manager may exempt any grants from this policy at his/her sole discretion.

# GRANT PROCESSING REQUEST FORM

Department of Administrative Services

<b>DATE :</b>				
<b>DEPARTMENT:</b>				
<b>GRANT PROGRAM:</b>				
<b>GRANTING ENTITY:</b>		<b>ENTITY CONTACT:</b>		<b>ENTITY PHONE NO:</b>
<b>IF FEDERAL GRANT... CFDA #</b>			<b>EXAMPLE OF NUMBER</b> Dept: Department of Education (Entity No.) 84.XXX (Grant Program No.)	
<b>PROGRAM TITLE:</b>				
<b>FUNDING REQUEST:</b>				
<b>FEDERAL</b>	<b>STATE</b>	<b>LOCAL MATCH</b>	<b>OTHER</b>	<b>TOTAL REQUEST</b>
<b>IF LOCAL MATCH IS REQUIRED, ARE FUNDS AVAILABLE IN DEPARTMENT BUDGET? Y/N</b>				
<b>ACCOUNT TO WHICH THE MATCH WILL BECODED:</b>				
<b>INDIRECT COSTS? Y/N</b>			<b>AMOUNT</b>	
<b>REIMBURSEMENT GRANT? Y/N</b>				
<b>FINANCIAL &amp; PROGRESS REPORTS PREPARED BY:</b> Department                      Finance			<b>REQUEST FOR FUNDS SUBMITTED BY:</b> Department                      Finance	
<b>PROJECT DIRECTOR:</b>				
<b>PHONE:</b>		<b>EMAIL:</b>		

<b>DEPT. DIRECTOR OR THEIR DESIGNEE APPROVING SUBMISSION:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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<b>REVIEWED &amp; APPROVED BY FINANCE:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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<b>REVIEWED &amp; APPROVED BY CITY ADMINISTRATION:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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**TECHNOLOGY SERVICE REQUEST FORM**

Department of Administrative Services

<b>DATE :</b>	
<b>DEPARTMENT:</b>	
<b>GRANT PROGRAM:</b>	
<b>PROGRAM TITLE:</b>	
<b>AMOUNT OF GRANT (\$):</b>	<b>ONGOING IT COSTS? Y/N (\$) /YR</b>
<b>WILL PROFESSIONAL IT SERVICES BE NEEDED FOR INSTALLATION OR MAINTENANCE? Yes / No ? If Yes, please describe.</b>	
<b>ARE PROFESSIONAL SERVICES OR MAINTENANCE COVERED BY GRANT? Yes / No ? If Yes, please describe.</b>	
<b>LIST ALL EQUIPMENT AND/OR SOFTWARE TO BE ACQUIRED THROUGH THE GRANT? (Include Lifecycle for each item listed. See attachment A)</b>	
<b>Item</b>	<b>Lifecycle</b>
<b>PROJECT MANAGER:</b>	
<b>PHONE:</b>	<b>EMAIL:</b>

<b>REVIEWED &amp; APPROVED BY INFORMATION TECHNOLOGY:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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<b>REVIEWED &amp; APPROVED BY CITY ADMINISTRATION:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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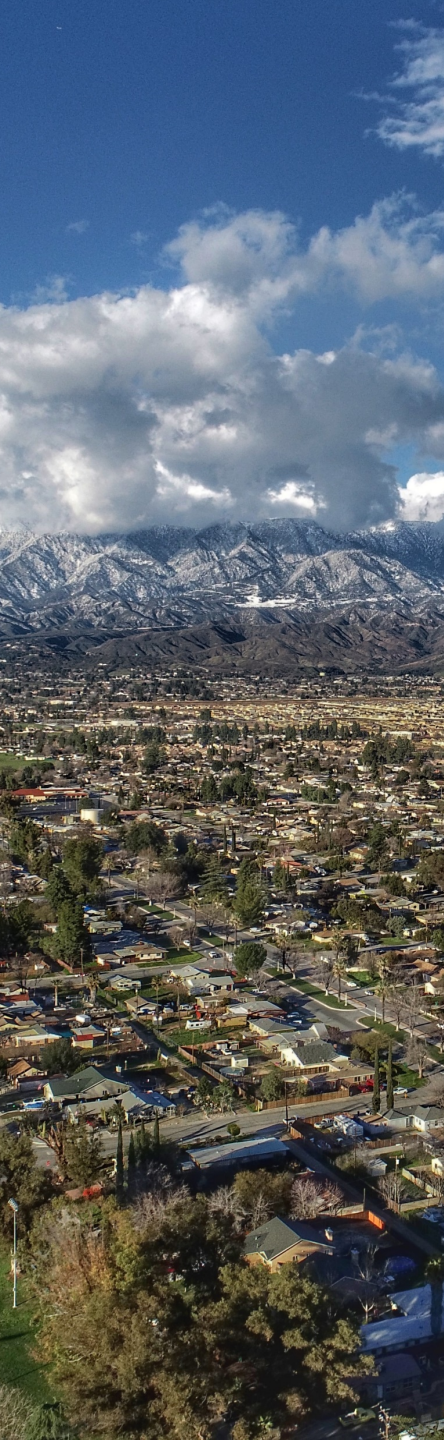
<b>Device</b>	<b>Replacement Period</b>
Personal Computers	4-5 years depending upon function and Warranty
Cell Phones	2-3 years
Tablets and Ipads	3-5 years
Copiers/Printers	5-7 years
Servers	5 years
Networking Infrastructure	5-7 years
AV Equipment	5-7 Years
Peripherals	As needed



# BEAUMONT

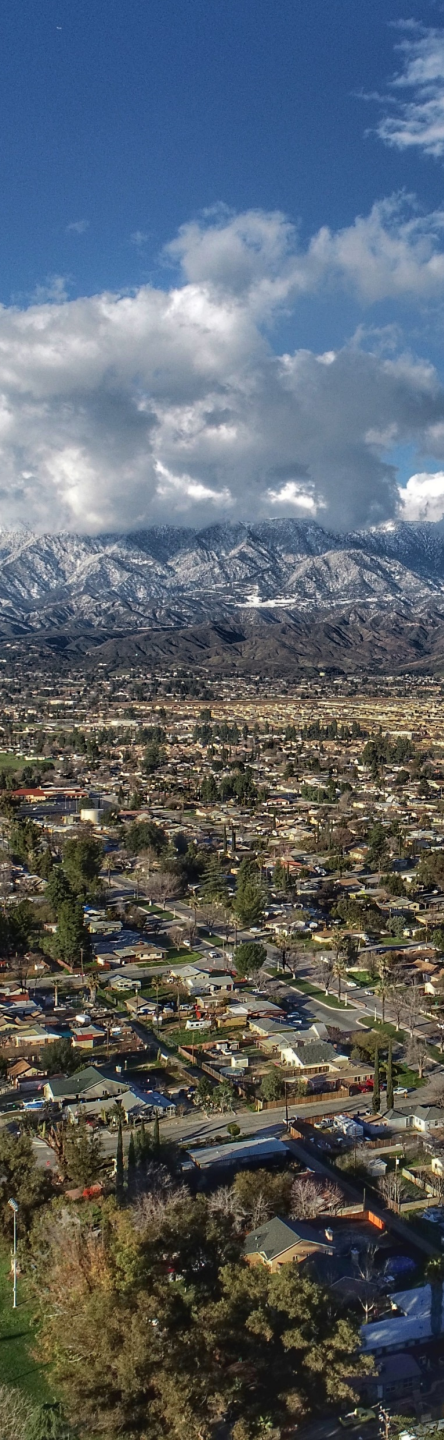
— C A L I F O R N I A —

## GRANT POLICIES AND PROCEDURES



# Purpose

1. To ensure proper oversight of all funds awarded to the City.
2. To minimize the City's risk of losing funding due to non-compliance with grant requirements.
3. To ensure proper administration and accounting of all grants.



# Scope

1. Applies to any Beaumont program, department or fund division
2. Preparation and submittal of grant applications for funds, materials and/or equipment
3. Goals and objectives of City Departments should be established early through a planning process and should not change based on new grant availability.
4. If grant policies and regulations conflict with the city policies, state or federal regulations shall prevail, unless they are less restrictive, wherein the city policy shall prevail.





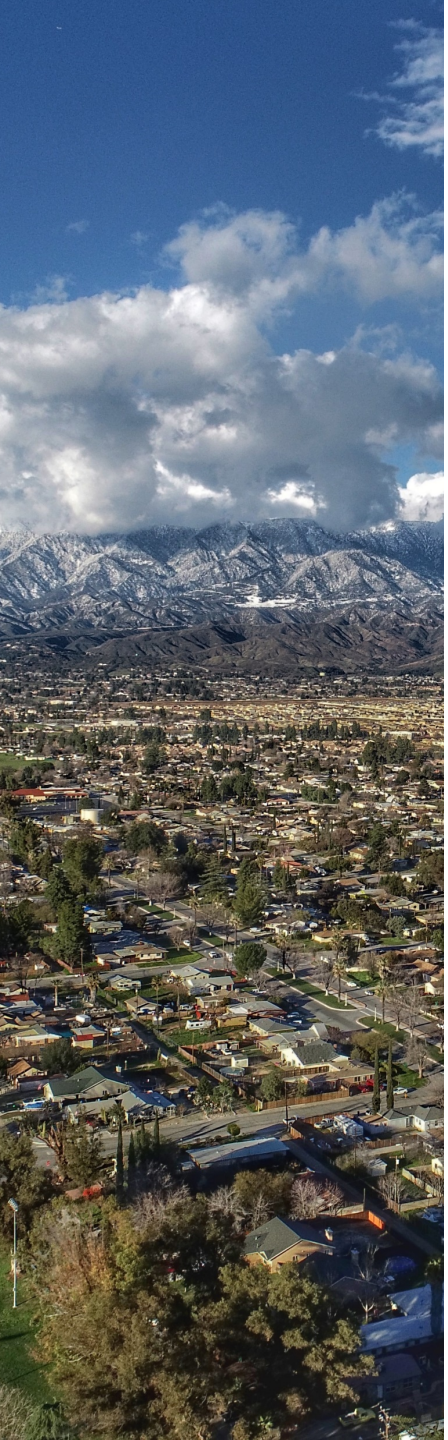
# Policies and Procedures

1. Central Responsibility
2. Grant Application Procedures
3. Grant Acceptance Procedures
4. Master File and Fiscal File
5. Monitoring and Reporting
6. Indirect Costs
7. Personnel
8. Grant Related Procurement
9. Classification of grant revenue
10. Year-end Procedures
11. Grant Closeout



# Central Responsibility

- Administrative Services Department will serve as the department responsible for all grants
  - Maintain backup file to facilitate management, monitoring, and reporting assistance
  - A central grant file shall be maintained by the department seeking grant funds
- Finance Department will assist in minimizing City's risk for non-compliance
- Finance Department will aid individual departments on federal grants to ensure compliance with the Federal Office of Management and Budget (OMB)



# Application Procedures

- Applications to be completed by each department seeking funds, materials, equipment, etc.
- Complete financial assessment
  - Initial and on-going costs
    - Staff support, computer systems, office space and furniture, utility needs, equipment and supplies, indirect costs, etc.
- Grant Processing Request Form
- Technology Service Request Form



Appendix A  
**GRANT PROCESSING REQUEST FORM**  
 Department of Administrative Services

DATE :				
DEPARTMENT:				
GRANT PROGRAM:				
GRANTING ENTITY:		ENTITY CONTACT:		ENTITY PHONE NO:
IF FEDERAL GRANT... CFDA #			EXAMPLE OF NUMBER Dept: Department of Education (Entity No.) 84.XXX (Grant Program No.)	
PROGRAM TITLE:				
FUNDING REQUEST:				
FEDERAL	STATE	LOCAL MATCH	OTHER	TOTAL REQUEST
IF LOCAL MATCH IS REQUIRED, ARE FUNDS AVAILABLE IN DEPARTMENT BUDGET? Y/N				
ACCOUNT TO WHICH THE MATCH WILL BECODED:				
INDIRECT COSTS? Y/N			AMOUNT	
REIMBURSEMENT GRANT? Y/N				
FINANCIAL & PROGRESS REPORTS PREPARED BY:			REQUEST FOR FUNDS SUBMITTED BY:	
Department		Finance	Department	
			Finance	
PROJECT DIRECTOR:				
PHONE:		EMAIL:		
DEPT. DIRECTOR OR THEIR DESIGNEE APPROVING SUBMISSION:		SIGNATURE:		DATE:
REVIEWED & APPROVED BY FINANCE:		SIGNATURE:		DATE:
REVIEWED & APPROVED BY CITY ADMINISTRATION:		SIGNATURE:		DATE:



Appendix B  
**TECHNOLOGY SERVICE REQUEST FORM**  
 Department of Administrative Services

<b>DATE :</b>	
<b>DEPARTMENT:</b>	
<b>GRANT PROGRAM:</b>	
<b>PROGRAM TITLE:</b>	
<b>AMOUNT OF GRANT (\$):</b>	<b>ONGOING IT COSTS? Y/N (\$) /YR</b>
<b>WILL PROFESSIONAL IT SERVICES BE NEEDED FOR INSTALLATION OR MAINTENANCE?</b> Yes / No ? If Yes, please describe.	
<b>ARE PROFESSIONAL SERVICES OR MAINTENANCE COVERED BY GRANT?</b> Yes / No ? If Yes, please describe.	
<b>LIST ALL EQUIPMENT AND/OR SOFTWARE TO BE ACQUIRED THROUGH THE GRANT?</b> (Include Lifecycle for each item listed. See attachment A)	
<b>Item</b>	<b>Lifecycle</b>
<b>PROJECT MANAGER:</b>	
<b>PHONE:</b>	<b>EMAIL:</b>

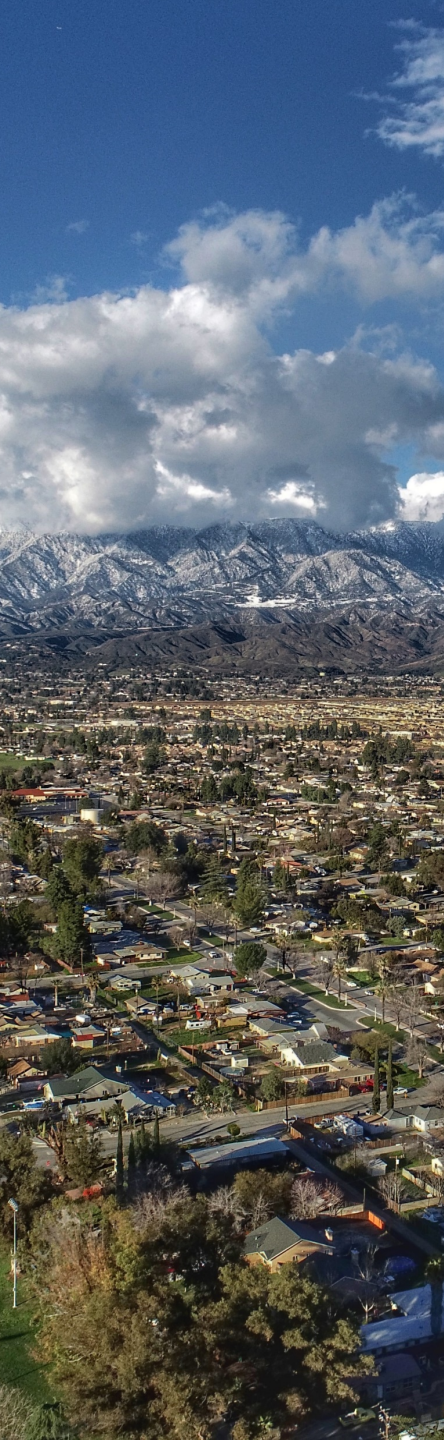
<b>REVIEWED &amp; APPROVED BY INFORMATION TECHNOLOGY:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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<b>REVIEWED &amp; APPROVED BY CITY ADMINISTRATION:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>
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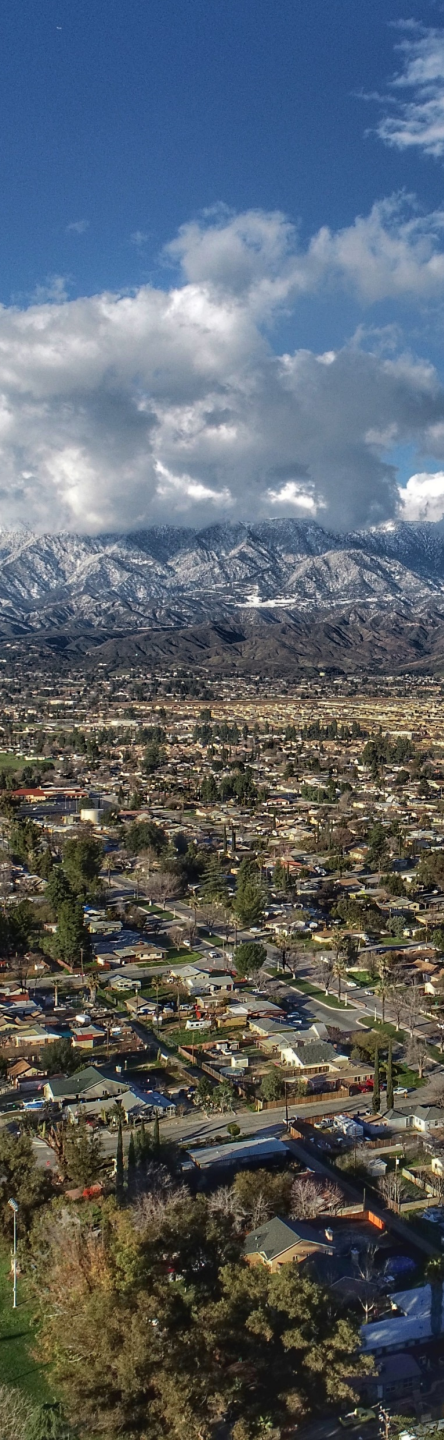
# Application Procedures

- All grant acceptances to be approved by City Council
- If a grant application is denied, a copy of the denial will be placed in the Master File and a summary shall be drafted. The copy of the denial and summary shall be forwarded to the Administrative Services Department to be included in the Fiscal File.



# Acceptance Procedures

- Grant award letter / acceptance agreement provided to Admin Services Dept.
  - Grant amount
  - Assurances
  - Special conditions
  - Guidelines and deadlines
- Finance Department will establish a budget appropriation
  - Account code
  - Reimbursable grant procedures
- Notification to Admin Services and Finance if:
  - Subsequent alteration in funding
  - Subsequent alteration in City's obligation
  - Grants to be carried into next fiscal year
  - Notification the grant will be terminated



# Master File & Fiscal File

- Master File to be kept by Department Program Manager
- Fiscal File to be kept by Administrative Services Department
  
- Grant files must be retained in accordance with the City of Beaumont's file retention policy or, for federal awards, the retention requirements for records per 2 CFR 200-333 whichever is more restrictive.





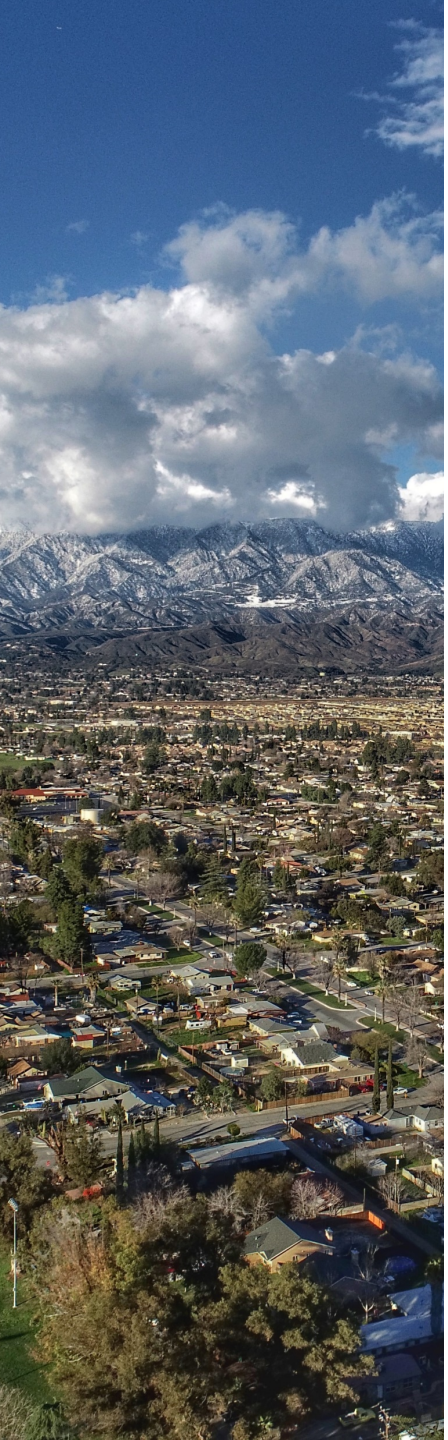
# Monitoring & Reporting

- Departments are responsible for continuous monitoring of grants that have been awarded
- Finance Department will provide departments monthly financial reports
  - Funds expended
  - Remaining funding
  - Budget to actual analysis
  - Payments received
  - Grant receivable or advance payments
  - Matching funds
- Departments shall notify Admin Services and Finance promptly on all discrepancies



# Monitoring & Reporting

- Line-item budget amendments must be approved prior to grant expenditures being made.
  - Must be done in accordance with the awarding agencies policies and procedures.
- Departments must monitor grants for compliance with all applicable federal, state and local regulations.
  - Example: Equipment purchased with grant funds must be disposed of in accordance with the terms of the grant.
- Departments shall require sub-recipients of grant funds to submit progress reports.



# Monitoring & Reporting

- Grant reporting shall be performed by the Department applying for the grant, unless otherwise stated in the Grant request form.
- Departments shall be responsible for complying with all due dates and requirements specified in each grant
- Reimbursement requests shall be timely to maximize the financial benefits of the grants to the City.



# Indirect Costs

- Some Grants allow various indirect costs to be funded through the grant program
- Departments should work with the Finance Department to identify and calculate indirect costs for inclusion into a grant application.
- Some examples: staff time and external auditor expenses



# Personnel

- A Staffing plan shall be submitted to Admin Services for new positions to be funded by a grant.
  - Duration (temporary / permanent)
  - Work details
  - How will the position be funded upon expiration of the grant
- Any new personnel positions to be created with grant funding must be approved by the City Manager and City Council.
- Departments must notify Human Resources / Payroll prior to the start of each fiscal year if coding changes for those persons being charged to grants



# Procurement

- Purchase requisitions using grant funds shall clearly indicate the pertinent account code for the grant.
- The department head or program manager must also communicate the applicable procurement standards for the grant to the Finance Department along with the purchase requisition
- Special attention is required for federal grants which have detailed and lengthy procurement policies
- In some cases, Beaumont's procurement standards may be more restrictive, and thus must also be followed by the program manager.



# Classification of Grant Revenues

- All federal, state, and local grant revenue shall be receipted as revenue as opposed to as expenditure refunds to remain in compliance with Generally Accepted Accounting Principals (GAAP) revenue recognitions requirements.



# Year-End Procedures

- June and July Invoices shall clearly indicate which fiscal year (prior or current) they are to be posted.
- Only goods and services received prior to July 1<sup>st</sup> can be posted back to the prior year.
- Program managers shall ensure all funds are expended or encumbered prior to the end of the grant period.





# Grant Closeout

- A grant is completed when all work funded by the grant is complete or the grant period of performance ends.
  - If work cannot be completed in the specified period, the program manager is responsible for requesting a continuation or no-cost extension.
- Adherence to each grant's specific closeout requirements
  - Final reports and final payment requests
- To ensure accuracy, the program manager must obtain a final grant recap report from the Finance Department prior to completing a final report and final payment request.
- Final reports and final payment requests shall be signed by the appropriate department head prior to submittal.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
 Lisa Leach, Assistant Finance Director  
**DATE** December 20, 2021  
**SUBJECT: Review of Draft FY2021 Annual Comprehensive Financial Report**

---

### Background and Analysis:

On an annual basis the City is required to have an independent audit of its financial statements. The audit for FY2021 is in the final stages of completion and a draft report will be submitted to the City for review as soon as available.

The audit provides for an unmodified (“clean”) opinion, which means that the financial statements present fairly in all material respects, the financial condition of the City. The audit process includes an interim period of review of internal controls and testing of transactions and year-end balances. Both processes are completed by the independent auditors.

This is the first year the City is completing an Annual Comprehensive Financial Report (ACFR). The ACFR is divided into the following sections:

- **Introductory Section (New with ACFR)** – Includes a Letter of Transmittal to introduce the ACFR and provide a profile of the government, and information that is useful in assessing a government’s economic condition and organizational information.
- **Independent Auditor’s Report on Financial Statements** – provides an opinion on the reasonable assurance about whether the financial statements as a whole are free from material misstatement.
- **Management Discussion and Analysis** – provides management’s discussion of the financial condition of the City and the results of operations for the year ended FY 2020-2021.
- **Financial Statements** – this provides for detailed financial results of both government activities and business type activities along with the change in financial position for the City during the fiscal year July 1, 2020, through June 30, 2021.

- **Notes to the Financial Statements** – this provides additional information regarding a summary of significant accounting policies, including valuation of assets and liabilities.
- **Supplementary Information** – this provides for comparative data with information from prior years.
- **Statistical Section (New with ACFR)** – provides financial trends, revenue capacity, debt capacity, demographic, economic and operating information which provides a context for assessing a government's economic condition.

The draft is expected to go through the technical review process with the audit firm, which is the last phase to achieve a final report and staff does not anticipate any substantive changes. City staff plans to take the report in final form to City Council in January and submit the ACFR to the GFOA for the Certificate for Achievement for Excellence in Financial Reporting. The deadline to apply for the award is January 31, 2022.

**Recommended Action:**

Discussion of the Annual Comprehensive Financial Report and recommend for City Council consideration once a final version is received.

**Attachments:**

A. Annual Comprehensive Financial Report (to be attached when received and provided at the meeting)



# **City of Beaumont**

**Beaumont, California**

## **Annual Comprehensive Financial Report**

*For the Year Ended June 30, 2021*

**City of Beaumont, California**

**ANNUAL COMPREHENSIVE  
FINANCIAL  
REPORT**

For the fiscal year ended June 30, 2021

Prepared by the Finance Department

Jennifer Ustation, Finance Director  
Lisa Leach, Assistant Finance Director  
Jacqueline Miranda, Accounting Technician  
Tara Astran, Budget Specialist  
Justine Wickman, Accounting Technician

City of Beaumont  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2021

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Draft - for discussion purposes only - 12/17/21

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Draft - for discussion purposes only - 12/17/21

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For the Year Ended June 30, 2021**

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January x, 2022

To the Honorable Mayor, Members of the City Council, and the Citizens of Beaumont:

It is with great pleasure that we present to you the City of Beaumont's (City's) audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 the safeguard City assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation involves estimates and judgements by management. It is believed that the City's internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

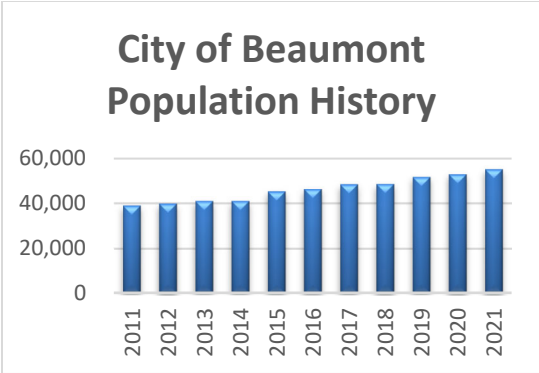
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Beaumont's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

Beaumont was incorporated on November 18, 1912, is located 79 miles east of Los Angeles, 111 miles northeast of San Diego and 28 miles west of Palm Springs. Beaumont's incorporated area encompasses two of the region's most important highway interchanges, IH-10 and SR-60 and IH-10 and SR-79. Beaumont (beautiful mountain), originally the community of the San Gorgonio Pass, began its roots as an ideal route for the transport of goods and services from the Missouri River to the Pacific Ocean. The Pass Area remains an important route for the transportation of goods and services from the West Coast today. Since the early 2000s Beaumont

has undergone a major building boom and for several years has remained one of the fastest growing cities in Riverside County, mainly due its housing affordability and convenient proximity to major urban centers. Beaumont’s median income is \$84,105 which is 14.8% higher than the average for Riverside County.



As presented in the ten-year population history chart, Beaumont’s population has significantly increased over the past 10 years. The 2020 US Census estimated the population to be 52,686. The California Department of Finance now estimates the 2021 population has grown to 54,937, an increase of 2,251 from 2020 (4.27% 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 5-member City Council, from which the Mayor and the Mayor Pro tempore are selected annually. The City Council appoints the City Manager, who is responsible for the daily operations of all City departments, and the City Attorney. The City’s operating departments are City Council, City Clerk, Administration, Finance/Budget, Community Development, Community Services, Public Safety, Public Works, Transit, and Wastewater.

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

**THE REPORTING ENTITY**

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

**ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

The City’s fund accounting records are maintained using a modified accrual basis of accounting, as explained in the Notes to the Financial Statements, and is subject to the accounting practices for governmental units as mandated by (GASB). Basic City operations are accounted for in the

City's General Fund, with other activities accounted for in separate funds as required by law or determined by management discretion.

The Government-Wide financial statements (Statement of Net Position and Statement of Activities) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements. These reconciliation schedules are presented on pages 22 and 25 in the body of the financial statements.

The Finance Director is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is the level at which expenditures are not to exceed Council approved appropriations, is established at the fund and department level. The City Manager has authority to amend the budget within a departmental appropriation; however, changes in employee counts must be approved by the City Council. Adjustments at the object level within major categories of expenditures are permissible at the department level, however, adjustments involving transfers between major categories of expenditures, between departmental and division budgets, or between departments within the same fund, require Finance Director recommendation and City Manager approval. All appropriations lapse at year-end and become available for re-appropriation the following year through the appropriate budgetary process, upon recommendation by the City Manager for City Council consideration.

## **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

### **Economic Development**

The City completed a retail market analysis and identified its retail trade area. Proactive retail recruitment strategies have been implemented utilizing data from market analysis. The City also established the Beaumont Business Resource Center page on the City's website. This webpage provided businesses with information about safety measures and mandates, funding opportunities from various sources, and business counseling. Business surveys were conducted to determine business needs during the pandemic. In order to help local restaurants, weather the COVID-19 pandemic, Beaumont established policies to facilitate outdoor dining and related services. Beaumont also launched a Stay Safe Pledge to maintain public confidence in local retail establishments. A small business assistance grant program was implemented to provide financial assistance to local businesses who could demonstrate financial losses due to the COVID-19 pandemic and cumulatively awarded \$123,000 in grants relief to qualified businesses.

### **Community Development**

Beaumont adopted the 2040 General Plan Update which was a major update to the 2007 General Plan. The update was recognized by the American Planning Association and awarded the 2021 Comprehensive Plan Small Jurisdiction Award. The City also completed a Downtown Area Plan that provides a detailed vision, guiding principles, and goals and policies for the City's historic core. It recognizes the importance of this area to the identity of the community and is the guiding document for the revitalization and redevelopment of the downtown core.

## **Public Safety**

In Fiscal Year 2020/2021, Beaumont Police Department expanded the K9 Program to include a second canine handler and a canine. This team is a dedicated asset for the Patrol Division and should prove vital to the safety of sworn personnel and the community. This was accomplished by the Beaumont PD Administration, with support from the Beaumont City Council and City Manager. Updated BPD policy was administered, a dedicated budget was established, canine handler interviews were conducted, and canine testing was administered. Equipment, training, vehicle outfit and miscellaneous purchases have been made to accommodate the on-boarding of the second canine team. The Beaumont Police department has made a conscious effort to save costs by retrofitting an existing new model/low mileage vehicle.

## **Public Works**

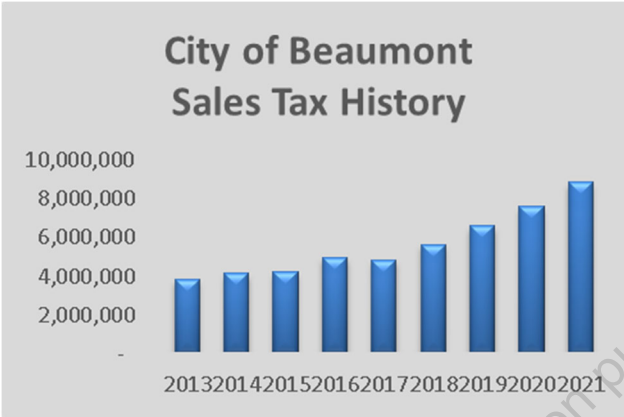
The City of Beaumont Public Improvement Program included the fiscal year 2019/2020 Street Rehabilitation Project and fiscal year 2020/2021 Mid-Year Street Maintenance Project. To date, 79 lane miles of road have been rehabilitated with more than 50 lane miles planned in the next two years. The City is currently in the final design and the draft environmental document preparation for the Pennsylvania Avenue interchange which currently hosts a westbound off-ramp and eastbound on-ramp only. Pennsylvania Avenue's two lanes of traffic intersect with the Union Pacific Railroad at an at-grade intersection south of the I-10 freeway. Two existing grade separations within the vicinity of the project at Beaumont Avenue and Highland Springs Avenue experience a high volume of traffic due to regional commuters and shoppers. In order to avoid congestion at these locations, an increasingly high volume of vehicles are using Pennsylvania Avenue. The first phase of the project will be widening Pennsylvania Avenue to four lanes between First Street and Sixth Street and will also include protected dual turns from northbound Pennsylvania Avenue to westbound Sixth Street. Construction of the widening is set to begin in early 2022 and is expected to take 6-9 months to complete.

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

As presented in the 2040 General Plan Update, the City will support downtown revitalization as well as growth and business expansion in targeted industries that include healthcare, retail, and technology-based industries. Beaumont has continued to experience growth in its retail, commercial and industrial sectors. The City is approximately 50% built out and has significant land available to add to its numerous retail anchors that include Walmart, Home Depot, Kohls and Ross Dress for Less. The community has also experienced growth in its commercial and industrial sectors with the most recent addition being an Amazon fulfillment center. Amazon joins other major employers like Perricone Juices, Icon Health and Fitness, Wolverine, and CJ Foods. Work is underway on a new industrial building of approximately 700,000 square feet in the Hidden Canyon area in the central portion of the City. Amazon provides much of the economic base of the community through the employment of the local labor force within its 640,000 square-foot fulfillment center. Due to Beaumont's prime location, available land, and growing population base it is anticipated that it will remain attractive to future commercial and industrial prospects. Planning policies have been adopted to support balanced growth to achieve fiscal sustainability while maintaining a high quality of life. These policies are in concert with

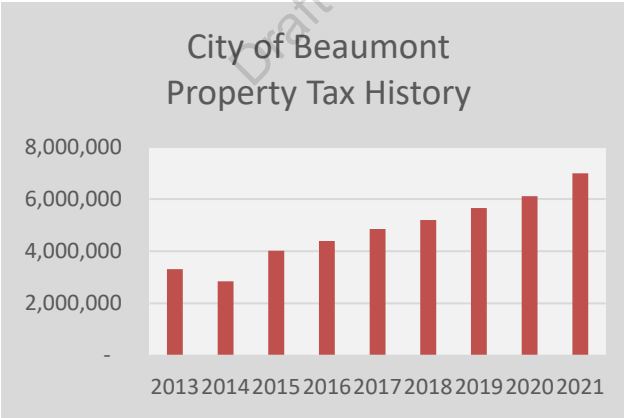
the City Council’s official goals and objectives in the areas of public safety, quality of life, economic development, sustainable community, and intergovernmental/interagency relationships.

In 2021, the median price of a home in Beaumont was \$447,000, an increase of \$67,000 or 17.63% from \$380,000 in 2020, according to the Riverside County Recorder via HDL, Coren & Cone. Prior to 2021, the peak median price of \$396,500 was reported for 2006. The 2021 median value represents a 12.7% increase from that peak. After several years of fluctuations in home values due to uncertain economic conditions, Beaumont has seen a steady increase in home prices from 2016 thru 2021. Beaumont continues to see a steady pace in new, single-family residential development which is expected to continue over the next couple of years. This growth is expected to continue attracting skilled and educated residents who are expanding the local workforce with the requisite skills to meet the City’s economic development objectives.



The Sales Tax History chart is a ten-year historical presentation of the City’s sales tax revenue through fiscal year ending June 30, 2021. In 2021, the City received \$7,552,253 in sales tax revenues, an increase of 14.53% or \$958,623 from \$6,593,630.

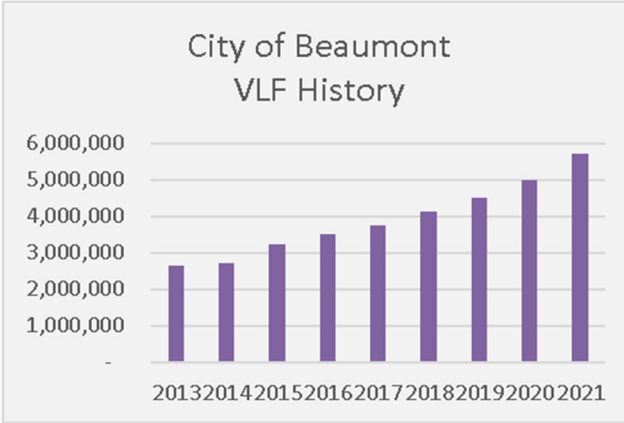
As with most California communities, a large portion of General Fund revenues are derived from sales and use tax receipts. Continued growth in the retail and commercial sectors will be critically vital to the long-term fiscal health of the community. A retail-oriented economic development program has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



The Property Tax History chart is a ten-year historical presentation of the City’s property taxes through fiscal year ending June 30, 2021. As shown here, property tax collections decreased in 2014 due to the Great Recession but have steadily increased since 2015. On June 30, 2021, property tax revenues were reported at \$6,991,565, a net increase of \$881,941 or 14.44% from fiscal year 2020 due to increased residential, commercial and industrial new accessed value as well as increasing property values.

Overall property tax revenues are showing signs of growth as valuations increase and vacant land continues to be improved. The primary growth in assessed valuations continues to be in the

single-family residential sector which accounted for a 10% increase in property transfer tax from \$356,962 in 2020 to \$393,738 in 2021. With demand high and inventory low the value of existing homes has increased in response to market conditions



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

Protection Package, a Vehicle License Fee (VLF) program was implemented. The program provides for the exchange of the current VLF backfill from the State’s general fund for an equivalent amount of property tax revenues in FY2004/2005. Any future growth in VLF revenue would be calculated in proportion to growth in gross accessed valuation. As presented in the ten-year history chart, VLF has steadily increased since fiscal year 2011/2012. In fiscal year 2020/2021, the City collected \$5,709,914 in VLF revenue, an increase of \$712,062 or 14.25% due to an increase in property values within the City.

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## ACTUAL OPERATING RESULTS – GENERAL FUND

The following discussion summarizes the annual operating results of the City’s General Fund, for the fiscal year ended June 30, 2021. Further details are presented in the individual financial statements attached to this transmittal letter.

The ten-year General Fund History chart reflects the total revenues, expenditures, and net change in fund balance for the General Fund through June 30, 2021. The net change in fund balance figure in the chart includes operating revenues, operating expenditures, transfers to and from other funds, and proceeds from the sale of capital assets. The City Council committed \$2,750,000 to fund future capital improvement projects and committed \$2,500,000 to address the increasing unfunded pension liability (UAL) for miscellaneous and safety employees with CalPERS. For further detail and breakdown, please refer to the notes and statistical section of these financial statements.

## ANNUAL OPERATING RESULTS – ENTERPRISE FUNDS

The City accounts for its Wastewater and Transit operations on an “enterprise” basis, meaning that the activity is treated more like a commercial business, separate and apart from the general City operations. In FY 2020/2021, Enterprise Fund operating revenues for Sewer and Transit combined, totaled \$12,092,083, an increase of \$1,388,959 or 12.98% over FY2020/2021, while operating expenses increased by \$343,198 or 2.23%, over the same period.

### Wastewater Operations

For Wastewater Operations specifically, the Wastewater fund operating expenses exceeded operating revenues by \$638,594, mainly attributable to three new added positions. Last fiscal year the Wastewater fund showed an operating deficit of \$1,628,082. Note that this chart does not include any “non-operating” revenues or expenses, such as investment earnings of \$54,568, developer capital contributions of \$1,013,130, transfer in of \$4,584,157, interest expense of \$3,822,823 and transfer out of \$5,002,961. Interest expense increased \$894,728 which pertains to the debt service payment on the 2018 Wastewater Revenue Bonds issued to fund construction of a new wastewater treatment plant and a pipeline to send concentrated wastewater to the Orange County Sanitation District (OCSD). The wastewater treatment plant construction is in its final stage of construction and is expected to be completed within FY2021/2022. The OCSD pipeline has been completed and is in operation.

### Transit Operations

For Transit Operations specifically, the Transit fund operating expenses exceeded operating revenues by \$3,030,110, which is not uncommon as the Transit system is heavily subsidized by the Riverside County Transportation Commission (RCTC). The transit system is subject to the provisions of the California Public Utilities Code §99268.3 and must maintain a minimum farebox recovery ratio of 10%, meaning operational revenue needs to be at least 10% of the systems expenses. Due to the COVID-19 pandemic, ridership has dramatically decreased and on June 29, 2020, the Governor of California signed Assembly Bill 90, which prohibits the

imposition of a penalty on operators that do not maintain the required ratio of fare revenues to operating costs during fiscal years 2019-20 or 2020-21. Note the chart does not include “non-operating” revenue or expenses, such as \$2,239,339 of local transportation funds, \$12,217 of intergovernmental revenue, transfer in of \$278,846, investment earnings of \$3,153 and transfer out of \$100,000.

### **PENSION FUNDING STATUS**

The City provides its full-time and certain part-time employees retirement and disability benefits through four defined California Public Employees’ Retirement System (CalPERS) benefit pension plans: Classic Miscellaneous, Public Employees’ Pension Reform Act (PEPRA) Miscellaneous, Classic Safety and PEPRA Safety. The City makes required employer contributions to the plans based on the amounts determined by CalPERS actuaries. All City employees pay their required employee contributions based on the employees’ group/individual retirement plan formulas. In FY2020/2021, the City made \$3,228,952 in employer pension costs and contributions to PERS. The notes to the financial statements are based on the measurement date of the last actuarial which is June 30, 2020. In FY202/2021, the “City’s” share of retirement costs increased for Miscellaneous employees from 14.398% to 15.445%, for Miscellaneous PEPRA from 6.985% to 7.732%, for Safety from 21.927% to 23.674%, and for Safety PEPRA from 13.034% to 13.044%. The reason for the changes in the City’s (employer) share of retirement costs is due to changes in pool asset values and differences between the projected rate of return versus the actual returns on pooled assets. At the December 21, 2016, meeting, the CalPERS Board of Administration approved lowering the CalPERS discount rate of assumption, the long-term rate of return, from 7.5% to 7.0% over the following three years. Lowering the discount rate has resulted in plans seeing increases in both the normal costs and the unfunded actuarial liabilities. This has also impacted PEPRA plan members who have paid increased contribution rates. This assumption change has increased public agency employer contribution costs in FY2020/2021. Please see Note 10 of the notes for further information.

### **Debt Administration**

As of June 30, 2021, the City had outstanding capital leases in the amount of \$251,240. The Successor Agency has a remaining balance of \$1,075,912 from an agreement with the State of California, Department of Finance (State) to pay an outstanding amount due from the State’s Due Diligence Review. The City’s blended component units, the Beaumont Financing Authority and the Beaumont Public Improvement Authority, have outstanding bond debt in the amount of \$84,839,620. The Wastewater fund has outstanding amount due from the 2018 Wastewater Revenue Bonds of \$80,105,000 and \$8,495,497 of Bond Premium, as well as \$183,671 in Capital Leases. Additional information regarding long-term liabilities is presented in Note 6 of the financial statements. Non-City obligations are discussed in Note 7 of the financial statements which are not legal obligation of the City and therefore not included here.

**INDEPENDENT AUDIT**

An independent audit of the City’s records was performed for the year ended June 30, 2021, by the certified public accounting firm Rogers, Anderson, Malody & Scott, LLP. The auditor’s report on the basic financial statements (government-wide financial statements and the fund financial statements), the notes to the basic financial statements and supplementary information is included in the Financial Section of the ACFR.

In general, the auditors concluded that the basic financial statements and supplementary information referred to above present fairly, in all material respects, the financial position of the City of Beaumont, Beaumont Successor Agency, Beaumont Financing Authority and the Beaumont Public Improvement Authority, as of June 30, 2021, and the results of its operations and cash flows of its proprietary fund types for the year ended in accordance with accounting principles generally accepted in the United States of America. The professionalism and knowledge by Rogers, Anderson, Malody & Scott, LLP during the audit is appreciated.

**ACKNOWLEDGMENTS**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and other City Departments that provided data for preparation of the Statistical section of the Report. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report.

We would like to extend our appreciation to the Mayor, City Council, and each City Department for their cooperation and support in conducting fiscal operations of the City.

Respectfully submitted,

**X**

Todd Parton  
City Manager

**X**

Jennifer Ustation  
Finance Director

CITY OF BEAUMONT

**PRINCIPAL OFFICIALS**

Elected Officials

**Lloyd White**  
Mayor

**Julio Martinez III**  
Mayor Pro Tem

**Mike Lara**  
Council Member

**David Fenn**  
Council Member

**Rey SJ Santos**  
Council Member

**APPOINTED OFFICIALS**

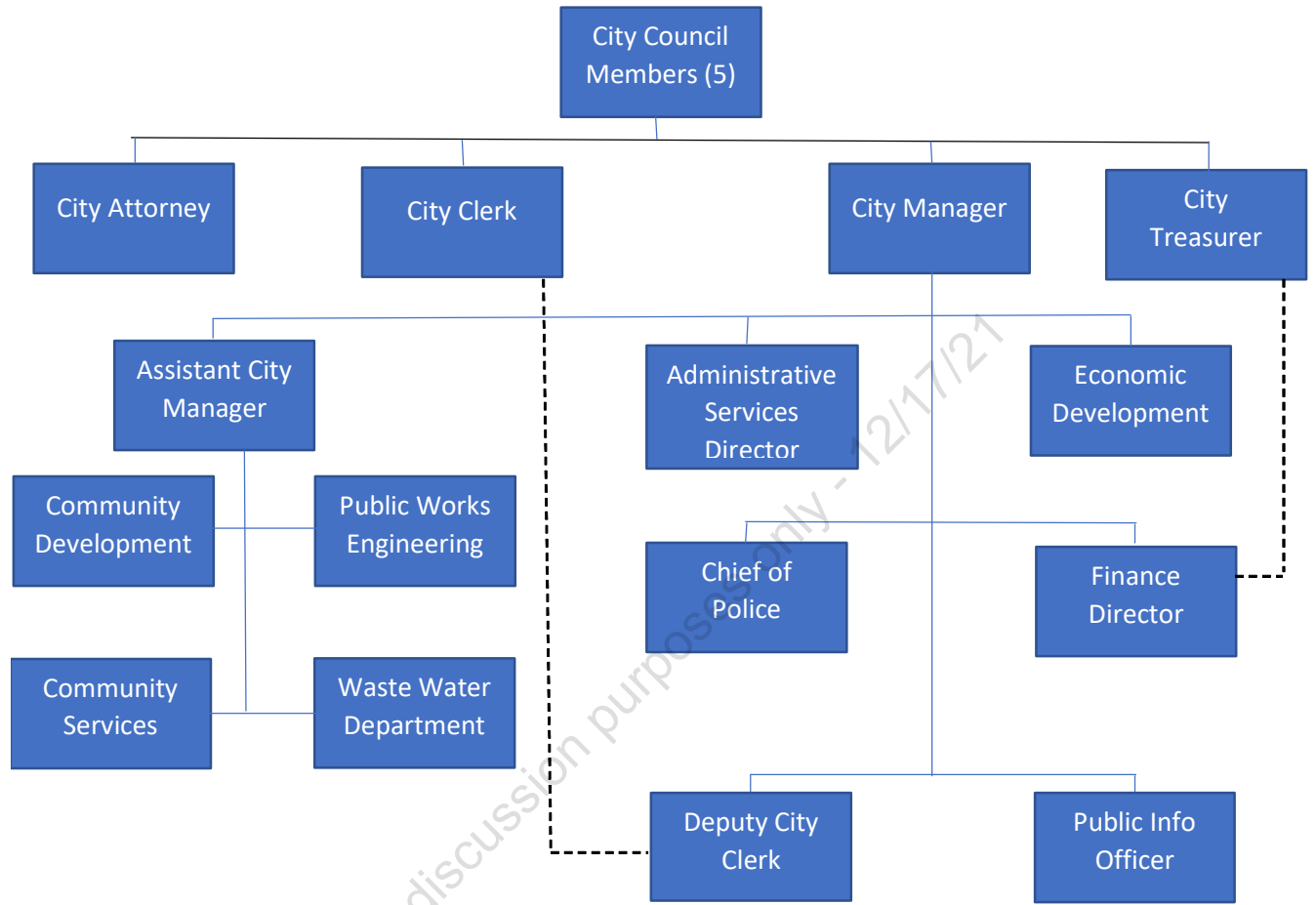
Todd Parton  
City Manager

John Pinkney  
City Attorney

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

*Draft - for discussion purposes only - 12/1/14*

### City of Beaumont Organizational Chart



Draft - for discussion purposes only - 12/17/21

## *Independent Auditor's Report*

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont (the City), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

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

The accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**Emphasis of Matter**

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified in respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **January XX, 2022** on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

San Bernardino, California  
**January XX, 2022**

Draft - for discussion purposes only - 12/17/22

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Beaumont's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- In the Government-Wide – Statement of Net Position: The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$471,871,827 (net position); of this amount \$333,429,896 is from governmental activities and \$138,441,931 is from business-type activities, with \$12,223,595 positive and \$3,069,283 positive unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's net position increased 2.61% or \$12,014,952 from the \$459,856,875 at the beginning of the year, to \$471,871,827 at the end of the year. The increase is the net result of positive changes of \$15,584,588 in governmental activities and negative change of \$3,569,604 in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues increased by \$10,517,179 due to a steady increase in charges for services of \$218,898, in addition, to an increase of combined operating grants and contributions of \$2,489,556 and a \$7,808,725 increase in capital grant and contributions. Business-type program revenues decreased by a net \$6,201,463 due to a decrease in operating grants and contributions of \$976,793 in the transit fund and a decrease of \$5,481,803 in capital grant and contributions in all enterprise funds.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a negative net change in fund balance of \$670,940, due to \$3,785,403 of expenditures over revenues combined with other financing sources of \$3,114,463, with the majority being \$3,111,476 of reserve funds used for street and infrastructure capital improvement projects.
- In the Required Supplementary Information – Budgetary Comparison Schedule: For the General Fund, the actual revenues available for appropriation were more than the final budget by \$3,267,584, while actual expenditures were \$1,187,903 less than the final budget. Net actual other financing sources were \$460,463 more than the final budget, resulting in a positive \$3,995,024 net change in budgetary variance and an actual negative fund balance change of \$670,940.
- In the 2020/2021 Adopted Budget – the City Council and management annually make great efforts to adopt a balanced budget that preserves general fund - fund balance. This year City Council adopted a general fund budget which is projected to have a negative change in net position of \$563,000. Overall, the general fund maintains a solid financial position with committed funds of \$2,000,000 (emergency contingency) and assigned funds of \$1,250,000 (capital equipment replacement). In the adopted budget for fiscal year 2020/2021, committed fund balance represent 9.9% of the general fund annual budget.

## USING THIS ANNUAL REPORT

The discussion and analysis is intended to serve as an introduction to the City of Beaumont's basic financial statements. The basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes* to the financial statements.

The *government-wide statements* provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements consist of the *statement of net position* and *statement of activities*.

The *fund financial statements*, which consist of the *governmental funds*, *proprietary funds*, and *fiduciary funds*, report the City's operations in more detail than the government-wide statements by providing information about the City's most significant (major) funds. The *governmental fund* statements also tell how City services were financed in the short term as well as what remains for future spending. The *proprietary funds* statements use the same accounting method as the business-type activities but provide more detail of the activities. The *fiduciary fund* statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

### Reporting the City as a Whole

#### The Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in it. The reader can think of the City's net position - the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities - as one way to measure the City's financial health. Over time, *increases* or *decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. However, to assess the *overall health* of the City the reader will need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The *statement of net position* and the *statement of activities* present information about the following:

- Governmental activities - All the City's basic services are governmental activities, including general government, community development, public safety and public works. General revenues, including property taxes, motor vehicle in lieu, sales taxes, and franchise fees, finance 64% of these activities.
- Business-type activities - All Proprietary Funds (enterprise funds), wastewater, wastewater capital, wastewater developer impact fees, recycling water impact fees, transit, and transit capital, which receive funding through charges for services and developer contributions.
- Component units - The City's governmental activities include the Beaumont Financing Authority (BFA) and the Beaumont Public Improvement Authority (BPIA).

## Reporting the City's Most Significant Funds

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – *governmental*, *proprietary*, and *fiduciary* - use different accounting approaches.

**Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the *statement of net position* and the *statement of activities*) and governmental *funds* in a reconciliation schedule accompanying the fund financial statements.

The City of Beaumont maintains forty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, Beaumont Financing Authority/Beaumont Public Improvement Authority, Community Facilities District (CFD), Development Impact Fees (DIF), Community Facilities District (CFD) Capital Projects Fund and General Capital Projects Fund, which are *major* funds. The remaining eighteen *nonmajor* funds are combined and presented in the *nonmajor* governmental funds column. Individual fund detail for the *nonmajor* funds is presented in the *combining statements* located on pages 100-102 of this report.

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

The City of Beaumont maintains eight enterprise funds to account for Wastewater (Four funds), Transit (Three funds) and one Internal Service Fund. The Wastewater and Transit funds are *major* funds and as such detail activity is presented in the *statement of net position*, *statement of revenues, expenses and changes in net position*, and *statement of cash flows* on pages 27-30.

**Fiduciary Funds** - The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City acting as Successor Agency to the Former Beaumont Redevelopment Agency (Successor Agency) is the trustee, or fiduciary, for amounts held on behalf of bond holders, enforceable obligations, and taxing entities. The City's fiduciary activities are reported in separate *statement of fiduciary net position* and *changes in fiduciary net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of fiduciary net position and statement of changes in fiduciary net position can be found on page 32-33.

**Notes to the financial statements** – Additional information that is crucial to a full understanding of the figures provided in the government-wide and fund financial statements is provided in the notes to the financial statements. The notes to the financial statements can be found on pages 34-84 of this report.

**Required supplementary information** - The *budget and budgetary accounting and postemployment benefit plans* information can be found on pages **85-93** of this report.

### Government-Wide Financial Analysis

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

#### Net Position

As shown in Table 1, the City's net position from governmental activities increased 4.9% from \$317,845,338 to \$333,429,896. The \$15,584,558 positive change in net position is the result of a negative \$21,454,592 in program operations, netted with \$37,039,150 in general revenues. In the business-type activities the decrease was 2.58% or \$3,569,606, net position changed from \$142,011,537 to \$138,441,931, the net result of a negative \$4,524,437 position change from operations and a positive \$954,831 in general revenues. These changes are recorded in the *statement of activities* (Table 2) which flows through to the *statement of net position*.

**Table 1**  
**Statement of Net Position**  
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 193,464	\$ 188,260	\$ 26,563	\$ 41,600	\$ 220,027	\$ 229,860
Capital assets	279,364	277,081	217,022	201,226	496,386	478,307
Total assets	<u>472,828</u>	<u>465,341</u>	<u>243,585</u>	<u>242,826</u>	<u>716,413</u>	<u>708,167</u>
<b>Deferred outflows:</b>						
Deferred outflows related to pension	5,279	5,269	720	604	5,999	5,873
<b>Liabilities:</b>						
Current and other liabilities	46,535	50,992	18,465	11,853	65,000	62,845
Noncurrent liabilities	99,050	101,561	87,370	89,157	186,420	190,718
Total liabilities	<u>145,585</u>	<u>152,553</u>	<u>105,835</u>	<u>101,010</u>	<u>251,420</u>	<u>253,563</u>
<b>Deferred inflows:</b>						
Deferred inflows related to pension	70	211	27	67	97	278
Deferred inflows related to debt	(978)	-	-	-	(978)	-
Total deferred inflows	<u>(908)</u>	<u>211</u>	<u>27</u>	<u>67</u>	<u>(881)</u>	<u>278</u>
<b>Net position:</b>						
Net investment in capital assets	199,530	191,990	134,777	137,744	334,307	329,734
Restricted	121,677	118,675	595	-	122,272	118,675
Unrestricted	12,223	7,181	3,071	4,609	15,294	11,790
Total net position	<u>\$ 333,430</u>	<u>\$ 317,846</u>	<u>\$ 138,443</u>	<u>\$ 142,353</u>	<u>\$ 471,873</u>	<u>\$ 460,199</u>

As shown in Table 2, the change in net position is a positive \$15,584,558 for *governmental activities* and negative \$3,569,606 for *business-type activities*, with a combined total increase in net position of \$12,014,952 for the fiscal year ending June 30, 2021.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 6,224	\$ 6,005	\$ 10,955	\$ 10,699	\$ 17,179	\$ 16,704
Operating grants	4,116	1,627	2,252	3,229	6,368	4,856
Capital grants	16,582	8,774	1,853	7,334	18,435	16,108
General Revenues:						
Property taxes	12,701	11,107	-	-	12,701	11,107
Sales taxes	8,870	7,594	-	-	8,870	7,594
Motor vehicle in lieu taxes	38	38	-	-	38	38
Utility users tax	1,887	1,650	-	-	1,887	1,650
Franchise taxes	3,184	8,075	-	-	3,184	8,075
Transient occupancy taxes	299	279	-	-	299	279
Business licenses	415	343	-	-	415	343
Other revenue	234	-	-	-	234	-
Capital contribution	4,002	-	-	-	4,002	-
Investment earnings	4,619	4,230	58	565	4,676	4,795
Miscellaneous	527	472	14	5	540	477
Mitigation fees	-	-	1,123	4,819	1,123	4,819
Gain on sale of assets	24	33	-	-	24	33
Total revenues	<u>63,721</u>	<u>50,227</u>	<u>16,254</u>	<u>26,651</u>	<u>79,975</u>	<u>76,878</u>
<b>Expenses:</b>						
General government	10,322	6,387	-	-	10,322	6,387
Public safety	17,896	17,326	-	-	17,896	17,326
Public works	8,739	4,051	-	-	8,739	4,051
Community development	2,109	2,204	-	-	2,109	2,204
Community services	4,568	4,805	-	-	4,568	4,805
Interest and fiscal charges	4,743	4,982	-	-	4,743	4,982
Sewer	-	-	16,480	15,085	16,480	15,085
Transit	-	-	3,104	3,261	3,104	3,261
Total expenses	<u>48,377</u>	<u>39,755</u>	<u>19,584</u>	<u>18,346</u>	<u>67,960</u>	<u>58,101</u>
<b>Transfers</b>	<u>240</u>	<u>-</u>	<u>(240)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>\$ 15,585</u>	<u>\$ 10,472</u>	<u>\$ (3,570)</u>	<u>\$ 8,305</u>	<u>\$ 12,015</u>	<u>\$ 18,777</u>

*Governmental activity* program revenues increased over last year by \$10,517,179, and general revenues increased by \$2,977,796. Net increase in operating contributions and grants of \$2,489,556 was partially a result of \$635,569 of CARES funding and \$1,972,792 of American Rescue Funds received for COVID-19 related expenditures and a decrease of \$258,910 in Public Works cost recovery. Charges for services decreases in General Government of \$294,808 were mainly due to decreased in insurance recovery and a hold on passport services. Public Safety charges for services increased by a net of \$395,157 due to an increase in special police services revenue such as vehicle release charges and administrative cost recovery charges. Community Development charges for services increased by \$236,138 because of construction activity related to new housing projects. Community Services charges for services decreased \$86,197 mainly due to the elimination of a day camp program.

Capital grants and contributions increased by \$7,808,725 mostly due to a change in recognition of development impact fees as well as an increase of \$41,053 Proposition 1B Local Streets and Roads Funds used in street pavement maintenance and rehabilitation projects. Developer contribution in the amount of \$5,808,000 was recognized for the Potrero Interchange PH1 project.

Overall general revenues, for *governmental activities*, increased by \$2,977,796, due to the following changes in all major tax categories: property taxes increase - \$1,594,003 (primarily due to the following: current secured - \$876,697, decrease in unsecured property - \$33,639, property transfer tax - \$36,776, and vehicle in-lieu - \$712,062), sales tax increase - \$1,276,017 (due to sales tax coming in higher in both point of sale transactions and the County-wide pools share); franchise tax decrease - \$4,890,701 (due to a one-time fee of \$5,000,000 received in FY20 for the Waste Management contract), and other taxes increased \$329,286 (increase in transient occupancy tax - \$20,375 and utility users tax increase - \$236,937, vehicle license decrease - \$553 and business license tax increase - \$72,527). Investment revenues increased a net of \$388,251 (due CFD principal and interest payments increase \$884,017 and investment revenue decreased \$175,912 because of decline in interest rates due to world-wide pandemic COVID-19), Gain on sales of assets decreased by \$9,039 due to only one property sale during the year. Miscellaneous revenues increased \$54,450 due to an increase in settlement cost recovery. And finally, net transfers between governmental and business-type funds are due to funds transferred to cover premium pay by the State and Local Fiscal Recovery Funds.

*Business-type* program revenues were down a net of \$6,201,464, when compared to last year. Primary decreases were related to capital grants and contributions for wastewater acquisition. The increase in wastewater operations service charges were \$367,503. Increases were due to annual rate increases and rising consumption levels resulting from new housing and commercial development connections within the City. Transit revenues had a net decrease of \$275,028, mainly attributable to decrease of \$976,794 in operating grants and contributions and a decrease in charges for services by \$110,370. Capital grants and contributions had an increase of \$812,136 mostly due to grants for the purchase of three new buses.

*Governmental activities* program expenses increased by \$8,622,539. The result was the net of increases and decreases within specific programs during the fiscal year. An increase of \$569,871 occurred in Public Safety mostly due to premium pay given from State and Local Fiscal Recovery Funds for essential workers. A \$4,687,689 increase in Public Works is mainly attributed to citywide street improvement projects. Furthermore, there was a \$94,703 decrease in Community Development is mainly due to the completion of the General Plan Update that was completed in FY2021. General Government operations increase of \$3,934,605 is primarily due to increases in insurance costs, IT infrastructure upgrades and costs to mitigate the COVID-19 pandemic such as premium pay for essential workers and grants for business and resident support.

The *business-type activities* expenses reflected a net increase of \$1,237,926 in program expenses. The Wastewater Enterprise fund had an increase of \$1,395,312 which is made up of an increase in pension obligation payment and decreases in operating expenses such as repairs and maintenance and overhead costs. The Transit Enterprise fund had a decrease of \$157,386 mostly due to a decrease in contractual services.

In comparison to fiscal year 2020, the overall change in net position from operations for *governmental activities* was an increase of \$15,584,558 and *business-type activities* decreased by \$3,569,606 resulting in an overall City net position increase of \$12,014,952 for fiscal year 2021.

## Government Activities

Table 3 presents the *total cost* (expenses) of each of the City's major public services in general government, public safety, community development, public works, and interest expense. Also included is each program's *net cost* (total cost less program revenues generated by the activities). The *net cost* shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3**  
**City of Beaumont**  
**Net Cost of Governmental Activities**

	Total Cost			Net Cost		
	2021	2020	Change	2021	2020	Change
Functions:						
General government	\$ 10,322,019.00	\$ 6,387,414.00	\$ 3,934,605.00	\$ 6,156,282	\$ 4,584,796	\$ 1,571,486
Public safety	17,896,367	17,326,496	569,871	14,409,929	14,796,740	(386,811)
Public works	8,738,889	4,051,200	4,687,689	(2,269,822)	(1,280,183)	(989,639)
Community development	2,109,290	2,203,993	(94,703)	(591,169)	(410,283)	(180,886)
Community services	4,567,596	4,805,108	(237,512)	(845,070)	934,376	(1,779,446)
Refuse	-	-	-	(148,190)	(256,257)	108,067
Interest and fiscal charges	4,742,632	4,980,043	(237,411)	4,742,632	4,980,043	(237,411)
Total Governmental Activities:	\$ 48,376,793.00	\$ 39,754,254.00	\$ 8,622,539.00	\$ 21,454,592	\$ 23,349,232	\$ (1,894,640)

In looking at table 3, you will note the major changes both in total cost and net cost. In 2021, total costs increased by \$8,622,539, a result of increases in general government, public safety, and public works with decreases in community development, community services and interest and fiscal charges. Specific changes in program costs were discussed in the previous section.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At year-end, the City's *governmental funds* reported combined fund balances of \$145,290,051 a net increase of \$2,194,173 in fund balance; included in this amount are decreases in fund balance for General Fund of \$670,940, Community Facilities District (CFD) Special Revenue Fund \$6,852,692 and Beaumont Financing Authority Debt Service \$6,586,311 (due to refunding of debt); combined with increased in the Development Impact Fees (DIF) \$3,345,152, Community Facilities District Capital Projects Fund \$337,893, General Capital Projects \$10,321,174 (due to committed funds moved into projects) and Other Government Funds \$2,299,897 (due to COVID-19 grants received). The General Fund had a net decrease in fund balance of \$670,940, resulting from net expenditures exceeding revenues by \$3,785,403, netted with total other financing sources of \$3,114,463. The significant change from prior year is mainly due to the appropriation of one-time funds of \$3,111,476 towards capital projects. The increases that offset the large change in the General fund had to do with the increase in taxes and license and permits. There was a large decrease in franchise fees due to a one-time fee of \$5,000,000 received in FY20.

In total the *Proprietary Funds* reported a negative change in net position of \$3,569,606, with the Wastewater Enterprise showing a negative change of \$3,812,523 and the Transit Enterprise showing a positive change of \$242,917. The City established an Internal Service Fund and transferred in \$6,409,500 of reserves. The Wastewater Enterprise ended with a negative change in net position of \$3,812,523, because of ongoing operating expenses exceeding operating revenues by \$1,761,943 as well as nonoperating expenses of \$2,644,906 offset by transfers and capital contributions of \$594,326. The Transit Fund ended the year with a positive change of \$242,917, because of ongoing operating expenses exceeding operating revenues by \$3,030,110 offset by nonoperating revenues of \$2,254,709 and transfers and capital contributions of \$1,018,319.



## General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$3,785,403 more than the actual revenues. The positive budget-to-actual variance of \$4,455,487 in appropriations was due to conservative spending citywide with saving in personnel cost, professional and contractual services and repairs and maintenance. Of the unspent budget, actual revenues were \$3,267,584 more than anticipated compared to the final budget due to higher tax revenues in sales and property tax than anticipated. Use of money and property fell short from budget as interest rates continue to remain low due to COVID-19 and investment earnings came in short. Other revenues came in higher than expected due to an increase in cost recovery for admin fees. Favorable budget amendments and supplemental appropriations were made during the year to diminish budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget. The original revenue budget was increased \$3,285,000 mainly for one-time uses of reserves for street projects and equipment and vehicle purchases. While the expenditure appropriations budget was increased in total by \$3,596,878 to allow for vehicle purchases as well as funds to address the COVID-19 pandemic through premium pay to essential workers and the citywide COVID-19 relief program which gave grants for business and resident support.

Although, the final adopted budget projected a \$4,665,964 negative change in fund balance, favorable results in revenues of \$3,267,584, favorable results in expenditures of \$1,187,903 and unfavorable results in other financing uses of \$460,463, resulted in the combined favorable results of \$3,995,024, as the actual negative net change in fund balance was only \$670,940 for the fiscal year ending June 30, 2021.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Table 4  
City of Beaumont  
Capital Assets at Year End  
Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Asset Type:						
Land	\$ 28,547,468	\$ 28,547,468	\$ 3,009,860	\$ 3,009,860	\$ 31,557,328	\$ 31,557,328
Construction in progress	7,800,489	30,405,380	103,623,925	81,272,806	111,424,414	111,678,186
Structures, machinery & equipment	14,375,026	13,884,315	43,468,356	46,100,594	57,843,382	59,984,909
Infrastructure	228,641,047	204,243,599	66,919,371	70,842,461	295,560,418	275,086,060
Total	\$ 279,364,030	\$ 277,080,762	\$ 217,021,512	\$ 201,225,721	\$ 496,385,542	\$ 478,306,483

At the end of fiscal year 2021, the City had \$496,385,542 invested in a broad range of capital assets, a total increase of \$18,079,059 (See Table 4 above). *Governmental activities* include equipment, buildings, vehicles, land, park facilities, roads, storm drains, sidewalks and curb and gutters. *Business-type activities* include transit and wastewater operations. The total increase in the City of Beaumont investment in capital assets for fiscal year 2021 was 3.78% (a 0.82% increase in *governmental activities* and 7.85% increase in *business-type activities*). For fiscal year 2021, net increases are the result of the new addition of roads and construction in progress of the wastewater operations. The major capital assets added for *governmental activities* and *business-type activities* are highlighted in explanation of Table 5.

**Table 5**  
**City of Beaumont**  
**Schedule of Changes in Capital Assets/Infrastructure**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Asset Type:						
Land	\$ -	\$ 462,708	\$ -	\$ -	\$ -	\$ 462,708
Construction in progress	4,940,605	7,698,461	22,655,032	43,292,972	27,595,637	50,991,433
Structures, machinery and equipment	1,542,494	958,281	1,199,660	214,784	2,742,154	1,173,065
Infrastructure	<u>29,353,850</u>	<u>2,991,863</u>	<u>357,455</u>	<u>7,645,853</u>	<u>29,711,305</u>	<u>10,637,716</u>
 Total Additions	 35,836,949	 12,111,313	 24,212,147	 51,153,609	 60,049,096	 63,264,922
Less: Decreases and depreciation	<u>(33,553,681)</u>	<u>(6,305,455)</u>	<u>(8,416,356)</u>	<u>(7,760,965)</u>	<u>(41,970,037)</u>	<u>(14,066,420)</u>
 Capital Asset Increase/(Decrease)	 <u>\$ 2,283,268</u>	 <u>\$ 5,805,858</u>	 <u>\$ 15,795,791</u>	 <u>\$ 43,392,644</u>	 <u>\$ 18,079,059</u>	 <u>\$ 49,198,502</u>

As shown in Table 5, above, *capital assets* current year activity increased \$2,283,268 (net of depreciation) for *governmental activities* and increased \$15,795,791 (net of depreciation) for *business-type activities* for a total increase of \$18,079,059. In the *governmental activities* the increase includes a Backup and Recovery System, 11 police vehicles, 2 Hybrid vehicles, Ditch Witch Excavator, Data Center for the Police Department, automated lights for the Sporks Park and new restrooms for Rangel Park. Infrastructure additions included the addition of the Potrero Interchange as well as the Beaumont Avenue Reconstruction. The Wastewater and Transit asset additions included new wastewater pumps, a Ford F350 pickup truck, 3 buses, and EV charging station. Asset Disposals include the demolition of the City pool and Rangel Park Restrooms, 2 police vehicles, 2 Hybrid Vehicles and 2 Community Development Vehicles. Additional information regarding capital assets activities can be found in Notes 1E and 5 of the financial statements.

### Long-Term Liabilities

In June 2012, GASB (Governmental Accounting Standards Board) issued Statement No. 68, requiring public employers to comply with new accounting and financial reporting standards. Statement No. 68 outlines a different approach to the recognition and calculation of pension obligations. Under the new GASB standards, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. These amounts are presented in the statement of net position on page 16, with detailed information in Note 10 to the financial statements.

**Governmental Activities** - The City governmental funds have \$103,829,842 in outstanding long-term liabilities as of June 30, 2021; with the majority (\$79,681,849) related to Local Agency Revenue Bonds. In the Governmental Activities, pension related obligations total \$17,640,051. Tables 6 below and Note 6 and 7 to the financial statements offer a more detailed view of governmental long-term liabilities.

**Table 6**  
**City of Beaumont**  
**Long-Term Liabilities at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
AB 1484 Due Diligence Review	\$ 775,912	\$ 1,075,912	\$ -	\$ -	\$ 775,912	\$ 1,075,912
Capital Leases	152,679	251,240	99,305	183,671	251,984	434,911
1994 Revenue Bonds, Series A	1,970,000	2,530,000	-	-	1,970,000	2,530,000
2011 Revenue Bonds, Series A & B		11,930,000				11,930,000
2012 Revenue Bonds, Series A		5,600,000				5,600,000
2012 Revenue Bonds, Series B		2,955,000				2,955,000
2012 Revenue Bonds, Series C		3,345,000				3,345,000
2013 Revenue Bonds, Series A		6,014,700				6,014,700
2013 Refunding Revenue Bonds, Series B		8,680,000				8,680,000
2015 Refunding Revenue Bonds, Series A	9,770,000	10,000,000			9,770,000	10,000,000
2015 Refunding Revenue Bonds, Series B	16,020,000	16,810,000			16,020,000	16,810,000
2015 Refunding Revenue Bonds, Series C	4,040,000	4,265,000			4,040,000	4,265,000
2015 Refunding Revenue Bonds, Series D	5,985,000	6,320,000			5,985,000	6,320,000
2019 Refunding Revenue Bonds, Series A	5,085,000	5,375,000			5,085,000	5,375,000
2020 Revenue Bonds, Series A	17,200,000				17,200,000	
2021 Revenue Bonds, Series A	18,675,000				18,675,000	
Bond Premium						
2019 revenue bond series A	936,849	1,014,920			936,849	1,014,920
Wastewater Revenue Bonds, Series 2018A			78,860,000	80,105,000	78,860,000	80,105,000
Bond Premium			7,842,648	8,495,497	7,842,648	8,495,497
Compensated absences	2,773,231	2,627,915	374,760	297,326	3,147,991	2,925,241
Claims payable	2,806,120	2,206,395			2,806,120	2,206,395
Net pension Liability	17,640,051	16,461,563	2,300,138	1,745,819	19,940,189	18,207,382
<b>Total</b>	<b>\$ 103,829,842</b>	<b>\$ 107,462,645</b>	<b>\$ 89,476,851</b>	<b>\$ 90,827,313</b>	<b>\$ 193,306,693</b>	<b>\$ 198,289,958</b>

**Business-type Activities** - The enterprise funds have \$89,476,851 in outstanding long-term liabilities as of June 30, 2021. The wastewater fund has bonded debt of \$78,860,000 consisting of the 2018 Wastewater Revenue Bonds originally issued for \$81,105,000 with the first payment made on September 1, 2019: and the premium on the bond with a current outstanding balance of \$7,842,648. The Bond issue is paid with wastewater operating revenues. In the enterprise funds pension related obligations total \$2,300,138. Additional detailed information for business-type long-term liabilities is shown in Note 6 and 7 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In FY2020, the COVID-19 pandemic caused a widespread health crisis, which was quickly followed by a widespread financial crisis due to many non-essential businesses were forced to shut down with stay-at-home orders issued by Governor Gavin Newsom. Throughout FY2021, the City and Inland Empire has seen a recovery as workers returned to work and businesses reopened. According to the UCR School of Business Center for Economic Forecasting and Development, the Inland Empire's business activity should reach pre-pandemic levels by the end of this year. Over the next two quarters, local business activity is forecast to rise between 3% and 6%.

One unintended impact of the shut down was the shortage of workers that it would create. Whether it be that workers found other types of employment or stayed home with children, the region has seen a shortage of workers since hitting the bottom in April 2020. The Inland Empire has added back 185,600 jobs, regaining roughly 83% of the total jobs lost in the region due to the pandemic. However, according to UC Riverside News, the total payroll employment for the Inland Empire remains at 2.3% (or 36,700 jobs) below its pre-pandemic peak from February 2020.

The City has still seen economic growth through FY 2021 with new industrial and commercial completed projects such as the Amazon Fulfillment Center, In and Out Burger and Raising Cane's Chicken Fingers drive-thru restaurants. Multiple light industrial permits have been pulled and construction has begun on these projects allowing to add to the continued economic recovery being felt within the City. Multiple housing projects are in process with the City which is forecasted to be close to build out in ten years.

City staff continues to update forecasting models to be better prepared for changes in economic conditions. Care must be given to ensure that planned ongoing costs do not exceed revenues over the next three to five years. One area of concern is rising pension costs which the City is currently looking at options to address these costs. Inflation has also become a concern as the Consumer Price Index has increased 4.8% from July 2020 to July 2021 for Riverside-San Bernardino-Ontario area according to the State of California Department of Industrial Relations. The inflation rate will need to be monitored as costs for goods and services as well as construction costs for projects could potentially have a negative impact on the FY22 budget and beyond.

On June 1, 2021, the City Council adopted the City of Beaumont Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2021 and ending June 30, 2022. The General Fund operating budget totals \$38,678,061 and is funded by operating revenue of \$31,651,637, transfers in and other financing sources of \$7,801,175, leaving \$774,751 of appropriations available throughout the FY. The approved CIP budget for fiscal year 2021/2022 totals \$6,347,340 with a five-year CIP investment plan estimated at \$24,292,553.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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## **Government-Wide Financial Statements**

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**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 103,189,568	\$ 18,761,656	\$ 121,951,224
Restricted cash and investments	-	595,399	595,399
Deposits	64,433	-	64,433
Receivables:			
Accounts	399,131	2,551,977	2,951,108
Interest	60,874	1,344	62,218
Intergovernmental	3,317,521	95,233	3,412,754
Prepaid items	330,277	-	330,277
Total current assets	107,361,804	22,005,609	129,367,413
Noncurrent assets:			
Restricted cash and investments with fiscal agent	7,131,699	4,557,689	11,689,388
Restricted investment in CFDs	78,745,000	-	78,745,000
Loans receivable	225,715	-	225,715
Capital assets:			
Nondepreciable	36,347,957	106,633,785	142,981,742
Depreciable, net	243,016,073	110,387,727	353,403,800
Total capital assets, net	279,364,030	217,021,512	496,385,542
Total noncurrent assets	365,466,444	221,579,201	587,045,645
<b>Total assets</b>	<b>472,828,248</b>	<b>243,584,810</b>	<b>716,413,058</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	5,279,040	719,612	5,998,652
<b>Total deferred outflows of resources</b>	<b>5,279,040</b>	<b>719,612</b>	<b>5,998,652</b>

See accompanying Notes to the Basic Financial Statements



**Statement of Net Position (Continued)**  
**June 30, 2021**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	5,921,781	4,944,266	10,866,047
Interest payable	-	1,267,963	1,267,963
Salaries payable and related liabilities	689,831	40,732	730,563
Deposits payable	2,027,169	-	2,027,169
Unearned revenue	33,116,846	10,105,338	43,222,184
Compensated absences - due within one year	554,646	74,952	629,598
Claims payable - due within one year	720,646	-	720,646
Long-term debt - due within one year	3,504,461	2,032,215	5,536,676
Total current liabilities	<u>46,535,380</u>	<u>18,465,466</u>	<u>65,000,846</u>
Long-term liabilities:			
Compensated absences - due in more than one year	2,218,585	299,808	2,518,393
Claims payable - due in more than one year	2,085,474	-	2,085,474
Long-term debt - due in more than one year	77,105,979	84,769,738	161,875,717
Aggregate net pension liability	17,640,051	2,300,138	19,940,189
Total long-term liabilities	<u>99,050,089</u>	<u>87,369,684</u>	<u>186,419,773</u>
<b>Total liabilities</b>	<u>145,585,469</u>	<u>105,835,150</u>	<u>251,420,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows	70,308	27,341	97,649
Debt refunding	(978,385)	-	(978,385)
<b>Total deferred inflows of resources</b>	<u>(908,077)</u>	<u>27,341</u>	<u>(880,736)</u>
<b>NET POSITION</b>			
Net investment in capital assets	<u>199,529,502</u>	<u>134,777,249</u>	<u>334,306,751</u>
Restricted for:			
Special projects	11,494,299	595,399	12,089,698
Debt service	85,876,699	-	85,876,699
Capital projects	24,305,801	-	24,305,801
Total restricted	<u>121,676,799</u>	<u>595,399</u>	<u>122,272,198</u>
Unrestricted	<u>12,223,595</u>	<u>3,069,283</u>	<u>15,292,878</u>
<b>Total net position</b>	<u>\$ 333,429,896</u>	<u>\$ 138,441,931</u>	<u>\$ 471,871,827</u>

See accompanying Notes to the Basic Financial Statements

**Statement of Activities**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 10,322,019	\$ 1,507,810	\$ 2,608,361	\$ 49,566	\$ 4,165,737
Public safety	17,896,367	1,045,919	375,510	2,065,009	3,486,438
Public works	8,738,889	848,207	1,132,483	9,028,021	11,008,711
Community development	2,109,290	2,642,634	-	57,825	2,700,459
Community services	4,567,596	31,012	-	5,381,654	5,412,666
Refuse	-	148,190	-	-	148,190
Interest and fiscal charges	4,742,632	-	-	-	-
<b>Total governmental activities</b>	<b>48,376,793</b>	<b>6,223,772</b>	<b>4,116,354</b>	<b>16,582,075</b>	<b>26,922,201</b>
<b>Business-type activities:</b>					
Sewer	16,480,072	10,895,306	-	1,013,130	11,908,436
Transit	3,103,538	59,709	2,251,555	839,473	3,150,737
<b>Total business-type activities</b>	<b>19,583,610</b>	<b>10,955,015</b>	<b>2,251,555</b>	<b>1,852,603</b>	<b>15,059,173</b>
<b>Total primary government</b>	<b>\$ 67,960,403</b>	<b>\$ 17,178,787</b>	<b>\$ 6,367,909</b>	<b>\$ 18,434,678</b>	<b>\$ 41,981,374</b>

See accompanying Notes to the Basic Financial Statements

**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2021**

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (6,156,282)	\$ -	\$ (6,156,282)
Public safety	(14,409,929)	-	(14,409,929)
Public works	2,269,822	-	2,269,822
Community development	591,169	-	591,169
Community services	845,070	-	845,070
Refuse	148,190	-	148,190
Interest and fiscal charges	(4,742,632)	-	(4,742,632)
<b>Total governmental activities</b>	<b>(21,454,592)</b>	<b>-</b>	<b>(21,454,592)</b>
<b>Business-type activities:</b>			
Sewer	-	(4,571,636)	(4,571,636)
Transit	-	47,199	47,199
<b>Total business-type activities</b>	<b>-</b>	<b>(4,524,437)</b>	<b>(4,524,437)</b>
<b>Total primary government</b>	<b>(21,454,592)</b>	<b>(4,524,437)</b>	<b>(25,979,029)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes	12,701,479	-	12,701,479
Sales taxes	8,869,746	-	8,869,746
Vehicle License	37,754	-	37,754
Utility users tax	1,887,031	-	1,887,031
Franchise tax	3,183,803	-	3,183,803
Transient occupancy tax	298,879	-	298,879
Business licenses	415,229	-	415,229
<b>Total taxes</b>	<b>27,393,921</b>	<b>-</b>	<b>27,393,921</b>
Other revenue	233,922	-	233,922
Developer contribution	4,001,607	-	4,001,607
Investment earnings	4,618,626	57,721	4,676,347
Miscellaneous	526,724	13,719	540,443
Mitigation fees	-	1,123,349	1,123,349
Gain on sale of assets	24,392	-	24,392
<b>Transfers</b>	<b>239,958</b>	<b>(239,958)</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>37,039,150</b>	<b>954,831</b>	<b>37,993,981</b>
<b>Change in net position</b>	<b>15,584,558</b>	<b>(3,569,606)</b>	<b>12,014,952</b>
<b>Net position:</b>			
Beginning of year, as restated	317,845,338	142,011,537	459,856,875
End of year	\$ 333,429,896	\$ 138,441,931	\$ 471,871,827

See accompanying Notes to the Basic Financial Statements

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## **Governmental Fund Financial Statements**

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Governmental Funds of the City are outlined below:

**General Fund** - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Beaumont, these services include general government, public safety, public works, community development, community service, and refuse.

**Community Facilities Districts (CFD) Special Revenue 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.

**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.

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Special Revenues Fund		Capital Projects Funds
		Community Facilities District (CFD)	Development Impact Fees (DIF)	Community Facilities District (CFD)
<b>ASSETS</b>				
Cash and investments	\$ 28,092,672	\$ 2,569,969	\$ 35,360,897	\$ 13,674,329
Cash and investments with fiscal agent	-	-	-	-
Investment in CFDs	-	-	-	-
Deposits	-	64,433	-	-
Receivables:				
Accounts	393,034	-	-	-
Interest	60,874	-	-	-
Due from other governments	1,822,056	62,879	-	-
Loans	225,715	-	-	-
Due from other funds	-	-	-	-
Prepaid	26,262	-	-	-
<b>Total assets</b>	<b>\$ 30,620,613</b>	<b>\$ 2,697,281</b>	<b>\$ 35,360,897</b>	<b>\$ 13,674,329</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 4,111,878	\$ 37,000	\$ 1,409,077	\$ -
Accrued payroll and related liabilities	689,831	-	-	-
Due to other funds	-	-	-	-
Deposits payable	1,899,670	120,503	6,996	-
Unearned revenue	525,000	-	30,599,672	-
<b>Total liabilities</b>	<b>7,226,379</b>	<b>157,503</b>	<b>32,015,745</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (deficit):</b>				
Nonspendable	251,977	-	-	-
Restricted	-	2,539,778	3,345,152	13,674,329
Committed	5,350,717	-	-	-
Assigned	214,799	-	-	-
Unassigned	17,576,741	-	-	-
<b>Total fund balances</b>	<b>23,394,234</b>	<b>2,539,778</b>	<b>3,345,152</b>	<b>13,674,329</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 30,620,613</b>	<b>\$ 2,697,281</b>	<b>\$ 35,360,897</b>	<b>\$ 13,674,329</b>

See accompanying Notes to the Basic Financial Statements

**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2021**

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 10,196,358	\$ -	\$ 6,876,803	\$ 96,771,028
Cash and investments with fiscal agent	-	7,131,699	-	7,131,699
Investment in CFDs	-	78,745,000	-	78,745,000
Deposits	-	-	-	64,433
Receivables:				
Accounts	-	-	6,097	399,131
Interest	-	-	-	60,874
Due from other governments	942,402	-	490,184	3,317,521
Loans	-	-	-	225,715
Due from other funds	-	-	-	-
Prepaid	-	304,015	-	330,277
<b>Total assets</b>	<b>\$ 11,138,760</b>	<b>\$ 86,180,714</b>	<b>\$ 7,373,084</b>	<b>\$ 187,045,678</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 295,702	\$ -	\$ 68,124	\$ 5,921,781
Accrued payroll and related liabilities	-	-	-	689,831
Due to other funds	-	-	-	-
Deposits payable	-	-	-	2,027,169
Unearned revenue	211,586	-	1,780,588	33,116,846
<b>Total liabilities</b>	<b>507,288</b>	<b>-</b>	<b>1,848,712</b>	<b>41,755,627</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (deficit):</b>				
Nonspendable	-	304,015	-	555,992
Restricted	-	85,876,699	5,609,369	111,045,327
Committed	10,631,472	-	-	15,982,189
Assigned	-	-	-	214,799
Unassigned	-	-	(84,997)	17,491,744
<b>Total fund balances</b>	<b>10,631,472</b>	<b>86,180,714</b>	<b>5,524,372</b>	<b>145,290,051</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,138,760</b>	<b>\$ 86,180,714</b>	<b>\$ 7,373,084</b>	<b>\$ 187,045,678</b>

See accompanying Notes to the Basic Financial Statements



**Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Position  
June 30, 2021**

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<b>Total Fund Balances - Total Governmental Funds</b>	\$ 145,290,051
Capital assets used in governmental activities were not financial resources and therefore, were not reported in governmental funds.	
Capital assets, nondepreciable	36,347,957
Capital assets, depreciable	243,016,073
Long-term liabilities were not due and payable in the current period and therefore, were not reported in the governmental funds.	
Compensated absences - due within one year	(554,646)
Compensated absences - due in more than one year	(2,218,585)
Claims payable - due within one year	(1,617,130)
Claims payable - due in more than one year	(1,188,990)
Long-term debt - due within one year	(3,504,461)
Long-term debt - due more than one year	(77,105,979)
Aggregate net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.	
	(17,640,051)
Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
Pension-related deferred outflows of resources	5,279,040
Pension-related deferred inflows of resources	(70,308)
Debt-related deferred inflow of resources	978,385
Internal service funds are used by management to charge the costs of certain activities, for equipment and risk management, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.	
	<u>6,418,540</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 333,429,896</u></u>

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2021**

	General Fund	Special Revenues Fund		Capital Projects Funds
		Community Facilities District (CFD)	Development Impact Fees (DIF)	Community Facilities District (CFD)
<b>REVENUES:</b>				
Taxes	\$ 16,092,556	\$ -	\$ -	\$ -
Franchise fees	3,183,803	-	-	-
Intergovernmental	5,753,856	-	-	-
License and permits	3,050,575	-	3,441,595	-
Fines and forfeitures	344,816	-	-	-
Assessments levied	637,172	5,970,996	-	680,109
Use of money and property	178,689	21,955	125,332	51,730
Charges for services	1,484,669	-	-	-
Other revenues	916,229	576	-	-
<b>Total revenues</b>	<b>31,642,365</b>	<b>5,993,527</b>	<b>3,566,927</b>	<b>731,839</b>
<b>EXPENDITURES:</b>				
Current:				
General government	8,460,291	-	-	-
Public safety	17,313,483	-	-	-
Public works	2,786,349	-	-	172,938
Community development	1,561,640	212,607	-	-
Community services	4,093,696	-	-	-
Capital outlay	813,748	-	-	-
Debt service:				
Principal	398,561	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>35,427,768</b>	<b>212,607</b>	<b>-</b>	<b>172,938</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,785,403)</b>	<b>5,780,920</b>	<b>3,566,927</b>	<b>558,901</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	24,392	-	-	-
Transfers in	10,277,295	-	167,292	-
Transfers out	(7,187,224)	(12,633,612)	(389,067)	(221,008)
<b>Total other financing sources (uses)</b>	<b>3,114,463</b>	<b>(12,633,612)</b>	<b>(221,775)</b>	<b>(221,008)</b>
<b>Net changes in fund balances</b>	<b>(670,940)</b>	<b>(6,852,692)</b>	<b>3,345,152</b>	<b>337,893</b>
<b>FUND BALANCES:</b>				
Beginning of year	24,065,174	9,392,470	-	13,336,436
End of year	\$ 23,394,234	\$ 2,539,778	\$ 3,345,152	\$ 13,674,329

See accompanying Notes to the Basic Financial Statements

**Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	Capital Projects Funds General Capital Projects	Debt Service Fund Beaumont Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,317,493	\$ 17,410,049
Franchise fees	-	-	-	3,183,803
Intergovernmental	953,669	-	5,105,814	11,813,339
License and permits	-	-	33,422	6,525,592
Fines and forfeitures	-	-	-	344,816
Assessments levied	-	-	-	7,288,277
Use of money and property	7,929	4,292,477	14,994	4,693,106
Charges for services	-	-	-	1,484,669
Other revenues	6,041,922	-	57,857	7,016,584
<b>Total revenues</b>	<b>7,003,520</b>	<b>4,292,477</b>	<b>6,529,580</b>	<b>59,760,235</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	8,460,291
Public safety	-	-	265,033	17,578,516
Public works	-	-	-	2,959,287
Community development	-	-	177,716	1,951,963
Community services	-	-	25,711	4,119,407
Capital outlay	4,260,351	-	-	5,074,099
Debt service:				
Principal	-	3,540,000	-	3,938,561
Payment to refunded bond escrow agent	-	3,563,485	-	3,563,485
Interest and fiscal charges	-	4,820,703	-	4,820,703
<b>Total expenditures</b>	<b>4,260,351</b>	<b>11,924,188</b>	<b>468,460</b>	<b>52,466,312</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,743,169</b>	<b>(7,631,711)</b>	<b>6,061,120</b>	<b>7,293,923</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	35,875,000	-	35,875,000
Payment to refunded bond escrow agent	-	(34,829,600)	-	(34,829,600)
Proceeds from sale of capital assets	-	-	-	24,392
Transfers in	7,578,005	-	467,043	18,489,635
Transfers out	-	-	(4,228,266)	(24,659,177)
<b>Total other financing sources (uses)</b>	<b>7,578,005</b>	<b>1,045,400</b>	<b>(3,761,223)</b>	<b>(5,099,750)</b>
<b>Net changes in fund balances</b>	<b>10,321,174</b>	<b>(6,586,311)</b>	<b>2,299,897</b>	<b>2,194,173</b>
<b>FUND BALANCES:</b>				
Beginning of year	310,298	92,767,025	3,224,475	143,095,878
End of year	<b>\$ 10,631,472</b>	<b>\$ 86,180,714</b>	<b>\$ 5,524,372</b>	<b>\$ 145,290,051</b>

See accompanying Notes to the Basic Financial Statements

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended June 30, 2021**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 2,194,173</b>
<p>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.</p>	
Capital outlay capitalized	4,283,100
Depreciation expense	(6,001,439)
Increase in capital assets and net position from developer capital contributions for infrastructure assets.	4,001,607
<p>The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of long-term liabilities was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.</p>	
Principal payments on long term debt	3,840,000
Payments to refunding escrow agent	3,563,485
Principal payments on capital lease	98,561
Proceeds from issuance of debt	(35,875,000)
Payment to refunded bond escrow agent	34,829,600
Premium amortization	78,071
<p>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.</p>	
Pension related net adjustments	(1,027,218)
<p>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.</p>	
Changes in compensated absences	(145,316)
Changes in claims payable	(599,725)
Changes in unavailable revenues were reported as deferred inflows of resources in the Governmental Funds but were previously reported as revenues in the Government-Wide Statement of Activities.	(73,881)
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.	<u>6,418,540</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 15,584,558</u></b>

See accompanying Notes to the Basic Financial Statements

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Draft - for discussion purposes only - 12/17/21

## Proprietary Fund Financial Statements

Draft - for discussion purposes only - 12/17/21

## PROPRIETARY FUND FINANCIAL STATEMENTS

**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.

Draft - for discussion purposes only - 12/17/21

**Statement of Net Position  
Proprietary Funds  
June 30, 2021**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and investments	\$ 17,072,086	\$ 1,689,570	\$ 18,761,656	\$ 6,418,540
Restricted cash and investments	595,399	-	595,399	-
Receivables:				
Accounts	2,551,977	-	2,551,977	-
Interest	1,344	-	1,344	-
Due from other governments	-	95,233	95,233	-
<b>Total current assets</b>	<b>20,220,806</b>	<b>1,784,803</b>	<b>22,005,609</b>	<b>6,418,540</b>
<b>Noncurrent assets:</b>				
Restricted cash and investments with fiscal agent	4,557,689	-	4,557,689	-
Capital assets:				
Nondepreciable	105,542,702	1,091,083	106,633,785	-
Depreciable	234,917,936	6,387,522	241,305,458	-
Less: accumulated depreciation	(125,938,018)	(4,979,713)	(130,917,731)	-
<b>Total capital assets</b>	<b>214,522,620</b>	<b>2,498,892</b>	<b>217,021,512</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>219,080,309</b>	<b>2,498,892</b>	<b>221,579,201</b>	<b>-</b>
<b>Total assets</b>	<b>239,301,115</b>	<b>4,283,695</b>	<b>243,584,810</b>	<b>6,418,540</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related deferred outflows	385,506	334,106	719,612	-
<b>Total deferred outflows of resources</b>	<b>385,506</b>	<b>334,106</b>	<b>719,612</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	4,860,497	83,769	4,944,266	-
Salaries payable and related liabilities	17,869	22,863	40,732	-
Unearned revenue	9,329,263	776,075	10,105,338	-
Interest payable	1,267,963	-	1,267,963	-
Compensated absences - due within one year	15,624	59,328	74,952	-
Long-term debt - due within one year	2,032,215	-	2,032,215	-
<b>Total current liabilities</b>	<b>17,523,431</b>	<b>942,035</b>	<b>18,465,466</b>	<b>-</b>
<b>Noncurrent liabilities:</b>				
Compensated absences - due in more than one year	113,824	185,984	299,808	-
Long-term debt - due in more than one year	84,769,738	-	84,769,738	-
Net pension liability	1,232,217	1,067,921	2,300,138	-
<b>Total noncurrent liabilities</b>	<b>86,115,779</b>	<b>1,253,905</b>	<b>87,369,684</b>	<b>-</b>
<b>Total liabilities</b>	<b>103,639,210</b>	<b>2,195,940</b>	<b>105,835,150</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension-related deferred inflows	14,647	12,694	27,341	-
<b>Total deferred inflows of resources</b>	<b>14,647</b>	<b>12,694</b>	<b>27,341</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	132,278,357	2,498,892	134,777,249	-
Restricted	595,399	-	595,399	-
Unrestricted	3,159,008	(89,725)	3,069,283	6,418,540
<b>Total net position</b>	<b>\$ 136,032,764</b>	<b>\$ 2,409,167</b>	<b>\$ 138,441,931</b>	<b>\$ 6,418,540</b>

See accompanying Notes to the Basic Financial Statements



**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer	Transit	Total	
	Fund	Fund		
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 10,895,306	\$ 59,709	\$ 10,955,015	\$ -
Other revenue	-	13,719	13,719	-
<b>Total operating revenues</b>	<b>10,895,306</b>	<b>73,428</b>	<b>10,968,734</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>				
Salaries	1,436,434	1,554,972	2,991,406	-
Fringe benefits	779,053	508,334	1,287,387	-
Administration	209,881	26,647	236,528	-
Contract services	970,966	66,927	1,037,893	-
Fuels, lubricants, and maintenance	311,162	296,686	607,848	-
Supplies	452,031	38,272	490,303	-
Office	19,578	23,501	43,079	-
Utilities	922,728	31,172	953,900	-
Depreciation	7,555,416	557,027	8,112,443	-
<b>Total operating expenses</b>	<b>12,657,249</b>	<b>3,103,538</b>	<b>15,760,787</b>	<b>-</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,761,943)</b>	<b>(3,030,110)</b>	<b>(4,792,053)</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Local transportation funds	-	2,239,339	2,239,339	-
Mitigation fees	1,123,349	-	1,123,349	-
Intergovernmental	-	12,216	12,216	-
Investment earnings	54,568	3,153	57,721	9,040
Interest expense	(3,822,823)	-	(3,822,823)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,644,906)</b>	<b>2,254,708</b>	<b>(390,198)</b>	<b>9,040</b>
<b>Income (loss) before operating transfers and capital contributions</b>	<b>(4,406,849)</b>	<b>(775,402)</b>	<b>(5,182,251)</b>	<b>9,040</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>				
Riverside County Transportation Commission	-	839,473	839,473	-
Developer capital contributions	1,013,130	-	1,013,130	-
Transfers in	4,584,157	278,846	4,863,003	6,409,500
Transfers (out)	(5,002,961)	(100,000)	(5,102,961)	-
<b>Total transfers and capital contributions</b>	<b>594,326</b>	<b>1,018,319</b>	<b>1,612,645</b>	<b>6,409,500</b>
<b>Changes in net position</b>	<b>(3,812,523)</b>	<b>242,917</b>	<b>(3,569,606)</b>	<b>6,418,540</b>
<b>NET POSITION:</b>				
Beginning of year, as restated	139,845,287	2,166,250	142,011,537	-
End of year	\$ 136,032,764	\$ 2,409,167	\$ 138,441,931	\$ 6,418,540

See accompanying Notes to the Basic Financial Statements

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds		Total	Governmental
	Sewer Fund	Transit Fund		Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers and users	13,540,797	\$ 708,074	\$ 14,248,871	\$ -
Payments to suppliers and employees for goods and services	(2,197,160)	(2,491,733)	(4,688,893)	-
Cash received from developers and others	-	13,719	13,719	-
<b>Net cash provided by (used in) operating activities</b>	<b>11,343,637</b>	<b>(1,769,940)</b>	<b>9,573,697</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL</b>				
<b>FINANCING ACTIVITIES:</b>				
Advances to other funds	-	213,630	213,630	-
Local transportation funds	-	1,897,230	1,897,230	-
Intergovernmental	-	12,216	12,216	-
Transfers in	4,584,157	278,846	4,863,003	6,409,500
Transfers (out)	(5,002,961)	(100,000)	(5,102,961)	-
<b>Net cash provided by (used in) noncapital financial activities</b>	<b>(418,804)</b>	<b>2,301,922</b>	<b>1,883,118</b>	<b>6,409,500</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(23,094,618)	(813,616)	(23,908,234)	-
Developer capital contributions	1,013,130	-	1,013,130	-
Capital grants received	-	839,473	839,473	-
Payment of principal on long-term debt	(1,329,366)	-	(1,329,366)	-
Payment of interest on long-term debt	(4,492,272)	-	(4,492,272)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(26,779,777)</b>	<b>25,857</b>	<b>(26,753,920)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	54,703	3,153	57,856	9,040
<b>Net cash provided by investing activities</b>	<b>54,703</b>	<b>3,153</b>	<b>57,856</b>	<b>9,040</b>
<b>Net change in cash and cash equivalents</b>	<b>(15,800,241)</b>	<b>560,992</b>	<b>(15,239,249)</b>	<b>6,418,540</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	38,025,415	1,128,578	39,153,993	-
End of year	<u>22,225,174</u>	<u>\$ 1,689,570</u>	<u>\$ 23,914,744</u>	<u>\$ 6,418,540</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>				
Cash and investments	17,072,086	\$ 1,689,570	\$ 18,761,656	\$ 6,418,540
Restricted cash and investments	595,399	-	595,399	-
Restricted cash and investments with fiscal agent	4,557,689	-	4,557,689	-
<b>Total cash and cash equivalents</b>	<b>22,225,174</b>	<b>\$ 1,689,570</b>	<b>\$ 23,914,744</b>	<b>\$ 6,418,540</b>

See accompanying Notes to the Basic Financial Statements

**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds		Total	Governmental Activities Internal Service Fund
	Sewer Fund	Transit Fund		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,761,943)	\$ (3,030,110)	\$ (4,792,053)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	7,555,416	557,027	8,112,443	-
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	(418,362)	2,408	(415,954)	-
Pension-related deferred outflows of resources	(159,057)	43,310	(115,747)	-
Accounts payable and accrued liabilities	2,421,040	46,033	2,467,073	-
Salaries payable and related liabilities	8,075	7,722	15,797	-
Unearned revenue	3,063,853	645,957	3,709,810	-
Compensated absences	67,470	9,964	77,434	-
Aggregate net pension liability	577,535	(23,216)	554,319	-
Pension-related deferred inflows of resources	(10,390)	(29,035)	(39,425)	-
<b>Total adjustments</b>	<b>13,105,580</b>	<b>1,260,170</b>	<b>14,365,750</b>	<b>-</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 11,343,637</b>	<b>\$ (1,769,940)</b>	<b>\$ 9,573,697</b>	<b>\$ -</b>

See accompanying Notes to the Basic Financial Statements

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## **Fiduciary Fund Financial Statements**

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## FIDUCIARY FUND FINANCIAL STATEMENTS

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

**Private Purpose Trust Funds** – To account for donations received and held by the City of Beaumont as an agent for individuals, developers, private organizations and other governmental agencies and to account for activities of the Successor Agency to the dissolved Beaumont Redevelopment Agency.

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See accompanying Notes to the Basic Financial Statements

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	Custodial Funds	Private Purpose Trust Fund Successor Agency
<b>ASSETS</b>		
Cash and investments	\$ 18,504,154	\$ 177
Restricted cash and investments with fiscal agent	25,115,350	-
Due from other governments	348,319	-
Capital assets, net	-	21,826
<b>Total assets</b>	<b>43,967,823</b>	<b>22,003</b>
<b>LIABILITIES</b>		
Interest payable	4,184,331	-
Unearned revenue	11,736	-
Deposits payable	31,882	-
Due to other governments	110,797,432	-
Due to bondholders	144,230,825	-
<b>Total liabilities</b>	<b>259,256,206</b>	<b>-</b>
<b>Net Position</b>		
Restricted for:		
Individuals, organizations and other governments	(215,288,383)	22,003
<b>Total net position</b>	<b>\$ (215,288,383)</b>	<b>\$ 22,003</b>

See accompanying Notes to the Basic Financial Statements



**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

	<u>Custodial Funds</u>	<u>Private Purpose Trust Fund Successor Agency</u>
<b>ADDITIONS:</b>		
Investment Income	\$ 14,992	\$ -
Assessments	19,233,442	-
Proceeds from bonds	18,957,711	-
<b>Total additions</b>	<u>38,206,145</u>	<u>-</u>
<b>DEDUCTIONS:</b>		
Payments to trustee	8,898,870	-
Interest expense	10,763,754	-
Bond issuance cost	379,243	-
Payment for infrastructure	12,568,362	-
<b>Total deductions</b>	<u>32,610,229</u>	<u>-</u>
<b>Change in net position</b>	5,595,916	-
<b>NET POSITION:</b>		
Beginning of year, as restated	(220,884,299)	22,003
End of year	<u>\$ (215,288,383)</u>	<u>\$ 22,003</u>

See accompanying Notes to the Basic Financial Statements

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## **Notes to the Basic Financial Statements**

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**Index to the Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies**

The basic financial statements of the City of Beaumont, California (the "City") have been prepared in conformity with accounting principles generally accepted of the United States of America ("US GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City was incorporated November 18, 1912 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides basic local governmental services including public safety (police and fire), maintenance and construction of public improvements, cultural, recreation, planning, zoning, transportation, sewer and general administration.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

***Blended Component Units***

The financial reporting entity consists of the primary government, the City, and its component units. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

---

**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****A. Reporting Entity (Continued)***Blended Component Units (Continued)*

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

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

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

**Beaumont Financing Authority**

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

**Beaumont Utility Authority**

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



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****A. Reporting Entity (Continued)***Blended Component Units (Continued)***Beaumont Parking Authority**

The Beaumont Parking Authority (the "BPA") was established on May 1, 2018 by the City of Beaumont City Council through resolution 2018-12 that declared a need for a parking authority in the city. The BPA was created to establish the Beaumont Public Improvement Authority through a joint powers agreement. The City Council serves as the governing board for the BPA and the City has operational responsibility for the BPA. There was no financial activity for the BPA during the fiscal year ending June 30, 2021.

**Beaumont Public Improvement Authority**

The Beaumont Public Improvement Authority (the "BPIA") was established on May 15, 2018 by a joint powers agreement between the City of Beaumont and the Beaumont Parking Authority. The BPIA is authorized to issue revenue bonds to be repaid from the proceeds of wastewater services and to provide financing and refinancing for public capital improvements of the City's wastewater system. The City Council serves as the governing board for the BPIA and the City has operational responsibility for the BPIA. There was no financial activity for the BPIA since inception through the fiscal year ending June 30, 2021.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net position) 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 position) that apply to future periods and therefore, are not recognized as revenue until that time.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

---

**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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

---

**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****B. Basis of Accounting and Measurement Focus (Continued)***Governmental Fund Financial Statements (Continued)*

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental funds of the City are outlined below:

**General Fund** - This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In the City, these services include general government, public safety, public works, community development, community service, and refuse.

**Community Facilities Districts (CFD) Special Revenue 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.

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**B. Basis of Accounting and Measurement Focus (Continued)**

*Governmental Fund Financial Statements (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:

**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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**B. Basis of Accounting and Measurement Focus (Continued)**

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has two types of fiduciary funds presented. They are the private purpose trust funds and custodial funds.

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

The custodial funds are purely custodial in nature. Trust funds, such as the Successor Agency to the Redevelopment Agency, use the flow of economic resources measurement focus and the accrual basis of accounting.

**C. Cash, Cash Equivalents and Investments**

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**D. Restricted Cash and Investments**

Certain restricted cash and investments are held 1) held 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. Capital Assets**

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

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

The City defines infrastructure as the basic physical assets that allow the City to function. The infrastructure assets include streets (including bridges, streetlights, sidewalks, culverts and curbs), sewer system (including plant, collection systems, drains, lift stations), and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems. Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

**F. 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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****F. Long-Term Debt (Continued)***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.

**G. Compensated Absences***Government-Wide Financial Statements*

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and related bargaining unit. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave balance accruals are capped at two the employee's annual accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness or at separation from employment at different levels depending on the length of employment and the bargaining unit. There is no cap on the amount of sick leave that can be accrued but there is a cap on the amount that can be cashed out upon termination. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

*Fund Financial Statements*

In governmental funds, compensated absences are recorded as expenditures in the years paid. It is the City's policy to liquidate unpaid compensated absences from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation and/or sick leave is recorded as a liability in the governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

**H. Pensions**

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide a defined benefit pension plan for its employees and retirees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**H. Pensions (Continued)**

The following timeframes are used for pension plan reporting:

CalPERS:

Valuation Date	6/30/2019
Measurement Date	6/30/2020
Measurement Period	July 1, 2019 to June 30, 2020

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.

**I. Property Taxes**

Property taxes are levied on January 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Riverside, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 60 days.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received during the years 1976 to 1978.

**J. 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.



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****J. Net Position (Continued)**

*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.

**K. Fund Balances**

For governmental fund financial statements, fund balances are categorized as follows:

*Nonspendable* - Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* - Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* - Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

*Assigned* - Assigned fund balances encompass the portion of net fund balance reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. On April 5, 2016, the City Council adopted the financial management policies that includes a fund balance policy authorizing the City Manager to make these determination.

*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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****K. Fund Balances (Continued)**

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.

**L. 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.

**M. 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, 2021**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)****N. Upcoming Governmental Accounting Standards Implementation**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

*GASB Statement No. 87*

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

*GASB Statement No. 89*

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**N. Upcoming Governmental Accounting Standards Implementation (Continued)**

*GASB Statement No. 91*

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the SEJPA's fiscal year ending June 30, 2023.

**O. Implementation of New Pronouncements**

GASB has issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**Note 2 - Cash and Investments**

**A. Cash Deposits**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2021:

Statement of Net Position		
Cash and investments	\$	121,951,224
Restricted cash and investments		595,399
Restricted cash and investments with fiscal agent		11,689,388
Restricted investments in CFDs		78,745,000
Statement of Fiduciary Net Position		
Cash and investments		18,504,331
Restricted cash and investments with fiscal agent		25,115,350
<b>Total</b>	<b>\$</b>	<b>256,600,692</b>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**A. Cash Deposits (Continued)**

Cash, cash equivalents, and investments, consisted of the following at June 30, 2021:

Deposits with financial institutions	\$ 43,104,438
Deposits with fiscal agents	29,283,831
Petty cash	3,753
Investments	<u>184,208,670</u>
 Total cash and investments	 <u><u>\$ 256,600,692</u></u>

At June 30, 2021, cash and investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021:

	<b>Total as of June 30, 2021</b>	<b>Measurement Inputs</b>	<b>Valuation Techniques</b>
<b>Investments:</b>			
State investment pool	\$ 74,557,725	Uncategorized	N/A
Certificate of deposit	203,410	Uncategorized	N/A
Money market funds	29,922,535	Uncategorized	N/A
Guaranteed investment contract	780,000	Uncategorized	N/A
Restricted investments in CFDs	<u>78,745,000</u>	Uncategorized	N/A
 <b>Total</b>	 <u><u>\$ 184,208,670</u></u>		

The carrying amount of the City's demand deposits are \$65,308,570 at June 30, 2021. Bank balances were \$66,463,702 at that date; the total amount is collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**B. Investments**

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

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Investment Fund (LAIF)	N/A	100%	\$75 million
Negotiable Certificates of Deposits	5 Years	100%	None
Money Market Funds	N/A	100%	None
Guaranteed Investment Contracts	N/A	100%	None
Government Securities Mutual Funds	N/A	20%	None
Local Obligation Bonds*	5 Years	None	None

\*Limited to 5 years, except permits investment in variable rate demand obligations that are City obligations up to 10 year maturity, as allowed under IRS and SEC rulings.

At June 30, 2021, the City had \$74,557,725 in the LAIF account which is in excess of the City's investment policy.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**B. Investments (Continued)**

*Investments Authorized by Debt Agreements*

Investments of bond proceeds held by the City's bond trustee are governed by provisions of the related debt agreement rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposits	None	None	None
Money Market Mutual Funds	N/A	None	None
Guaranteed Investment Contracts	None	None	None
Community Facilities District Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Obligations	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances, Prime Quality	360 Days	None	None
Commercial Paper, Prime Quality	270 Days	None	None

**C. External Investment Pool**

The City is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2021 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

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

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

As of June 30, 2021, the City had \$74,557,725 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The value of the City's position in the pool is the same as the value of the pool shares. LAIF is unrated as of June 30, 2021.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**D. Investment in CFD Bonds**

The Beaumont Financing Authority (BFA) issued Local Agency Revenue Bonds ("Authority Bonds") for investment in the City of Beaumont Community Facilities District (CPD) 93-1 Special Tax Bonds ("District Bonds"). The District Bonds are local obligation bonds secured solely by special assessments on property owners within the CPD. The Authority Bonds issued by the BFA are repaid solely by debt service payments made on the District Bonds to the BFA. The repayment schedules of the District Bonds, and interest thereon, to the BFA; are concurrent and sufficient to satisfy the debt service requirements of the respective Authority Bonds.

**E. Risk Disclosures**

*Interest Rate Risk*

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

As of June 30, 2021, the City had the following investments and maturities:

	<b>Amount</b>	<b>Maturities</b>		
		<b>1 year or less</b>	<b>1 - 5 years</b>	<b>More than 5 years</b>
<b>Investments:</b>				
State investment pool	\$ 74,557,725	\$ 74,557,725	\$ -	\$ -
Certificate of deposit	203,410	203,410	-	-
Money market funds	29,922,535	29,922,535	-	-
Guaranteed investment contract	780,000	-	-	780,000
Restricted investments in CFDs	78,745,000	3,035,600	17,335,000	58,374,400
<b>Total</b>	<b>\$ 184,208,670</b>	<b>\$ 107,719,270</b>	<b>\$ 17,335,000</b>	<b>\$ 59,154,400</b>



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**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.

	<b>Total as of June 30, 2021</b>	<b>Measurement Inputs</b>	<b>Valuation Techniques</b>
<b>Investments:</b>			
State investment pool	\$ 74,557,725	Uncategorized	N/A
Certificate of deposit	203,410	Uncategorized	N/A
Money market funds	29,922,535	Uncategorized	N/A
Guaranteed investment contract	780,000	Uncategorized	N/A
Restricted investments in CFDs	78,745,000	Uncategorized	N/A
<b>Total</b>	<b>\$ 184,208,670</b>		

*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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**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, 2021</u>	<u>Percentage of Investments</u>
<b>Investments:</b>		
State investment pool	\$ 74,557,725	40.47%
Certificate of deposit	203,410	0.11%
Money market funds	29,922,535	16.24%
Guaranteed investment contract	780,000	0.42%
Restricted investments in CFDs	78,745,000	42.75%
<b>Total</b>	<u>\$ 184,208,670</u>	

**Note 3 - Loans Receivable**

**A. Governmental Activities**

For the year ended June 30, 2021, changes in the loan receivable of the City's loan program is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Loan receivable:				
Calimesa loan	\$ 224,671	\$ 1,044	\$ -	\$ 225,715
<b>Total</b>	<u>\$ 224,671</u>	<u>\$ 1,044</u>	<u>\$ -</u>	<u>\$ 225,715</u>

*Calimesa Loan*

The City entered into a loan agreement with City of Calimesa for the design and construction of portions of Cherry Valley Boulevard and Palmer Drive. The City of Calimesa will repay the loans within the next 20 years, plus simple interest annually at the rate paid by the Local Agency Investment Fund (LAIF) on January 1 of each year on the unpaid balance. The balance of the loan totaled \$225,715 at June 30, 2021. This balance includes interest of \$16,974 calculated at the LAIF rate of 0.50%.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 4 - Interfund Balances and Transactions**

**A. Transfers**

Transfers in and out for the year ended June 30, 2021, were as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	CFD Admin Fund	1,837,267	CFD - City maintenance/admin
General Fund	CFD Maintensnce Fund	3,895,009	CFD - City maintenance/admin
General Fund	Community Development Block Grant	635,569	Federal Cares Act Funding
General Fund	Other Fund	517	Cover Gang Task Force Overtime
General Fund	Gas Tax Fund	976,216	Streets Maintenance
General Fund	CFD Safety Fund	576,394	Public Safety Costs
General Fund	Community Development Block Grant	10,369	Covid 19 Expenses
General Fund	Community Development Block Grant	1,563,936	Premium Pay from ARPA Grant
General Fund	CFD Safety Fund	24,942	Canine Costs
General Fund	COPS Grant Fund	7,076	Cadet Labor Costs
General Fund	Wastewater Fund	650,000	Admin Overhead
	Transit Fund	100,000	Admin Overhead
	<b>Subtotal</b>	<u>10,277,295</u>	
Transit Fund	Community Development Block Grant	278,846	Premium Pay from ARPA Grant
	<b>Subtotal</b>	<u>278,846</u>	
SB1 Tax Fund	Measure A Fund	254,313	Correct CIP Funding
	<b>Subtotal</b>	<u>254,313</u>	
Measure A Fund	SB1 Tax Fund	160,321	Correct CIP Funding
	General Capital Projects Fund	52,410	Correct CIP Funding
	<b>Subtotal</b>	<u>212,731</u>	
General Plan Mitigation Fund	General Fund	167,292	Capital Projects
	<b>Subtotal</b>	<u>167,292</u>	
Fire Station Mitigation Fund	Measure A Fund	139,842	Correct CIP Funding
	<b>Subtotal</b>	<u>139,842</u>	
Wastewater Fund	Community Development Block Grant	130,010	Premium Pay from ARPA Grant
	Future Facilities Fund	101,185	Capital Projects
	<b>Subtotal</b>	<u>231,195</u>	
Internal Service Fund	General Fund	109,500	Smart Irrigation Purchase
Internal Service Fund	CFD Admin Fund	3,500,000	Facility Maintenance Replacement
Internal Service Fund	CFD Admin Fund	800,000	IT Equipment Replacement
Internal Service Fund	CFD Admin Fund	1,400,000	Vehicle Replacement
Internal Service Fund	CFD Admin Fund	600,000	Equipment Replacement
	<b>Subtotal</b>	<u>6,409,500</u>	
General Capital Projects Fund	General Fund	6,910,432	Capital projects
General Capital Projects Fund	SB1 Tax Fund	59,750	Capital projects
General Capital Projects Fund	General Plan Mitigation Fund	73,881	Capital projects
General Capital Projects Fund	SB1 Tax Fund	11,502	Capital Projects
General Capital Projects Fund	Future Facilities Fund	119,823	Capital Projects
General Capital Projects Fund	Other Mitigation Fund	5,266	Capital Projects
General Capital Projects Fund	Basic Services Mitigation Fund	31,344	Capital Projects
General Capital Projects Fund	Traffic Signal Mitigation Fund	20,477	Capital Projects
General Capital Projects Fund	Rail Road Crossing Mitigation Fund	4,157	Capital Projects
General Capital Projects Fund	Road And Bridge Mitigation Fund	294,137	Capital Projects
General Capital Projects Fund	Community Park Mitigation Fund	99,646	Capital projects
	<b>Subtotal</b>	<u>7,630,415</u>	
	<b>Total</b>	<u>\$ 25,601,429</u>	

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 5 - Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Nondepreciable assets:</b>				
Land	\$ 28,547,468	\$ -	\$ -	\$ 28,547,468
Construction in progress	30,405,380	4,940,605	(27,545,496)	7,800,489
<b>Total nondepreciable assets</b>	<u>58,952,848</u>	<u>4,940,605</u>	<u>(27,545,496)</u>	<u>36,347,957</u>
<b>Depreciable assets:</b>				
Building and improvements	19,980,342	263,732		20,244,074
Machinery and equipment	7,408,174	709,973	(80,146)	8,038,001
Vehicles	3,096,549	568,789	(200,000)	3,465,338
Infrastructure	419,534,936	29,353,850	-	448,888,786
<b>Subtotal</b>	<u>450,020,001</u>	<u>30,896,344</u>	<u>(280,146)</u>	<u>480,636,199</u>
<b>Less accumulated depreciation:</b>				
Building and improvements	(10,035,561)	(363,447)		(10,399,008)
Machinery and equipment	(4,170,407)	(385,566)	73,400	(4,482,573)
Vehicles	(2,394,782)	(296,024)	200,000	(2,490,806)
Infrastructure	(215,291,337)	(4,956,402)	-	(220,247,739)
<b>Subtotal</b>	<u>(231,892,087)</u>	<u>(6,001,439)</u>	<u>273,400</u>	<u>(237,620,126)</u>
<b>Total depreciable assets, net</b>	<u>218,127,914</u>	<u>24,894,905</u>	<u>(6,746)</u>	<u>243,016,073</u>
<b>Total</b>	<u>\$ 277,080,762</u>	<u>\$ 29,835,510</u>	<u>\$ (27,552,242)</u>	<u>\$ 279,364,030</u>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

General government	\$ 79,129
Public safety	281,115
Public works	5,162,338
Community development	82,467
Community services	396,390
<b>Total depreciation expense</b>	<u>\$ 6,001,439</u>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**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, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Nondepreciable assets:</b>				
Land	\$ 3,009,860	\$ -	\$ -	\$ 3,009,860
Construction in progress	81,272,806	22,655,032	(303,913)	103,623,925
<b>Total nondepreciable assets</b>	<u>84,282,666</u>	<u>22,655,032</u>	<u>(303,913)</u>	<u>106,633,785</u>
<b>Depreciable assets:</b>				
Building and improvements	621,548	-	-	621,548
Machinery and equipment	89,385,271	362,585	-	89,747,856
Vehicles	4,599,111	837,075	-	5,436,186
Infrastructure	145,142,413	357,455	-	145,499,868
<b>Subtotal</b>	<u>239,748,343</u>	<u>1,557,115</u>	<u>-</u>	<u>241,305,458</u>
<b>Less accumulated depreciation:</b>				
Building and improvements	(526,038)	(35,702)	-	(561,740)
Machinery and equipment	(44,266,787)	(3,245,076)	-	(47,511,863)
Vehicles	(3,712,511)	(551,120)	-	(4,263,631)
Infrastructure	(74,299,952)	(4,280,545)	-	(78,580,497)
<b>Subtotal</b>	<u>(122,805,288)</u>	<u>(8,112,443)</u>	<u>-</u>	<u>(130,917,731)</u>
<b>Total depreciable assets, net</b>	<u>116,943,055</u>	<u>(6,555,328)</u>	<u>-</u>	<u>110,387,727</u>
<b>Total</b>	<u>\$ 201,225,721</u>	<u>\$ 16,099,704</u>	<u>\$ (303,913)</u>	<u>\$ 217,021,512</u>

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

Sewer	\$ 7,555,416
Transit	557,027
<b>Total depreciation expense</b>	<u>\$ 8,112,443</u>

**C. Fiduciary Fund Financial Statements**

Summary of changes in capital assets for the City's Successor Agency for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Nondepreciable assets:</b>				
Land	\$ 21,826	\$ -	\$ -	\$ 21,826
<b>Total nondepreciable assets</b>	<u>21,826</u>	<u>-</u>	<u>-</u>	<u>21,826</u>
<b>Total</b>	<u>\$ 21,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,826</u>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 6 - Long-Term Obligations**

**A. Governmental Activities**

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2021 is as follows:

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
<b>City</b>						
AB 1484 Due Diligence Review	\$ 1,075,912	\$ -	\$ (300,000)	\$ 775,912	\$ 300,000	\$ 475,912
Capital Leases	251,240	-	(98,561)	152,679	96,390	56,289
<b>Beaumont Public Financing Authority</b>						
1994 Revenue Bonds, Series A	2,530,000	-	(560,000)	1,970,000	600,000	1,370,000
2011 Revenue Bonds, Series A & B	11,930,000	-	(11,930,000)	-	-	-
2012 Revenue Bonds, Series A	5,600,000	-	(5,600,000)	-	-	-
2012 Revenue Bonds, Series B	2,955,000	-	(2,955,000)	-	-	-
2012 Revenue Bonds, Series C	3,345,000	-	(3,345,000)	-	-	-
2013 Revenue Bonds, Series A	6,014,700	-	(6,014,700)	-	-	-
2013 Refunding Revenue Bonds, Series B	8,680,000	-	(8,680,000)	-	-	-
2015 Refunding Revenue Bonds, Series A	10,000,000	-	(230,000)	9,770,000	235,000	9,535,000
2015 Refunding Revenue Bonds, Series B	16,810,000	-	(790,000)	16,020,000	805,000	15,215,000
2015 Refunding Revenue Bonds, Series C	4,265,000	-	(225,000)	4,040,000	235,000	3,805,000
2015 Refunding Revenue Bonds, Series D	6,320,000	-	(335,000)	5,985,000	340,000	5,645,000
2019 Refunding Revenue Bonds, Series A	5,375,000	-	(290,000)	5,085,000	330,000	4,755,000
2020 Revenue Bonds, Series A	-	17,200,000	-	17,200,000	485,000	16,715,000
2021 Revenue Bonds, Series A	-	18,675,000	-	18,675,000	-	18,675,000
Bond premium-2019 revenue bond series A	1,014,920	-	(78,071)	936,849	78,071	858,778
Total Revenue Bonds	84,839,620	35,875,000	(41,032,771)	79,681,849	3,108,071	76,573,778
<b>Total governmental activities</b>	<b>\$ 86,166,772</b>	<b>\$ 35,875,000</b>	<b>\$ (41,431,332)</b>	<b>\$ 80,610,440</b>	<b>\$ 3,504,461</b>	<b>\$ 77,105,979</b>

**AB 1484 Due Diligence Review**

The City has entered into an agreement with the State of California, Department of Finance (State) to pay an outstanding amount due from the State's Due Diligence Review. The original amount due was \$2,875,912, and the outstanding balance at June 30, 2021 is \$775,912. The agreement calls for annual payments of \$300,000 through July 15, 2022, with a final payment of \$175,912 due on July 15, 2023. The City will utilize "residual" pass-through payments received by the City's General Fund to pay this debt of the former Redevelopment Agency. There is no interest charged by the State.

The annual debt service requirements are as follows:

Year Ending June 30,	Total
2022	\$ 300,000
2023	300,000
2024	175,912
<b>Total</b>	<b>\$ 775,912</b>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**A. Governmental Activities (Continued)**

*Capital Lease*

The City has entered into several lease agreements for the financing of public works vehicles, police vehicles, and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 99,342	\$ 4,558	\$ 103,900
2023	53,337	1,292	54,629
<b>Totals</b>	<b>\$ 152,679</b>	<b>\$ 5,850</b>	<b>\$ 158,529</b>

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

	<u>Amount</u>
Vehicles	\$ 344,718
Less: accumulated depreciation	(178,120)
<b>Total</b>	<b>\$ 166,598</b>

*Revenue Bonds*

**Local Revenue Bonds - 1994**

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Revenue Bonds - 1994 (Continued)**

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021, on the Series A Bonds was \$1,970,000.

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 Revenue Bonds - 2011 Series A and B**

On December 15, 2011, the BFA issued \$12,145,000 of 2011 Local Agency Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2009 Local Agency Revenue Bonds, Series A and B, the Beaumont Financing Authority 2009 Local Agency Revenue Bonds, Series A and B, and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$11,039,529. These bonds were issued to provide the District with funds to finance public infrastructure relating to respective improvements areas, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

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, 2012 until maturity or earlier redemption. The Bonds consist of \$1,405,000 serial bonds maturing annually in amounts between \$10,000 and \$250,000 from September 1, 2015 through September 1, 2026 with interest rates between 3.500% and 5.500%. Thereafter, \$1,820,000 of 6.125% term bonds are due September 1, 2031, with sinking payments to be made beginning September 1, 2027, and \$8,920,000 of 6.375% term bonds are due September 1, 2042, with sinking payments to be made beginning September 1, 2032.



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Revenue Bonds - 2011 Series A and B (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.

On August 13, 2020, the City issued \$17,200,000 in refunding revenue bonds with an average interest rate of 2% to advance refund \$11,540,000 of outstanding 2011 Series A and B debt. As a result, the 2011 Series A and B bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 23 years by \$7,747,589 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3,961,708.

**Local Agency Revenue Bonds - 2012 Series A**

On March 14, 2012, the BFA issued \$5,650,000 of 2012 Local Agency Revenue Bonds, Series A (the "Authority Bonds") for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$4,936,658. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 8C, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

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, 2017 until maturity or earlier redemption. The Bonds consist of \$155,000 serial bonds maturing annually in amounts between \$10,000 and \$120,000 from September 1, 2017 through September 1, 2029 with interest rates between 3.500% and 5.250%. Thereafter, \$400,000 of 5.625% term bonds are due September 1, 2032, with sinking payments to be made beginning September 1, 2030, and \$4,475,000 of 5.875% term bonds are due September 1, 2042, with sinking payments to be made beginning September 1, 2033.

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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Revenue Bonds - 2012 Series A (Continued)**

On August 13, 2020, the City issued \$17,200,000 in refunding revenue bonds with an average interest rate of 2% to advance refund \$5,660,000 of outstanding 2012 Series A debt. As a result, the 2012 Series A bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 23 years by \$2,783,288 and to obtain an economic loss (difference between the present values of the old and new debt service payments) of \$1,331,751.

**Local Agency Revenue Bonds - 2012 Series B**

On April 10, 2012, the BFA issued \$3,265,000 of 2012 Local Agency Revenue Bonds, Series B (the "Authority Bonds") for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$2,690,661. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 20, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account. public infrastructure relating to Improvements Area No. 20, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

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. The Bonds consist of \$1,120,000 serial bonds maturing annually in amounts between \$50,000 and \$150,000 from September 1, 2015 through September 1, 2026 with interest rates between 3.500% and 5.500%.

Thereafter, \$2,145,000 of 5.950% term bonds are due September 1, 2035, with sinking payments to be made beginning September 1, 2027.

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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Revenue Bonds - 2012 Series B (Continued)**

On June 30, 2021, the City issued \$18,675,000 in refunding revenue bonds with an average interest rate of 1.43% to advance refund \$2,615,000 of outstanding 2012 Series B debt. As a result, the 2012 Series B bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 14 years by \$1,166,430 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$567,229.

**Local Agency Revenue Bonds - 2012 Series C**

On May 23, 2012, the BF A issued \$3,655,000 of 2012 Local Agency Revenue Bonds, Series C (the "Authority Bonds") for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$3,122,785. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 7B and No. 7C, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

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, 2013 until maturity or earlier redemption. The Bonds consist of \$760,000 serial bonds maturing annually in amounts between \$20,000 and \$105,000 from September 1, 2013 through September 1, 2025 with interest rates between 1.500% and 4.250%. Thereafter, \$2,895,000 of 5.250% term bonds are due September 1, 2039, with sinking payments to be made beginning September 1, 2026.

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.

On June 30, 2021, the City issued \$18,675,000 in refunding revenue bonds with an average interest rate of 1.43% to advance refund \$3,045,000 of outstanding 2012 Series C debt. As a result, the 2012 Series C bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Revenue Bonds - 2012 Series C (Continued)**

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 18 years by \$1,286,161 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$604,476.

**Local Agency Revenue Bonds - 2013 Series A**

On January 17, 2013, the BFA issued \$8,810,000 of 2013 Local Agency Revenue Bonds, Series A (the "Authority Bonds") for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$7,865,887. The District Bonds were issued to provide the District with funds to finance public infrastructure related to Improvements Area No. 19C, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account. 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, 2013 until maturity or earlier redemption. The Bonds consist of \$4,180,000 serial bonds maturing annually in amounts between \$55,000 and \$420,000 from September 1, 2013 through September 1, 2022 with interest rates between 1.500% and 4.250%.

Thereafter, \$1,965,000 of 5% term bonds are due September 1, 2027, with sinking payments to be made beginning September 1, 2023, and \$2,665,000 of 5% term bonds are due September 1, 2036, with sinking payments to be made beginning September 1, 2028.

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.

On June 30, 2021, the City issued \$18,675,000 in refunding revenue bonds with an average interest rate of 1.43% to advance refund \$4,940,000 of outstanding 2013 Series A debt. As a result, the 2013 Series A bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 15 years by \$1,254,934 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$349,311.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Refunding Revenue Bonds - 2013 Series B**

On April 2, 2013, the BFA issued \$10,875,000 of 2013 Local Agency Refunding Revenue Bonds, Series B (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2003 Local Agency Revenue Bonds Series B and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds ("District Bonds") in the amount of \$130,500.

These bonds were issued to provide the District with funds to finance public infrastructure related to Improvements area No. 17 A, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

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. The Bonds consist of \$3,810,000 serial bonds maturing annually in amounts between \$245,000 and \$475,000 from September 1, 2013 through September 1, 2023 with interest rates between 2.000% and 5.000%. Thereafter, \$2,740,000 of 5% term bonds are due September 1, 2028, with sinking payments to be made beginning September 1, 2024, and \$4,325,000 of 5% term bonds are due September 1, 2034, with sinking payments to be made beginning September 1, 2029.

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.

On June 30, 2021, the City issued \$18,675,000 in refunding revenue bonds with an average interest rate of 1.43% to advance refund \$8,075,000 of outstanding 2013 Series B debt. As a result, the 2013 Series B bonds are considered to be refunded and the liability for these bonds has been removed from the government-wide statement of net position.

The refunding did result in a difference between the reacquisition price and the net carrying amount of old debt. The City completed the refunding to reduce its total debt service payments over 14 years by \$1,759,444 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$620,256.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Refunding Revenue Bonds - 2015 Series A**

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

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$9,770,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

**Local Agency Refunding Revenue Bonds - 2015 Series B**

On April 23, 2015, the BFA issued \$20,095,000 of 2015 Local Agency Refunding Revenue Bonds, Series B (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series D.

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$16,020,000 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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Refunding Revenue Bonds - 2015 Series C**

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

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$4,040,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

**Local Agency Refunding Revenue Bonds - 2015 Series D**

On May 15, 2015, the BFA issued \$7,820,000 of 2015 Local Agency Refunding Revenue Bonds, Series D (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 4.250%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$5,985,000 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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 6 - Long-Term Obligations (Continued)****A. Governmental Activities (Continued)***Revenue Bonds (Continued)***Local Agency Refunding Revenue Bonds - 2019 Series A**

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

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$5,085,000 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 BFA issued \$17,200,000 of 2020 Local Agency Refunding Revenue Bonds, Series A (the "Authority Bonds") for the purpose of refunding the Beaumont Financing Authority Local Agency Revenue Bonds Series 2011 Series A & B and 2012 Series A.

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$17,200,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**Local Agency Refunding Revenue Bonds - 2021 Series A**

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

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

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2021 was \$18,675,000 for the Authority Bonds and is reported in the City's financial statements as the BFA is a component unit of the City.

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

**Annual Debt Service Requirements to Maturity**

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 3,030,000	\$ 2,463,550	\$ 5,493,550
2023	4,510,000	2,460,942	6,970,942
2024	4,670,000	2,329,451	6,999,451
2025	4,035,000	2,201,507	6,236,507
2026	4,120,000	2,086,539	6,206,539
2027-2031	22,160,000	8,540,815	30,700,815
2032-2036	22,345,000	4,599,456	26,944,456
2037-2041	8,520,000	1,978,828	10,498,828
2042-2046	5,355,000	464,077	5,819,077
<b>Totals</b>	<b>\$ 78,745,000</b>	<b>\$ 27,125,165</b>	<b>\$ 105,870,165</b>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**B. Business-Type Activities**

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
Wastewater Revenue Bonds	\$ 80,105,000	\$ -	\$(1,245,000)	\$ 78,860,000	\$ 1,295,000	\$ 77,565,000
Bond Premium	8,495,497	-	(652,849)	7,842,648	652,849	7,189,799
Capital Leases	183,671	-	(84,366)	99,305	84,366	14,939
<b>Total business-type activities</b>	<b>\$ 88,784,168</b>	<b>\$ -</b>	<b>\$(1,982,215)</b>	<b>\$ 86,801,953</b>	<b>\$ 2,032,215</b>	<b>\$ 84,769,738</b>

*Capital Lease*

The City has entered into several lease agreements for the financing of sewer vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 99,305	\$ 4,332	\$ 103,637
<b>Total</b>	<b>\$ 99,305</b>	<b>\$ 4,332</b>	<b>\$ 103,637</b>

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

	Amount
Vehicles	\$ 455,505
Less: accumulated depreciation	(321,994)
<b>Total</b>	<b>\$ 133,511</b>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Revenue Bonds*

**Wastewater Revenue Bonds, Series 2018A**

On September 27, 2018, the Beaumont Public Improvement Authority issued \$81,105,000 of revenue bonds, to finance the acquisition and construction of certain improvements to the City's Wastewater System and to purchase a debt service reserve surety policy. The bonds were issued at a premium of \$9,698,952 which is amortized over the life of the bonds. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2049. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning on September 1, 2019. The bonds are a special limited obligation of the Authority payable solely from Authority Revenues. The outstanding balance of the Wastewater Revenue Bonds Series 2018A at June 30, 2021 was \$78,860,000.

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 1,295,000	\$ 3,777,988	\$ 5,072,988
2023	1,355,000	3,718,213	5,073,213
2024	1,425,000	3,648,713	5,073,713
2025	1,495,000	3,575,713	5,070,713
2026	1,570,000	3,499,088	5,069,088
2027-2031	9,160,000	16,199,688	25,359,688
2032-2036	11,475,000	13,876,681	25,351,681
2037-2041	14,325,000	11,029,250	25,354,250
2042-2046	18,370,000	6,985,750	25,355,750
2047-2050	18,390,000	1,896,500	20,286,500
<b>Totals</b>	<b>\$ 78,860,000</b>	<b>\$ 68,207,581</b>	<b>\$ 147,067,581</b>

**Note 7 - Debt Without City Commitment**

The City authorized the formation of the City of Beaumont Community Facilities District No. 93-1 (the "CFD's") for purpose of the issuance of bonds under improvement acts of the State of California to finance eligible public facilities to serve developing commercial, industrial, residential, and/or mixed use developments. Bonds issued by the CFD are secured by annual special tax levies or liens placed on properties within the CFD. The City, and the BFA, are not liable for repayment and the City, acting as an agent on behalf of the CFD, is only responsible for levying and collecting the special tax assessments, forwarding the collections to the bond trustee on behalf of bondholders, and initiating foreclosure proceedings on faulted special tax payments when necessary.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 7 - Debt Without City Commitment (Continued)**

The bonds issued by the CPD 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 and the City or BFA is not obligated to make payments on the bonds, the District Bonds (whose terms are disclosed in Note 6) are not reported as long-term liabilities in the accompanying City financial statements. The activities related to the District Bond reserves, special assessment tax collection, remittance to the bond trustee, repayment of District Bonds and use of new bond proceeds for developer capital projects for infrastructure, are reported in the Fiduciary Funds as an agency fund.

As of June 30, 2021, debt without City or BFA commitment is as follows:

	<b>Balance</b>
	<b>June 30, 2021</b>
1994 Special Tax Bonds, Series A	\$ 1,970,000
2015 Special Tax Bonds, Series A	9,770,000
2015 Special Tax Bonds, Series B	16,020,000
2015 Special Tax Bonds, Series C	4,040,000
2015 Special Tax Bonds, Series D	5,985,000
2019 Refunding Revenue Bonds, Series A	5,085,000
2020 Refunding Revenue Bond, Series A	17,200,000
2021 Refunding Revenue Bond, Series A	18,675,000
<b>Subtotal</b>	<u>78,745,000</u>
2017 Special Tax Refunding Bonds, Series A	82,601,097
2018 Special Tax Bonds, Series A	33,160,000
2018 Special Tax Bonds, 1A 7B	2,150,000
2018 Special Tax Bonds, 1A 7D	3,560,000
2018 Special Tax Bonds, 1A 8E	12,455,000
2019 Special Tax Bonds, 1A 2016-1	8,630,000
<b>Total Limited Obligation Bond Debt</b>	<u><u>\$ 221,301,097</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 8 - Compensated Absences**

The City's liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$3,147,991 at June 30, 2021.

**A. Governmental Activities**

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

Summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ 2,627,915	\$ 665,087	\$ (519,771)	\$ 2,773,231	\$ 554,646	\$ 2,218,585
<b>Total governmental activities</b>	<u>\$ 2,627,915</u>	<u>\$ 665,087</u>	<u>\$ (519,771)</u>	<u>\$ 2,773,231</u>	<u>\$ 554,646</u>	<u>\$ 2,218,585</u>

**B. Business-Type Activities**

Summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
Compensated absences	\$ 297,326	\$ 112,374	\$ (34,940)	\$ 374,760	\$ 74,952	\$ 299,808
<b>Total governmental activities</b>	<u>\$ 297,326</u>	<u>\$ 112,374</u>	<u>\$ (34,940)</u>	<u>\$ 374,760</u>	<u>\$ 74,952</u>	<u>\$ 299,808</u>

**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, 2021.

*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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

*General Liability and Property Damage Insurance (Continued)*

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

*Workers' Compensation*

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

*Government Crime Policy*

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

Changes in the claims liability amounts were as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2017-2018	\$ 2,331,191	\$ 1,383,627	\$ (1,500,000)	\$ 2,214,818
2018-2019	2,214,818	2,870,524	(2,277,967)	2,807,375
2019-2020	2,807,375	1,016,150	(1,617,130)	2,206,395
2020-2021	2,206,395	1,675,361	(1,075,636)	2,806,120

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 10 - Pension Plans**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 1,211,609	\$ 383,576	\$ 1,595,185
CalPERS Safety	1,751,746	-	1,751,746
Total pension contribution made after measurement date	<u>2,963,355</u>	<u>383,576</u>	<u>3,346,931</u>
Projected earnings on pension plan investment in excess of actual earnings:			
CalPERS Miscellaneous	175,704	68,329	244,033
CalPERS Safety	254,843	-	254,843
Total projected earnings on pension plan investment in excess of actual earnings	<u>430,547</u>	<u>68,329</u>	<u>498,876</u>
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	303,054	117,855	420,909
CalPERS Safety	214,521	-	214,521
Total adjustment due to difference in proportions	<u>517,575</u>	<u>117,855</u>	<u>635,430</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	304,799	118,533	423,332
CalPERS Safety	909,246	-	909,246
Total difference between expected and actual experience	<u>1,214,045</u>	<u>118,533</u>	<u>1,332,578</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	80,536	31,320	111,856
CalPERS Safety	72,981	-	72,981
Total employer contributions in excess of proportionate share of contribution	<u>153,517</u>	<u>31,320</u>	<u>184,837</u>
Total deferred outflows of resources:			
CalPERS Miscellaneous	2,075,703	719,612	2,795,315
CalPERS Safety	3,203,337	-	3,203,337
Total deferred outflows of resources	<u>\$ 5,279,040</u>	<u>\$ 719,612</u>	<u>\$ 5,998,652</u>
<b>Net pension liabilities:</b>			
CalPERS Miscellaneous	\$ 5,914,639	\$ 2,300,138	\$ 8,214,777
CalPERS Safety	11,725,412	-	11,725,412
Total net pension liabilities	<u>\$ 17,640,051</u>	<u>\$ 2,300,138</u>	<u>\$ 19,940,189</u>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**A. Summary (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred inflows of resources:</b>			
Change in assumption:			
CalPERS Miscellaneous	\$ 44,529	\$ 14,062	\$ 58,591
CalPERS Safety	39,058	-	39,058
Total change in assumption	<u>83,587</u>	<u>14,062</u>	<u>97,649</u>
Projected earnings on pension plan investment in excess of actual earnings:			
CalPERS Miscellaneous	(35,556)	35,556	-
Total projected earnings on pension plan investment in excess of actual earnings	<u>(35,556)</u>	<u>35,556</u>	<u>-</u>
Total deferred inflows of resources:			
CalPERS Miscellaneous	31,250	27,341	58,591
CalPERS Safety	39,058	-	39,058
Total deferred outflows of resources	<u>\$ 70,308</u>	<u>\$ 27,341</u>	<u>\$ 97,649</u>
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 1,626,306	\$ 513,570	\$ 2,139,876
CalPERS Safety	2,563,438	-	2,563,438
Total net pension liabilities	<u>\$ 4,189,744</u>	<u>\$ 513,570</u>	<u>\$ 4,703,314</u>

**B. General Information about the Pension Plans**

*Plan Description*

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



**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Benefit Provided*

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

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

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
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	3.0%	2.0%	3.0%	2.7%
Required employer contribution rate	15.445%	7.732%	23.674%	13.044%

*Contributions*

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Contributions (Continued)*

Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2021 were \$1,595,185 and \$1,751,746, for the Miscellaneous and Safety plans, respectively. The actual employer payments of \$3,228,952 made to CalPERS by the City during the measurement period ended June 30, 2020 differed from the City's proportionate share of the employer's contributions of \$3,164,497 by \$64,455, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**C. Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

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

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Long-term Expected Rate of Return*

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

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

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

<b>Asset Class<sup>1</sup></b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10<sup>2</sup></b>	<b>Real Return Years 11 + <sup>3</sup></b>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
<b>Total</b>	<b>100%</b>		

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

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

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

*Change of Assumptions*

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Discount Rate*

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Pension Plan Fiduciary Net Position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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

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

	Increase(Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Miscellaneous</b>			
Balance at: 6/30/19 (Valuation date)	\$ 34,063,851	\$ 26,625,712	\$ 7,438,139
Balance at: 6/30/20 (Measurement date)	36,927,018	28,712,241	8,214,777
Net changes during 2019-2020	<u>\$ 2,863,167</u>	<u>\$ 2,086,529</u>	<u>\$ 776,638</u>
<b>Safety</b>			
Balance at: 6/30/19 (Valuation date)	\$ 44,277,751	\$ 33,508,508	\$ 10,769,243
Balance at: 6/30/20 (Measurement date)	48,078,037	36,352,625	11,725,412
Net changes during 2019-2020	<u>\$ 3,800,286</u>	<u>\$ 2,844,117</u>	<u>\$ 956,169</u>

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2020, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2020	0.18574%	0.17251%	0.17768%
Proportion - June 30, 2021	0.19475%	0.17600%	0.18327%
Change - Increase (Decrease)	<u>0.00901%</u>	<u>0.00349%</u>	<u>0.00559%</u>

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
Miscellaneous	\$ 13,128,862	\$ 8,214,777	\$ 4,154,423
Safety	18,254,588	11,725,412	6,367,605
<b>Total</b>	<u>\$ 31,383,450</u>	<u>\$ 19,940,189</u>	<u>\$ 10,522,028</u>

*Subsequent Events*

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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

*Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2019), the City's net pension liability was \$7,438,139 and \$10,769,243, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$2,030,685 and \$2,742,613, for the Miscellaneous and Safety Plans, respectively.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

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

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

<b>Miscellaneous Plans</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,595,185	\$ -
Difference between projected and actual earning on pension plan investments	244,033	-
Adjustment due to differences in proportions	420,909	-
Changes in assumptions	-	58,591
Difference between actual and expected experience	423,332	-
Difference between employer's actual contributions and proportionate share of contributions	111,856	-
<b>Totals</b>	<b>\$ 2,795,315</b>	<b>\$ 58,591</b>
<b>Safety Plans</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,751,746	\$ -
Difference between projected and actual earning on pension plan investments	254,843	-
Adjustment due to differences in proportions	214,521	-
Changes in assumptions	-	39,058
Difference between actual and expected experience	909,246	-
Difference between employer's actual contributions and proportionate share of contributions	72,981	-
<b>Totals</b>	<b>\$ 3,203,337</b>	<b>\$ 39,058</b>

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$1,595,185 and \$1,751,746, 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.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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

**E. 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:

<b>Year Ended June 30,</b>	<b>Miscellaneous Plans</b>	<b>Safety Plans</b>	<b>Total</b>
2022	\$ 352,182	\$ 448,660	\$ 800,842
2023	403,294	510,082	913,376
2024	269,017	326,101	595,118
2025	117,046	127,690	244,736
2026	-	-	-
Thereafter	-	-	-
<b>Totals</b>	<b>\$ 1,141,539</b>	<b>\$ 1,412,533</b>	<b>\$ 2,554,072</b>

**F. Payable to the Pension Plan**

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

**Note 11 - Other Required Disclosures**

**A. Expenditures Exceeding Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the following functions of the General Fund:

<b>Fund</b>	<b>Function</b>	<b>Excess Expenditures</b>
General Fund	General government	\$ (85,833)

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.



Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021

Note 12 - Equity Classification

A. Fund Balances

	Major Funds							Total
	General Fund	Community Facilities District (CFD) Special Revenue 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	
<b>Nonspendable:</b>								
Loans receivable	\$ 225,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,715
Prepaid expenditures	26,262	-	-	-	-	304,015	-	330,277
<b>Total nonspendable</b>	<b>251,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,015</b>	<b>-</b>	<b>555,992</b>
<b>Restricted</b>								
State Gas Tax	-	-	-	-	-	-	159,101	159,101
RMRA	-	-	-	-	-	-	1,437,670	1,437,670
Measure A	-	-	-	-	-	-	2,568,801	2,568,801
AB 2766	-	-	-	-	-	-	621,930	621,930
PEG Fees	-	-	-	-	-	-	23,675	23,675
COPS Grant	-	-	-	-	-	-	313,341	313,341
State Asset Forfeiture	-	-	-	-	-	-	295,014	295,014
Federal Asset Forfeiture	-	-	-	-	-	-	6,030	6,030
Other Special Projects	-	-	-	-	-	-	183,807	183,807
Capital Projects	-	-	-	13,674,329	-	-	-	13,674,329
Debt Service	-	-	-	-	-	85,876,699	-	85,876,699
Community Facilities Districts	-	2,539,778	3,345,152	-	-	-	-	5,884,930
<b>Total restricted</b>	<b>-</b>	<b>2,539,778</b>	<b>3,345,152</b>	<b>13,674,329</b>	<b>-</b>	<b>85,876,699</b>	<b>5,609,369</b>	<b>111,045,327</b>
<b>Committed:</b>								
Capital Projects	-	-	-	-	10,631,472	-	-	10,631,472
Self Insurance	2,850,717	-	-	-	-	-	-	2,850,717
Pension Trust Funding	2,500,000	-	-	-	-	-	-	2,500,000
<b>Total Committed</b>	<b>5,350,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,631,472</b>	<b>-</b>	<b>-</b>	<b>15,982,189</b>
<b>Assigned:</b>								
Re-appropriation	214,799	-	-	-	-	-	-	214,799
<b>Total Assigned</b>	<b>214,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,799</b>
<b>Unassigned</b>	<b>17,576,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(84,997)</b>	<b>17,491,744</b>
<b>Total Fund Balances</b>	<b>\$ 23,394,234</b>	<b>\$ 2,539,778</b>	<b>\$ 3,345,152</b>	<b>\$ 13,674,329</b>	<b>\$ 10,631,472</b>	<b>\$ 86,180,714</b>	<b>\$ 5,524,372</b>	<b>\$ 145,290,051</b>

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, 2021, was determined as follows:

	<b>Governmental Activities</b>
Capital assets, net of accumulated depreciation	\$ 279,364,030
Less capital related debt balance:	
Outstanding principal balance of capital lease	(152,679)
Outstanding principal balance of Beaumont Public Financing Authority debt	(79,681,849)
<b>Net investment in capital assets</b>	<b>\$ 199,529,502</b>

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 12 - Equity Classification (Continued)**

**B. Net Position (Continued)**

***Business-type Activities***

	<b>Business-type Activities</b>		<b>Total Enterprise Funds</b>
	<b>Sewer Fund</b>	<b>Transit Fund</b>	
Capital assets, net of accumulated depreciation	\$ 214,522,620	\$ 2,498,892	\$ 217,021,512
Plus (less) capital related debt balance:			
Capital related borrowings	(74,302,310)	-	(74,302,310)
Outstanding unamortized bond premium balance	(7,842,648)	-	(7,842,648)
Outstanding balance of capital lease	(99,305)	-	(99,305)
<b>Net investment in capital assets</b>	<b>\$ 132,278,357</b>	<b>\$ 2,498,892</b>	<b>\$ 134,777,249</b>

**Note 13 - Commitments and Contingencies**

**A. Litigation**

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

**B. Grants**

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

**C. Construction Commitments**

Various construction projects in all fund types were in progress at June 30, 2021 with a planned cost to complete of approximately \$51,148,409.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

**Note 13 - Commitments and Contingencies (Continued)**

**D. WRCOG Restated Settlement Agreement (Continued)**

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 WR COG had obtained against the City. Under the terms of the WR COG Settlement, the City and WR COG agreed that the City would rejoin WRCOG and adopt the WR COG TUMF ordinance. Since the settlement, the City rejoined WRCOG and the TUMF program and as a result, and pursuant to the WRCOG Settlement, the City is now eligible to receive Measure A revenues from the Riverside County Transportation Commission (RCTC) based on the following schedule:

<b>Period</b>	<b>WRCOG*</b>	<b>City</b>
Approval Date thru 5th Anniversary of Approval	0%	100%
Second five year period	25%	75%
Third five year period	40%	60%
Fourth five year period	60%	40%
End of fourth five year period through June 2039	75%	25%

\*WRCOG's share of Measure A revenues shall not exceed a total of \$9,400,000

In October 2017, the City segregated \$3,000,000, designated for funding Pennsylvania Avenue improvements in accordance with the agreement. The City agreed to complete needed transportation improvements as follows:

<b>Improvement</b>	<b>Estimated Cost</b>	<b>Completion Deadline</b>
Oak Valley Parkway, Segments 3, 4, and 15	\$ 1,200,000	By January 1, 2022
Pennsylvania Avenue	3,800,000	None

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:

<b>Recovery Amount</b>	<b>WRCOG</b>	<b>City**</b>
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

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 13 - Commitments and Contingencies (Continued)**

**D. WRCOG Restated Settlement Agreement (Continued)**

The settlement agreement stipulates that if Third Party Claims have not produced recoveries of at least \$8,000,000 by July 2, 2022, the City will begin making payments to WRCOG in 20 equal annual installments beginning August 1, 2022. Any subsequent recoveries would adjust the annual installments as necessary. As of June 30, 2021, recoveries are approximately \$14 million. The City continues to share in recoveries at the 35% rate until recoveries total \$18 million at which time the City will begin collecting 50% of any recoveries. The City now shares in recoveries based on the settlement agreement; therefore, a liability has not been accrued.

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

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

**E. Covid-19 Considerations**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. The City's major revenue sources could still be directly impacted by these events; it is possible that this matter could negatively impact the City. However, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this contingency.

**Note 14 – Subsequent Event**

**A. American Rescue Plan**

On March 11, 2021, HR 1319, the American Rescue Plan Act of 2021 (ARPA), was signed into law. ARPA was designed to provide assistance to individuals, businesses and, state and local governments to assist in the economic recovery from the ongoing COVID-19 pandemic. The City was granted an allocation of \$7,306,318, delivered in two tranches of \$3,653,159 in June 2021 and June 2022. The qualified use of these funds includes public safety, infrastructure, and restoration of services to pre-pandemic levels.

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021**

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**Note 15 – Prior Period Adjustment**

**A. GASB Implementation**

As a result of GASB 84 implementation, as discussed in Note 1, beginning fiduciary net position has been restated as follows:

	<u>Custodial Funds</u>
Net position, as previously reported	\$ -
Prior period restatement	<u>(220,884,299)</u>
Net position, as restated	<u><u>\$ (220,884,299)</u></u>
	<u>Transit Fund</u>
Net position, as previously reported	\$ 2,508,359
Prior period restatement	<u>(342,109)</u>
Net position, as restated	<u><u>\$ 2,166,250</u></u>

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

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**Budgetary Information  
For the Year Ended June 30, 2021**

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**Note 1 – Budgetary Information**

The City Council approves each year’s budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplementary appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the General Fund and at the fund level for other major special revenue funds. At fiscal year-end, all operating budget appropriations lapse.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 11,345,095	\$ 14,045,095	\$ 16,092,556	\$ 2,047,461
Franchise fees	2,969,846	3,019,846	3,183,803	163,957
Intergovernmental	5,293,245	5,693,245	5,753,856	60,611
License and permits	2,801,700	2,936,700	3,050,575	113,875
Fines and forfeitures	376,500	376,500	344,816	(31,684)
Assessments levied	617,695	617,695	637,172	19,477
Use of money and property	295,000	295,000	178,689	(116,311)
Charges for services	1,163,700	1,163,700	1,484,669	320,969
Other revenues	227,000	227,000	916,229	689,229
<b>Total revenues</b>	<b>25,089,781</b>	<b>28,374,781</b>	<b>31,642,365</b>	<b>3,267,584</b>
<b>EXPENDITURES:</b>				
Current:				
General government	7,477,095	8,374,458	8,460,291	(85,833)
Public safety	16,577,057	17,787,632	17,313,483	474,149
Public works	2,684,417	2,919,195	2,786,349	132,846
Community development	1,615,936	1,903,244	1,561,640	341,604
Community services	3,890,960	4,357,823	4,093,696	264,127
Capital outlay	371,816	871,807	813,748	58,059
Debt service:				
Principal	401,512	401,512	398,561	2,951
<b>Total Expenditures</b>	<b>33,018,793</b>	<b>36,615,671</b>	<b>35,427,768</b>	<b>1,187,903</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(7,929,012)</b>	<b>(8,240,890)</b>	<b>(3,785,403)</b>	<b>4,455,487</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	15,000	15,000	24,392	9,392
Transfers in	7,914,012	10,515,471	10,277,295	(238,176)
Transfers (out)	-	(6,955,545)	(7,187,224)	(231,679)
<b>Total other financing sources</b>	<b>7,929,012</b>	<b>3,574,926</b>	<b>3,114,463</b>	<b>(460,463)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (4,665,964)</b>	<b>(670,940)</b>	<b>\$ 3,995,024</b>
<b>FUND BALANCE:</b>				
Beginning of year			24,065,174	
End of year			<b>\$ 23,394,234</b>	

**Budgetary Comparison Schedule  
Community Facilities Districts (CFD) Special Revenue Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Assessments levied	6,006,463	6,006,463	5,970,996	(35,467)
Use of money and property	58,351	58,351	21,955	(36,396)
Other revenue	-	-	576	576
<b>Total revenues</b>	<b>6,064,814</b>	<b>6,064,814</b>	<b>5,993,527</b>	<b>(71,287)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	342,055	342,055	212,607	129,448
<b>Total Expenditures</b>	<b>342,055</b>	<b>342,055</b>	<b>212,607</b>	<b>129,448</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,722,759</b>	<b>5,722,759</b>	<b>5,780,920</b>	<b>58,161</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(6,122,026)	(12,692,012)	(12,633,612)	58,400
<b>Total other financing sources (uses)</b>	<b>(6,122,026)</b>	<b>(12,692,012)</b>	<b>(12,633,612)</b>	<b>58,400</b>
<b>Net change in fund balance</b>	<b>\$ (399,267)</b>	<b>\$ (6,969,253)</b>	<b>(6,852,692)</b>	<b>\$ 116,561</b>
<b>FUND BALANCE:</b>				
Beginning of year			9,392,470	
End of year			<b>\$ 2,539,778</b>	

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**Budgetary Comparison Schedule  
Development Impact Fees (DIF) Special Revenue Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
License and permits	\$ 2,707,643	\$ 2,707,643	\$ 3,441,595	\$ 733,952
Use of money and property	191,947	191,947	125,332	(66,615)
<b>Total revenues</b>	<u>2,899,590</u>	<u>2,899,590</u>	<u>3,566,927</u>	<u>667,337</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>2,899,590</u>	<u>2,899,590</u>	<u>3,566,927</u>	<u>667,337</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	167,292	167,292
Transfers (out)	(6,295,000)	(6,295,000)	(389,067)	5,905,933
<b>Total other financing sources (uses)</b>	<u>(6,295,000)</u>	<u>(6,295,000)</u>	<u>(221,775)</u>	<u>6,073,225</u>
<b>Net change in fund balance</b>	<u>\$ (3,395,410)</u>	<u>\$ (3,395,410)</u>	3,345,152	<u>\$ 6,740,562</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ 3,345,152</u>	

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**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios  
Last Ten Years  
For the Year Ended June 30, 2021**

**Miscellaneous Plan**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.65770%	\$ 4,092,766	\$ 5,932,314	68.99%	78.28%
6/30/2015	0.16067%	4,407,926	5,411,229	81.46%	78.45%
6/30/2016	0.16750%	5,818,570	4,722,459	123.21%	73.82%
6/30/2017	0.17352%	6,840,289	4,864,133	140.63%	72.89%
6/30/2018	0.17792%	6,705,339	5,052,100	132.72%	74.82%
6/30/2019	0.18574%	7,438,139	5,203,663	142.94%	78.16%
6/30/2020	0.19475%	8,214,777	5,145,199	159.66%	77.75%

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

**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios  
(Continued)  
Last Ten Years  
For the Year Ended June 30, 2021**

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**Safety Plan**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability	Employer's Proportion Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.11126%	\$ 6,923,153	\$ 4,232,207	163.58%	76.98%
6/30/2015	0.17862%	7,359,819	4,134,515	178.01%	77.95%
6/30/2016	0.17381%	9,002,206	3,613,896	249.10%	74.79%
6/30/2017	0.17034%	10,177,973	3,722,313	273.43%	73.93%
6/30/2018	0.17176%	10,078,078	3,862,606	260.91%	75.38%
6/30/2019	0.17251%	10,769,243	3,978,484	270.69%	75.68%
6/30/2020	0.17600%	11,725,412	3,676,631	318.92%	75.61%

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

**Schedule of Pension Plan Contributions  
Last Ten Years  
For the Year Ended June 30, 2021**

**Miscellaneous Plan**

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions <sup>1</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013-14	\$ 996,243	\$ (996,243)	\$ -	\$ 5,932,314	16.79%
2014-15	962,897	(962,897)	-	5,411,229	17.79%
2015-16	732,914	(732,914)	-	4,722,459	15.52%
2016-17	816,082	(816,082)	-	4,864,133	16.78%
2017-18	956,792	(956,792)	-	5,052,100	18.94%
2018-19	1,156,583	(1,156,583)	-	5,203,663	22.23%
2019-20	1,390,388	(1,390,388)	-	5,145,199	27.02%
2020-21	1,595,185	(1,595,185)	-	8,181,668	19.50%

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

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

*Notes to Schedule:*

Change in Benefit Terms: None

Change in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.



**Schedule of Pension Plan Contributions (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2021**

**Safety Plan**

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions <sup>1</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013-14	\$ 1,421,157	\$ (1,421,157)	\$ -	\$ 4,232,207	33.58%
2014-15	1,356,940	(1,356,940)	-	4,134,515	32.82%
2015-16	1,181,118	(1,181,118)	-	3,613,896	32.68%
2016-17	1,281,860	(1,281,860)	-	3,722,313	34.44%
2017-18	1,402,549	(1,402,549)	-	3,862,606	36.31%
2018-19	1,645,661	(1,645,661)	-	3,978,484	41.36%
2019-20	1,838,564	(1,838,564)	-	3,676,631	50.01%
2020-21	1,751,746	(1,751,746)	-	4,334,892	40.41%

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

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

*Notes to Schedule:*

Change in Benefit Terms: None

Change in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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## Supplementary Information

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**Major Governmental Funds  
Budgetary Comparison Schedule**

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**Major Governmental Fund Budgetary Comparison Schedule  
Community Facilities District (CFD) Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Assessments levied	\$ 443,907	\$ 443,907	\$ 680,109	\$ 236,202
Use of money and property	266,094	266,094	51,730	(214,364)
<b>Total revenues</b>	<u>710,001</u>	<u>710,001</u>	<u>731,839</u>	<u>21,838</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,000	3,000	172,938	(169,938)
<b>Total Expenditures</b>	<u>3,000</u>	<u>3,000</u>	<u>172,938</u>	<u>(169,938)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>707,001</u>	<u>707,001</u>	<u>558,901</u>	<u>(148,100)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(1,500,000)	(3,850,000)	(221,008)	3,628,992
<b>Total other financing sources</b>	<u>(1,500,000)</u>	<u>(3,850,000)</u>	<u>(221,008)</u>	<u>3,628,992</u>
<b>Net change in fund balance</b>	<u>\$ (792,999)</u>	<u>\$ (3,142,999)</u>	337,893	<u>\$ 3,480,892</u>
<b>FUND BALANCE:</b>				
Beginning of year			13,336,436	
End of year			<u>\$ 13,674,329</u>	

**Major Governmental Fund Budgetary Comparison Schedule  
General Capital Project Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 953,669	\$ 953,669
Use of money and property	-	-	7,929	7,929
Other revenues	-	-	6,041,922	6,041,922
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>7,003,520</u>	<u>7,003,520</u>
<b>EXPENDITURES:</b>				
Capital outlay	9,325,000	19,725,000	4,260,351	15,464,649
<b>Total Expenditures</b>	<u>9,325,000</u>	<u>19,725,000</u>	<u>4,260,351</u>	<u>15,464,649</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(9,325,000)</u>	<u>(19,725,000)</u>	<u>2,743,169</u>	<u>22,468,169</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,325,000	22,125,000	7,578,005	(14,546,995)
<b>Total other financing sources</b>	<u>9,325,000</u>	<u>22,125,000</u>	<u>7,578,005</u>	<u>(14,546,995)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 2,400,000</u>	10,321,174	<u>\$ 7,921,174</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>310,298</u>	
End of year			<u>\$ 10,631,472</u>	

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**Major Governmental Fund Budgetary Comparison Schedule  
Beaumont Financing Authority Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 6,976,579	\$ 6,976,579	\$ 4,292,477	\$ (2,684,102)
<b>Total revenues</b>	<u>6,976,579</u>	<u>6,976,579</u>	<u>4,292,477</u>	<u>(2,684,102)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,090,000	3,090,000	3,540,000	(450,000)
Payment to refunded bond escrow agent	-	2,213,934	3,563,485	(1,349,551)
Interest and fiscal charges	3,730,099	3,730,099	4,820,703	(1,090,604)
<b>Total Expenditures</b>	<u>6,820,099</u>	<u>9,034,033</u>	<u>11,924,188</u>	<u>(2,890,155)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>156,480</u>	<u>(2,057,454)</u>	<u>(7,631,711)</u>	<u>(5,574,257)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	35,875,000	35,875,000	-
Payment to refunded bond escrow agent	-	(34,829,600)	(34,829,600)	-
<b>Total other financing sources</b>	<u>-</u>	<u>1,045,400</u>	<u>1,045,400</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 156,480</u>	<u>\$ (1,012,054)</u>	<u>(6,586,311)</u>	<u>\$ (5,574,257)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>92,767,025</u>	
End of year			<u>\$ 86,180,714</u>	

**Non-Major Governmental Funds  
Combining Schedules**

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**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2021**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>ASSETS</b>				
Cash and investments	\$ 159,101	\$ 1,344,648	\$ 2,188,730	\$ 604,839
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	93,022	380,071	17,091
<b>Total assets</b>	<u>\$ 159,101</u>	<u>\$ 1,437,670</u>	<u>\$ 2,568,801</u>	<u>\$ 621,930</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (deficit):</b>				
Restricted	159,101	1,437,670	2,568,801	621,930
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>159,101</u>	<u>1,437,670</u>	<u>2,568,801</u>	<u>621,930</u>
<b>Total liabilities and fund balances</b>	<u>\$ 159,101</u>	<u>\$ 1,437,670</u>	<u>\$ 2,568,801</u>	<u>\$ 621,930</u>

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**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds			
	PEG Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>ASSETS</b>				
Cash and investments	\$ 17,578	\$ 1,621,204	\$ 344,213	\$ 338,798
Receivables:				
Accounts	6,097	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 23,675</b>	<b>\$ 1,621,204</b>	<b>\$ 344,213</b>	<b>\$ 338,798</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 25,834	\$ 30,872	\$ -
Unearned revenue	-	1,680,367	-	43,784
<b>Total liabilities</b>	<b>-</b>	<b>1,706,201</b>	<b>30,872</b>	<b>43,784</b>
<b>Fund Balances (deficit):</b>				
Restricted	23,675	-	313,341	295,014
Unassigned	-	(84,997)	-	-
<b>Total fund balances</b>	<b>23,675</b>	<b>(84,997)</b>	<b>313,341</b>	<b>295,014</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,675</b>	<b>\$ 1,621,204</b>	<b>\$ 344,213</b>	<b>\$ 338,798</b>

(Continued)

**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds		Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	
<b>ASSETS</b>			
Cash and investments	\$ 6,030	\$ 251,662	\$ 6,876,803
Receivables:			
Accounts	-	-	6,097
Due from other governments	-	-	490,184
<b>Total assets</b>	<u>\$ 6,030</u>	<u>\$ 251,662</u>	<u>\$ 7,373,084</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 11,418	\$ 68,124
Unearned revenue	-	56,437	1,780,588
<b>Total liabilities</b>	<u>-</u>	<u>67,855</u>	<u>1,848,712</u>
<b>Fund Balances (deficit):</b>			
Restricted	6,030	183,807	5,609,369
Unassigned	-	-	(84,997)
<b>Total fund balances</b>	<u>6,030</u>	<u>183,807</u>	<u>5,524,372</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,030</u>	<u>\$ 251,662</u>	<u>\$ 7,373,084</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,317,493	\$ -
Intergovernmental	1,131,598	941,053	-	205,861
License and permits	-	-	-	-
Use of money and property	3,719	2,148	4,262	1,864
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>1,135,317</b>	<b>943,201</b>	<b>1,321,755</b>	<b>207,725</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	60,636
Community development	-	-	-	-
Community services	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,636</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,135,317</b>	<b>943,201</b>	<b>1,321,755</b>	<b>147,089</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	254,313	212,730	-
Transfers (out)	(976,216)	(311,664)	(314,063)	-
<b>Total other financing sources (uses)</b>	<b>(976,216)</b>	<b>(57,351)</b>	<b>(101,333)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>159,101</b>	<b>885,850</b>	<b>1,220,422</b>	<b>147,089</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	551,820	1,348,379	474,841
End of year	\$ 159,101	\$ 1,437,670	\$ 2,568,801	\$ 621,930

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
(Continued)  
Non-Major Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,667,071	155,139	5,092
License and permits	26,629	-	-	-
Use of money and property	67	-	1,171	882
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>26,696</u>	<u>2,667,071</u>	<u>156,310</u>	<u>5,974</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	203,706	691
Community development	-	133,338	-	-
Community services	24,503	-	-	1,208
<b>Total expenditures</b>	<u>24,503</u>	<u>133,338</u>	<u>203,706</u>	<u>1,899</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,193</u>	<u>2,533,733</u>	<u>(47,396)</u>	<u>4,075</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	(2,618,730)	(7,076)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(2,618,730)</u>	<u>(7,076)</u>	<u>-</u>
<b>Net changes in fund balances</b>	2,193	(84,997)	(54,472)	4,075
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>21,482</u>	<u>-</u>	<u>367,813</u>	<u>290,939</u>
End of year	<u>\$ 23,675</u>	<u>\$ (84,997)</u>	<u>\$ 313,341</u>	<u>\$ 295,014</u>

(Continued)

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
(Continued)  
Non-Major Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds		Total Other Governmental Funds
	Federal Asset Seizure Fund	Other Special Revenue Fund	
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 1,317,493
Intergovernmental	-	-	5,105,814
License and permits	-	6,793	33,422
Use of money and property	2	879	14,994
Other revenues	-	57,857	57,857
<b>Total revenues</b>	<b>2</b>	<b>65,529</b>	<b>6,529,580</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety	-	-	265,033
Community development	-	44,378	177,716
Community services	-	-	25,711
<b>Total expenditures</b>	<b>-</b>	<b>44,378</b>	<b>468,460</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2</b>	<b>21,151</b>	<b>6,061,120</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	467,043
Transfers (out)	-	(517)	(4,228,266)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(517)</b>	<b>(3,761,223)</b>
<b>Net changes in fund balances</b>	<b>2</b>	<b>20,634</b>	<b>2,299,897</b>
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year	6,028	163,173	3,224,475
End of year	\$ 6,030	183,807	\$ 5,524,372



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## **Non-Major Governmental Budgetary Comparison Schedules**

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**Budgetary Comparison Schedule  
State Gas Tax Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 971,341	\$ 971,341	\$ 1,131,598	\$ 160,257
Use of money and property	4,875	4,875	3,719	(1,156)
<b>Total revenues</b>	<u>976,216</u>	<u>976,216</u>	<u>1,135,317</u>	<u>159,101</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>976,216</u>	<u>976,216</u>	<u>1,135,317</u>	<u>159,101</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>(976,216)</u>	<u>(976,216)</u>	<u>(976,216)</u>	<u>-</u>
<b>Total other financing sources</b>	<u>(976,216)</u>	<u>(976,216)</u>	<u>(976,216)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>159,101</u>	<u>\$ 159,101</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 159,101</u>	

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**Budgetary Comparison Schedule  
Road Maintenance and Rehabilitation Act Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 731,313	\$ 731,313	\$ 941,053	\$ 209,740
Use of money and property	34,931	34,931	2,148	(32,783)
<b>Total revenues</b>	<u>766,244</u>	<u>766,244</u>	<u>943,201</u>	<u>176,957</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>766,244</u>	<u>766,244</u>	<u>943,201</u>	<u>176,957</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	254,313	254,313
Transfers (out)	<u>(730,000)</u>	<u>(730,000)</u>	<u>(311,664)</u>	<u>418,336</u>
<b>Total other financing sources</b>	<u>(730,000)</u>	<u>(730,000)</u>	<u>(57,351)</u>	<u>672,649</u>
<b>Net change in fund balance</b>	<u>\$ 36,244</u>	<u>\$ 36,244</u>	<u>885,850</u>	<u>\$ 849,606</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>551,820</u>	
End of year			<u>\$ 1,437,670</u>	

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**Budgetary Comparison Schedule  
Measure A  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 723,205	\$ 723,205	\$ 1,317,493	\$ 594,288
Use of money and property	11,869	11,869	4,262	(7,607)
<b>Total revenues</b>	<u>735,074</u>	<u>735,074</u>	<u>1,321,755</u>	<u>586,681</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>735,074</u>	<u>735,074</u>	<u>1,321,755</u>	<u>586,681</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	212,730	212,730
Transfers (out)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(314,063)</u>	<u>485,937</u>
<b>Total other financing sources</b>	<u>(800,000)</u>	<u>(800,000)</u>	<u>(101,333)</u>	<u>698,667</u>
<b>Net change in fund balance</b>	<u>\$ (64,926)</u>	<u>\$ (64,926)</u>	<u>1,220,422</u>	<u>\$ 1,285,348</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,348,379</u>	
End of year			<u>\$ 2,568,801</u>	

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**Budgetary Comparison Schedule  
AB 2766 Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 62,500	\$ 62,500	\$ 205,861	\$ 143,361
Use of money and property	3,020	3,020	1,864	(1,156)
<b>Total revenues</b>	<u>65,520</u>	<u>65,520</u>	<u>207,725</u>	<u>142,205</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	80,667	60,636	20,031
<b>Total Expenditures</b>	<u>-</u>	<u>80,667</u>	<u>60,636</u>	<u>20,031</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>65,520</u>	<u>(15,147)</u>	<u>147,089</u>	<u>162,236</u>
<b>Net change in fund balance</b>	<u>\$ 65,520</u>	<u>\$ (15,147)</u>	<u>147,089</u>	<u>\$ 162,236</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>474,841</u>	
End of year			<u>\$ 621,930</u>	

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**Budgetary Comparison Schedule  
PEG Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
License and permits	\$ 25,800	\$ 25,800	\$ 26,629	\$ 829
Use of money and property	2,007	2,007	67	(1,940)
<b>Total revenues</b>	<u>27,807</u>	<u>27,807</u>	<u>26,696</u>	<u>(1,111)</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	-	24,800	24,503	297
<b>Total Expenditures</b>	<u>-</u>	<u>24,800</u>	<u>24,503</u>	<u>297</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>27,807</u>	<u>3,007</u>	<u>2,193</u>	<u>(814)</u>
<b>Net change in fund balance</b>	<u>\$ 27,807</u>	<u>\$ 3,007</u>	2,193	<u>\$ (814)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>21,482</u>	
End of year			<u>\$ 23,675</u>	

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**Budgetary Comparison Schedule  
Other Federal Grants Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 440,000	\$ 4,728,728	\$ 2,667,071	\$ (2,061,657)
<b>Total revenues</b>	<b>440,000</b>	<b>4,728,728</b>	<b>2,667,071</b>	<b>(2,061,657)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	440,000	440,000	133,338	306,662
<b>Total Expenditures</b>	<b>440,000</b>	<b>440,000</b>	<b>133,338</b>	<b>306,662</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	4,288,728	2,533,733	(1,754,995)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	-	(2,755,572)	(2,618,730)	136,842
<b>Total other financing sources</b>	<b>-</b>	<b>(2,755,572)</b>	<b>(2,618,730)</b>	<b>136,842</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 1,533,156</b>	<b>(84,997)</b>	<b>\$ (1,618,153)</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			-	
End of year			\$ (84,997)	



**Budgetary Comparison Schedule  
COPS Grant Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 155,139	\$ 55,139
Use of money and property	2,609	2,609	1,171	(1,438)
<b>Total revenues</b>	<u>102,609</u>	<u>102,609</u>	<u>156,310</u>	<u>53,701</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	25,167	183,467	203,706	(20,239)
<b>Total Expenditures</b>	<u>25,167</u>	<u>183,467</u>	<u>203,706</u>	<u>(20,239)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>77,442</u>	<u>(80,858)</u>	<u>(47,396)</u>	<u>33,462</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(65,770)	(65,770)	(7,076)	58,694
<b>Total other financing sources</b>	<u>(65,770)</u>	<u>(65,770)</u>	<u>(7,076)</u>	<u>58,694</u>
<b>Net change in fund balance</b>	<u>\$ 11,672</u>	<u>\$ (146,628)</u>	<u>(54,472)</u>	<u>\$ 92,156</u>
<b>FUND BALANCE:</b>				
Beginning of year			367,813	
End of year			<u>\$ 313,341</u>	

**Budgetary Comparison Schedule  
State Asset Seizure Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,347	\$ 1,347	\$ 5,092	\$ 3,745
Use of money and property	4,822	4,822	882	(3,940)
<b>Total revenues</b>	<b>6,169</b>	<b>6,169</b>	<b>5,974</b>	<b>(195)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	691	(691)
Community services	-	-	1,208	(1,208)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,899</b>	<b>(1,899)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,169</b>	<b>6,169</b>	<b>4,075</b>	<b>(2,094)</b>
<b>Net change in fund balance</b>	<b>\$ 6,169</b>	<b>\$ 6,169</b>	<b>4,075</b>	<b>\$ (2,094)</b>
<b>FUND BALANCE:</b>				
Beginning of year			290,939	
End of year			\$ 295,014	

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**Budgetary Comparison Schedule  
Other Special Revenue Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
License and permits	3,918	3,918	6,793	2,875
Use of money and property	-	-	879	879
Other revenues	18,628	18,628	57,857	39,229
<b>Total revenues</b>	<u>34,546</u>	<u>34,546</u>	<u>65,529</u>	<u>30,983</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	51,630	51,630	44,378	7,252
<b>Total Expenditures</b>	<u>51,630</u>	<u>51,630</u>	<u>44,378</u>	<u>7,252</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(17,084)</u>	<u>(17,084)</u>	<u>21,151</u>	<u>38,235</u>
Transfers in	-	-	-	-
Transfers (out)	-	-	(517)	(517)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>(517)</u>	<u>(517)</u>
<b>Net change in fund balance</b>	<u>\$ (17,084)</u>	<u>\$ (17,084)</u>	<u>20,634</u>	<u>\$ 37,718</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>163,173</u>	
End of year			<u>\$ 183,807</u>	

## **Fiduciary Funds**

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**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2021**

	Community Facilities District Collection	Evidence Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 18,458,674	\$ 45,480	\$ 18,504,154
Cash and investments with fiscal agent	25,115,350	-	25,115,350
Due from other governments	348,319	-	348,319
<b>Total assets</b>	<u>43,922,343</u>	<u>45,480</u>	<u>43,967,823</u>
<b>LIABILITIES</b>			
Interest payable	4,184,331	-	4,184,331
Unearned revenue	-	11,736	11,736
Deposits payable	-	31,882	31,882
Due to other governments	110,797,432	-	110,797,432
Due to bondholders	144,230,825	-	144,230,825
<b>Total liabilities</b>	<u>259,212,588</u>	<u>43,618</u>	<u>259,256,206</u>
<b>Net Position</b>			
Restricted for:			
Individuals, organizations and other governments	(215,290,245)	1,862	(215,288,383)
<b>Total net position</b>	<u>\$ (215,290,245)</u>	<u>\$ 1,862</u>	<u>\$ (215,288,383)</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2021**

	Community Facilities District Collection	Evidence Fund	Total
<b>ADDITIONS:</b>			
Investment Income	\$ 14,980	\$ 12	\$ 14,992
Assessments	19,233,442	-	19,233,442
Proceeds from bonds	18,957,711	-	18,957,711
<b>Total additions</b>	<u>38,206,133</u>	<u>12</u>	<u>38,206,145</u>
<b>DEDUCTIONS:</b>			
Payments to trustee	8,898,870	-	8,898,870
Interest expense	10,763,754	-	10,763,754
Bond issuance cost	379,243	-	379,243
Payment for infrastructure	12,568,362	-	12,568,362
<b>Total deductions</b>	<u>32,610,229</u>	<u>-</u>	<u>32,610,229</u>
<b>Change in net position</b>	5,595,904	12	5,595,916
<b>NET POSITION:</b>			
Beginning of year, as restated	(220,886,149)	1,850	(220,884,299)
End of year	<u>\$ (215,290,245)</u>	<u>\$ 1,862</u>	<u>\$(215,288,383)</u>

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## Statistical Section

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

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	36,104,840	31,785,547	27,651,232	32,785,514
Unrestricted	15,424,223	(32,707,527)	(34,861,337)	(89,979,209)
<b>Total governmental activities net position</b>	<b>\$ 51,529,063</b>	<b>\$ (921,980)</b>	<b>\$ (7,210,105)</b>	<b>\$ (57,193,695)</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 47,174,662	\$ 48,712,794	\$ 47,357,696	\$ 52,039,617
Restricted	1,134,950	-	-	-
Unrestricted	1,766,094	733,877	3,461,080	(2,786,155)
<b>Total business-type activities net position</b>	<b>\$ 50,075,706</b>	<b>\$ 49,446,671</b>	<b>\$ 50,818,776</b>	<b>\$ 49,253,462</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 47,174,662	\$ 48,712,794	\$ 47,357,696	\$ 52,039,617
Restricted	37,239,790	31,785,547	27,651,232	32,785,514
Unrestricted	17,190,317	(31,973,650)	(31,400,257)	(92,765,364)
<b>Total primary government net position</b>	<b>\$ 101,604,769</b>	<b>\$ 48,524,691</b>	<b>\$ 43,608,671</b>	<b>\$ (7,940,233)</b>

Source: City of Beaumont Finance Department Audited Financial Statements

2016	2017	2018	2019	2020	2021
\$ -	\$ 41,036,317	\$ 161,035,919	\$ 180,996,750	\$ 191,989,902	\$ 199,529,502
48,232,914	253,984,801	133,927,879	125,918,630	118,674,754	121,676,799
(22,231,046)	(13,630,302)	(7,563,390)	457,794	7,180,682	12,223,595
<u>\$ 26,001,868</u>	<u>\$ 281,390,816</u>	<u>\$ 287,400,408</u>	<u>\$ 307,373,174</u>	<u>\$ 317,845,338</u>	<u>\$ 333,429,896</u>
\$ 50,742,754	\$ 127,028,681	\$ 124,163,481	\$ 134,524,431	\$ 137,744,251	\$ 134,777,249
-	-	-	-	-	595,399
897,094	2,246,526	9,681,229	(475,808)	4,609,395	3,069,283
<u>\$ 51,639,848</u>	<u>\$ 129,275,207</u>	<u>\$ 133,844,710</u>	<u>\$ 134,048,623</u>	<u>\$ 142,353,646</u>	<u>\$ 138,441,931</u>
\$ 50,742,754	\$ 168,064,998	\$ 285,199,400	\$ 315,521,181	\$ 329,734,153	\$ 334,306,751
48,232,914	253,984,801	133,927,879	125,918,630	118,674,754	122,272,198
(21,333,952)	(11,383,776)	2,117,839	(18,014)	11,790,077	15,292,878
<u>\$ 77,641,716</u>	<u>\$ 410,666,023</u>	<u>\$ 421,245,118</u>	<u>\$ 441,421,797</u>	<u>\$ 460,198,984</u>	<u>\$ 471,871,827</u>

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

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 6,208,903	\$ 5,618,665	\$ 4,968,528	\$ 7,309,913
Public safety	14,856,462	15,198,102	15,219,502	13,414,301
Public works	5,804,635	4,763,622	7,812,711	1,552,407
Community development	43,634,529	65,303,162	6,947,833	1,914,356
Community services	3,248,845	3,355,226	156,923	4,880,614
Refuse	-	-	-	4,144,778
Pass-through payments	383,539	-	-	-
Interest on long-term debt	-	-	161,272	2,660,836
Total governmental activities expenses	<u>74,136,913</u>	<u>94,238,777</u>	<u>35,266,769</u>	<u>35,877,205</u>
Business-type activities:				
Sewer	5,906,651	5,714,311	6,074,330	7,986,837
Transit	1,656,469	1,941,586	2,258,381	2,211,872
Total business-type activities expenses	<u>7,563,120</u>	<u>7,655,897</u>	<u>8,332,711</u>	<u>10,198,709</u>
Total primary government expenses	<u>\$ 81,700,033</u>	<u>\$ 101,894,674</u>	<u>\$ 43,599,480</u>	<u>\$ 46,075,914</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services	\$ 7,403,279	\$ 5,955,862	\$ 7,339,117	\$ 9,855,807
Operating grants	4,832,762	3,456,547	4,708,037	6,337,968
Capital grants	53,140,151	20,937,453	6,051,679	4,364,103
Total governmental activities program revenues	<u>65,376,192</u>	<u>30,349,862</u>	<u>18,098,833</u>	<u>\$ 20,557,878</u>
Business-type activities:				
Charges for services	4,485,579	4,895,175	8,041,655	8,021,109
Operating grants	1,260,000	1,238,220	1,636,434	1,847,564
Capital Grants	314,083	800,088	304,610	10,445
Total business-type activities program revenues	<u>6,059,662</u>	<u>6,933,483</u>	<u>9,982,699</u>	<u>\$ 9,879,118</u>
Total primary government revenues	<u>\$ 71,435,854</u>	<u>\$ 37,283,345</u>	<u>\$ 28,081,532</u>	<u>\$ 30,436,996</u>

Source: City of Beaumont Finance Department Audited Financial Statements

2016	2017	2018	2019	2020	2021
\$ 3,397,331	\$ 7,593,312	\$ 5,356,762	\$ 6,010,855	\$ 6,387,414	\$ 10,322,019
11,236,896	13,526,022	18,969,972	15,641,308	17,326,496	17,896,367
1,976,427	5,030,993	5,563,653	8,536,946	4,051,200	8,738,889
1,367,789	4,441,655	2,431,640	2,396,300	2,203,993	2,109,290
3,050,603	2,528,668	3,478,806	3,840,603	4,805,108	4,567,596
4,138,062	4,239,048	4,899,889	5,504,512	-	-
-	-	-	-	-	-
-	10,369,211	7,181,818	4,415,612	4,980,043	4,742,632
<u>25,167,108</u>	<u>47,728,909</u>	<u>47,882,540</u>	<u>46,346,136</u>	<u>39,754,254</u>	<u>48,376,793</u>
6,043,880	11,192,584	10,430,002	14,993,895	15,084,760	16,480,072
<u>2,478,621</u>	<u>2,990,218</u>	<u>3,119,254</u>	<u>3,353,923</u>	<u>3,260,924</u>	<u>3,103,538</u>
<u>8,522,501</u>	<u>14,182,802</u>	<u>13,549,256</u>	<u>18,347,818</u>	<u>18,345,684</u>	<u>19,583,610</u>
<u>\$ 33,689,609</u>	<u>\$ 61,911,711</u>	<u>\$ 61,431,796</u>	<u>\$ 64,693,954</u>	<u>\$ 58,099,938</u>	<u>\$ 67,960,403</u>
\$ 9,561,023	\$ 15,939,510	\$ 15,749,036	\$ 13,488,153	\$ 6,004,874	\$ 6,223,772
9,449,166	286,368	77,514	884,195	1,626,798	4,116,354
<u>5,304,634</u>	<u>12,450,382</u>	<u>20,409,806</u>	<u>17,527,025</u>	<u>8,773,350</u>	<u>16,582,075</u>
<u>\$ 24,314,823</u>	<u>28,676,260</u>	<u>36,236,356</u>	<u>31,899,373</u>	<u>16,405,022</u>	<u>26,922,201</u>
7,362,793	7,644,407	8,282,833	8,993,637	10,697,882	10,955,015
2,063,600	2,262,277	2,347,256	2,557,412	3,228,349	2,251,555
<u>1,479,942</u>	<u>473,715</u>	<u>6,171,672</u>	<u>1,575,041</u>	<u>7,334,406</u>	<u>1,852,603</u>
<u>\$ 10,906,335</u>	<u>10,380,399</u>	<u>16,801,761</u>	<u>13,126,090</u>	<u>21,260,637</u>	<u>15,059,173</u>
<u>\$ 35,221,158</u>	<u>\$ 39,056,659</u>	<u>\$ 53,038,117</u>	<u>\$ 45,025,463</u>	<u>\$ 37,665,659</u>	<u>\$ 41,981,374</u>
\$ (852,285)	\$ (19,052,649)	\$ (11,646,184)	\$ (14,446,763)	\$ (23,349,232)	\$ (21,454,592)
2,383,834	(3,802,403)	3,252,505	(5,221,728)	2,914,953	(4,524,437)
<u>\$ 1,531,549</u>	<u>\$ (22,855,052)</u>	<u>\$ (8,393,679)</u>	<u>\$ (19,668,491)</u>	<u>\$ (20,434,279)</u>	<u>\$ (25,979,029)</u>

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

**General Revenues and Other Changes in  
Net Position**

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Government activities:</b>				
Taxes				
Property taxes	\$ 2,601,805	\$ 3,314,109	\$ 2,846,677	\$ 3,894,320
Sales taxes	3,732,539	3,846,904	4,149,782	4,209,246
Vehicle in lieu tax	2,582,829	2,637,026	2,709,016	3,244,340
Utility Users Tax	-	-	-	1,373,661
Franchise tax	787,791	837,617	882,609	944,869
Transient occupancy tax	-	-	-	224,705
Other taxes	1,591,486	1,665,975	1,778,239	209,124
Business Licenses	-	-	-	-
Transfers	-	-	-	-
Total taxes and transfers	<u>11,296,450</u>	<u>12,301,631</u>	<u>12,366,323</u>	<u>14,100,265</u>
Construction bond proceeds	-	-	-	-
Developer Contributions	-	-	-	-
Investment Earnings	772,655	419,671	827,047	129,837
Miscellaneous	769,561	555,543	562,353	156,283
Gain (Loss) on sale of capital assets	-	-	-	-
Total governmental activities	<u>12,838,666</u>	<u>13,276,845</u>	<u>13,755,723</u>	<u>14,386,385</u>
<b>Business-type activities:</b>				
Investment Earnings	20,659	80,587	55,973	4,267
Developer Contributions	-	-	-	-
Miscellaneous	-	12,792	7,753	-
Mitigation Fees	-	-	-	-
Transfers	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	<u>20,659</u>	<u>93,379</u>	<u>63,726</u>	<u>4,267</u>
Total primary government	<u>\$ 12,859,325</u>	<u>\$ 13,370,224</u>	<u>\$ 13,819,449</u>	<u>\$ 14,390,652</u>
<b>Extraordinary Items (Governmental Activities)</b>				
Write off of advance receivable	\$ -	\$ -	\$ -	\$ (21,500,000)
Settlement - restitution	-	-	-	-
Refunding CFD 93-01	-	-	-	-
Successor Agency debt reversal	-	-	-	-
Gain on advance from city write off	800,953	-	-	-
Gain on transfer of assets and liabilities to RDA Successor Agency	20,951,628	-	-	-
WRCOG judgement settlement	-	-	-	-
Total primary government	<u>\$ 21,752,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,500,000)</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 25,830,526	\$ (50,612,070)	\$ (3,412,213)	\$ (22,432,942)
Business-type activities	(1,482,799)	(629,035)	1,713,714	(315,324)
Total primary government	<u>\$ 24,347,727</u>	<u>\$ (51,241,105)</u>	<u>\$ (1,698,499)</u>	<u>\$ (22,748,266)</u>

Source: City of Beaumont Finance Department Audited Financial Statements

Continued

	2016	2017	2018	2019	2020	2021
\$	3,762,290	\$ 4,852,263	\$ 5,199,098	\$ 5,656,662	\$ 11,107,476	\$ 12,701,479
	4,966,331	4,851,947	5,631,332	6,596,935	7,593,729	8,869,746
	3,506,871	3,768,042	4,125,662	4,517,090	38,307	37,754
	1,804,096	1,545,893	1,524,158	1,584,224	1,650,094	1,887,031
	929,261	805,244	3,285,697	3,908,531	8,074,504	3,183,803
	283,999	325,874	363,868	335,304	278,504	298,879
	77,163	880,255	1,194,389	958,614	-	-
	196,185	231,688	247,193	294,968	342,702	415,229
	-	-	322	(3,120,964)	-	239,958
	<u>15,526,196</u>	<u>17,261,206</u>	<u>21,571,719</u>	<u>20,731,364</u>	<u>29,085,316</u>	<u>27,633,879</u>
	-	-	-	-	-	233,922
	-	-	11,343,940	9,055,054	-	4,001,607
	13,232	10,490,307	7,851,992	5,390,216	4,230,375	4,618,626
	359,206	55,710	355,360	716,944	472,274	526,724
	-	42,237	5,341	52,377	33,431	24,392
	<u>15,898,634</u>	<u>27,849,460</u>	<u>41,128,352</u>	<u>35,945,955</u>	<u>33,821,396</u>	<u>37,039,150</u>
	2,552	4,475	13,606	1,564,220	565,390	57,721
	-	-	778,223	731,125	-	-
	-	30	525,491	3,393	5,242	13,719
	-	-	-	-	4,819,408	1,123,349
	-	-	(322)	3,120,964	-	(239,958)
	-	-	-	5,939	30	-
	<u>2,552</u>	<u>4,505</u>	<u>1,316,998</u>	<u>5,425,641</u>	<u>5,390,070</u>	<u>954,831</u>
\$	<u>15,901,186</u>	<u>27,853,965</u>	<u>42,445,350</u>	<u>41,371,596</u>	<u>39,211,466</u>	<u>37,993,981</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	3,000,000	-	-	-	-
	-	-	(11,947,642)	-	-	-
	4,235,674	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	58,098,626	-	-	-	-	-
\$	<u>62,334,300</u>	<u>3,000,000</u>	<u>(11,947,642)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	77,380,649	\$ 11,796,811	\$ 17,534,526	\$ 21,499,192	\$ 10,472,164	\$ 15,584,558
	2,386,386	(3,797,898)	4,569,503	203,913	8,305,023	(3,569,606)
\$	<u>79,767,035</u>	<u>7,998,913</u>	<u>22,104,029</u>	<u>21,703,105</u>	<u>18,777,187</u>	<u>12,014,952</u>

**CITY OF BEAUMONT**

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

Fiscal Year	Property Taxes	Sales & Use Tax/Measure A	Transient Occupancy Tax	Franchise Fees	Motor Vehicle In Lieu Tax	Utility Users Taxes	*Other Taxes	Business Licenses	CFD Assessments	Total
2012	\$ 2,601,805	\$ 3,732,539	\$ 205,074	\$ 787,791	\$ 2,582,829	\$ -	\$ 1,591,486	\$ 153,192	\$ 19,518,510	\$ 31,173,226
2013	3,314,109	3,846,904	235,656	837,617	2,637,026	-	1,665,975	206,634	21,110,633	33,854,554
2014	2,846,677	4,149,782	196,114	882,609	2,709,016	-	1,778,239	204,470	22,295,061	35,061,968
2015	4,016,833	4,209,246	224,705	944,869	3,244,340	1,373,661	1,152,746	209,124	23,520,973	38,896,498
2016	4,391,074	4,966,331	283,999	929,261	3,506,871	1,804,096	999,244	196,185	24,235,209	41,312,270
2017	4,852,262	4,851,947	325,874	805,244	3,768,042	1,545,893	880,256	231,688	25,245,610	42,506,817
2018	5,199,098	5,631,332	363,868	876,551	4,125,662	1,524,158	976,299	247,193	23,871,332	42,815,493
2019	5,656,662	6,596,935	335,304	912,924	4,517,090	1,584,224	958,614	294,968	23,953,820	44,810,540
2020	6,109,624	7,593,728	278,504	8,074,504	4,997,852	1,650,094	1,089,543	342,702	24,999,645	55,136,196
2021	6,991,565	8,869,746	298,879	3,183,803	5,709,914	1,887,031	1,169,351	415,229	25,884,547	54,410,067

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

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

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

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



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

<u>Fiscal Year</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non Spendable:	-	-	-	-
Notes and Loans Receivable	321,066	289,442	-	249,493
Advances to RDA Successor Agency	21,500,000	21,500,000	21,500,000	-
Prepaid items	-	-	-	-
Restricted				
Committed for:				
Capital Projects	-	-	-	-
Self Insurance	-	-	-	-
Pension Trust Funding	-	-	-	-
Assigned for:				
Re-appropriation	-	-	-	-
Unassigned	(4,162,063)	(6,866,481)	(6,354,884)	(7,438,424)
Total general fund	<u>\$ 17,659,003</u>	<u>\$ 14,922,961</u>	<u>\$ 15,145,116</u>	<u>\$ (7,188,931)</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non Spendable:				
Prepaid items	-	-	-	-
Restricted for:				
CFD Projects	-	-	-	22,748,722
Capital Projects	32,206,883	28,104,669	26,605,667	8,763,649
Streets Projects	-	-	-	708,507
Public Safety	370,221	876,469	406,697	422,142
PEG Fees	-	-	-	142,494
State Gas Tax	110,745	135,592	-	-
AB 2766	-	-	-	-
RMRA	-	-	-	-
Measure A	-	-	-	-
Other Special Projects	3,287,173	2,583,460	529,090	-
Government Access TV	129,818	85,357	109,778	-
COPS Grants	-	-	-	-
State Asset Forfeiture	-	-	-	-
Federal Asset Forfeiture	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 36,104,840</u>	<u>\$ 31,785,547</u>	<u>\$ 27,651,232</u>	<u>\$ 32,785,514</u>

Sources: City of Beaumont Finance Department Audited Financial Statements

Continued

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
226,186	213,399	215,904	220,634	224,671	225,715
-	-	-	-	-	-
-	-	-	83,141	-	26,262
-	6,839,275	6,839,275	-	4,550,000	-
-	-	-	-	-	2,850,717
-	-	-	-	-	2,500,000
-	-	-	-	-	214,799
(4,296,822)	5,034,141	10,315,492	14,980,384	19,290,503	17,576,741
<u>\$ (4,070,636)</u>	<u>\$ 12,086,815</u>	<u>\$ 17,370,671</u>	<u>\$ 15,284,159</u>	<u>\$ 24,065,174</u>	<u>\$ 23,394,234</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	304,015
32,867,745	8,424,392	8,462,228	9,145,832	9,036,520	5,884,930
13,967,685	25,157,602	15,683,985	12,877,575	13,336,436	13,674,329
684,297	-	-	-	-	-
550,410	688,820	788,141	1,110,144	664,780	-
162,777	219,517	250,014	1,542,017	21,482	23,675
-	357,051	263,369	103,421	-	159,101
-	306,698	370,379	1,102,061	474,841	621,930
-	-	-	-	551,820	1,437,670
-	-	-	-	1,348,379	2,568,801
-	981	90,333	305,975	163,173	183,807
-	-	-	-	-	-
-	-	-	-	-	313,341
-	-	-	-	-	295,014
-	-	-	-	-	6,030
-	223,515,398	101,180,155	98,006,000	92,767,025	85,876,699
-	-	-	1,417,617	666,248	10,631,472
-	-	-	-	-	(84,997)
<u>\$ 48,232,914</u>	<u>\$ 258,670,459</u>	<u>\$ 127,088,604</u>	<u>\$ 125,610,642</u>	<u>\$ 119,030,704</u>	<u>\$ 121,895,817</u>

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

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>				
Taxes	\$ 9,196,129	\$ 9,891,679	\$ 9,681,600	\$ 19,240,888
Franchise Fees	-	-	-	-
Intergovernmental revenues	6,374,343	6,073,043	7,376,149	297,016
Licenses, Fees and Permits	564,144	772,780	1,291,053	1,201,320
Fines and Forfeitures	165,431	151,541	155,671	350,287
Assessment Levied				
Use of money and property	2,137,180	434,265	110,873	129,834
Charges for services	6,511,684	4,653,501	5,900,241	12,400,655
Other Revenues	1,011,784	535,200	1,287,290	979,582
Interfund Charges	6,300,906	6,582,910	6,175,682	-
<b>Total Revenues</b>	<b>32,261,601</b>	<b>29,094,919</b>	<b>31,978,559</b>	<b>34,599,582</b>
<b>Expenditures</b>				
General Government	5,292,280	5,101,037	5,067,238	4,969,209
Public Safety	14,856,462	15,334,992	15,482,011	13,585,249
Public Works	5,804,635	4,763,622	7,812,711	1,552,407
Community Development	49,935,435	28,532,830	2,719,182	1,914,356
Community Services	3,248,845	3,355,226	156,923	4,880,614
Refuse	-	-	-	4,144,778
Capital Outlay	-	-	10,404,333	-
Debt Service:				
Principal	-	-	300,000	-
Refunding Escrow Agent	-	-	-	-
Interest and fiscal charges	1,342,800	-	-	-
Pass-through Payments	383,539	-	-	-
<b>Total Expenditures</b>	<b>80,863,996</b>	<b>57,087,707</b>	<b>41,942,398</b>	<b>31,046,613</b>
Excess of revenues over (under) expenditures	(48,602,395)	(27,992,788)	(9,963,839)	3,552,969
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	-	-
Sales of Property	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Developer Contributions	53,140,151	20,937,453	6,051,679	-
Transfers in	3,684,287	1,665,000	3,556,910	-
Transfers out	(3,704,722)	(1,665,000)	(3,556,910)	-
<b>Total Other Financing Sources (Uses)</b>	<b>53,119,716</b>	<b>20,937,453</b>	<b>6,051,679</b>	<b>-</b>
Net Change in Fund Balances Before Extraordinary Item	4,517,321	(7,055,335)	(3,912,160)	3,552,969
Extraordinary Item	22,206,228	-	-	(21,500,000)
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 26,723,549</b>	<b>\$ (7,055,335)</b>	<b>\$ (3,912,160)</b>	<b>\$ (17,947,031)</b>
Debt Service as a percentage of non-capital expenditures	2.2%	0.0%	1.0%	0.0%

Source: City of Beaumont Finance Department Audited Financial Statements

	2016	2017	2018	2019	2020	2021
\$	29,927,330	\$ 11,027,239	\$ 12,163,969	\$ 13,570,476	\$ 14,996,887	\$ 17,410,049
	-	-	3,285,697	3,908,531	8,074,504	3,183,803
	29,788	5,787,280	11,263,234	11,581,831	10,051,669	11,813,339
	1,360,288	10,781,152	13,283,260	8,044,621	3,708,535	6,525,592
	413,052	265,831	262,278	249,914	617,981	344,816
		9,309,555	9,240,825	6,786,653	6,491,075	7,288,277
	148,419	10,613,015	8,023,202	5,569,684	4,337,680	4,693,106
	7,913,344	8,355,018	7,754,417	6,944,423	1,469,367	1,484,669
	545,313	377,102	872,752	4,627,173	1,021,777	7,016,584
	-	-	-	-	-	-
	40,337,534	56,516,192	66,149,634	61,283,306	50,769,475	59,760,235
	4,735,084	5,464,863	4,434,173	5,940,387	6,439,508	8,460,291
	12,318,788	12,524,089	12,956,345	14,721,189	16,731,402	17,578,516
	1,976,427	2,902,986	3,161,648	3,929,138	2,855,850	2,959,287
	1,367,789	4,295,350	2,000,866	2,096,589	1,952,789	1,951,963
	3,050,603	2,396,166	3,070,774	3,708,469	3,998,071	4,119,407
	4,138,062	4,239,048	4,899,889	5,504,512	-	-
	-	188,738	13,194,674	12,622,062	7,964,820	5,074,099
	-	6,167,352	118,212,977	3,600,000	3,405,300	3,938,561
	-	-	-	-	1,149,489	3,563,485
	-	10,369,211	7,181,818	4,415,612	4,490,634	4,820,703
	-	-	-	-	-	-
	27,586,753	48,547,803	169,113,164	56,537,958	48,987,863	52,466,312
	12,750,781	7,968,389	(102,963,530)	4,745,348	1,781,612	7,293,923
	-	96,158	132,444	167,456	78,046	-
	-	42,237	5,341	19,494	-	-
	-	-	-	-	5,375,000	35,875,000
	-	-	-	-	1,014,920	-
	-	-	-	-	(6,389,920)	(34,829,600)
	-	-	-	-	33,431	24,392
	-	-	-	-	-	-
	11,280	22,007,107	14,209,907	9,682,117	10,561,452	18,489,635
	(11,280)	(22,007,107)	(14,209,585)	(12,803,081)	(10,561,452)	(24,659,177)
	-	138,395	138,107	(2,934,014)	111,477	(5,099,750)
	12,750,781	8,106,784	(102,825,423)	1,811,334	1,893,089	2,194,173
	-	-	-	-	-	-
	-	3,000,000	(11,947,642)	-	-	-
\$	12,750,781	\$ 11,106,784	\$ (114,773,065)	\$ 1,811,334	\$ 1,893,089	\$ 2,194,173
	0.0%	52.0%	410.8%	22.3%	28.3%	35.1%

## CITY OF BEAUMONT

**General Fund Tax Revenue by Source  
Last Ten (10) Fiscal Years  
(modified accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales & Use Tax	Transient Occupancy Tax	Franchise Fees	Utility Users Tax	Motor Vehicle In Lieu Tax	Vehicle License Collection	Business Licenses	Total
2012	\$ 2,719,280	\$ 3,667,520	\$ 205,074	\$ 787,791	\$ -	\$ 2,582,829	\$ 1,268,937	\$ 153,192	\$ 11,384,623
2013	3,459,720	3,846,904	235,656	837,617	-	2,637,026	1,284,708	206,634	12,508,265
2014	3,032,987	4,149,782	196,114	882,609	-	2,709,016	1,395,815	204,470	12,570,793
2015	4,016,833	4,209,246	224,705	944,869	1,373,661	3,244,340	-	209,124	14,222,779
2016	4,391,074	4,966,331	283,999	929,261	1,804,096	3,506,871	77,163	196,185	16,154,980
2017	4,852,262	4,851,947	325,874	805,244	1,545,893	3,768,042	20,212	231,688	16,401,163
2018	5,199,098	5,029,443	363,868	876,551	1,524,158	4,125,662	-	242,634	17,361,415
2019	5,656,662	5,558,667	335,304	912,924	1,584,224	4,517,090	23,154	287,908	18,875,933
2020	6,109,624	6,593,630	278,504	8,074,504	1,650,094	4,997,852	38,307	337,993	28,080,507
2021	6,991,565	7,552,253	298,879	3,183,803	1,887,031	5,709,914	37,754	408,435	26,069,635

Source: City of Beaumont Finance Department Audited Financial Statements (FY2012- 2014)  
Source: City of Beaumont Finance Department Tyler Accounting Software (FY2015 and older)

**Top 25 Sales Tax Producers  
As of June 30, 2021**

**For Fiscal year 2020-2021**

<u>Business Name</u>	<u>Business Category</u>
84 Lumbar Co	Building Materials
Amazon Robotics	Heavy Industrial
Arco AM PM	Service Stations
Bank of America Leasing & Capital	Business Services
Beaumont Ace Home Center	Building Materials
Beaumont Gas Mart	Service Stations
Beaumont RV	Trailers/RVs
Beaumont Service Station	Service Stations
Best Buy	Electronics/Appliance Stores
Big Text Trailers	Trailers/RVs
Food 4 Less	Grocery Stores
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 Chevron	Service Stations
Raising Cane's	Quick-Service Restaurants
Rancho Ready Mix Products	Contractors
Rite Aid	Drug Stores
Ross	Family Apparel
Stater Bros	Grocery Stores
Traylor Factory Outlet	Trailers/RVs
Walmart Supercenter	Discount Dept Stores
Wolverine Worldwide	Fulfillment Centers

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

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

**Top 25 Sales Tax Producers  
As of June 30, 2021**

**For Fiscal Year 2011-12**

<u>Business Name</u>	<u>Business Category</u>
84 Lumber Co	Building Materials
Arco AM PM	Service Stations
Baker's Burgers	Quick-Service Restaurants
Beaumont Ace Home Center	Building Materials
Beaumont Financing Authority	Government/Social Org.
Beaumont Gas Mart	Service Stations
Beaumont Service Station	Service Stations
Beaumont Yamaha Kawasaki Polaris	Boats/Motorcycles
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
Big Tax California	Trailers/RVs
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
McDonalds	Quick-Service Restaurants
Oak Valley Chevron	Service Stations
Petco	Specialty Store
Ross	Family Apparel
Stater Bros	Grocery Stores
Verizon Wireless	Electronics/Appliance Stores
Walgreens	Drug Stores
Walmart Supercenter	Discount Dept Stores

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

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

## CITY OF BEAUMONT

**Taxable Sales by Category**  
**Last Ten Calendar Years (in thousands of dollars)**  
**As of June 30, 2021**

Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Food Stores	\$ 17,244	\$ 18,063	\$ 18,384	\$ 18,558	\$ 19,259	\$ 21,016	\$ 21,879	\$ 23,369	\$ 24,224	\$ 27,104
Eating and Drinking Places	32,165	34,758	37,418	44,272	48,099	52,522	54,926	58,205	64,026	68,387
Building Materials	37,736	40,162	44,447	48,119	51,999	55,011	59,720	66,532	68,381	86,638
Auto Dealers and Supplies	13,314	13,348	17,714	21,792	28,347	31,853	37,333	39,427	38,759	44,641
Services Stations	66,964	70,477	68,696	65,560	55,945	50,076	54,400	66,433	74,214	61,673
Other Retail Stores	128,350	131,645	140,750	144,719	152,350	154,131	151,487	155,943	154,635	151,769
All Other Outlets	54,145	59,848	65,346	70,781	85,903	101,750	102,867	107,538	139,383	303,271
Total	<u>\$ 349,918</u>	<u>\$ 368,301</u>	<u>\$ 392,755</u>	<u>\$ 413,801</u>	<u>\$ 441,902</u>	<u>\$ 466,359</u>	<u>\$ 482,612</u>	<u>\$ 517,447</u>	<u>\$ 563,622</u>	<u>\$ 743,483</u>

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.



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

Fiscal Year Ended June 30	Real Property										Unsecured Property	Estimated Actual Taxable Value	Less:			Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Miscellaneous Property	Recreational Property	Vacant Property	SBE Nonunitary Property	Cross Reference Property			Tax Exempt Real Property	Unknown Property				
2012	\$ 1,976,695,345	\$ 262,200,512	\$ 143,214,597	\$ 217,412	\$ 774,446	\$ -	\$ 20,537,257	\$ 225,478,917	\$ 60,113	\$ 3,336,676	\$ 61,028,118	\$ 2,693,543,393	\$ (3,914,840)	\$ -	\$ 2,697,458,233	0.2204	100%	
2013	1,992,255,157	261,036,310	140,914,848	221,759	676,041	-	21,094,997	214,352,341	54,015	3,696,048	63,372,242	2,697,673,758	(3,993,201)	-	2,701,666,959	0.2008	100%	
2014	2,121,323,112	257,949,389	142,714,557	781,680	648,056	-	16,942,256	219,214,037	54,015	3,364,361	68,677,971	2,831,669,434	(1,899,747)	-	2,833,569,181	0.10876	100%	
2015	2,598,286,104	276,682,366	182,704,068	785,224	593,479	-	16,992,773	205,513,227	54,015	3,296,822	66,013,382	3,350,921,460	(1,937,692)	-	3,352,859,152	0.10600	100%	
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	66,523,710	3,687,940,023	(2,346,527)	-	3,690,286,550	0.10440	100%	
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	69,045,531	3,961,411,307	(2,411,293)	-	3,963,822,600	0.10348	100%	
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	72,696,977	4,310,907,899	(2,442,788)	-	4,313,350,687	0.10275	100%	
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	102,926,670	4,747,511,185	(2,498,684)	-	4,750,009,869	0.10177	100%	
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	116,425,944	5,265,128,994	-	4,168,358	5,269,297,352	0.10049	100%	
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	191,707,077	6,016,677,170	-	4,968,448	6,021,645,618	0.10092	100%	

Source: City of Beaumont Finance Department

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**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 Debt Service	Schools				Metropolitan Water	San Gorgonio Pass Water	Total Tax Rate	RDA Incremental Rate <sup>1</sup>	Total Direct Rate <sup>2</sup>
			Banning Unified	Beaumont Unified	Mt San Jacinto Community College	San Jacinto Unified					
2012	1.0000	0.10365	0.00000	0.07841	0.00000	0.00000	0.00000	0.18500	1.36706	1.18500	0.22038
2013	1.0000	0.11572	0.00000	0.08486	0.00000	0.00000	0.00000	0.18500	1.38558	0.00000	0.20078
2014	1.0000	0.11896	0.00000	0.09000	0.00000	0.00000	0.00000	0.18500	1.39396	0.00000	0.10876
2015	1.0000	0.11296	0.00000	0.08169	0.00000	0.00000	0.00000	0.18500	1.37965	0.00000	0.10600
2016	1.0000	0.08143	0.00000	0.07106	0.01394	0.00000	0.00000	0.18500	1.35143	0.00000	0.10440
2017	1.0000	0.08357	0.00000	0.07193	0.01320	0.00000	0.00000	0.18500	1.35370	0.00000	0.10348
2018	1.0000	0.09052	0.14473	0.07677	0.01320	0.15078	0.00350	0.18250	1.66200	0.00000	0.10275
2019	1.0000	0.08692	0.14278	0.07432	0.01320	0.15291	0.00350	0.18250	1.65613	0.00000	0.10177
2020	1.0000	0.06990	0.14526	0.07438	0.01320	0.15292	0.00350	0.17750	1.63666	0.00000	0.10049
2021	1.0000	0.06716	0.14500	0.07431	0.01320	0.15291	0.00350	0.17500	1.63108	0.00000	0.10092

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

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

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### Principal Property Taxpayers As of June 30, 2021

Taxpayer	2020/2021			2011/12		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Amazon Com Services LLC	\$ 63,928,047	2	1.06%			
Ambest Real Estate	32,968,175	5	0.55%			
Baldi Bros Construction	26,137,962	7	0.43%			
Cathay Bank				\$ 25,983,805	5	0.96%
CJ Foods Manufacturing	43,992,800	4	0.73%			
CT Beaumont Partners				32,383,533	3	1.20%
Dura Plastics Products Inc				19,552,894	8	0.73%
Frederick J Hanshaw	45,133,035	3	0.75%	32,000,000	4	1.19%
High Desert Partners				35,372,284	1	1.31%
Home Depot USA Inc	25,524,784	8	0.42%	24,912,208	6	0.92%
Loma Linda University <sup>1</sup>	24,623,015	9	0.41%	33,408,245	2	1.24%
Lowes HIW Inc				17,822,181	9	0.66%
Pardee Homes				16,269,177	10	0.60%
USEF Crossroads I/II	379,635,253	1	6.30%			
Walmart Real Estate Business Trust	26,298,928	6	0.44%	22,991,446	7	0.85%
Wolverine Worldwide Inc	23,348,023	10	0.39%			
	<u>\$ 691,590,022</u>		<u>11.48%</u>	<u>\$ 260,695,773</u>		<u>9.66%</u>

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

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

<sup>2</sup> Pending Appeals on Parcels

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

**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
2012	\$ 2,296,279	\$ 2,606,551	113.5%	\$ 124,065	\$ 2,730,615	118.9%
2013	2,309,158	2,497,216	108.1%	102,869	2,600,085	112.6%
2014	2,425,467	2,884,144	118.9%	128,141	3,012,285	124.2%
2015	2,863,392	3,321,742	116.0%	139,009	3,460,752	120.9%
2016	3,148,647	3,578,931	113.7%	132,853	3,711,784	117.9%
2017	3,380,352	3,908,158	115.6%	129,042	4,037,200	119.4%
2018	3,676,718	4,114,723	111.9%	131,947	4,246,669	115.5%
2019	4,059,559	4,539,114	111.8%	143,229	4,682,344	115.3%
2020	4,507,968	4,972,808	110.3%	159,844	5,132,652	113.9%
2021	5,140,701	5,072,476	98.7%	100,766	5,173,242	100.6%

Source: Riverside County Auditor-Controller Property Tax Division

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>
	Capital Leases	Payable to Successor Agency	WRCOG Judgement	AB 1484 Due Diligence Review	Revenue Bonds	Bond Premium	Capital Leases			
2012	\$ -	\$ -	\$ -	\$ -	\$ 8,725,000	\$ -	\$ -	\$ 8,725,000	949%	\$ 219
2013	-	-	42,994,879	-	8,580,000	-	-	51,574,879	5382%	1,262
2014	-	-	42,994,879	2,575,912	8,430,000	-	-	54,000,791	5362%	1,322
2015	-	4,235,674	62,198,626	2,575,912	-	-	-	69,010,212	6542%	1,530
2016	-	4,235,674	4,100,000	2,275,912	-	-	-	10,611,586	1024%	230
2017	79,323	-	4,100,000	1,975,912	-	-	-	6,155,235	560%	128
2018	186,483	-	-	1,675,912	-	-	346,313	2,208,708	189%	46
2019	297,242	-	-	1,375,912	81,105,000	9,469,765	268,459	92,516,378	7288%	1,797
2020	251,240	-	-	1,075,912	80,105,000	8,495,497	183,671	90,111,320	6618%	1,710
2021	152,680	-	-	775,912	78,860,000	7,842,647	99,306	87,730,545	6316%	\$ 1,597

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 133 for personal income and population.

Source: City of Beaumont Finance Department

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2021**

2020-2021 Assessed Valuation \$ 6,134,559,837

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/21	Percent Applicable (1)	Debt 6/30/21
CFD 93-1 IA 1	\$ 434,579	100.000%	\$ 552,693
CFD 93-1 IA 2	42,936	100.000%	54,606
CFD 93-1 IA 3	1,915,000	100.000%	2,025,000
CFD 93-1 IA 4	749,812	100.000%	952,956
CFD 93-1 IA 5	675,059	100.000%	858,532
CFD 93-1 IA 6A1	26,362,821	100.000%	27,649,098
CFD 93-1 IA 6B	-	100.000%	25,254
CFD 93-1 IA 7A1	9,745,000	100.000%	9,975,000
CFD 93-1 IA 7B	3,760,000	100.000%	4,015,000
CFD 93-1 IA 7C	1,435,000	100.000%	1,575,000
CFD 93-1 IA 7D	3,560,000	100.000%	3,630,000
CFD 93-1 IA 8	6,150,000	100.000%	6,560,000
CFD 93-1 IA 8A	5,460,027	100.000%	5,725,492
CFD 93-1 IA 8B	5,145,000	100.000%	5,355,000
CFD 93-1 IA 8C	27,940,351	100.000%	28,065,664
CFD 93-1 IA 8D	8,315,339	100.000%	8,354,901
CFD 93-1 IA 8E	12,455,000	100.000%	12,510,000
CFD 93-1 IA 8F	12,780,000	100.000%	12,780,000
CFD 93-1 IA 9	355,000	100.000%	375,000
CFD 93-1 IA 10	1,255,000	100.000%	1,330,000
CFD 93-1 IA 11	780,000	100.000%	820,000
CFD 93-1 IA 12	780,000	100.000%	825,000
CFD 93-1 IA 14	5,820,000	100.000%	6,210,000
CFD 93-1 IA 14A	11,395,000	100.000%	12,065,000
CFD 93-1 IA 14B	3,456,137	100.000%	3,595,848
CFD 93-1 IA 16	5,985,000	100.000%	6,320,000
CFD 93-1 IA 17A	8,075,000	100.000%	8,785,000
CFD 93-1 IA 17B	11,540,000	100.000%	11,930,000
CFD 93-1 IA 17C	8,660,000	100.000%	8,700,000
CFD 93-1 IA 18	4,075,000	100.000%	4,300,000
CFD 93-1 IA 19A	16,010,000	100.000%	16,800,000
CFD 93-1 IA 19C	17,661,442	100.000%	19,201,396
CFD 93-1 IA 20	2,615,000	100.000%	2,955,000
CFD 2016-1	8,630,000	100.000%	8,790,000
CFD 2016-2	10,135,000	100.000%	10,285,000
CFD 2016-4	4,080,000	100.000%	4,185,000
CFD 2019-1	2,355,000	100.000%	-
CFD 2018-1 IA-1 Beaumont USD	4,905,000	100.000%	-
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 258,136,439</b>

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

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:

Beaumont Unified School B & I (0.07777%)	\$ 90,172,486	100.000%	\$ 82,562,937
MT San Jacinto Comm (0.01320%)	157,750,000	6.006%	164,385,000
San Gorgonio Memorial Healthcare District (0.06281%)	102,730,000	68.132%	106,565,000
<b>City of Beaumont Capital Lease</b>	<b>152,680</b>	<b>100.000%</b>	<b>251,240</b>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			<u>\$ 353,764,177</u>
OVERLAPPING TAX INCREMENT DEBT:	\$ 257,970,000	3.862-100%	\$ 36,362,296
TOTAL DIRECT DEBT			251,240
TOTAL OVERLAPPING OBLIGATION DEBT			<u>648,011,673</u>
COMBINED TOTAL DEBT			<u>\$ 648,262,913</u> (2)

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

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

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	4.21%
<b>Total Direct Debt (\$38,984).....</b>	<b>0.00%</b>
Combined Total Debt (excluding tax increment).....	10.57%

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

Total Overlapping Tax Increment Debt.....	2.80%
---	-------

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

Fiscal Year	2012	2013	2014	2015
Debt Limit	\$ 101,154,684	\$ 101,312,511	\$ 106,258,844	\$ 125,732,218
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 101,154,684	\$ 101,312,511	\$ 106,258,844	\$ 125,732,218
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 138,385,746	\$ 148,643,348	\$ 161,750,651	\$ 178,125,370	\$ 197,598,651	\$ 225,811,711
-	96,158	132,444	167,456	78,046	251,240
<u>\$ 138,385,746</u>	<u>\$ 148,547,190</u>	<u>\$ 161,618,207</u>	<u>\$ 177,957,914</u>	<u>\$ 197,520,605</u>	<u>\$ 225,560,471</u>

0.00%                      0.06%                      0.08%                      0.09%                      0.04%                      0.11%

Net Assessed Value	\$ 6,021,645,618
Plus Exempt Property	112,914,219
Total Assessed Value	<u>6,134,559,837</u>
Debt Limit: 3.75 percent of Total Assessed Value	230,045,994
Debt applicable to Limitation:	
Net Combined applicable to Limitation	648,262,913
Total Debt applicable to Limitation	<u>251,240</u>
Legal Debt Margin	<u>\$ 229,794,754</u>

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**Pledge-Revenue Coverage  
Last Ten (10) Fiscal Years**

Fiscal Year	Wastewater Revenue Bonds					Coverage
	Gross Revenues	Operating Expenses Less Depreciation	Net Revenue Available for Debt Service	Debt Service Requirements		
2012	\$ 4,297,011	\$ 5,814,761	\$ (1,517,750)	\$ 145,000		-1047%
2013	4,495,141	5,621,489	(1,126,348)	150,000		-751%
2014	7,824,125	3,591,728	4,232,397	189,777		2230%
2015	7,783,112	5,038,318	2,744,794	160,000		1715%
2016	8,093,961	3,611,202	4,482,759	-		N/A
2017	9,775,709	4,734,121	5,041,588	-		N/A
2018	9,360,710	3,584,743	5,775,967	-		N/A
2019	10,375,954	5,244,292	5,862,787	1,661,355		353%
2020	11,091,715	4,954,754	10,956,369	4,868,688		225%
2021	12,073,223	5,101,833	6,971,390	5,073,788		137%

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

## Demographic and Economic Statistics Last Ten (10) Fiscal Years

Calendar Year	Population <sup>1*</sup>	Personal Income <sup>2*</sup>	Per Capita Personal Income <sup>*</sup>	Unemployment Rate (percentage) <sup>*</sup>	Median Age <sup>*</sup>	% of Pop 25+ with High School Degree <sup>*</sup>	% of Pop 25+ with Bachelors Degree
2012	39,776	\$ 919,064	\$ 23,106	11.00%	33	86%	26.2%
2013	40,876	958,297	23,444	9.50%	33	87%	26.4%
2014	40,853	1,007,108	24,652	4.90%	33	86%	25.2%
2015	45,118	1,054,947	23,381	4.00%	34	87%	25.4%
2016	46,179	1,035,820	22,430	3.60%	35	87%	24.5%
2017	48,237	1,099,759	22,799	3.00%	34	87%	24.5%
2018	48,401	1,170,336	24,179	3.30%	35	87%	25.1%
2019	51,475	1,269,357	24,659	3.30%	35	88%	25.3%
2020	52,686	1,361,682	25,845	8.60%	35	88%	26.1%
2021	54,937	1,388,915	26,362	7.90%	35	88%	26.2%

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

**Principal Employers  
Current Fiscal Year**

Employer	2021			2012 *		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Amazon	3,000	1	36.76%	N/A		0.00%
Beaumont Unified School District	1,467	2	17.98%	639	1	17.23%
Walmart	526	3	6.45%	N/A		0.00%
Dura Plastic Products	400	4	4.90%	100	2	2.70%
<b>Total</b>	<u>5,393</u>		<u>66.08%</u>	<u>739</u>		<u>19.92%</u>

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

\*Principal employer information available for FY 2012, as required by GASB-S44:33.

Source: Primary Employers Source ESRI and Economics

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

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Administration										
Administration	20	20	20	17	11	11	17	9	9	8
City Clerk	1	1	1	1	1	1	2	2	2	2
City Council	5	5	5	5	5	5	5	5	5	5
Finance	0	0	0	0	0	0	0	7	7	7
Human Resources	0	0	0	0	0	0	0	2	2	2
Information Technology	0	0	0	0	0	0	0	1	1	3
Public safety										
Animal Control	5	5	5	4	3	2	3	2	2	2
Police Officers	51	43	43	42	37	38	43	43	43	43
Police Support	19	19	19	15.5	12	16	16.0	16.5	16.5	17
Community Development										
Planning	7	7	7	1	3	2	7	7	7	7
Community Enhancement	1	1	1	2	2	2	2	2	2	2
Building and Safety	4	4	5	5	4	4	4	4	4	5
Community Services										
Parks and Recreation	16	17	17	19	15	16	8.5	8	8	5
Grounds Maintenance/Streets	19	19	19	11.5	5.5	7.5	19	20	20	20
Pool*	13	15	15	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Public Works										
Public Works	3	3	3	2	2	2	3	2.75	3.5	6.5
Street Maintenance	2	2	2	2	2	1.5	5	5	5	5
Wastewater	0	0	0	0	0	2.5	7	7.25	12	10.5
Transit	21	22	22	22	25	25	26	26	26	23
Total:	187	183	184	156.5	135	143	175	177	182.5	180.5

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

Source: City of Beaumont Finance Department

**Operating Indicators by Function  
Last Ten (10) Fiscal Years**

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Police										
Calls for service	32,637	32,628	31,667	29,852	30,753	26,357	26,526	27,277	32,056	27,506
Citations issued by Officers	3,645	3,562	4,611	2,320	1,308	2,667	1,702	1,398	1,711	1,036
Physical arrests	1,780	1,795	1,621	1,281	1,434	1,529	1,254	891	821	1,036
Fire										
Total number of calls answered	2,946	2,871	3,020	3,177	3,186	3,225	3,618	3,886	4,282	3879
% of calls for medical aid	82.2%	83.4%	81.0%	83.7%	85.0%	82.2%	82.5%	81.7%	80.2%	84.0%
Highways and streets										
Street resurfacing (miles)	N/A	N/A	N/A	N/A	N/A	0.65	1.05	9	20	28
Potholes repaired	N/A	N/A	N/A	N/A	N/A	49	100	395	638	494
Wastewater										
Average daily sewage treatment (million gallons)	2.650	2.790	3.080	3.080	3.160	3.270	3.390	3.670	3.820	3.700

Note: Fire services are contracted through the County of Riverside

Source: City of Beaumont Public Works and Police Departments, and Riverside County Fire Services

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**Capital Assets Statistics by Function  
Last Ten (10) Fiscal Years**

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public safety										
* Police										
Vehicles Added Value	50,000	85,000	60,000	140,000	-	188,738	247,760	89,268	187,282	487,242
Highways and streets										
Storm Drain Added Value	-	-	-	-	-	-	1,184,800	1,596,757	-	4,001,608
Street Improvements	-	-	-	-	-	399,000	-	-	1,395,105	25,352,242
Culture and recreation										
Parks Added Value	-	-	-	-	-	-	2,208,322	3,600,000	1,050,000	-
Sewer										
Sewer Line Added Value	2,577,842	2,291,354	1,560,925	-	131,226,200	-	-	3,676,047	3,950,198	-
Lift Station Added Value	-	72,974	-	302,719	-	172,238	969,346	-	3,352,629	-
Treatment Plant Expansior	-	-	-	-	14,684	427,311	2,236,307	15,377,340	26,290,328	20,188,903
Brine Pipeline	-	-	-	3,334	-	613,161	1,103,175	18,128,897	16,538,109	2,073,430

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

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