

2024

**July 1, 2023-
June 30, 2024**

POPULAR ANNUAL FINANCIAL REPORT

Prepared By:

**Lisa Leach, CPA
Assistant Finance Director
and
Jacqueline Miranda
Accounting Technician II**

Message from the Finance Director

Jennifer Ustation

To the Citizens of the City of Beaumont:



Welcome to the City of Beaumont's Popular Annual Financial Report (PAFR), for the fiscal year ending June 30, 2024. Our PAFR provides an overview of the City's financial position in a manner that is easy to understand and provides a brief analysis of where the City's revenues are derived and where those dollars are spent. The information in this report is based on the audited results presented in the City's Annual Comprehensive Financial Report (ACFR).

It is important to note, this PAFR is unaudited and is presented on a non-GAAP basis*. This means the presentation of financial data in this report differs from the GAAP basis presentation in the City's ACFR.

I hope you find this report helpful and encourage you to access the City's website (www.beaumontca.gov) or contact Finance at (951) 572-3236 for more detailed information about the City's finances.

A handwritten signature in black ink, appearing to read "J. Ustation".

Jennifer Ustation

*Generally Accepted Accounting Principles (GAAP) is a combination of authoritative standards and the commonly accepted way of recording and reporting accounting information. To review the audited GAAP-based, full disclosure financial statements, please refer to the City's ACFR, which is available on the City's website at www.beaumontca.gov.

Table of Contents

<https://www.beaumontca.gov/921/Audits-and-Reports>

| | |
|--|----|
| About the City | 1 |
| Elected and Appointed Officials | 2 |
| City-Wide Organizationl Chart | 3 |
| City Staff | 4 |
| City Demographics and Key Statistics | 5 |
| The City's Financial Position | 7 |
| Statement of Activities | 8 |
| Where the Money Came From | 9 |
| The City's Assets and Investments | 10 |
| What the City Owes | 11 |
| Net Pension Liability | 12 |
| City Activities: Highlights | 13 |
| Sales Tax Highlights | 14 |
| Completed Projects | 15 |
| Location | 17 |
| GFOA Award | 18 |
| Contact Information | 19 |



"Beaumont is a vibrant city whose charm is exceeded only by the remarkable people who call it home. While times have changed, the friendliness and hospitality that recall a simpler era have not. In Beaumont, residents enjoy a way of life that includes not only the charming characteristics of a small town but all the amenities of a dynamic suburban environment."

About the City



Beaumont has a rich history and is nestled in the foothills of the San Bernardino National Forest. Originally settled in the mid-1800s as a stop along the Southern Pacific Railroad, people drawn to the beautiful mountain views, crisp air and abundance of apple orchards remained in the area and City of Beaumont was incorporated on November 18, 1912.

Beaumont's continued growth can be attributed to its desirable location and its reputation as an affordable community that offers a high quality of life. Local officials, supported by engaged community members, have worked tirelessly to prepare for a sustainable future and a vibrant community. Exceptional public services that are provided for the community include community-oriented public safety, an excellent school system, and 18 scenic parks and recreation areas, ensuring that Beaumont is a great place to live, work and explore.

Elected Officials



Lloyd White



Julio Martinez



Mike Lara
Mayor Pro Tem



David Fenn
Mayor



Jessica Voigt



Elizabeth Gibbs
City Manager

Appointed Officials



John Pinkney
City Attorney

| | |
|-------------------------|----------------------------------|
| Elaine Morgan..... | City Clerk (Elected) |
| AJ Patel..... | City Treasurer (Elected) |
| Nicole Wheelwright..... | Deputy City Clerk |
| Shannan Doyle | Executive Assistant |
| Kari Mendoza..... | Administrative Services Director |
| Sean Thuilliez..... | Chief of Police |
| Jennifer Ustation..... | Finance Director |
| Robert Vestal..... | Public Works Director |
| Doug Story..... | Community Services Director |
| Thaxton VanBelle..... | General Manager of Utilities |
| Julie Van Hook..... | Public Information Officer |

City-Wide Organizational Chart



For Fiscal Year 2023/2024
Beaumont employed 232
Employees.

Dedicated to the City's mission to
provide the highest quality service
to its citizens.



| | |
|------------------------------------|--------------|
| Council | 5 |
| City Clerk | 3 |
| Administration | 5 |
| Communication | 1 |
| Finance | 10 |
| Information Technology | 6 |
| Economic Development | 2 |
| HR Risk | 4.75 |
| Planning | 6.5 |
| Community Recreation Center | 9.5 |
| Animal Control | 2 |
| Community Enhancement | 2 |
| Police | 57 |
| Police Support | 27.5 |
| Building Inspector | 7 |
| Public Works | 11 |
| Streets | 9 |
| Building Maintenance | 4 |
| Grounds Maintenance | 21.5 |
| Wastewater | 15 |
| Transit | 23.25 |
| Total Employees | 232 |

City Demographics and Key Statistics

Source: US Census Bureau



median age
35.1



population
57,416



median household
income
\$102,469



median home price
\$520,000



unemployment Rate
4%

average household size
3.67

PRINCIPAL EMPLOYERS 2024

| Employer | Employees | Rank | % of Total City Employment |
|----------------------------------|-----------|------|----------------------------|
| Amazon | 6,300 | 1 | 77.20% |
| Beaumont Unified School District | 1,377 | 2 | 16.87% |
| CJ Foods | 630 | 3 | 7.72% |
| Walmart | 526 | 4 | 6.45% |

City Demographics and Key Statistics

Parks & Recreation



17 parks and playgrounds



8,767 city trees



3,250 class registrations

Police



57 sworn officers



14,714 911 calls
55,748 service calls



2 K-9 officers

Public Works



260 street lights repaired



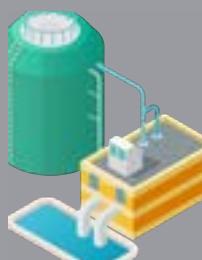
3,000 lineal feet sidewalk, curb and gutter repairs

4 lane miles rehabilitated



768 potholes repaired

Wastewater



9 lift stations & 24 sewer pumps

| Active Sewer Accounts | |
|-----------------------|---------------|
| Residential | 17,708 |
| Mobile | 719 |
| Multi Family | 68 |
| Commercial | 424 |
| Industrial | 6 |
| Total | 18,925 |

- approx. 186 miles of gravity main line
- approx. 25 miles of force main
- 23 miles of Brine line



The City's Financial Position

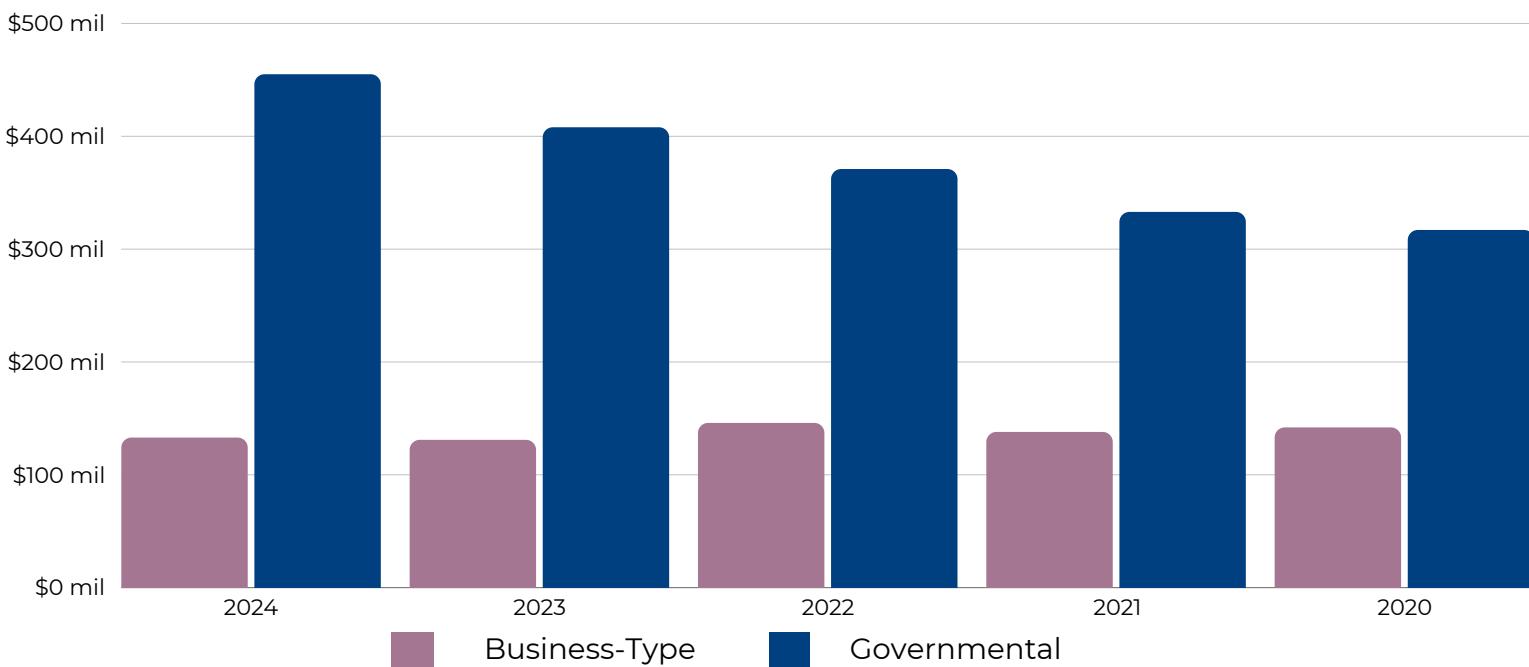
The Statement of Net Position presents information about the financial position of the City; much like a balance sheet does for a corporation. It represents the difference between all of its assets (what the City owns) and its liabilities (what the City owes) on an accrual basis. It is an indication of the City's financial health at the end of the fiscal year. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. For the fiscal year ended June 30, 2024, the Citywide net position improved by \$49.0 million. The assets of the City exceeded its liabilities by \$587.3 million (net position). The five-year history presented below, indicates positive growth for the City's net position.

Statement of Net Position - Citywide (in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Assets - What We Own | \$794,139 | \$772,766 | \$751,313 | \$716,413 | \$708,167 |
| Deferred Outflows | \$13,612 | \$13,410 | \$6,237 | \$5,999 | \$5,873 |
| Liabilities - What We Owe | \$218,294 | \$245,733 | \$231,828 | \$251,420 | \$253,563 |
| Deferred Inflows | \$2,202 | \$2,252 | \$8,032 | (\$881) | \$278 |
| Total Net Position | \$587,255 | \$538,191 | \$517,690 | \$471,873 | \$460,199 |

Net Position - 5 Year Comparison

Page 7



Statement of Activities

More formally referred to as the Statement of Activities, the City's income statements reflect all the financial activity for the City during the fiscal year ended June 30, 2024. This statement presents information to illustrate how the City's net position changed during the year as a result of the financial activity (i.e. revenues and expenses). This is a summarized version of the more detailed statement found in the City's complete ACFR. For fiscal year ended June 30, 2024, the City's revenues exceeded expenses by \$49.0 million.

Statement of Activities - Citywide (in thousands)

Page 8

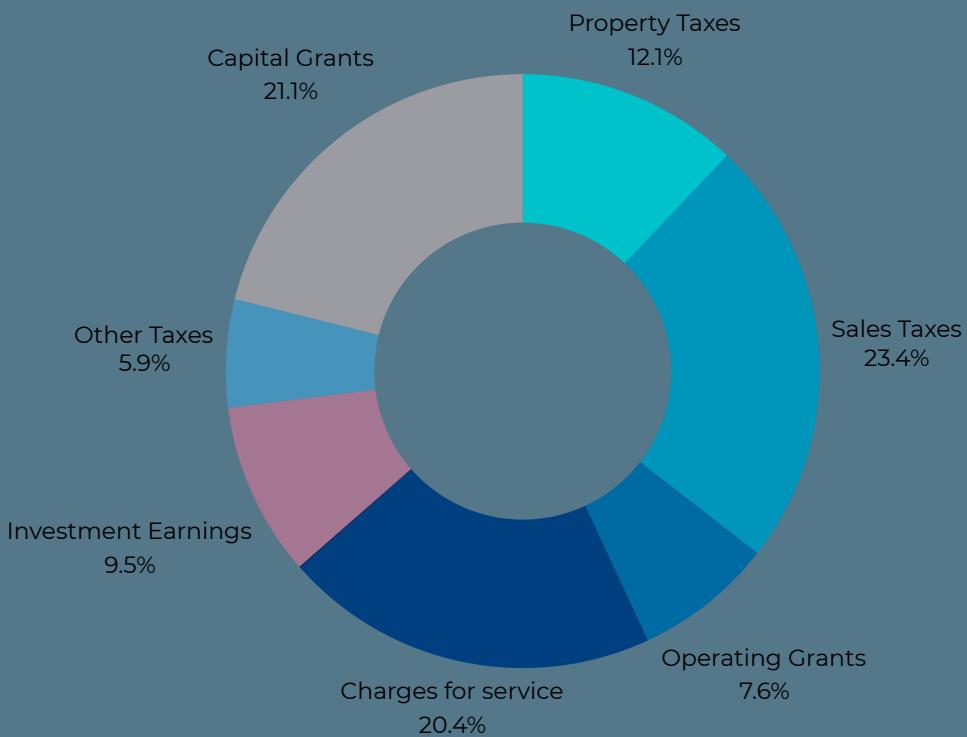
| | 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenues | \$128,591 | \$94,341 | \$103,415 | \$79,975 | \$76,877 |
| Expenses | \$79,528 | \$73,839 | \$57,836 | \$67,960 | \$58,099 |
| Change in Net Position | \$49,063 | \$20,502 | \$45,579 | \$12,015 | \$18,778 |
| Restatement of Net Position * | \$0 | \$0 | \$239 | (\$343) | \$0 |
| Beginning Net Position | \$538,192 | \$517,690 | \$471,872 | \$460,200 | \$441,422 |
| Ending Net Position | \$587,255 | \$538,192 | \$517,690 | \$471,872 | \$460,200 |

* Restatement noted above was for accounting corrections



Where the Money Came From (Statement of Activities)

Page 9

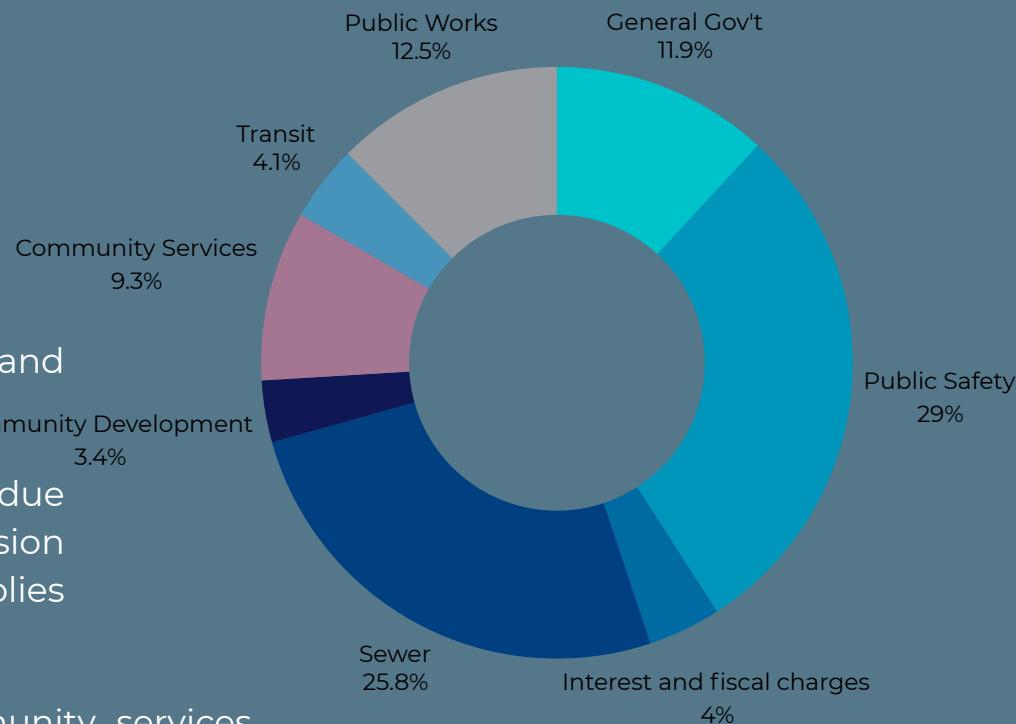


The City's expenses increased by \$5.7 million, with the majority due to the following:

- \$700k increase in interest and fiscal charges
- \$2.3 million increase in Sewer due to an increase in pension obligation, depreciation, supplies and contractual services
- \$2.6 million increase in community services due to the new addition of building department costs for Internal Service Funds, increased personnel costs, additional community events and tree trimming.

The City's revenues increased by \$34.25 million, with the majority due to the following:

- \$23 million loss on sale of assets, in the prior year, due to the disposal of wastewater plant equipment, replaced by the wastewater plant expansion.
- \$6.25 million increase in investment earnings
- \$10 million increase in capital grants
- \$4 million decrease in all other revenues.

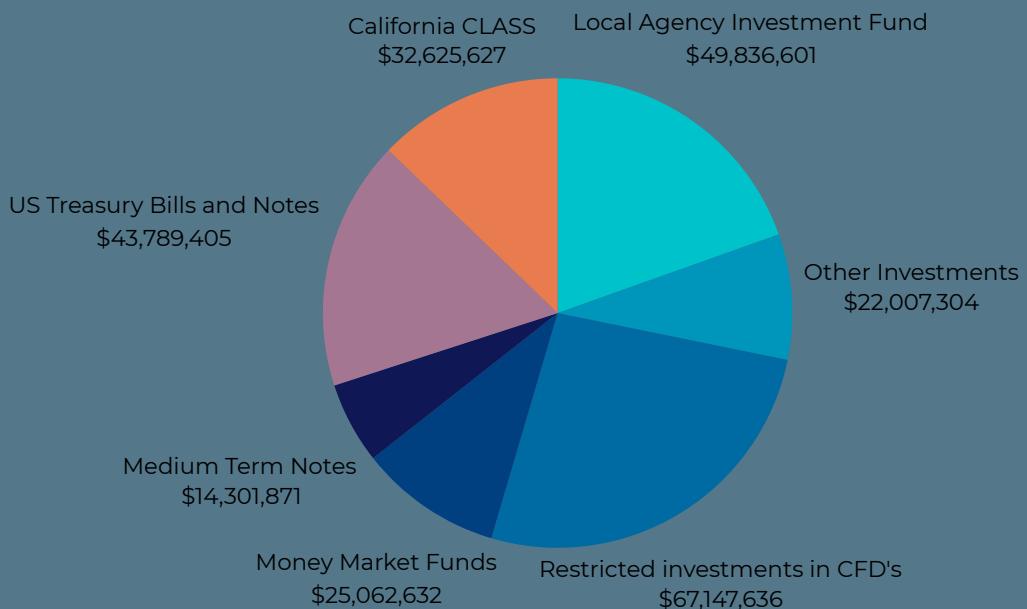


The City's Assets and Investments

Page 10

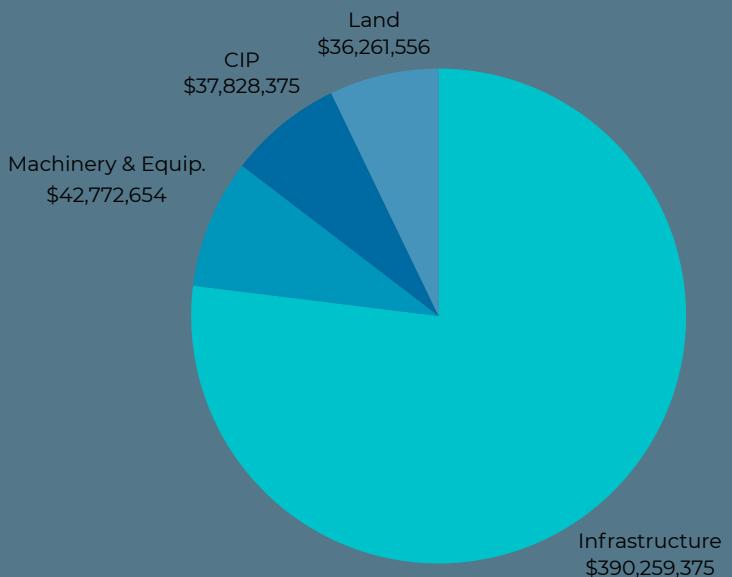
The City revised its investment policy at the end of Fiscal Year 2021 and was certified by the California Municipal Treasurers Association in March 2022. This policy is reviewed annually for compliance. The intent of the policy is to formalize the framework for the investment activities that shall be exercised to ensure the effective and judicious fiscal and investment management of the City's funds. The City's portfolio shall be designed and managed in such a manner as to comply with state and local laws, provide for daily cash flow requirements, ensure consistency with the prioritized objectives of safety, liquidity, and return, and in a manner consistent with prudent investment management and worthy of the public trust. The chart below reflects the types of investments held by the City as of June 30, 2024.

Investment Type Total - \$254,771,076



Capital Assets, Net of Depreciation

The city develops a five-year Capital Improvement Program (CIP) that projects capital needs with a focus on public safety, street repair and maintenance, machinery and equipment, sewer, parks and general infrastructure. In fiscal year 2024, major capital improvements included the completion of the sewer plant expansion (\$112 million), purchase of building (\$1.7 million) and buses (\$1.3 million).



What The City Owes

As of June 30, 2024, the City had outstanding long-term debt totaling \$153.6 million. The debt decreased by \$16.0 million due to a combination of a decrease of \$6.2 million from the scheduled debt-service payment, \$1.0 million decrease in claims payable and a prior period adjustment of \$8.8 million. A five-year history of the long-term debt for governmental and business-type activities shows the City has been reducing debt levels over time since 2020.

Long Term Debt of Bonds, Compensated Absences, Claims and Judgements (In millions)



compensated absences
\$3,947,634

Assigned liability related to unused employee earned vacation and compensatory leave time.

claims and judgements
\$1,543,956

Actuarial estimates of current and potential insurance claims and settlements.

wastewater revenue bonds
\$80,869,194

Bonds issued to finance the acquisition and construction of certain improvements to the City's Wastewater system.

local agency revenue bonds
\$67,147,636

Bonds issued to purchase District bonds to design or acquire certain public improvements relating to the District.

lease and subscription based Liabilities
\$1,294,134

Lease payments for the right to use various equipment, subscription based software and vehicles.

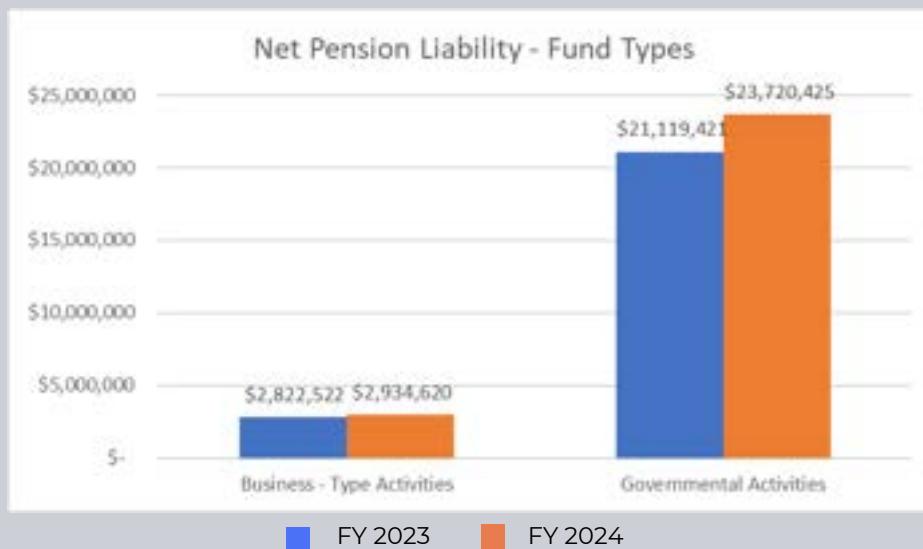
Net Pension Liability

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in multiple-employer defined benefits plans administered by California Public Employees Retirement System (CalPERS). The City currently offers two plans: the Safety Plan for public safety employees (i.e., Police employees) and the Miscellaneous Plan for all other city employees.

The largest impact on the City's long-term financial stability relates to the increase in pension costs from CalPERS. Per the most recent CalPERS annual valuation report, the funded status (the percentage of assets available to meet the total projected benefits payments) for the Safety and Miscellaneous Plans was 77.49% and 89.57%, respectively. The total net pension liability as of June 30, 2024 totaled \$23.9 million. The net pension liability for each plan as of the last two fiscal year end dates is shown below:

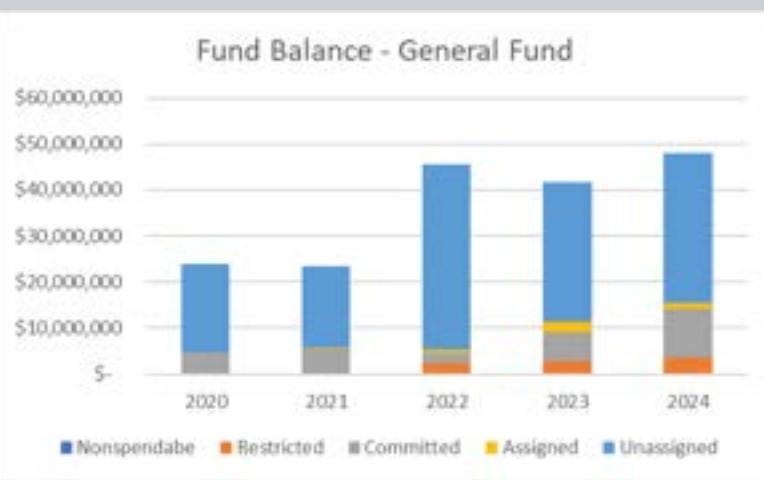


The City further allocates the total net pension liability by fund (i.e., Business-Type funds related to the activities of the Wastewater and Transit funds and Governmental funds related primarily to the City's General Fund activities). The distribution of the net pension liability by fund type is show below:



City Activities: Highlights

The General Fund is the government's primary operating fund and the most discretionary. It accounts for all financial resources of the general government, except those required to be recorded in another fund. A five-year history of the fund balance and its designations is below. The fund balance of the General Fund at June 30, 2024 was \$48.0 million, a \$6.3 million increase from 2023 due to higher returns on investments and expenditures coming in lower than planned for.



| Fund Balance Components |
|--|
| Nonspendable - Inherently non-spendable (e.g., receivables and prepaids items) |
| Restricted - Externally enforceable limitations on use (e.g., Investment in Section 115 Trust) |
| Committed - Self-imposed limitations on use (e.g., Self-Insurance and re-appropriation) |
| Assigned - Limitation resulting from intended use (e.g., capital assets) |
| Unassigned - Residual net resources (e.g., discretionary) |

Functions of the City can be separated into two categories, those primarily supported by taxes and intergovernmental revenues (governmental activities) and those intended to recover all or a significant portion of its costs through user fees and charges (business-type).

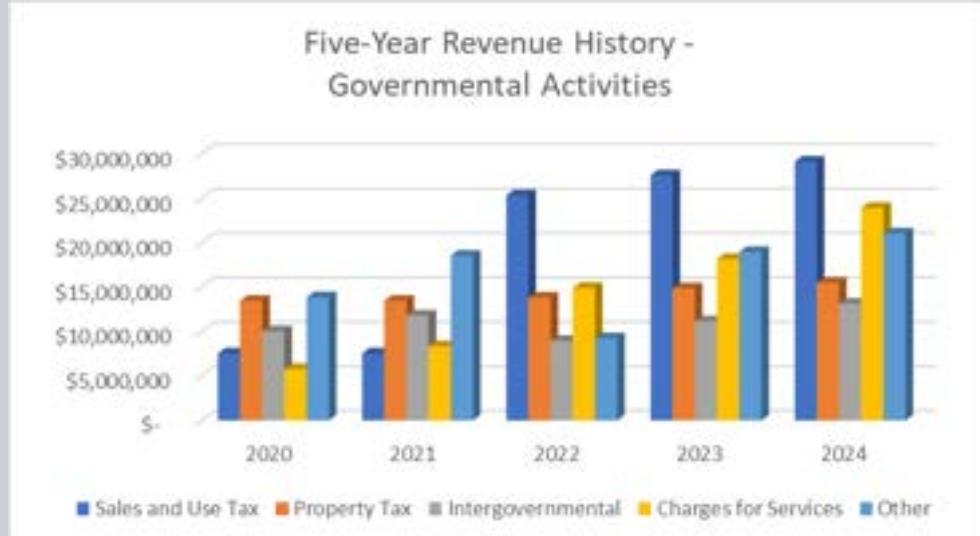
Sales and Use Tax - consumable tax levied at the point of sale.

Property Tax - legally enforceable liens on property as of January 1.

Intergovernmental - motor vehicle in lieu taxes and vehicle license collections.

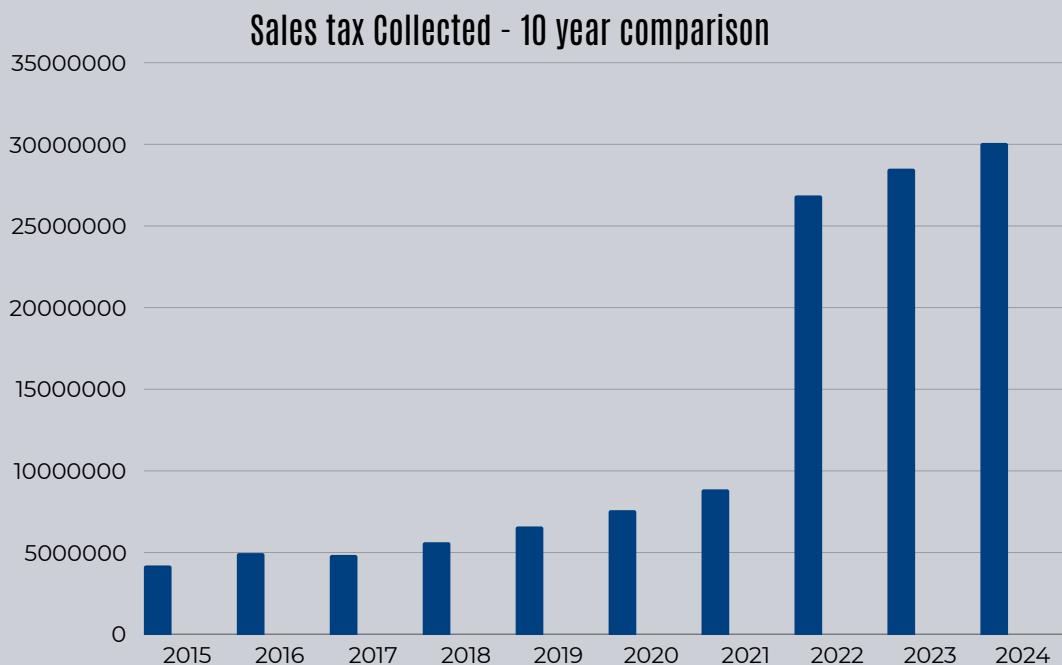
Charges for Services - revenue from charges to customers, applicants, or others who purchase, use or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the service.

Other - includes transient occupancy tax, utility users tax, franchise fees and investment income.



Sales Tax Highlights

Sales Tax is now the largest revenue source for the General Fund and is levied at the point-of sale. The amount of money collected through sales tax is contingent upon dollars spent on goods and services throughout the year. For Fiscal year 2024, the City of Beaumont's sales tax rate was 7.75%. The sales tax rate is set and imposed at the County level. Fiscal year 2024 saw an increase of \$1.6 million from the previous year, an increase of 6.1%. Please note: 2022 had an increase of \$18 million from the previous year, an increase of 203%. This was due to a reporting change in the commercial/industrial sector.



Completed Projects



Pennsylvania Interchange & Widening Phase one February 2024

Phase 1 added four lanes to Pennsylvania between first Street and Sixth Street to help alleviate traffic.

Fire Station 106 Completed June 2024

This \$8 million locally funded 10,760 square foot Fire station will house twelve paramedic and fire response positions.



Completed Projects



City Hall East Wing Offices March 2024

New offices for city staff now houses Building & Safety, Community Development, Payroll, and Customer Service. Project gave new public access windows to better service our citizens.

Shadow Creek Park November 2023

The reopening of Shadow Creek Park with an all-inclusive, state-of-the-art playground design to provide a welcoming and accessible space for children of all ages and abilities.

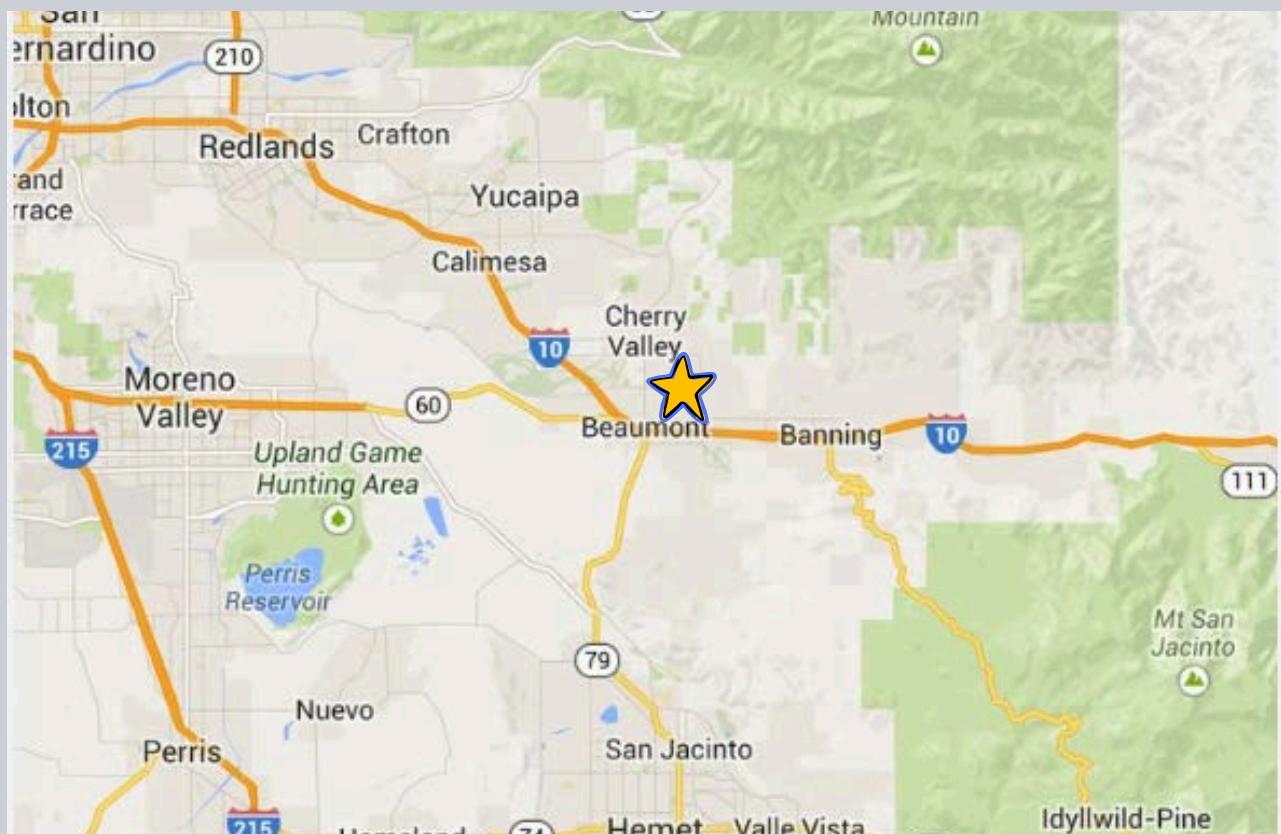


Come Visit Us

STRATEGICALLY LOCATED

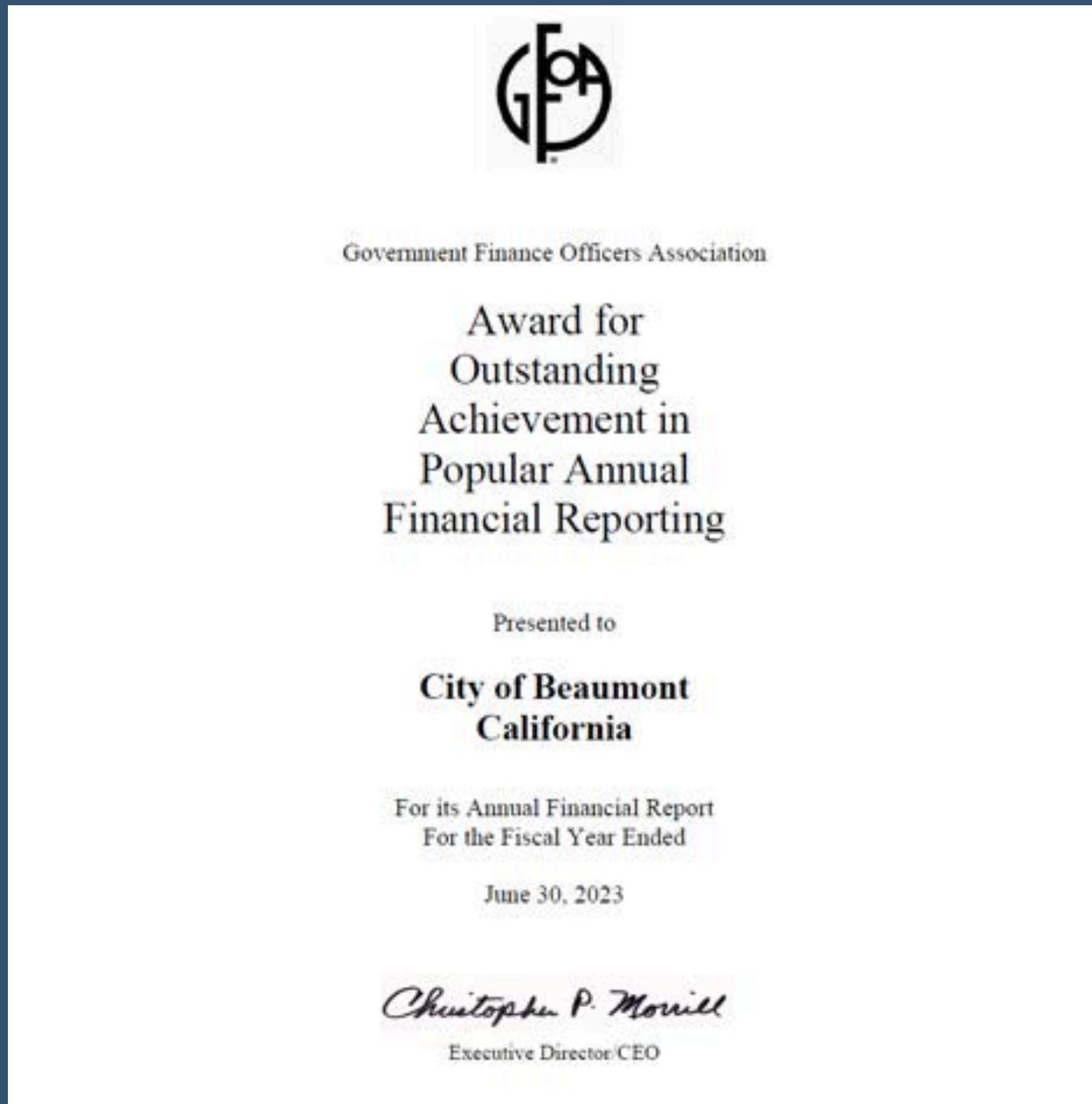
A GEM AMONG GIANTS

| | |
|-------------|--------|
| ANAHEIM | 67 MI |
| LOS ANGELES | 78 MI |
| LONG BEACH | 81 MI |
| SAN DIEGO | 98 MI |
| TIJUANA | 114 MI |



The City of Beaumont received its first ever GFOA Popular Annual Financial Reporting (PAFR) Award for fiscal year ending June 30, 2023.

The Award represents a significant achievement by the City of Beaumont. In order to be eligible for the PAFR Award, a government must also submit its annual comprehensive financial report to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program and receive the Certificate for the current fiscal year. Each eligible report is reviewed by judges who evaluate the report based on the following categories: reader appeal, understandability, distribution methods, creativity and other elements.



Contact Us



951-572-3236



finance@beaumontca.gov



www.beaumontca.gov



550 E. 6th Street, Beaumont, CA 92223

Join Us



[Facebook](#)



[Twitter](#)



[YouTube](#)



[Instagram](#)



[Nextdoor](#)

