

# 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?

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- **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!