

BEAUMONT UNIFIED SCHOOL DISTRICT

RIVERSIDE COUNTY
BEAUMONT, CALIFORNIA

FINANCIAL AND PERFORMANCE AUDIT
2008 ELECTION
GENERAL OBLIGATION BOND
BUILDING FUND

JUNE 30, 2023

JLG

Jeanette L. Garcia & Associates
CERTIFIED PUBLIC ACCOUNTANT

BEAUMONT UNIFIED SCHOOL DISTRICT
 2008 ELECTION
 GENERAL OBLIGATION BOND BUILDING FUND
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Financial Section



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INDEPENDENT AUDITOR’S REPORT

Jeanette L. Garcia,
CPA

To the Governing Board and Citizens’ Oversight Committee
Beaumont Unified School District
Beaumont, California

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities fund information of the Beaumont Unified School District 2008 Election General Obligation Bond Building Fund, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Beaumont Unified School District’s 2008 Election General Obligation Bond Building Fund basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, information of the Beaumont Unified School District 2008 Election General Obligation Bond Building Fund, as of June 30, 2023, 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 Beaumont Unified School District 2008 Election General Obligation Bond Building Fund 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

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.

Member:

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

In preparing the financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Beaumont Unified School District’s 2008 Election General Obligation Bond Building Fund 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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, 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 Beaumont Unified School District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beaumont Unified School District'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 of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Other Information

Our audit was conducted for the purpose of forming opinions on the balance sheet of the Beaumont Unified School District 2008 Election General Obligation Bond Building Fund, the related statement of revenues, expenditures and changes in fund balance, and the related notes to the financial statements. The supplementary exhibits are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary exhibits have not been subjected to the auditing procedures applied in the audit of the balance sheet of the Beaumont Unified School District 2008 Election General Obligation Bond Building Fund, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the Beaumont Unified School District's 2008 Election General Obligation Bond Building Fund, 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 the Beaumont Unified School District's 2008 Election General Obligation Bond Building Fund, 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 Beaumont Unified School District's 2008 Election General Obligation Bond Building Fund, internal control over financial reporting and compliance.

Jeanette L Garcia + Associates

San Bernardino, California
December 1, 2023

BEAUMONT UNIFIED SCHOOL DISTRICT
 2008 ELECTION
 GENERAL OBLIGATION BOND BUILDING FUND
BALANCE SHEET
 JUNE 30, 2023

ASSETS

Cash (Note 2)	
Cash in County Treasury	\$ 1,311
Accounts Receivable (Note 3)	39,922
	<hr/>
TOTAL ASSETS	\$ 41,233
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$ 1,340
Due to Other Funds	39,893
	<hr/>
Total Liabilities	41,233
Fund Balance	<hr/> -
TOTAL LIABILITIES AND FUND BALANCE	\$ 41,233
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>REVENUES</u>	
Interest	\$ 88,845
Net Increase in the Fair Value of Investments	110,282
All Other Local Revenue	<u>35,768</u>
Total Revenues	<u>234,895</u>
<u>EXPENDITURES</u>	
Facilities Acquisition and Construction	<u>5,760,279</u>
Total Expenditures	<u>5,760,279</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,525,384)
<u>FUND BALANCE</u> - JULY 1, 2022	<u>5,525,384</u>
<u>FUND BALANCE</u> - JUNE 30, 2023	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Beaumont Unified School District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and by the American Institute of Certified Public Accountants.

The following is a summary of the significant accounting policies:

Reporting Entity

On November 4, 2008, the District voters authorized issuance of \$125,000,000 principal amount of General Obligation Bonds to finance the acquisition, construction, furnishing and equipping of District facilities and pay certain costs of issuance associated therewith. The measure was approved by more than 55% of the vote. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens' Bond Oversight Committee was established. The Committee's oversight goals include: informing the public on the expenditures of Bond proceeds, reviewing expenditure reports to ensure that Bond proceeds are expended only for purposes set forth in the ballot measure, and ensuring compliance with conditions of ballot measure.

On December 22, 2009, the District issued 2008 Election, Series A and B General Obligation Bonds in the amount of \$20,000,718.90.

On January 28, 2010, the District issued 2008 Election Series C General Obligation Bonds in the amount of \$29,995,048.75.

On June 8, 2017, the District issued 2008 Election Series D General Obligation Bonds in the amount of \$13,362,851.50.

On August 30, 2018, the District issued 2008 Election Series E General Obligation Bonds in the amount of \$12,300,000.00.

On June 17, 2020, the District issued 2008 Election Series F General Obligation Bonds in the amount of \$11,290,000.00.

On May 21, 2021 the District issued 2008 Election Series G General Obligation Bonds in the amount of \$10,000,000.00.

On October 7, 2021, the District issued 2008 Election Series H General Obligation Bonds in the amount of \$12,000,000.00.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The accompanying financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all government funds. By State law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and District Superintendent during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions through June 30, 2023.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures (expenses) during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All outstanding encumbrances were liquidated at June 30.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Fund Balance Designations

In the governmental funds Balance Sheet, fund balance amounts are reported within the fund balance categories below:

- Nonspendable – This is fund balance associated with revolving cash funds, inventories and prepaids.
- Restricted – This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – This includes amounts that can be used only for the specific purposes determined by a formal action of the Governing Board (the District’s highest level of decision-making authority).
- Assigned – These funds are intended to be used by the government (District) for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first.

2. CASH

Cash at June 30, 2023, with regards to the 2008 Election consisted of the following:

Pooled Funds:

Cash in County Treasury	<u>\$ 1,311</u>
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In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Riverside County Treasury as part of the investment pool (\$14,085,787,847, as of June 30, 2023). The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2023, as provided by the pool sponsor, was \$13,787,800,542. The County is required by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury and in Money Market Mutual Fund U.S. Treasury Fund obligations. The District maintains an investment with the Riverside County Investment Pool with a fair value of approximately \$1,283 and an amortized book value of \$1,311. The average weighted maturity for this pool is 487 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a formal investment policy that limits its investment choices other than the limitations of State law.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, with regards to the 2008 Election consisted of the following:

Accounts Receivable
Local Sources
Interest

\$ 39,922

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. BONDED DEBT

The outstanding general obligation bonded debt of the District at June 30, 2023, is the following:

<u>Bond</u>	<u>Date of Bond</u>	<u>Year of Maturity</u>	<u>Rate of Interest</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding July 1, 2022</u>	<u>Issued During Year</u>	<u>Interest Accreted</u>	<u>Redeemed</u>	<u>Bonds Outstanding June 30, 2023</u>
2008 Series A	12/22/2009	8/1/2029	4.35-12.00%	3,860,719	5,821,490	-	359,335	520,000	5,660,825
2008 Series C	5/12/2011	8/1/2044	2.15-7.73%	9,490,102	13,115,092	-	1,274,122	405,000	13,984,214
2008 Series D	6/8/2017	8/1/2044	3.00-4.47%	4,202,852	4,600,017	-	584,564	25,000	5,159,581
2008 Series E	8/9/2018	8/1/2045	5.00%	12,300,000	11,725,000	-	-	-	11,725,000
2008 Series F	6/30/2020	8/1/2046	2.50-4.00%	11,290,000	11,015,000	-	-	-	11,015,000
2008 Series G	5/19/2021	8/1/2046	3.00-4.00%	10,000,000	10,000,000	-	-	200,000	9,800,000
2008 Series H	10/26/2021	8/1/2046	2.50-4.00%	12,000,000	12,000,000	-	-	-	12,000,000
				<u>\$ 63,143,673</u>	<u>\$ 68,276,599</u>	<u>\$ -</u>	<u>\$ 2,218,021</u>	<u>\$ 1,150,000</u>	<u>\$ 129,575,545</u>

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The annual requirement to amortize the 2008 Series A Convertible CAB General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 192,995	\$ 192,995
2025	-	192,995	192,995
2026	-	192,995	192,995
2027	-	192,995	192,995
2028	-	454,265	454,265
2029-30	2,151,431	969,688	3,121,119
Total	<u>\$ 2,151,431</u>	<u>\$ 2,195,933</u>	<u>\$ 4,347,364</u>

The annual requirement to amortize the 2008 Series A CAB General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

Year Ending June 30	Principal	Accreted Interest	Accreted Obligation	Unaccreted Interest	Total Maturity
2024	\$ 126,951	\$ 493,049	\$ 620,000	\$ -	\$ 620,000
2025	133,035	516,658	649,693	80,307	730,000
2026	136,240	529,116	665,356	174,644	840,000
2027	139,298	540,988	680,286	284,714	965,000
2028	183,070	710,989	894,059	530,941	1,425,000
Total	<u>\$ 718,594</u>	<u>\$ 2,790,800</u>	<u>\$ 3,509,394</u>	<u>\$ 1,070,606</u>	<u>\$ 4,580,000</u>

The annual requirement to amortize the 2008 Series C CAB General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

Year Ending June 30	Principal	Accreted Interest	Accreted Obligation	Unaccreted Interest	Total Maturity
2024	\$ 225,501	\$ 234,499	\$ 460,000	\$ -	\$ 460,000
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029-33	262,015	370,214	632,229	621,520	1,253,749
2034-38	-	-	-	-	-
2039-43	3,411,940	5,066,916	8,478,856	18,462,448	26,941,304
2044-45	1,746,850	2,666,279	4,413,129	15,168,692	19,581,821
Total	<u>\$ 5,646,306</u>	<u>\$ 8,337,908</u>	<u>\$ 13,984,214</u>	<u>\$ 34,252,660</u>	<u>\$ 48,236,874</u>

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The annual requirement to amortize the 2008 Series D Current Interest General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 16,500	\$ 16,500
2025	-	16,500	16,500
2026	-	16,500	16,500
2027	-	16,500	16,500
2028	-	16,500	16,500
2029-33	-	82,500	82,500
2034-38	-	82,500	82,500
2039-43	440,000	74,250	514,250
Total	<u>\$ 440,000</u>	<u>\$ 321,750</u>	<u>\$ 761,750</u>

The annual requirement to amortize the 2008 Series D CAB General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

Year Ending June 30	Principal	Accreted Interest	Accreted Obligation	Unaccreted Interest	Total Maturity
2024	\$ 47,642	\$ 7,358	\$ 55,000	\$ -	\$ 55,000
2025	66,513	11,446	77,959	2,041	80,000
2026	95,740	17,791	113,531	6,469	120,000
2027	113,311	23,506	136,817	13,183	150,000
2028	133,515	29,165	162,680	22,320	185,000
2029-33	879,409	160,180	1,039,589	425,411	1,465,000
2034-38	1,232,482	365,821	1,598,303	1,076,697	2,675,000
2039-43	1,171,791	363,911	1,535,702	1,649,298	3,185,000
Total	<u>\$ 3,740,403</u>	<u>\$ 979,178</u>	<u>\$ 4,719,581</u>	<u>\$ 3,195,419</u>	<u>\$ 7,915,000</u>

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The annual requirement to amortize the 2008 Series E General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 586,250	\$ 586,250
2025	-	586,250	586,250
2026	-	586,250	586,250
2027	-	586,250	586,250
2028	-	586,250	586,250
2029-33	-	2,931,250	2,931,250
2034-38	-	2,931,250	2,931,250
2039-43	-	2,931,250	2,931,250
2044-46	11,725,000	1,465,625	13,190,625
Total	<u>\$ 11,725,000</u>	<u>\$ 13,190,625</u>	<u>\$ 24,915,625</u>

The annual requirement to amortize the 2008 Series F General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 339,800	\$ 339,800
2025	-	339,800	339,800
2026	-	339,800	339,800
2027	-	339,800	339,800
2028	-	339,800	339,800
2029-33	655,000	1,659,900	2,314,900
2034-38	875,000	1,479,300	2,354,300
2039-43	1,975,000	1,255,650	3,230,650
2044-46	7,510,000	579,875	8,089,875
Total	<u>\$ 11,015,000</u>	<u>\$ 6,673,725</u>	<u>\$ 17,688,725</u>

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The annual requirement to amortize the 2008 Series G General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 200,000	\$ 388,000	\$ 588,000
2025	200,000	380,000	580,000
2026	-	376,000	376,000
2027	-	376,000	376,000
2028	-	376,000	376,000
2029-33	-	1,880,000	1,880,000
2034-38	-	1,880,000	1,880,000
2039-43	55,000	1,878,900	1,933,900
2044-47	9,345,000	1,248,700	10,593,700
Total	<u>\$ 9,800,000</u>	<u>\$ 8,783,600</u>	<u>\$ 18,583,600</u>

The annual requirement to amortize the 2008 Series H General Obligation Bonds payable, outstanding at June 30, 2023, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 255,000	\$ 409,350	\$ 664,350
2025	290,000	398,450	688,450
2026	430,000	384,050	814,050
2027	380,000	367,850	747,850
2028	450,000	351,250	801,250
2029-33	980,000	1,613,250	2,593,250
2034-38	2,210,000	1,297,250	3,507,250
2039-43	3,430,000	776,612	4,206,612
2044-47	3,575,000	179,688	3,754,688
Total	<u>\$ 12,000,000</u>	<u>\$ 5,777,750</u>	<u>\$ 17,777,750</u>

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The total annual requirement to amortize General Obligation Bonds payable, outstanding at June 30, 2023, is summarized below:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,590,000	\$ 1,932,895	\$ 3,522,895
2025	1,217,652	1,996,343	3,213,995
2026	1,208,887	2,076,708	3,285,595
2027	1,197,103	2,177,292	3,374,395
2028	1,506,739	2,677,326	4,184,065
2029-33	5,458,249	10,183,609	15,641,858
2034-38	4,683,303	8,746,997	13,430,300
2039-43	15,914,558	27,028,408	42,942,966
2044-47	<u>36,568,129</u>	<u>18,642,580</u>	<u>55,210,709</u>
Total	<u>\$ 69,344,620</u>	<u>\$ 75,462,158</u>	<u>\$ 144,806,778</u>

5. COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2023, the District had no commitments with respect to unfinished capital projects.

Supplementary Information

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
David Sanchez	President	November 2024
Shawn Mitchell	Vice President	November 2024
Melissa Williamson	Clerk	November 2026
Jeff Brown	Member	November 2026
Susan "Susie" Lara	Member	November 2026

ADMINISTRATION

Mays Kakish	Superintendent
Penni Harbauer	Assistant Superintendent, Business Services
Jennifer Castillo	Associate Superintendent, Human Resources
Ebon Brown	Assistant Superintendent, Instructional Support Services

ORGANIZATION

The Beaumont Unified School District, located in Riverside County, was established in 1953 and is comprised of approximately 110 square miles. The District currently operated 15 school sites, which include seven (7) elementary schools, one (1) K-8 school, two (2) middle schools, one (1) comprehensive high school, one (1) continuation high school, one (1) 21st Century Learning Institute, one (1) high school middle college, and one (1) adult school. The 2023-24 enrollment projection in grades Transitional Kindergarten (TK) through 12, including Non-Public School programs and county programs, is 12,366. The District is located in the northwestern portion of Riverside County at the Intersection of the U.S. Interstate 10 and State Route 60 Freeways. The District serves students in the communities of Beaumont, Cherry Valley, a portion of Banning, and a portion of Calimesa in the San Bernardino County. During the fiscal year 2022-23, there were no changes in the District's boundaries.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND

EXHIBIT A

SUMMARY OF BALLOT MEASURE

Measure Z: "Shall the District be authorized to sell general obligation bonds not to exceed \$125,000,000 to be used for school safety, vocational education and classroom repair?"

Bonds: Yes Bonds: No

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

EXHIBIT B

**FULL TEXT BALLOT PROPOSITION
OF THE BEAUMONT UNIFIED SCHOOL DISTRICT
BOND MEASURE ELECTION NOVEMBER 4, 2008**

The following is the full text ballot proposition presented to the voters by the Beaumont Unified School District on November 4, 2008.

SCHOOL SAFETY; VOCATIONAL EDUCATION; CLASSROOM REPAIR MEASURE. “To retain/attract excellent teachers, keep students from gangs by upgrading safety, technology security systems, energy efficiency; acquiring land; repairing, constructing, equipping schools/classrooms; adding vocational education/after-school space; fixing leaky roofs; replacing heating/air-conditioning; and qualifying for State matching grants shall Beaumont Unified School District issue \$125,000,000 in bonds at legal interest rates, with annual financial audits, Independent Citizens’ Oversight, and no money for the state or administrators’ salaries?”

PRIORITY SCHOOL PROJECT LISTS

The Board of Trustees of the Beaumont Unified School District evaluated the District’s urgent and critical school needs, including school and student safety, quality teacher recruitment and retention, enrollment trends, class size reduction, relieving high school overcrowding, energy efficiency and computer and information technology, in developing the scope of projects to be funded, as outlined in the Beaumont Unified School District Master Facilities Plan (the “Master Plan”), which is incorporated herein. In developing the scope of projects, hundreds of parents, teachers, staff, students, and community members have prioritized the key health and safety and sustainability needs so that the most critical school site needs are addressed. The Board of Trustees conducted a thorough evaluation at all school sites and received public input and review in developing the scope of school projects to be funded, as listed in the Master Plan. This evaluation concluded that, if these needs were not addressed now, the problem would only get worse and more expensive to address in the future. In approving this Priority School Project List, the Board of Trustees determines that:

1. All of its schools should be safe learning environments, free from gang or drug influence; and
2. Retaining and attracting the best teachers is one of the District’s top priorities. To do so effectively, the District must provide teachers with adequate classrooms and access to modern learning technology; and
3. The District must expand space for job and vocational training for high school students and increase opportunities for after-school programs that keep students off the street and out of trouble; and
4. The District must give priority to basic repairs, such as leaky roofs, plumbing, electrical and utility systems and repairing and upgrading heating and cooling systems for greater energy efficiency in repairing and improving local schools; and
5. The District must reduce class size by repairing existing classrooms and building new classrooms with the goal of keeping class size under 20 students per teacher K-3; and
6. The District must aggressively apply for State matching funds and spend any local bond money exclusively on schools within the District and shall not allow bond monies to be captured by the State; and
7. The District must promote physical education programs to help students stay out of trouble, focus, and perform well in school and needs to fund projects necessary for physical education programs that promote student health and academic performance.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

The Master Plan includes the types of projects described below to be implemented, as needed, at ALL existing District school sites in the District's cities and unincorporated areas, including Beaumont, Banning, Calimesa and Cherry Valley;

- Palm Elementary,
- San Gorgonio Middle,
- Chavez Elementary,
- Brookside Elementary,
- Sundance Elementary,
- Three Rings Ranch Elementary,
- Tournament Hills Elementary,
- Anna Hause Elementary,
- Mt. View Middle,
- Beaumont High, as well as
- Glen View, Beaumont Adult and Wellwood Schools.

The Master Plan also addresses the need for new school sites and facilities, and certain of the projects to be completed are described below. Copies of the Master Plan are available at the Beaumont Unified School District Facilities Department.

School Health and Safety, and Energy Efficiency School Projects

Goal and Purpose: To ensure that students are safe and the learning process is not interrupted by gangs and drugs or juvenile crime, a variety of health and safety projects will be undertaken at the school sites such as:

- Upgrade fire alarm system to automatic systems, repair fire safety equipment, add sprinklers and fire safety doors.
- Inspect for and repair any gas pipe leaks.
- Install/replace/upgrade security fencing.
- Install energy efficient systems to increase the cost effectiveness of local schools.
- Upgrade and improve physical education facilities.
- Install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks for increased student safety and security.
- Upgrade emergency communication systems to meet current safety and instructional standards.
- Upgrade site playground equipment replacement to meet current safety and instructional standards.
- Relocate or improve student drop-off areas for safety, including a separate area for buses.
- Inspect and improve play area fields for safety and drainage.
- Provide shade structures, so students have protection during intense heat or frequent windstorms.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

Classroom Improvements to Enhance Job Training

Goal and Purpose: To increase opportunities for career training and technical and job training, as well as to establish after school programs that keep students off the street and out of trouble:

- Upgrade technology and equipment used in job training programs.
- Expand space for job and vocational training for high schools helping students that will increase vocational and job training in local high schools helping students get good paying jobs and keeping our local economy strong.
- Replace portable classrooms and add permanent classrooms, including Career Technology (Voc Ed) classrooms.

District-Wide Wiring and Instructional Technology for Effective Learning Environment Projects

Goal and Purpose: To help attract and retain excellent teachers, to improve current instruction methods and to expand job training programs by applying modern technology infrastructure:

- Provide and maintain upgraded technology, data and communication equipment.
- Upgrade and expand wireless systems, telecommunications, internet and network connections.
- Upgrade and replace computers, hardware and software systems.
- Upgrade and replace classroom equipment, computer technology and instructional aids.

School Renovation, Repair and Upgrade Projects

Goal and Purpose: To allow all students to have the resources they need to learn and excel, projects for the renovation, repair and upgrade of older school buildings, science labs, classrooms, computer learning centers and school libraries and equipment will be undertaken, such as:

- Repair, upgrade, and replace worn-out leaking roofs.
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity.
- Additional electrical service capacity to relieve currently overloaded electrical systems.
- Upgrade aging and deteriorating school restrooms.
- Replace older heating, ventilation, air conditioning and lighting systems with building code and ADA compliant, energy efficient systems.
- Provide improved, upgraded computer labs.
- Renovate/upgrade classroom interiors with new paint, carpet/vinyl tile/asbestos abatement and instructional materials and equipment.
- Replace old, portable classrooms with up-to-date permanent classrooms.
- Repair aging schools to meet current safety and instructional standards.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

New Construction Education Enhancement/Class Size Reduction Projects

Goal and Purpose: To reduce the severe and unsafe overcrowding at neighborhood schools and to reduce the risk of violence and injury in the event of emergency evacuation, additional school sites and facilities will be needed, such as;

- Purchase additional acres for Chavez Elementary to comply with California Department of Education requirements for site size for a permanent elementary school.
- Acquire, construct and equip one or more additional school sites.

Listed repairs, rehabilitation, upgrades and new construction projects will be completed as needed at a particular site. Each project funded with bond proceeds may include needed equipment and furniture and will include architectural, engineering, inspection and similar planning costs, construction management costs, bond issuance costs, demolition and interim housing costs, and a customary contingency for unforeseen design and construction costs. The allocation of bond proceeds will be affected by final cost estimates and may be affected by factors beyond the District's control. The final cost of each project and the priority of the projects to be funded will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State of California grant funds for eligible projects, have not yet been secured. Therefore, the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. The Board will establish the priority of the projects to be funded and the timing for each project. Certain of the projects may be acquired in advance of the sale of bonds through leases or other financing obtained by the District. Bond proceeds may be used to repay any such financing obtained by the District.

No Administrator Salaries:

Proceeds from the sale of bond authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, the acquisition or lease of real property for school facilities or the prepayment of an existing or future interim lease or certificates of participation financing, and not for any other purpose, including teacher and administrator salaries and other operating expenses.

Fiscal Accountability:

The expenditure of the bond proceeds by the District is subject to stringent financial accountability requirements. Performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent Citizens' Oversight Committee to ensure that funds are spent as promised and specified. In accordance with Section 15282 of Education Code, the Citizen's Oversight Committee shall consist of at least seven members and shall include a member active in a business organization representing the business community located within the District, a member active in senior citizens' organization, a member active in a bona fide taxpayers' organization, a member that is a parent or guardian of a child enrolled in the District and active parent-teacher organization. No District employees or vendors are allowed to serve on the Citizens' Oversight Committee.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

Special Bond Proceeds Account; Annual Report to Board:

Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board no later than January 1 of each year, commencing the first of January 1 that occurs after the delivery of the proceeds of the bonds to the District, stating (a) the amount of bond proceeds received and expended in that year, and (b) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent of the District shall determine, and may be incorporated into the annual budget, audit or other appropriate routine report to the Board.



Jeanette L. Garcia,
CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Independent Auditor’s Report

To the Governing Board and Citizens’ Oversight Committee
Beaumont Unified School District
Beaumont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Beaumont Unified School District (the District) for 2008 Election General Obligation Bond Building Fund, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beaumont Unified School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beaumont Unified School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Beaumont Unified School District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Member:

However, material weaknesses may exist that have not been identified.

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaumont Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Bernardino, California
December 1, 2023



Jeanette L. Garcia,
CPA

INDEPENDENT AUDITOR'S REPORT ON BOND PERFORMANCE

To the Governing Board and Citizens' Oversight Committee
Beaumont Unified School District
Beaumont, California

We have audited the accompanying financial statements of the Beaumont Unified School District (the District) for 2008 Election General Obligation Bond Building Fund, as of and for the year ended June 30, 2023. Financial and performance audits are required for school facility projects by subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

Our responsibility is to express an opinion on Beaumont Unified School District's performance based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America; and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with specified requirements.

The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following requirements:

Proceeds from the sale of the bonds are used only to replace or repair deteriorating roofs, plumbing, electrical and air conditioning systems; improve access for students and families with disabilities; improve school safety and security systems; update and modernize classrooms to keep pace with educational technology and support student programs in Science, Technology, English, Arts and Math, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

The District is in compliance with budget constraints per the Citizens' Oversight Committee.

Bond monies are used only on projects which were voter approved.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

The purpose of this report on performance is solely to describe the scope of our testing of performance and the results of that testing for the information and use of the Citizens' Oversight Committee, Board of Education, management, and taxpayers of the Beaumont Unified School District and is not intended to be, and should not be, used by anyone other than these specified parties.

San Bernardino, California

December 1, 2023

Member:

American
Institute of
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Accountants

California
Society of
Certified Public
Accountants

Findings and Recommendations

BEAUMONT UNIFIED SCHOOL DISTRICT
 2008 ELECTION
 GENERAL OBLIGATION BOND BUILDING FUND
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued on whether the financial statements audit were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiencies identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported

Noncompliance material to financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No
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Bond Performance Audit

Internal control over state programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiencies identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

Noncompliance material to financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No
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Type of auditor's report issued on compliance for Bond Performance: Unmodified

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

None Reported.

Section III – Bond Performance Findings and Questioned Costs

None Reported.

BEAUMONT UNIFIED SCHOOL DISTRICT
2008 ELECTION
GENERAL OBLIGATION BOND BUILDING FUND
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

There were no findings and recommendations for the fiscal year ended June 30, 2022.