

# BEAUMONT LIBRARY DISTRICT

**BOARD OF TRUSTEES MEETING**  
**6:30 p.m. at the Library Annex – November 20, 2025**  
**232 West Sixth Street, Beaumont, CA**

## AGENDA

CALL TO ORDER

ROLL CALL

REPORT OF POSTING OF AGENDA

Public comments on items not on the agenda and/or jurisdiction items –  
3-minute limit per topic, per speaker

1. PRESENTATION: Nigro & Nigro  
FY2024-2025 Audit

2. CONSENT ITEMS

Approval of Minutes of the previous meeting

3. DIRECTOR'S REPORT

- A. General Ledger Report
- B. Activity Summary Report

4. OLD BUSINESS

- A. GRANT & CONSTRUCTION UPDATES
- B. LIBRARY LOGO UPDATE

5. NEW BUSINESS - None

ADDED STARTERS AND COMMUNICATIONS

TRUSTEE COMMENTS AND REQUESTS

PUBLIC COMMENTS – 3-minute limit

ADJOURNMENT

# BEAUMONT LIBRARY DISTRICT

## BOARD OF TRUSTEES MEETING

6:30 p.m. at the Library Annex – October 30, 2025  
232 West Sixth Street, Beaumont, CA

### MINUTES

CALL TO ORDER – Library Board President Coleman called the meeting to order at 6:30p.m.

ROLL CALL – M. Coleman, S. Aguilar-Martinez, M. Garcia, S. Mitchell,  
K. Van Valkenburg, L. Dickinson

ABSENT – C. Carr

GUESTS – B. Kealy, R. Loufek

REPORT OF POSTING OF AGENDA – Agenda was posted 72 hours in advance.

#### 1. CONSENT ITEMS

Approval of Minutes of the previous meeting.

MOTION: (Mitchell/Aguilar-Martinez) to approve the Minutes as amended. (4-0-1)

#### PUBLIC COMMENTS

##### FRIENDS OF THE LIBRARY RECAP FOR SEPTEMBER AND OCTOBER.

R. Loufek from the Friends of the Library (FOL) reported that they still have a booth at the local Rapstine's Red Barn and that the Fall Book Sale was a success. With the help from the teen volunteers and DeAnn's PAASS Kids they made \$438 and were paid for the weight of the remaining books. 100 FOL members have renewed their memberships. They have donated \$400 to Youth Services and Outreach to distribute gingerbread house kits at the upcoming Winterfest at the Cherry Valley Grange, and \$180 to the Library's Manga Cub. At the annual FOL meeting, both President D. Roppelt, Treasurer J. Salinas, and Secretary M. Zanforlin were reelected. Invited to speak that night was author Elizabeth Janette (Betsey Newmeyer) who spoke of family history and had a hands-on activity "creating a story". The FOL plan on having another book sale in the spring, possibly at the Presbyterian Church.

##### LIBRARY LOGO UPDATE.

Steven Brown brought samples of 8 possible logos that were favored, printed on cardstock. He warned that some would be better than others depending on the

application. The Director asked the Board members to put a star by their favorite and check off any they found acceptable. Discussion followed. No decision was made.

## 2. DIRECTOR'S REPORT

Ms. Van Valkenburg reported the Library's gas meter was broken when the last of the parking lot was removed. C.W. Driver took responsibility for its repair and cost.

Curbside service will begin November 1 to help patrons having difficulty with available street parking and/or mobility issues.

The Director spoke at the Soroptimist Club highlighting the Library's programs, services and construction project.

She met with D. McCue, Director and the Board President of the Friends of the A.K. Smiley Library in Redlands, to give them a tour of our bookmobile, and to answer purchasing and operations questions.

The Job Analysis Data report is almost complete, and will be presented to the Board soon.

Fourteen library staff attended the CLA conference in Riverside. Staff member D. Kimler presented at the conference on First Amendment Auditors. Board member Mitchell inquired if the Library had experienced any visits from First Amendment auditors. Ms. Van Valkenburg answered in the affirmative. Of interest to the Director was Altadena's session "Burned but Not Broken, The Story of the Altadena Library District's Budget Recovery After the Eaton Fire". At the Director's Retreat at the Rubidoux library the night before, she attended a session which explored AI within libraries.

The Board received copies of the Annual Statistics Report that was submitted to California State Library.

General Ledger Report – Of note was a payment to ISN Global for replacing 6 public computers.

Activity Summary Report – checkouts, holds and library visits remain consistent, e-materials and website visits increasing.

## 3. OLD BUSINESS

### A. QUARTERLY FINANCIAL REPORT

The First Quarterly Financial report, covering the period from July 1 through September 30 was generated and provided by the CPA, Eide Bailly. Revenue and expenses aligned with the Budget.

## B. GRANT & CONSTRUCTION UPDATES

The Director Emeritus approved 21 bid packages on September 26 and construction resumed on September 29. He showed photos of the ground leveling process, which was inspected every hour to verify it is 95% compacted. Surveillance cameras of the entire property have been installed. Doors and windows are starting to be cut into the walls. Mr. Dickinson showed examples to the Board with the proposed plants and trees to be in the new landscape design. Plans for November include pouring the slabs, electrical and plumbing installs. Due to the community's confusion, 3 new banners will be displayed on the blue fencing verifying we are open for business. In November, the local magazine "Our Town" will advertise the Library is open featuring an article about our programs.

## 4. NEW BUSINESS

### A. 2026 BOARD MEETING SCHEDULE

The Director asked if the August 2026 meeting could be moved up a week so interested Board members can attend the CSDA conference in Palm Desert, August 25-27<sup>th</sup>.

MOTION: (Aguilar-Martinez/Garcia) to approve the 2026 Board meeting schedule as amended. (4-0-1)

## ADDED STARTERS AND COMMUNICATIONS

The Director, Director Emeritus and Library Board have been invited to be on the School District's Superintendent's Facilities Advisory committee on November 17.

The Board was asked to save-the-date for the library's Winter Gathering on December 16, 2025. The Friends of the Library and all library staff are invited, their partners and small children are welcome as well.

## TRUSTEE COMMENTS AND REQUESTS

M. Garcia expressed her excitement about the construction progress.

.ADJOURNMENT - at 7:40 p.m.

APPROVED:

DATE:

# NOVEMBER 2025

## DIRECTOR'S REPORT

### Updates

#### **Construction & Operations Update**

As the construction project progresses, library foot traffic has decreased, which was an expected outcome. To mitigate this slowdown, several "Open During Construction" banners displaying the hours have been added to the construction fence. Furthermore, on November 1, the Library began offering curbside pickup as a convenience to our patrons, specifically benefiting those with mobility challenges.

#### **Internal Projects**

Ongoing projects include:

- The Job Analysis Questionnaire (JAQ) report, scheduled for presentation in December.
- Planning of the End-of-Year Winter Gathering for Library staff and support groups.
- Coordination of library operations in preparation for construction Phase II.
- The discussion regarding the Library Logo, which will continue at this month's meeting.

#### **Community Engagement**

The Director attended the Collaborative Agencies Committee meeting where it was explained that the group will return to its original mission of coordinating emergency responses in the coming year, alongside providing agency updates. Meetings will be hosted by the San Geronio Pass Water Agency beginning next year.

Library staff were active in recent community events:

- The bookmobile participated in the Veterans Day Parade on November 11, where the Director also served as the parade announcer.
- The Director and Director Emeritus assisted the Rotary Club by cooking turkeys for the Senior Thanksgiving Dinner held on the 15th.

### Meetings & Activities

#### **November 5**

- Beaumont Chamber Breakfast, Rosilicie Ochoa Bogh, speaker
- OAC meeting with CW Driver
- Collaborative Agencies Committee Meeting

#### **November 6**

- Beaumont-Cherry Valley Rotary
- Marketing presentation w/ Steven Brown

#### **November 11**

- Veteran's Day Parade participation
- Library Closed

#### **November 12**

- OAC meeting with CW Driver

#### **November 15**

- BCV Rotary Senior Thanksgiving Dinner

#### **November 17**

- BUSD Facilities Advisory Committee

#### **November 19**

- OAC meeting with CW Driver
- Director's Networking Call (CSL)

#### **November 20**

- Beaumont-Cherry Valley Rotary

#### **November 24-28**

- Director Administrative Leave

### Staff Updates

-Three staff members attended the TLCU virtual conference. The Library Company (TLC) is our line of business software.

-No changes in personnel to report.

# Beaumont Library District General Ledger Summary

October 2025

Account	Balance
<b>1000 Cash in County Treasury</b>	
1000.01 Cash in County Treasury - GF	595,499.78
1000.02 Cash in County Treasury - ACO	404,834.32
1000.03 Cash in County Treasury - Endow	54,076.74
<b>Total for 1000 Cash in County Treasury</b>	<b>1,054,410.84</b>
<b>1010 Wells Fargo Checking</b>	<b>193,366.05</b>
<b>1020 CLASS Investment</b>	
1020.1 CLASS - CSL-BF Grant	2,635,505.97
1020.3 CLASS - GF	1,411,161.24
1020.4 CLASS ACO	1,823,849.09
<b>Total for 1020 CLASS Investment</b>	<b>5,870,516.30</b>
<b>1030 US Bank</b>	
1030.01 US Bank - COP Lease Payment 2000	35,493.48
1030.02 US Bank - COP Reserve Fund 2001	667,330.70
1030.03 US Bank - COP Project Fund 2002	7,962,519.29
<b>Total for 1030 US Bank</b>	<b>8,665,343.47</b>
<b>Accounts Total</b>	<b>15,783,636.66</b>

Wells Fargo Monthly Activity Report

Beaumont Library District

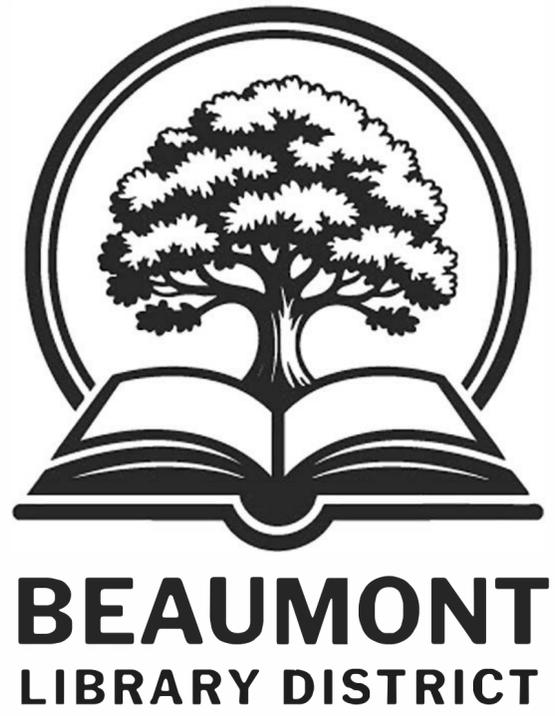
October 2025

DISTRIBUTION ACCOUNT	TRANSACTION DATE	TRANSACTION TYPE	NUM	NAME	AMOUNT	BALANCE
1010 Wells Fargo Checking						
Beginning Balance						31,536.46
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6301	Oriental Trading	-480.18	31,056.28
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6302	Midwest Tape	-149.43	30,906.85
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6303	TASC	-747.26	30,159.59
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6304	Best Best & Krieger	-31,679.50	-1,519.91
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6305	Luren Dickinson	-132.30	-1,652.21
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6306	Office Depot	-157.02	-1,809.23
1010 Wells Fargo Checking	10/01/2025	Bill Payment (Check)	6307	Kelly Van Valkenburg	-489.76	-2,298.99
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6308	Midwest Tape	-933.14	-3,232.13
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6309	Amazon Capital Services	-118.72	-3,350.85
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6310	Rafhael Animas	-3,360.00	-6,710.85
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6311	Brodart Co.	-8,739.92	-15,450.77
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6312	Streamline	-1,680.00	-17,130.77
1010 Wells Fargo Checking	10/02/2025	Bill Payment (Check)	6313	Kelly Van Valkenburg	-126.00	-17,256.77
1010 Wells Fargo Checking	10/07/2025	Bill Payment (Check)	6314	City of Beaumont	-1,500.00	-18,756.77
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6315	Xochilt Trujillo Flores	-900.00	-19,656.77
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6316	The Library Corporation	-2,309.74	-21,966.51
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6317	Midwest Tape	-190.62	-22,157.13
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6318	SDRMA	-1,080.03	-23,237.16
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6319	Amazon Capital Services	-204.43	-23,441.59
1010 Wells Fargo Checking	10/08/2025	Bill Payment (Check)	6320	New Reader's Press	-458.26	-23,899.85
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6321	CSDA	-7,098.00	-30,997.85
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6322	BCVWD	-27,750.00	-58,747.85
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6323	Record Gazette	-49.95	-58,797.80
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6324	Midwest Tape	-895.70	-59,693.50
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6325	Amazon Capital Services	-89.80	-59,783.30
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6326	Playaway Products LLC	-790.76	-60,574.06
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6327	Tech Logic	-1,325.60	-61,899.66
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6328	TK Elevator Coporation	-302.91	-62,202.57
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6329	Susan Heinrich	-500.00	-62,702.57
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6330	Office Depot	-437.69	-63,140.26
1010 Wells Fargo Checking	10/21/2025	Bill Payment (Check)	6331	BCVWD	-10,940.00	-74,080.26
1010 Wells Fargo Checking	10/22/2025	Bill Payment (Check)	6332	Ingram Library Services	-6,951.76	-81,032.02
1010 Wells Fargo Checking	10/30/2025	Bill Payment (Check)	6334	City of Beaumont	-278.88	-81,310.90
1010 Wells Fargo Checking	10/30/2025	Bill Payment (Check)	6335	TSK Architects	-26,523.05	-107,833.95
1010 Wells Fargo Checking	10/20/2025	Journal Entry	REC 10.20.26		1,200.00	-106,633.95
1010 Wells Fargo Checking	10/01/2025	Deposit		Riverside County	500,000.00	393,366.05
1010 Wells Fargo Checking	10/03/2025	Transfer			-200,000.00	193,366.05
<b>Total for 1010 Wells Fargo Checking</b>					<b>\$161,829.59</b>	
1010.1 Wells Fargo Savings (deleted)						
Beginning Balance						0.00
<b>Total for 1010.1 Wells Fargo Savings (deleted)</b>						
<b>Total for 1010 Wells Fargo Checking with sub-accounts</b>					<b>\$161,829.59</b>	

# Beaumont Library District Activity Report October 2025

Agenda Item 2B

	Month	YTD	Prior Yr. Mo.	Prior YTD		Month	YTD	Prior Yr. Mo.	Prior YTD
<b>Circulation Activity</b>					<b>Registration Activity</b>				
Library Checkouts	5526	25908	7723	32757	New Registrations	155	756	209	901
Bookmobile Checkouts	308	1190	312	665	Updated Registrations	341	1818	390	1845
Items Renewed	6337	24704	6956	27382	Deleted Registrations	8	26	3	214
<b>Circulation Totals</b>	<b>12171</b>	<b>51802</b>	<b>14991</b>	<b>60804</b>	<b>Total Registrations</b>	<b>504</b>	<b>2600</b>	<b>602</b>	<b>2960</b>
<b>Holds Activity</b>					<b>Collection Growth</b>				
Library Holds Added	550	2157	675	2667	Titles Added	406	1896	574	2386
Bookmobile Holds Added	5	7	22	30	Titles Deleted	798	1406	349	1854
Holds Checked Out	505	1970	674	2407	<b>Titles Change</b>	<b>-392</b>	<b>490</b>	<b>225</b>	<b>532</b>
<b>Holds Totals</b>	<b>1060</b>	<b>4134</b>	<b>1371</b>	<b>5104</b>	Items Added	456	2086	700	2769
<b>Overdue Notices</b>					<b>Items Deleted</b>				
Courtesy Notices	12816	51123	14026	55193	<b>Items Change</b>	<b>-383</b>	<b>505</b>	<b>314</b>	<b>421</b>
First Notices	486	2164	576	2378	<b>Program &amp; Activities</b>				
Final Notices	282	1258	329	1479	Children 0-5 Programs	26	60	49	103
<b>Total Notices</b>	<b>13584</b>	<b>54545</b>	<b>14931</b>	<b>59050</b>	Attendance	511	1410	1415	3362
<b>Fees Paid &amp; Waived</b>					Children 6-11 Programs	2	7	6	13
Fees Paid	\$167.50	\$761.50	\$149.00	\$1,153.65	Attendance	19	76	69	199
Fees Waived	\$2,632.50	\$7,632.50	\$925.00	\$7,381.80	Young Adult Programs	1	7	2	8
<b>Fees Balance</b>	<b>-\$2,465.00</b>	<b>-\$6,871.00</b>	<b>-\$776.00</b>	<b>-\$6,228.15</b>	Attendance	6	71	16	146
<b>E-Material Usage</b>					Adult/Literacy Programs	18	53	8	39
Hoopla	442	1611	158	598	Attendance	68	176	31	129
Overdrive	811	3494	699	2928	All Ages Programs	4	24	3	41
Palace E-books	3	15	4	48	Attendance	131	1822	241	4407
eMagazines	22	78	21	92	Outreach Programs	29	90	25	54
<b>Database Usage</b>					Attendance	712	3307	592	1849
Ancestry	58	263	39	503	<b>Total Programs</b>	<b>80</b>	<b>241</b>	<b>93</b>	<b>258</b>
GreenFILE	0	3	1	1	<b>Total Attendance</b>	<b>1447</b>	<b>6862</b>	<b>2364</b>	<b>10092</b>
A to Z Databases	0	13	10	31	<b>Public Computer Use</b>				
Novelist	5	239	33	66		218	1297	505	2075
ProQuest K-12	0	3	0	2	<b>Reference Interaction</b>				
						1010	4677	1724	7532
					<b>Website Visits</b>				
						3785	12928	1696	9585
					<b>Library Visits</b>				
						4998	22148	8751	37065

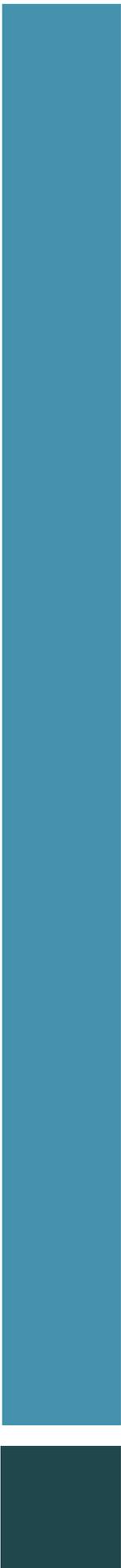




**BEAUMONT**  
LIBRARY DISTRICT







**BEAUMONT LIBRARY DISTRICT**  
**Presentation to the Board of Trustees**  
**For the Fiscal Year Ended**  
**June 30, 2025**

**NIGRO & NIGRO<sup>PC</sup>**



## SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

## OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

## AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation and Pension expenses.
- New GASB Pronouncements were adopted.
- Required disclosures are properly reflected in the Annual Financial Statements.

## AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

**No Material Issues Arose to be Reported to the Governing Board/Management**

**Any Minor Issues Were Discussed Orally and Corrected by Management**

## How Do We Make You Better?

**Best Practice Solutions Were Conveyed to Management – That's the Audit ROI**

**Beaumont Library District**  
**Dashboard – Audited Financial Statements**  
**June 30, 2025 vs 2024**

Revenues & Expenses	2025	2024	Variance
<b>Operating Revenues:</b>			
Charges for Services	\$ 4,007	\$ 5,297	\$ (1,290)
Operating/Capital Grants:	2,424,894	725,531	1,699,363
<b>Non-Operating Revenues:</b>			
Property Taxes = 15%	3,069,453	2,663,542	405,911
Property Taxes – Redevelopment	1,970	-	1,970
Rental Revenue	2,400	14,400	(12,000)
Investment Earnings	605,753	397,802	207,951
Sale of Capital Assets	21,000	-	21,000
Other Revenues	6,407	34,746	(28,339)
<b>Total Revenues</b>	<u>6,135,884</u>	<u>3,841,318</u>	<u>2,294,566</u>
<b>Expenses:</b>			
Salaries & Wages	1,149,572	1,099,040	50,532
Employee Benefits	465,339	427,265	38,074
Materials & Services	883,279	701,859	181,420
Interest Expense	199,251	-	199,251
Cost of Debt Issuance	264,245	-	264,245
Depreciation Expense	79,174	52,130	27,044
<b>Total Expenses</b>	<u>3,040,860</u>	<u>2,280,294</u>	<u>760,566</u>
<b>Change in Revenues &amp; Expenses</b>	<u>\$ 3,095,024</u>	<u>\$ 1,561,024</u>	<u>\$ 1,534,000</u>
<b>Capital Outlay:</b>			
Capital Asset Additions	\$ (3,197,376)	\$ (982,257)	\$ (2,215,119)
Depreciation Expense	79,174	52,130	27,044
<b>Change in Capital Expense</b>	<u>\$ (3,118,202)</u>	<u>\$ (930,127)</u>	<u>\$ (2,188,075)</u>
<b>Debt Service:</b>			
Debt Issuance	\$ 8,940,697	\$ -	\$ 8,940,697
<b>Cash &amp; Investments</b>	<u>\$ 18,068,638</u>	<u>\$ 8,907,605</u>	<u>\$ 9,161,033</u>
<b>Quick Summary:</b>			
Change in Revenues & Expenses	\$ 3,095,024		
Change in Capital Expense	(3,118,202)		
Change in Debt Service	8,940,697		
Change in Net Pension Liability	55,159		
Change in Accounts Payable	1,264,179		
Change Unearned Grant Revenue	(1,061,002)		
<b>Change in Cash &amp; Investments</b>	<u>\$ 9,175,855</u>	<b>Approximately</b>	<u>\$ 14,822</u>
<b>Investment Earnings to Portfolio</b>	<u>3.35%</u>		



**BEAUMONT LIBRARY DISTRICT**  
**Report to the Board of Trustees**  
**For the Fiscal Year Ended**  
**June 30, 2025**

**NIGRO & NIGRO<sup>PC</sup>**

**BEAUMONT LIBRARY DISTRICT**  
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*For the Fiscal Year Ended June 30, 2025*

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Board of Trustees  
Beaumont Library District  
Beaumont, California

We are pleased to present this report related to our audit of the financial statements of the Beaumont Library District (District) as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California  
November 20, 2025

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## ***Required Communications***

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**BEAUMONT LIBRARY DISTRICT**  
*Required Communications*  
*For the Fiscal Year Ended June 30, 2025*

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Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p><b>Our Responsibilities with Regard to the Financial Statement Audit</b></p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p><b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b></p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p><b>Accounting Policies and Practices</b></p>	<p><b>Accounting Policies and Practices</b>            Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p><b>Adoption of, or Change in, Significant Accounting Policies or Their Application</b>            Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b>            We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management’s Judgments and Accounting Estimates</b>            Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p><b>Audit Adjustments</b></p>	<p>Audit adjustments are summarized in the attached <b>Summary of Adjusting Journal Entries</b>.</p>
<p><b>Uncorrected Misstatements</b></p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

**BEAUMONT LIBRARY DISTRICT**  
*Required Communications*  
*For the Fiscal Year Ended June 30, 2025*

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Area	Comments
<b>Discussions With Management</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	No significant difficulties were encountered in performing our audit.
<b>Required Supplementary Information</b>	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"> <li>1. Management's Discussion and Analysis</li> <li>2. Budget to Actual Comparison</li> <li>3. Required Pension Plan Disclosures</li> </ol> <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

This information is intended solely for the information and use of Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

**BEAUMONT LIBRARY DISTRICT**  
*Required Communications*  
*For the Fiscal Year Ended June 30, 2025*

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**Disclosure of Audit Adjustments and Reclassifications**

As part of our external audit engagement, we operate under the presumption that the District's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the District's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Board of Directors with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the District's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

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***Summary of Adjusting Journal Entries***

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**BEAUMONT LIBRARY DISTRICT**  
*Summary of Adjusting Journal Entries*  
*For the Fiscal Year Ended June 30, 2025*

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Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
Additional entries provided by client			
1180	Other Receivable	1,736.30	
2325	Premium on COP Payable	18,180.55	
2550	COP Payable - Accrued Premium	18,180.55	
515080	Health Insurance		1,736.30
8010	COP Interest Expense		18,180.55
8015	Amortization Expense - COP Premium		18,180.55
<b>Total</b>		<b>38,097.40</b>	<b>38,097.40</b>
<b>Adjusting Journal Entries JE # 2</b>			
To record GASB 68			
2200	Net Pension Liability	8,346.00	
2210.01	Def Inflow of Resources - Pens	27,020.00	
5800	5800 -+ GASB 68 Expense	55,159.00	
1500.01	Def Outflow of Resources - Pens		90,525.00
<b>Total</b>		<b>90,525.00</b>	<b>90,525.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To gross up depreciation on sale of asset			
5490	Depreciation Expense	10,000.00	
7600	Gain/Loss on Disposal of Asset		10,000.00
<b>Total</b>		<b>10,000.00</b>	<b>10,000.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>138,622.40</b>	<b>138,622.40</b>

**BEAUMONT LIBRARY DISTRICT  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**For the Fiscal Year Ended  
June 30, 2025  
(With Comparative Amounts as of June 30, 2024)**

**NIGRO  
& NIGRO<sup>PC</sup>**

**BEAUMONT LIBRARY DISTRICT**  
*For the Fiscal Year Ended June 30, 2025*  
*Table of Contents*

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***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Beaumont Library District  
Beaumont, California

### Opinion

We have audited the accompanying financial statements of the governmental activities and the general fund of the Beaumont Library District as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the general fund of the District as of June 30, 2025, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with 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. 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 District 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 opinion.

### Change in Accounting Principle

As described in Notes 1 and 5 to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 District'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 opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 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, budgetary comparison information, schedule of proportionate share of the net pension liability, and schedule of pension contributions be presented to supplement the basic financial statements. Such information, 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.

**Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such partial information was derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 20, 2025 on our consideration of the District'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 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 District's 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 District's internal control over financial reporting and compliance.

Murrieta, California  
November 20, 2025

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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Management's Discussion and Analysis (MD&A) offers readers of Beaumont Library District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's net position increased 54.42%, or \$3,040,860 from the prior year's net position of \$5,687,195 to \$8,782,219, as a result of this year's operations.
- Total revenues from all sources increased by 59.73%, or \$2,294,566 from prior year revenues of \$3,841,318 to \$6,135,884, primarily due to an increase in contributions, property tax revenue, and investment earnings.
- Total expenses for the District's operations increased by 33.35% or \$760,566 from prior year expenses of \$2,280,294 to \$3,040,860, primarily due to an increase in interest expense, cost of issuance expense, and materials and supplies expense.

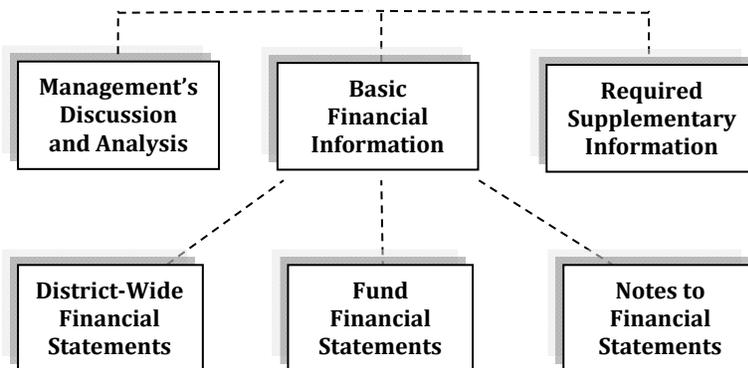
**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

**Figure A-1. Organization of Beaumont Library District's Annual Financial Report**

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2. Major Features of the District-Wide and Fund Financial Statements**

<b>Type of Statements</b>	<b>District-Wide</b>	<b>Governmental Fund</b>
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as donations and library programs
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**District-Wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as library services and administration. State and local programs finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

The District has one fund, the General Fund.

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Analysis of Net Position**

**Table A-1: Condensed Statement of Net Position**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 9,822,622	\$ 9,127,724	\$ 694,898
Non-current assets	8,570,769	-	8,570,769
Capital assets, net	<u>4,757,577</u>	<u>1,639,375</u>	<u>3,118,202</u>
<b>Total assets</b>	<u>23,150,968</u>	<u>10,767,099</u>	<u>12,383,869</u>
<b>Deferred outflows of resources</b>	<u>429,135</u>	<u>519,660</u>	<u>(90,525)</u>
<b>Liabilities:</b>			
Current liabilities	4,843,594	4,285,554	558,040
Non-current liabilities	<u>9,925,969</u>	<u>1,258,669</u>	<u>8,667,300</u>
<b>Total liabilities</b>	<u>14,769,563</u>	<u>5,544,223</u>	<u>9,225,340</u>
<b>Deferred inflows of resources</b>	<u>28,321</u>	<u>55,341</u>	<u>(27,020)</u>
<b>Net position:</b>			
Net investment in capital assets	4,405,829	1,639,375	2,766,454
Unrestricted	<u>4,376,390</u>	<u>4,047,820</u>	<u>328,570</u>
<b>Total net position</b>	<u>\$ 8,782,219</u>	<u>\$ 5,687,195</u>	<u>\$ 3,095,024</u>

At the end of fiscal year 2025, the District shows a positive balance in its unrestricted net position of \$4,376,390 that may be utilized in future years.

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (Continued)**

**Analysis of Revenues and Expenses**

**Table A-2: Condensed Statement of Activities**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
<b>Program revenues</b>	\$ 2,428,901	\$ 730,828	\$ 1,698,073
<b>Expenses</b>	<u>(3,040,860)</u>	<u>(2,280,294)</u>	<u>(760,566)</u>
<b>Net program expense</b>	(611,959)	(1,549,466)	937,507
<b>General revenues</b>	<u>3,706,983</u>	<u>3,110,490</u>	<u>596,493</u>
<b>Change in net position</b>	3,095,024	1,561,024	1,534,000
<b>Net position:</b>			
Beginning of year	<u>5,687,195</u>	<u>4,126,171</u>	<u>1,561,024</u>
End of year	<u>\$ 8,782,219</u>	<u>\$ 5,687,195</u>	<u>\$ 3,095,024</u>

The statement of activities shows how the District's net position changed during the fiscal year. In the case of the District, the net position increased by \$3,095,024 during the fiscal year ended June 30, 2025.

**Table A-3: Total Revenues**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
<b>Program revenues:</b>			
Charges for services	\$ 4,007	\$ 5,297	\$ (1,290)
Operating/capital grants and contributions	<u>2,424,894</u>	<u>725,531</u>	<u>1,699,363</u>
<b>Total program revenues</b>	<u>2,428,901</u>	<u>730,828</u>	<u>1,698,073</u>
<b>General revenues:</b>			
Property taxes	3,069,453	2,663,542	405,911
Property taxes – redevelopment increment	1,970	-	1,970
Rental revenue	2,400	14,400	(12,000)
Investment earnings and change in fair-value	605,753	397,802	207,951
Sale of capital assets	21,000	-	21,000
Other revenues	<u>6,407</u>	<u>34,746</u>	<u>(28,339)</u>
<b>Total general revenues</b>	<u>3,706,983</u>	<u>3,110,490</u>	<u>596,493</u>
<b>Total revenues</b>	<u>\$ 6,135,884</u>	<u>\$ 3,841,318</u>	<u>\$ 2,294,566</u>

- Total revenues from all sources increased by 59.73%, or \$2,294,566 from prior year revenues of \$3,841,318 to \$6,135,884, primarily due to an increase in contributions, property tax revenue, and investment earnings.

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (Continued)**

**Analysis of Revenues and Expenses (Continued)**

**Table A-4: Total Expenses**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
<b>Expenses:</b>			
Salaries and wages	\$ 1,149,572	\$ 1,099,040	\$ 50,532
Employee benefits	465,339	427,265	38,074
Materials and services	883,279	701,859	181,420
Interest expense	199,251	-	199,251
Depreciation expense	79,174	52,130	27,044
Cost of debt issuance	264,245	-	264,245
<b>Total expenses</b>	<u>\$ 3,040,860</u>	<u>\$ 2,280,294</u>	<u>\$ 760,566</u>

Total expenses for the District's operations increased by 33.35% or \$760,566 from prior year expenses of \$2,280,294 to \$3,040,860, primarily due to an increase in interest expense, cost of issuance expense, and materials and service expense.

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The focus of the District's *governmental funds* is to provide information on current inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2025, the District reported a total fund balance of \$13,946,860. An amount of \$2,043,100 constitutes the District's *unassigned fund balance*, which is available for future expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budgeted expenditures for the District at year-end were \$3,161,304 less than actual. The variance is principally due to under budgeting capital outlay and interest payments. Actual revenues were more than the anticipated budget by \$3,249,884, mostly due to excess operating grants and contributions for capital outlay.

**BEAUMONT LIBRARY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2025*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (Continued)**

**CAPITAL ASSET ADMINISTRATION**

**Table A-5: Capital Assets at Year End, Net of Depreciation**

	<u>Balance</u> <u>June 30, 2025</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Increase</u> <u>(Decrease)</u>
<b>Capital assets:</b>			
Non-depreciable assets	\$ 4,160,932	\$ 1,277,527	\$ 2,883,405
Depreciable assets	1,568,166	1,314,195	253,971
Accumulated depreciation	<u>(971,521)</u>	<u>(952,347)</u>	<u>(19,174)</u>
<b>Total capital assets, net</b>	<u>\$ 4,757,577</u>	<u>\$ 1,639,375</u>	<u>\$ 3,118,202</u>

At the end of fiscal year 2025, the District's investment in capital assets amounted to \$4,757,577 (net of accumulated depreciation). This investment in capital assets includes structures, improvements and equipment. Major capital asset additions during the year include planning and design costs for the building renovation project of \$2,820,899 and purchases of vehicles, furniture, and equipment of \$376,477.

See Note 4 for further information on the District's capital assets.

**Debt Administration**

The long term debt of the District is summarized below:

	<u>Balance</u> <u>June 30, 2025</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>Long-term debt:</b>		
Certificate of Participation payable, net	<u>\$ 8,922,517</u>	<u>\$ -</u>

In October 2024, the district issued \$8,390,000 in Certificates of Participation debt payable and \$550,697 in Certificates of Participation premium. There were no principal payments in the current fiscal year. Interest payments in the current fiscal year were \$117,655 and amortization of the premium amounted to \$18,180. See Note 6 for more information.

**FACTORS AFFECTING CURRENT FINANCIAL POSITION**

Management is unaware of any item that would affect the District's current financial position.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the Library Director at (951) 845-1357.

**BEAUMONT LIBRARY DISTRICT**  
*Statement of Net Position*  
*June 30, 2025*  
*(With Comparative Amounts as of June 30, 2024)*

<u>ASSETS</u>	<u>2025</u>	<u>Restated 2024</u>
<b>Current assets:</b>		
Cash and investments (Note 2)	\$ 9,497,869	\$ 8,907,605
Accrued interest receivable	20,493	30,451
Property taxes and assessments receivable	147,510	129,453
Accounts receivable – other	15,716	27,951
Prepaid items	141,034	32,264
<b>Total current assets</b>	<u>9,822,622</u>	<u>9,127,724</u>
<b>Non-current assets:</b>		
Restricted – cash and investments (Note 2 and 3)	8,570,769	-
Capital assets – not being depreciated (Note 4)	4,160,932	1,277,527
Capital assets – being depreciated, net (Note 4)	596,645	361,848
<b>Total non-current assets</b>	<u>13,328,346</u>	<u>1,639,375</u>
<b>Total assets</b>	<u>23,150,968</u>	<u>10,767,099</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (Note 7)	429,135	519,660
<b>Total deferred outflows of resources</b>	<u>429,135</u>	<u>519,660</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	1,563,722	299,543
Accrued salaries and benefits	69,694	67,736
Unearned grant revenue	2,813,115	3,874,117
Accrued interest payable	99,776	-
Long-term liabilities – due in one year:		
Compensated absences (Note 5)	47,287	44,158
Long-term debt (Note 6)	250,000	-
<b>Total current liabilities</b>	<u>4,843,594</u>	<u>4,285,554</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 5)	47,287	44,158
Net pension liability (Note 7)	1,206,165	1,214,511
Long-term debt (Note 6)	8,672,517	-
<b>Total non-current liabilities</b>	<u>9,925,969</u>	<u>1,258,669</u>
<b>Total liabilities</b>	<u>14,769,563</u>	<u>5,544,223</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (Note 7)	28,321	55,341
<b>Total deferred inflows of resources</b>	<u>28,321</u>	<u>55,341</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets (Note 8)	4,405,829	1,639,375
Unrestricted	4,376,390	4,047,820
<b>Total net position</b>	<u>\$ 8,782,219</u>	<u>\$ 5,687,195</u>

**BEAUMONT LIBRARY DISTRICT***Statement of Activities**For the Fiscal Year Ended June 30, 2025**(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)*

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>Restated 2024</b>
<b>Expenses:</b>		
Library operations:		
Salaries and wages	\$ 1,149,572	\$ 1,099,040
Employee benefits	465,339	427,265
Materials and services	883,279	701,859
Interest expense	199,251	-
Depreciation expense (Note 4)	79,174	52,130
Cost of debt issuance	264,245	-
<b>Total expenses</b>	<b>3,040,860</b>	<b>2,280,294</b>
<b>Program revenues:</b>		
Charges for services:		
Charges for services	4,007	5,297
Operating/capital grants and contributions	2,424,894	725,531
<b>Total program revenues</b>	<b>2,428,901</b>	<b>730,828</b>
<b>Net program expense</b>	<b>(611,959)</b>	<b>(1,549,466)</b>
<b>General revenues:</b>		
Property taxes	3,069,453	2,663,542
Property taxes - redevelopment increment	1,970	-
Rental revenue	2,400	14,400
Investment earnings and change in fair-value	605,753	397,802
Sale of capital assets	21,000	-
Other revenues	6,407	34,746
<b>Total general revenues</b>	<b>3,706,983</b>	<b>3,110,490</b>
<b>Change in net position</b>	<b>3,095,024</b>	<b>1,561,024</b>
<b>Net position:</b>		
Beginning of year, as restated (Note 10)	5,687,195	4,126,171
End of year	<b>\$ 8,782,219</b>	<b>\$ 5,687,195</b>

**BEAUMONT LIBRARY DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2025*  
*(With Comparative Amounts as of June 30, 2024)*

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	<u>General Fund</u>	
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash and investments	\$ 18,068,638	\$ 8,907,605
Accrued interest receivable	20,493	30,451
Property taxes and assessments receivable	147,510	129,453
Accounts receivable - other	15,716	27,951
Prepaid items	141,034	32,264
<b>Total assets</b>	<u>\$ 18,393,391</u>	<u>\$ 9,127,724</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,563,722	\$ 299,543
Accrued salaries and benefits	69,694	67,736
Unearned grant revenue	2,813,115	3,874,117
<b>Total liabilities</b>	<u>4,446,531</u>	<u>4,241,396</u>
<b>Fund balance: (Note 9)</b>		
Nonspendable	141,034	32,264
Assigned	11,762,726	2,067,368
Unassigned	2,043,100	2,786,696
<b>Total fund balance</b>	<u>13,946,860</u>	<u>4,886,328</u>
<b>Total liabilities and fund balance</b>	<u>\$ 18,393,391</u>	<u>\$ 9,127,724</u>

**BEAUMONT LIBRARY DISTRICT***Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025**(With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
<b>Fund Balances – Governmental Funds</b>	<b>\$ 13,946,860</b>	<b>\$ 4,886,328</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets. The net book value of capital assets is:	4,757,577	1,639,375
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	429,135	519,660
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:		
Accrued interest payable	(99,776)	-
Compensated absences	(94,574)	(88,316)
Net pension liability	(1,206,165)	(1,214,511)
Long-term debt, net	(8,922,517)	-
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	(28,321)	(55,341)
<b>Total adjustments</b>	<b>(5,164,641)</b>	<b>800,867</b>
<b>Net Position of Governmental Activities</b>	<b>\$ 8,782,219</b>	<b>\$ 5,687,195</b>

**BEAUMONT LIBRARY DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2025**(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)*

	<b>General Fund</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Property taxes	\$ 3,069,453	\$ 2,663,542
Property taxes – redevelopment increment	1,970	-
Rental revenue	2,400	14,400
Charges for services	4,007	5,297
Operating/capital grants and contributions	2,424,894	725,531
Investment earnings and change in fair-value	605,753	397,802
Other revenues	6,407	34,746
<b>Total revenues</b>	<b>6,114,884</b>	<b>3,841,318</b>
<b>Expenditures:</b>		
Current:		
Salaries and wages	1,143,314	1,066,460
Employee benefits	410,180	385,053
Materials and services	883,279	701,859
Capital outlay	3,197,376	982,257
Debt service:		
Interest paid	117,655	-
<b>Total expenditures</b>	<b>5,751,804</b>	<b>3,135,629</b>
<b>Revenue over (under expenditures)</b>	<b>363,080</b>	<b>705,689</b>
<b>Other financing source (uses):</b>		
Sale of capital assets	21,000	-
Proceeds from the issuance of long-term debt	8,940,697	-
Cost of debt issuance	(264,245)	-
<b>Total other financing sources (uses):</b>	<b>8,697,452</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>9,060,532</b>	<b>705,689</b>
<b>Fund balance:</b>		
Beginning of year	4,886,328	4,180,639
End of year	<b>\$ 13,946,860</b>	<b>\$ 4,886,328</b>

**BEAUMONT LIBRARY DISTRICT**

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities*

*For the Fiscal Year Ended June 30, 2025*

*(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)*

	<u>2025</u>	<u>2024</u>
<b>Net Change in Fund Balances – Governmental Funds</b>	<b>\$ 9,060,532</b>	<b>\$ 705,689</b>
<b>Amounts reported for governmental activities in the statement of activities is different because:</b>		
Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:		
Change in accrued interest payable	(99,776)	-
Change in compensated absences	(6,258)	(32,580)
Change in net pension liability	(55,159)	(42,212)
Amortization of debt premium	18,180	-
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	3,197,376	982,257
Depreciation expense	(79,174)	(52,130)
Loss on impairment of capital asset		
Proceeds from issuance of debt are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuance of debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
	<u>(8,940,697)</u>	<u>-</u>
<b>Total adjustments</b>	<b><u>(5,965,508)</u></b>	<b><u>855,335</u></b>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 3,095,024</u></b>	<b><u>\$ 1,561,024</u></b>

# BEAUMONT LIBRARY DISTRICT

## Notes to Financial Statements

June 30, 2025

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Organization

Beaumont Library District was established by a public vote in August 1911 and was provided with a collection that had been organized in 1909 by the Beaumont Woman's Club. The Library first opened in two ground floor rooms of the Beaumont Bank Building, at 5th and Grace Streets, on October 1, 1911. The Library moved in 1914 to a two-story building, at 8th Street and California Avenue, constructed with funds received from Andrew Carnegie. Further expansion was self-funded in 1965 and a meeting room was added in 1981 with a grant from the Laura May Stewart Foundation. The current size of the facility is 11,700 square feet. The Library became fully automated in 2000 partly due to funding from the Bill and Melinda Gates Foundation. High speed broadband and wireless were added in 2016 through a grant that joined the Library to the statewide CENIC system. The District encompasses almost 59 square miles, having lost some of its original 60 square mile territory. In 2012, portions in the City of Banning were ceded to Banning Library District and in the City of Calimesa to Riverside County Public Library.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, The Financial Reporting Entity. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The District has no component units as of year-end.

#### B. Basis of Presentation, Basis of Accounting

##### 1. Basis of Presentation

###### Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

###### Fund Financial Statements

The fund financial statements provide information about the District's funds. The District reports only the following governmental fund:

**General Fund:** This fund is used to account for all financial resources of the District.

# BEAUMONT LIBRARY DISTRICT

## Notes to Financial Statements

June 30, 2025

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Basis of Presentation, Basis of Accounting (Continued)

##### 2. Measurement Focus, Basis of Accounting

###### Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

##### 3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

#### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

##### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

##### 2. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)**

**3. Capital Assets**

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. The District considers library books and other media resources as a current period expense rather than a composite capital asset.

Estimated service lives for the District’s classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	50-120 years
Building Improvements	5-25 years
Furniture and Equipment	5-25 years

**4. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

**5. Compensated Absences**

In accordance with GASB Statement No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences, and the District’s policies related to compensated absences. The measurement of compensated absences includes salary-related payment such as the employer portion of social security and Medicare taxes.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)**

**6. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained on the CalPERS's website. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2020 to June 30, 2024

**7. Net Position**

Net position is classified into two components: investment in capital assets and unrestricted. These classifications are defined as follows:

- **Investment in capital assets** - This component of net position consists of capital assets net of accumulated depreciation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of investment in capital assets.

**8. Fund Balances**

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

## **BEAUMONT LIBRARY DISTRICT**

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)**

###### **9. Fund Balance Policy**

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising assessments and fees because of temporary revenue shortfalls or unpredicted onetime expenditures.

##### **D. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reported period. Actual results could differ from those estimates.

##### **E. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The County of Los Angeles Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

##### **F. Budgetary Accounting**

An annual unappropriated budget, which establishes the total spending authority for the General Fund, is adopted by the Board of Directors just prior to the beginning of the District's fiscal year. Estimated revenue is the original estimate with modifications for new programs which are anticipated to be received during the fiscal year. Expenditures cannot legally exceed appropriations at the fund level. Appropriations for the General Fund lapse at the end of the fiscal year. The Board of Directors may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts were not amended for the fiscal year ended June 30, 2025.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. New Pronouncements – Governmental Accounting Standards Board (GASB)**

During the fiscal year ended June 30, 2025, the District has implemented a new pronouncement as follows:

**GASB Statement No. 101 – Compensated Absences**

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employers and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 5 for the effect of this Statement.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments at June 30, 2025, consist of the following:

<u>Description</u>	<u>Balance</u>
Cash and investments	\$ 9,497,869
Restricted – cash and investments	8,570,769
	<u>\$ 18,068,638</u>
<u>Description</u>	<u>Balance</u>
Petty Cash	\$ 1,453
Deposits held with financial institutions	237,101
California CLASS	6,655,890
Riverside County Pooled Investment Fund	2,603,425
Investments – money market mutual funds	8,570,769
<b>Total cash and cash equivalents</b>	<u><u>\$ 18,068,638</u></u>

**Demand Deposits**

At June 30 2025, the carrying amount of the District’s demand deposits were \$237,101, and the financial institution’s balance was \$285,963. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution’s balance and the District’s balance.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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 fair value of the pledged securities in the collateral pool must equal at least 110 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

## **BEAUMONT LIBRARY DISTRICT**

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 2 – CASH AND INVESTMENTS (continued)**

##### **California Cooperative Liquid Assets Securities System (California CLASS)**

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds. The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis.

The California Class Prime and Enhanced Cash funds receive a credit rating of AAAm (S&P Global Ratings) and AAaf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$6,655,890 in California CLASS.

##### **Riverside County Treasury Investment Pool (RCTIP)**

The District is a voluntary participant in the Riverside County Treasury Investment Pool (RCTIP) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Riverside County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or deposits the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the County of Riverside Administrative Office – 4080 Lemon Street, 4<sup>th</sup> Floor – Capital Markets – Riverside, CA 92506 or the Treasurer and Tax Collector's office website at [www.countytreasurer.org](http://www.countytreasurer.org).

RCTIP is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. For financial reporting purposes, the District considers the RCTIP a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$2,603,425 in RCTIP.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 3 – RESTRICTED- CASH AND INVESTMENTS**

Restricted cash and investments as of June 30<sup>th</sup> consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>
Restricted – cash and investments	8,570,769
Less: Unspent proceeds from debt issuance	<u>(8,570,769)</u>
<b>Total restricted – net position</b>	<b><u>\$ -</u></b>

**NOTE 4 – CAPITAL ASSETS**

Changes in capital assets for the year were as follows:

<u>Description</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2025</u>
<b>Non-depreciable assets:</b>				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in progress	<u>1,267,527</u>	<u>3,197,376</u>	<u>(313,971)</u>	<u>4,150,932</u>
<b>Total non-depreciable assets</b>	<u>1,277,527</u>	<u>3,197,376</u>	<u>(313,971)</u>	<u>4,160,932</u>
<b>Depreciable assets:</b>				
Building and improvements	1,042,996	-	-	1,042,996
Furniture and equipment	211,199	41,698	-	252,897
Vehicles	<u>60,000</u>	<u>272,273</u>	<u>(60,000)</u>	<u>272,273</u>
<b>Total depreciable assets</b>	<u>1,314,195</u>	<u>313,971</u>	<u>(60,000)</u>	<u>1,568,166</u>
<b>Accumulated depreciation:</b>				
Building and improvements	(767,159)	(37,295)	-	(804,454)
Furniture and equipment	(137,188)	(11,727)	-	(148,915)
Vehicles	<u>(48,000)</u>	<u>(30,152)</u>	<u>60,000</u>	<u>(18,152)</u>
<b>Total accumulated depreciation</b>	<u>(952,347)</u>	<u>(79,174)</u>	<u>60,000</u>	<u>(971,521)</u>
<b>Total depreciable assets, net</b>	<u>361,848</u>	<u>234,797</u>	<u>-</u>	<u>596,645</u>
<b>Total capital assets, net</b>	<b><u>\$ 1,639,375</u></b>	<b><u>\$ 3,432,173</u></b>	<b><u>\$ (313,971)</u></b>	<b><u>\$ 4,757,577</u></b>

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 5 – COMPENSATED ABSENCES**

Compensated absences comprise unpaid vacation leave which is accrued as earned and sick leave more likely than not to be used. This also includes social security and Medicare taxes paid by the District for this leave. The District’s liability for compensated absences is determined annually. The changes to the compensated absences balance at June 30, 2025 were as follows:

<u>Balance</u> <u>July 1, 2024</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 88,316	\$ 6,258	\$ 94,574	\$ 47,287	\$ 47,287

As of June 30, 2025, the total liability for compensated absences was \$94,574, of which \$47,287 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected a material difference upon implementation of GASB Statement No. 101; therefore, restatement was required.

**NOTE 6 – LONG-TERM DEBT**

Changes in long-term debt were as follows:

<u>Long-term Debt</u>	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
2024 Certificates of Participation debt payable	\$ -	\$ 8,390,000	\$ -	\$ 8,390,000	\$ 250,000	\$ 8,140,000
2024 Certificates of Participation premium	-	550,697	(18,180)	532,517	-	532,517
	<u>\$ -</u>	<u>\$ 8,940,697</u>	<u>\$ (18,180)</u>	<u>\$ 8,922,517</u>	<u>\$ 250,000</u>	<u>\$ 8,672,517</u>

**2024 Certificates of Participation (COPs)**

In October 2024, COPs with face value of \$8,390,000 and premium of \$550,697, were sold by the Local Facilities Finance Corporation (Corporation) to finance the expansion and renovation of the Beaumont Library. An installment purchase agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principal and interest associated with the COPs. The installment payments are to be paid from general funds as described in the installment agreement. The 2024 COPs bear an interest rate between 4% and 5% and are payable semiannually on September 1 and March 1 of each year, commencing March 1, 2025. The 2024 COPs mature in fiscal year 2045. Total principal remaining on the COPs as of June 30, 2025 is \$8,390,000. The remaining future payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 250,000	\$ 389,600	\$ 639,600
2027	265,000	376,725	641,725
2028	280,000	363,100	643,100
2029	295,000	348,725	643,725
2030	310,000	333,600	643,600
2031-2035	1,795,000	1,413,625	3,208,625
2036-2040	2,295,000	904,875	3,199,875
2041-2044	2,900,000	301,875	3,201,875
	<u>\$ 8,390,000</u>	<u>\$ 4,432,125</u>	<u>\$ 12,822,125</u>

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 7 – PENSION PLAN**

**Summary**

A summary of the District’s pension plan deferred outflows/inflows and net pension liability account balances for the fiscal year ending June 30, 2025 is as follows:

<u>Description</u>	<u>2025</u>
Pension related deferred outflows	\$ 429,135
Net pension liability	1,206,165
Pension related deferred inflows	28,321

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

***The Plans Description Schedule***

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to <u>December 24, 2012</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.0% to 2.0%	1.0% to 2.0%
Required member contribution rates	8.000%	7.750%
Required employer contribution rates – FY 2024	13.340%	7.680%

***Plan Description***

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 7 – PENSION PLAN (Continued)**

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

**Members Covered by Benefit Terms**

At June 30, 2024 (Measurement Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	3	9	12
Transferred and terminated members	6	4	10
Retired members and beneficiaries	10	-	10
<b>Total plan members</b>	<b>19</b>	<b>13</b>	<b>32</b>

**Benefits 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 nonindustrial disability benefits after five 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.

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2025, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 128,368	\$ 56,343	\$ 184,711

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

**Proportionate Share of Net Pension Liability and Pension Expense**

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 7 – PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2025:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2023 (Measurement Date)	\$ 4,291,305	\$ 3,076,794	\$ 1,214,511
Balance as of June 30, 2024 (Measurement Date)	\$ 4,606,099	\$ 3,399,934	\$ 1,206,165
<b>Change in Plan Net Pension Liability</b>	<b>\$ 314,794</b>	<b>\$ 323,140</b>	<b>\$ (8,346)</b>

The District’s proportionate share percentage of the net pension liability for the June 30, 2024, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	
Measurement Date	June 30, 2024	June 30, 2023	
Percentage of Risk Pool Net Pension Liability	0.024938%	0.024288%	0.000650%

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$239,871. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 184,711	\$ -
Difference between actual and proportionate share of employer contributions	32,766	(2,329)
Adjustment due to differences in proportions	6,935	(21,923)
Differences between expected and actual experience	104,284	(4,069)
Differences between projected and actual earnings on pension plan investments	69,437	-
Changes in assumptions	31,002	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 429,135</b>	<b>\$ (28,321)</b>

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 7 – PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$184,711 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Outflows/(Inflows)</u> <u>of Resources</u>
2026	\$ 67,355
2027	166,760
2028	5,782
2029	<u>(23,795)</u>
<b>Total</b>	<b><u>\$ 216,102</u></b>

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

For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

<p>Actuarial Cost Method</p> <p>Actuarial Assumptions:</p> <p>Discount Rate</p> <p>Inflation</p> <p>Salary Increases</p> <p>Mortality Rate Table</p> <p>Post Retirement Benefit Increase</p>	<p>Entry Age Normal in accordance with the requirement of GASB Statement No. 68</p> <p>6.90%</p> <p>2.30%</p> <p>Varies by Entry Age and Service</p> <p>Derived using CalPERS' Membership Data for all Funds.</p> <p>Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter</p>
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**NOTE 7 – PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (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 table below reflects long-term expected real rate of return by asset class.

Investment Type <sup>1</sup>	New Strategic Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 7 – PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Subsequent Events**

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

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

<b>Plan's Net Pension Liability/(Asset)</b>		
<b>Discount Rate -</b>	<b>Current</b>	<b>Discount Rate +</b>
<b>1%</b>	<b>Discount Rate</b>	<b>1%</b>
<b>5.90%</b>	<b>6.90%</b>	<b>7.90%</b>
<b>\$ 1,827,714</b>	<b>\$ 1,206,165</b>	<b>\$ 694,539</b>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

**C. Payable to the Pension Plans**

At June 30, 2025, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS**

At June 30, 2025 the net investment in capital assets was calculated as follows:

<u>Description</u>	<u>Balance</u>
Capital assets - not being depreciated	4,160,932
Capital assets - being depreciated, net	596,645
Long-term debt, net	(8,922,517)
Unspent proceeds from debt issuance	8,570,769
<b>Total net investment in capital assets</b>	<b>\$ 4,405,829</b>

**NOTE 9 – FUND BALANCES**

At June 30, 2025, fund balances of the District’s governmental funds were classified as follows:

<u>Description</u>	<u>Balance</u>
<b>Nonspendable:</b>	
Prepaid items	\$ 141,034
<b>Assigned:</b>	
Compensated absences	94,574
Capital outlay	11,668,152
<b>Total assigned</b>	<b>11,762,726</b>
<b>Unassigned:</b>	
Unassigned	2,043,100
<b>Total fund balance</b>	<b>\$ 13,946,860</b>

**NOTE 10 – PRIOR PERIOD RESTATEMENT**

Beginning net position as of July 1, 2024, was restated by \$24,344, for the District’s retroactive restatement for the adoption of *GASB No. 101 - Compensated Absences* as noted below:

<u>Description</u>	<u>Balance</u>
<b>Net position:</b>	
Beginning of year, as previously stated	\$ 5,711,539
Compensated absences (GASB 101 implementation)	(24,344)
Beginning of year, restated	<b>\$ 5,687,195</b>

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN**

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District’s general creditors.

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

<b>A. Entity</b>	SDRMA	
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance	
<b>C. Participants</b>	As of June 30, 2025 – 650 member agencies	
<b>D. Governing board</b>	Seven representatives employed by members	
<b>E. District payments for FY 2025:</b>		
Property/Liability policy	\$36,685	
<b>F. Condensed financial information</b>	June 30, 2025	
<b>Statement of net position:</b>		<b>June 30, 2025</b>
Total assets		<u>\$ 185,602,180</u>
Deferred outflows		<u>1,361,901</u>
Total liabilities		<u>78,502,352</u>
Deferred inflows		<u>332,457</u>
Net position		<u>\$ 108,129,272</u>
<b>Statement of revenues, expenses and changes in net position:</b>		
Total revenues		\$ 136,035,247
Total expenses		<u>(113,092,341)</u>
Change in net position		22,942,906
Beginning – net position		85,186,366
Ending – net position		<u>\$ 108,129,272</u>
<b>G. Member agencies share of year-end financial position</b>		Not Calculated

At June 30, 2025, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees’ errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence.

## **BEAUMONT LIBRARY DISTRICT**

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 12 – RISK MANAGEMENT (Continued)**

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public official's personal liability up to \$1,000,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

#### **NOTE 13 – COMMITMENTS AND CONTINGENCIES**

##### **Excluded Leases – Short-Term Leases and De Minimis Leases**

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

##### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

##### **Litigation**

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties.

##### **Construction Commitments**

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of approximately \$13 million to be paid from a combination of state and local funding and debt proceeds.

**BEAUMONT LIBRARY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 14 - SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 20, 2025, the date which the financial statements were available to be issued.

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***Required Supplementary Information***

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**BEAUMONT LIBRARY DISTRICT**  
*Budgetary Comparison Schedule – General Fund*  
*For the Fiscal Year Ended June 30, 2025*

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	<b>Adopted Original Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 2,808,000	\$ 3,071,423	\$ 263,423
Rental revenue	-	2,400	2,400
Charges for services	4,000	4,007	7
Operating/capital grants and contributions	-	2,424,894	2,424,894
Investment earnings and change in fair-value	50,000	605,753	555,753
Other revenues	3,000	6,407	3,407
<b>Total revenues</b>	<b>2,865,000</b>	<b>6,114,884</b>	<b>3,249,884</b>
<b>Expenditures:</b>			
Current:			
Salaries and wages	1,154,000	1,143,314	10,686
Employee benefits	420,500	410,180	10,320
Materials and services	941,000	883,279	57,721
Capital outlay	75,000	3,197,376	(3,122,376)
Debt service:			
Interest paid	-	117,655	(117,655)
<b>Total expenditures</b>	<b>2,590,500</b>	<b>5,751,804</b>	<b>(3,161,304)</b>
<b>Net change in fund balance</b>	<b>274,500</b>	<b>363,080</b>	<b>88,580</b>
<b>Other financing source (uses):</b>			
Sale of capital assets	-	21,000	21,000
Proceeds from the issuance of long-term debt	-	8,940,697	8,940,697
Cost of debt issuance	-	(264,245)	(264,245)
<b>Total other financing source (uses):</b>	<b>-</b>	<b>8,697,452</b>	<b>8,697,452</b>
<b>Net change in fund balance</b>		<b>9,060,532</b>	
<b>Fund balance:</b>			
Beginning of year		<u>4,886,328</u>	
End of year		<u><u>\$ 13,946,860</u></u>	

**BEAUMONT LIBRARY DISTRICT**  
*Schedule of Proportionate Share of the Net Pension Liability*  
*For the Fiscal Year Ended June 30, 2025*

**Last Ten Fiscal Years**  
**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</b>
June 30, 2015	0.009032%	\$ 619,933	\$ 488,184	126.99%	76.49%
June 30, 2016	0.008785%	760,170	540,944	140.53%	73.43%
June 30, 2017	0.008626%	855,443	554,714	154.21%	71.53%
June 30, 2018	0.008544%	823,364	660,699	124.62%	74.89%
June 30, 2019	0.008606%	881,889	648,342	136.02%	74.31%
June 30, 2020	0.008811%	958,628	686,207	139.70%	72.31%
June 30, 2021	0.011036%	596,881	683,917	87.27%	83.75%
June 30, 2022	0.023944%	1,120,414	735,930	152.24%	71.98%
June 30, 2023	0.024288%	1,214,511	818,361	148.41%	71.70%
June 30, 2024	0.024938%	1,206,165	901,611	133.78%	73.81%

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

**From fiscal year June 30, 2015 and June 30, 2016:**

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

**From fiscal year June 30, 2016 to June 30, 2017:**

There were no changes in assumptions.

**From fiscal year June 30, 2017 to June 30, 2018:**

The discount rate was reduced from 7.65% to 7.15%.

**From fiscal year June 30, 2018 to June 30, 2019:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2019 to June 30, 2020:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2020 to June 30, 2021:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2021 to June 30, 2022:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2022 to June 30, 2023:**

The discount rate was reduced from 7.15% to 6.90%.

**From fiscal year June 30, 2023 to June 30, 2024:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2024 to June 30, 2025:**

There were no significant changes in assumptions.

**BEAUMONT LIBRARY DISTRICT**  
*Schedule of Pension Contributions*  
*For the Fiscal Year Ended June 30, 2025*

**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2016	\$ 80,690	\$ (80,690)	\$ -	\$ 540,944	14.92%
June 30, 2017	99,287	(99,287)	-	554,714	17.90%
June 30, 2018	101,686	(101,686)	-	660,699	15.39%
June 30, 2019	98,418	(98,418)	-	648,342	15.18%
June 30, 2020	110,405	(110,405)	-	686,207	16.09%
June 30, 2021	122,362	(122,362)	-	683,917	17.89%
June 30, 2022	136,968	(136,968)	-	735,930	18.61%
June 30, 2023	153,042	(153,042)	-	818,361	18.70%
June 30, 2024	158,086	(158,086)	-	901,611	17.53%
June 30, 2025	184,711	(184,711)	-	928,659	19.89%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation Method</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
June 30, 2025	June 30, 2023	Entry Age	Fair Value	2.30%	6.90%

**Amortization Method** Level percentage of payroll, closed  
**Salary Increases** Depending on age, service, and type of employment  
**Investment Rate of Return** Net of pension plan investment expense, including inflation  
**Retirement Age** 50 years (2.0%@55 and 2.0%@60), 52 years (2.0%@62)  
**Mortality** Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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***Other Independent Auditors' Report***

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**INDEPENDENT AUDITORS' 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**

Board of Trustees  
Beaumont Library 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 the governmental activities and general fund of Beaumont Library District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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. However, material weaknesses or significant deficiency may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beaumont Library District's financial statements are free of 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 financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California  
November 20, 2025