

BEAUMONT LIBRARY DISTRICT
BEAUMONT, CALIFORNIA

INDEPENDENT AUDITORS' REPORT,
MANAGEMENT'S DISCUSSION AND ANALYSIS,
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020

BEAUMONT LIBRARY DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 4
Financial Statements:	
Statement of Cash Receipts, Disbursements and Net Position	
Governmental Funds – Cash Basis – June 30, 2021	5
Governmental Funds – Cash Basis – June 30, 2020	6
Statement of Cash Receipts and Disbursements	
Budget and Actual – Governmental Funds – Cash Basis – June 30, 2021	7
Budget and Actual – Governmental Funds – Cash Basis – June 30, 2020	8
Statement of Cash Receipts, Disbursements and Net Position	
Fiduciary Fund – Cash Basis – June 30, 2021	9
Fiduciary Fund – Cash Basis – June 30, 2020	10
Notes to Financial Statements	11 - 14
Supplementary Information:	
Board of Trustees and Organization	15
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 <i>Government</i> <i>Auditing Standards</i>	16 - 17



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Beaumont Library District
Beaumont, California

We have audited the accompanying basic financial statements of the Beaumont Library District for the years ended June 30, 2021 and 2020 listed in the foregoing Table of Contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As discussed in Note 1, the District adopted a policy of preparing its financial statements on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

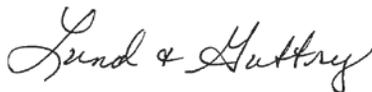
In our opinion, except for the effects of not providing disclosure information of “Other Postemployment Benefit Obligations (OPEB)” and “Accounting and Reporting for Pensions” in conformity with Government Accounting Standards as noted in Note 3 and 5, the basic financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the Beaumont Library District as of June 30, 2021 and 2020 and the respective changes in cash basis financial position thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, on our consideration of Beaumont Library 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beaumont Library District’s internal control over financial reporting and compliance.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 3-4 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.



November 18, 2021

BEAUMONT LIBRARY DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

As management of the Beaumont Library District, we offer the reader of the District’s financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal years ended June 30, 2021 and 2020, in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB34).

This annual report consists of a series of financial statements which provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Cash Receipts, Disbursements and Net Position can be used to answer the question, “Is the District better off or worse off as a result of this year’s activities?” By comparing this Statement with previous year’s Statements, we can get a picture of the financial health of the District.

All current year revenues and expenses are accounted for in the Statement of Cash Receipts, Disbursements and Net Position. The Statement reports the District’s *net assets* and changes in them. Think of the District’s net assets - the difference between assets and liabilities - as one way to measure the District’s financial *position*. Over time, *increases or decreases* in the District’s net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors however, such as the change in the District’s property tax base and the types of grants the District applies for to assess the *overall financial health* of the District.

A summary of the Cash Receipts and Disbursements for the Total Governmental Funds for Fiscal 2021 and 2020 is as follows:

	<u>FY 2021</u>	<u>FY 2020</u>
TOTAL RECEIPTS	\$ 2,240,798	\$ 2,187,735
TOTAL DISBURSEMENTS	<u>1,673,934</u>	<u>1,730,200</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	566,864	457,535
NET POSITION, beginning of year	<u>2,344,503</u>	<u>1,886,968</u>
NET POSITION, end of year	<u>\$ 2,911,367</u>	<u>\$ 2,344,503</u>

BEAUMONT LIBRARY DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

The Receipts in the Statement are comprised of the property tax revenues the District receives through the County of Riverside as an apportionment of property taxes paid by residents of the District. State Aid consists of support by the State of California through grant funds provided by any Federal or State program administered by the State Library. Additional earnings include interest the District receives from investment of its cash with the County of Riverside Treasury, donations from the public, private grants, and funds that library cardholders pay the District for fines or loss of materials.

Property taxes drive the District’s operations and are its primary source of revenue. Tax collections have recovered greatly from the losses that began with the Great Recession in FY10 and the further reduction of \$300,000 annually that resulted from the ceding of a significant eastern portion of District territory to Banning Library District as approved by Riverside LAFCO. Over the last few years, property tax income has significantly passed the \$1.4 million FY2009 high point, averaging annual increases of more than 10% for the period FY18 through FY21. For FY21 alone, receipts were up 14.9% over the previous years and approached \$2 million for the first time in the District’s history. Housing development has recovered since the economic downturn and the long-term outlook for continued property tax growth is excellent.

Disbursements in this Statement are comprised of Salaries and Wages of District employees, along with their benefits. The District employs 21 people. Eight are full-time and, of that group, seven are professional Librarians. Benefits for full-time employees include health insurance, health reimbursement accounts, life insurance and CalPERS participation. Part-time staff members support technical services, processing, and material shelving, as well as assisting the public with card registration, self-service checkout, and part-time professional reference. The remaining costs are for Supplies, Utilities, and various Administrative and Operational Expenses, which include the costs of Materials acquired for the Library.

Overall, FY21 expenditures about 3% less than in FY20, but 25% less than total revenue received. This was mainly due to decreased operational costs during the COVID-19 pandemic. Salaries, wages, and benefits were down 6%, mainly due to the retirement of a full-time Librarian early in the fiscal year. The amount spent on services and supplies declined 14% during the same period, again because state and county restrictions resulted in the shutdown of programs, elimination of Bookmobile stops, and a drop-in library open hours and service levels.

During FY21, the Library did not open to the public until mid-August and then only for 15 individuals at a time. Public computers were not available until mid-October and then only at half the pre-pandemic level. There was some return to normalcy when state restrictions were lifted on June 15. Despite these obstacles, for the fourth year in a row, the Library’s net position in Total Assets increased double digits—24% (\$566,864)—from \$2,344,503 to \$2,911,637. With \$10 million infrastructure grants being offered by the State Library, Beaumont Library District is in an excellent position to pursue its building renovation/expansion plans.

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET POSITION
GOVERNMENTAL FUNDS - CASH BASIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Accumulated Capital Outlay Fund	Total Governmental Funds
RECEIPTS			
Property taxes	\$ 1,933,807	\$ -	\$ 1,933,807
Redevelopment	56,366	-	56,366
Government aid	70,462	-	70,462
Interest	2,440	8,339	10,779
Donations and other revenues	8,033	11,351	19,384
Operating transfers in	-	150,000	150,000
TOTAL RECEIPTS	<u>2,071,108</u>	<u>169,690</u>	<u>2,240,798</u>
DISBURSEMENTS			
Salaries and wages	792,257	-	792,257
Employee benefits	311,035	-	311,035
Services and supplies	316,745	-	316,745
Capital outlay	89,935	13,962	103,897
Operating transfers out	150,000	-	150,000
TOTAL DISBURSEMENTS	<u>1,659,972</u>	<u>13,962</u>	<u>1,673,934</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	411,136	155,728	566,864
NET POSITION, June 30, 2020	<u>771,785</u>	<u>1,572,718</u>	<u>2,344,503</u>
NET POSITION, June 30, 2021	<u>\$ 1,182,921</u>	<u>\$ 1,728,446</u>	<u>\$ 2,911,367</u>
ASSETS			
Cash in County Treasury	\$ 1,027,349	\$ 1,728,446	\$ 2,755,795
Cash in bank and on hand	155,572	-	155,572
TOTAL ASSETS	<u>\$ 1,182,921</u>	<u>\$ 1,728,446</u>	<u>\$ 2,911,367</u>
NET POSITION			
Unrestricted - designated	50,000	2,000	52,000
Unrestricted	1,056,446	1,726,446	2,782,892
Restricted	76,475	-	76,475
TOTAL NET POSITION	<u>\$ 1,182,921</u>	<u>\$ 1,728,446</u>	<u>\$ 2,911,367</u>

(The accompanying notes are an integral part of these financial statements)

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET POSITION
GOVERNMENTAL FUNDS - CASH BASIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	Accumulated Capital <u>Outlay Fund</u>	Total Governmental <u>Funds</u>
RECEIPTS			
Property taxes	\$ 1,679,274	\$ -	\$ 1,679,274
Redevelopment	53,278	-	53,278
Government aid	250,777	-	250,777
Interest	5,729	27,313	33,042
Donations and other revenues	21,364	-	21,364
Operating transfers in	<u>-</u>	<u>150,000</u>	<u>150,000</u>
TOTAL RECEIPTS	<u>2,010,422</u>	<u>177,313</u>	<u>2,187,735</u>
DISBURSEMENTS			
Salaries and wages	843,398	-	843,398
Employee benefits	294,457	-	294,457
Services and supplies	367,895	-	367,895
Capital outlay	74,450	-	74,450
Operating transfers out	<u>150,000</u>	<u>-</u>	<u>150,000</u>
TOTAL DISBURSEMENTS	<u>1,730,200</u>	<u>-</u>	<u>1,730,200</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	280,222	177,313	457,535
NET POSITION, June 30, 2019	<u>491,563</u>	<u>1,395,405</u>	<u>1,886,968</u>
NET POSITION, June 30, 2020	<u>\$ 771,785</u>	<u>\$ 1,572,718</u>	<u>\$ 2,344,503</u>
ASSETS			
Cash in County Treasury	\$ 466,599	\$ 1,577,118	\$ 2,043,717
Cash in County Treasury - in transit	71,035	-	71,035
Cash in bank and on hand	234,151	-	234,151
Due to other funds	<u>-</u>	<u>(4,400)</u>	<u>(4,400)</u>
TOTAL ASSETS	<u>\$ 771,785</u>	<u>\$ 1,572,718</u>	<u>\$ 2,344,503</u>
NET POSITION			
Unrestricted - designated	50,000	2,000	52,000
Unrestricted	591,882	1,570,718	2,162,600
Restricted	<u>129,903</u>	<u>-</u>	<u>129,903</u>
TOTAL NET POSITION	<u>\$ 771,785</u>	<u>\$ 1,572,718</u>	<u>\$ 2,344,503</u>

(The accompanying notes are an integral part of these financial statements)

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund		
	Budgeted Amounts		
	Original	Final	Actual
RECEIPTS			
Property taxes	\$ 1,643,000	\$ 1,643,000	\$ 1,933,807
Redevelopment	70,000	70,000	56,366
Government aid	-	-	70,462
Interest	5,000	5,000	2,440
Donations and other revenues	5,000	5,000	8,033
Operating transfers in	-	-	-
	<u>1,723,000</u>	<u>1,723,000</u>	<u>2,071,108</u>
TOTAL RECEIPTS	<u>1,723,000</u>	<u>1,723,000</u>	<u>2,071,108</u>
DISBURSEMENTS			
Salaries and wages	896,500	896,500	792,257
Employee benefits	360,500	360,500	311,035
Services and supplies	400,900	400,900	316,745
Capital outlay	46,000	46,000	89,935
Operating transfers out	150,000	150,000	150,000
Contingencies	10,000	10,000	-
	<u>1,863,900</u>	<u>1,863,900</u>	<u>1,659,972</u>
TOTAL DISBURSEMENTS	<u>1,863,900</u>	<u>1,863,900</u>	<u>1,659,972</u>
EXCESS (DEFICIENCY) RECEIPTS OVER DISBURSEMENTS	<u>\$ (140,900)</u>	<u>\$ (140,900)</u>	<u>\$ 411,136</u>

(The accompanying notes are an integral part of these financial statements)

Accumulated Capital Outlay Fund

Variance Favorable (Unfavorable)	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
\$ 290,807	\$ -	\$ -	\$ -	\$ -
(13,634)	-	-	-	-
70,462	-	-	-	-
(2,560)	-	-	8,339	8,339
3,033	10,000	10,000	11,351	1,351
-	150,000	150,000	150,000	-
348,108	160,000	160,000	169,690	9,690
104,243	-	-	-	-
49,465	-	-	-	-
84,155	-	-	-	-
(43,935)	1,572,000	1,572,000	13,962	1,558,038
-	-	-	-	-
10,000	10,000	10,000	-	10,000
203,928	1,582,000	1,582,000	13,962	1,568,038
\$ 552,036	\$ (1,422,000)	\$ (1,422,000)	\$ 155,728	\$ 1,577,728

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
RECEIPTS				
Property taxes	\$ 1,515,000	\$ 1,515,000	\$ 1,679,274	\$ 164,274
Redevelopment	70,000	70,000	53,278	(16,722)
Government aid	-	-	250,777	250,777
Interest	5,000	5,000	5,729	729
Donations and other revenues	-	-	21,364	21,364
Operating transfers in	-	-	-	-
TOTAL RECEIPTS	<u>1,590,000</u>	<u>1,590,000</u>	<u>2,010,422</u>	<u>420,422</u>
DISBURSEMENTS				
Salaries and wages	844,000	844,000	843,398	602
Employee benefits	302,000	302,000	294,457	7,543
Services and supplies	388,500	388,500	367,895	20,605
Capital outlay	35,000	35,000	74,450	(39,450)
Operating transfers out	150,000	150,000	150,000	-
Contingencies	10,000	10,000	-	10,000
TOTAL DISBURSEMENTS	<u>1,729,500</u>	<u>1,729,500</u>	<u>1,730,200</u>	<u>(700)</u>
EXCESS (DEFICIENCY) RECEIPTS OVER DISBURSEMENTS	<u>\$ (139,500)</u>	<u>\$ (139,500)</u>	<u>\$ 280,222</u>	<u>\$ 419,722</u>

(The accompanying notes are an integral part of these financial statements)

Accumulated Capital Outlay Fund

Budgeted Amounts			Variance
Original	Final	Actual	Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,000	2,000	27,313	25,313
12,000	12,000	-	(12,000)
<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<u>164,000</u>	<u>164,000</u>	<u>177,313</u>	<u>13,313</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,368,000	1,368,000	-	1,368,000
-	-	-	-
<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<u>1,378,000</u>	<u>1,378,000</u>	<u>-</u>	<u>1,378,000</u>
<u>\$ (1,214,000)</u>	<u>\$ (1,214,000)</u>	<u>\$ 177,313</u>	<u>\$ 1,391,313</u>

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET POSITION
FIDUCIARY FUNDS - CASH BASIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

RECEIPTS	
Interest	\$ 230
TOTAL RECEIPTS	<u>230</u>
DISBURSEMENTS	<u>-</u>
EXCESS RECEIPTS OVER DISBURSEMENTS	<u>230</u>
NET POSITION, June 30, 2020	<u>47,997</u>
NET POSITION, June 30, 2021	<u>\$ 48,227</u>
ASSETS	
Cash in County Treasury	\$ 48,227
TOTAL ASSETS	<u>\$ 48,227</u>
NET POSITION	
Unrestricted	\$ 48,227
TOTAL NET POSITION	<u>\$ 48,227</u>

(The accompanying notes are an integral part of these financial statements)

BEAUMONT LIBRARY DISTRICT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET POSITION
FIDUCIARY FUNDS - CASH BASIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

RECEIPTS	
Interest	\$ 852
	<u>852</u>
TOTAL RECEIPTS	<u>852</u>
DISBURSEMENTS	<u>-</u>
EXCESS RECEIPTS OVER DISBURSEMENTS	<u>852</u>
NET POSITION, June 30, 2019	<u>47,145</u>
NET POSITION, June 30, 2020	<u>\$ 47,997</u>
ASSETS	
Cash in County Treasury	\$ 43,597
Due from other funds	<u>4,400</u>
TOTAL ASSETS	<u>\$ 47,997</u>
NET POSITION	
Unrestricted	<u>\$ 47,997</u>
TOTAL NET POSITION	<u>\$ 47,997</u>

(The accompanying notes are an integral part of these financial statements)

BEAUMONT LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the basis of cash receipts and disbursements (cash basis) which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

On July 1, 2003, the District adopted Governmental Accounting Standards Board (GASB), Statement No. 34, Basic Financial Statements and Management Discussion and Analysis – for State and Local Governments issued in June 1999 and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. This statement allows for the cash basis of accounting.

Reporting Entity

The District includes all funds that are controlled by the District's governing board for financial reporting purposes. There are no other component units required to be included in these financial statements. The District's funds consist of:

Governmental Funds

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Restricted Net Position of \$76,475 at June 30, 2021 represents unspent funds from a \$201,737 grant towards the purchase of a new bookmobile. This final payment of \$76,475 was paid September 30, 2021.

Accumulated Capital Outlay Fund

The Accumulated Capital Outlay Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund

Endowment Fund

The Beaumont Library District Endowment Fund was established to provide continuing general support for the Library's programs.

Budgets and Budgetary Accounting

By State law, the District's Board of Trustees must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. The District's Board of Trustees satisfied these requirements.

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

BEAUMONT LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by individual appropriation accounts.

Net Assets

Designations of unrestricted net assets indicate amounts that are not appropriable for expenditure or amounts legally segregated for a specific future use. These amounts have been set aside by Board action for specific future use and are, therefore, not appropriable without further Board action.

All other unrestricted net assets represent resources available for transactions relating to the general operations of the District, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific purposes.

Accumulated Vacation

Full time employees earn vacation based on years of service. Total unpaid accumulated vacation earned as of June 30, 2021 and 2020 amounted to approximately \$49,000 and \$50,000, respectively. These liability amounts are not included in the enclosed cash basis financial statements.

2. CASH

Cash consisted of the following at June 30:

	<u>2021</u>		
	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Pooled Funds			
Cash in County Treasury	\$ 2,755,795	\$ 48,227	\$ 2,804,022
Deposits			
Cash in local bank	<u>155,572</u>	<u>-</u>	<u>155,572</u>
Total	<u>\$ 2,911,367</u>	<u>\$ 48,227</u>	<u>\$ 2,959,594</u>
	<u>2020</u>		
	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Pooled Funds			
Cash in County Treasury	\$ 2,043,717	\$ 43,597	\$ 2,087,314
Cash in County Treasury – in transit	71,035	-	71,035
Deposits			
Cash in local bank	<u>234,151</u>	<u>-</u>	<u>234,151</u>
Total	<u>\$ 2,348,903</u>	<u>\$ 43,597</u>	<u>\$ 2,392,500</u>

BEAUMONT LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

2. CASH (continued)

The District maintains substantially all of its cash in the Riverside County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

3. CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Plan Description

The District's defined benefit pension plan (the Plan) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy

Active plan members in the Plan are required to contribute 8% of their annual covered salary which was all paid by the District in 2021 and 2020. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate was 19.742% in 2021 and 18.82% in 2020. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. Effective January 1, 2013, the District is also required to contribute calculated amounts for newly hired employees under the Public Employees' Pension Reform Act (PEPRA).

Annual Pension Cost

The District's annual pension cost was \$135,311 in 2021 and \$140,842 in 2020. The required contribution for each year was determined as part of the June 30, 2018 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service and (c) 2.75%% cost-of-living adjustment. Both (a) and (b) include an inflation component of 2.5%. The actuarial value of Plan assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis.

BEAUMONT LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2021

3. CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (continued)

Accounting and Reporting for Pensions (GASB68)

GASB Statement No. 68 “Accounting and Reporting for Pensions,” required the District to obtain an actuarial valuation to determine the value of the pension liability for District employees covered by PERS. The Statement also requires various disclosure information. The District opted not to obtain this actuarial valuation at June 30, 2021 and 2020 which resulted in a qualified opinion in the Independent Auditor’s Report on page 2. Since the District prepare its financial statements on a cash basis of accounting, the non-compliance of Statement No. 68 only impacts missing disclosure information and does not have any impact on the Accompanying Statement of Cash Receipts, Disbursements and Net Position.

4. PROPERTY TAX CALENDAR

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	March 1	
Levy date	July 1 to June 30	
Due date	November 1	- 1st installment
	March 1	- 2nd installment
Delinquent date	December 10	- 1st installment
	April 10	- 2nd installment

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes are pooled, and are then allocated to the cities and districts based on complex formulas prescribed by the state statutes.

5. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

The District provides postemployment healthcare benefits to eligible retirees. GASB Statement No. 75 (formerly No. 45), “Accounting and Financial Report by Employers for Postemployment Benefits Other than Pensions (OPEB)”, required the District to obtain an actuarial valuation to determine the value of future healthcare payments for current and retired employees. The Statement also requires various disclosure information. The District opted not to obtain this actuarial valuation at June 30, 2021, and 2020 which resulted in a qualified opinion in the Independent Auditors’ Report on page 2. Since the District prepares its financial statements on the cash basis of accounting, the noncompliance of Statement No. 75 only impacts missing disclosure information and does not have any impact on the accompanying Statement of Cash Receipts, Disbursements and Net Position.

6. UNCERTAINTIES

As a result of the COVID-19 coronavirus pandemic, economic uncertainties have arisen which could have an impact on the operations of the District. The related financial impact and duration cannot be reasonably estimated at this time.

7. SUBSEQUENT EVENTS

The District evaluated all potential subsequent events as of November 18, 2021 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2021 or as of November 18, 2021 that require disclosure to the financial statements.

BEAUMONT LIBRARY DISTRICT**JUNE 30, 2020****BOARD OF TRUSTEES**

Margaret Coleman	President	November 2022
Bret Mahoney	Secretary	November 2024
Cynthia Carr	Member	November 2022
Michelle Lillard-Geiser	Member	November 2022
Nikki Callahan Banks	Member	November 2024

ADMINISTRATION

Luren Dickinson	District Librarian
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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.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S 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

To The 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 Beaumont Library District, which comprise the statement of cash receipts, disbursement and net position as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

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

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

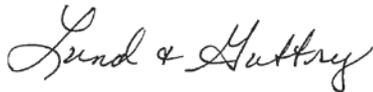
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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.



November 18, 2021