



Breaking: DID YOU FEEL IT? A 2.8 Quake Shook the Area Today >

Local Voices



Libi Uremovic

Audit VII - Transaction 207206

Posted on January 31, 2013 at 5:50 pm



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The City of Beaumont closes their fiscal year on June 30th. Closing the year simply means all revenue and expenses are tallied. This process usually takes a few weeks and although there will be a few random receipts that must be recorded after the 06/30 deadline, most of the transactions are made in the fiscal year.

In the middle of April, 2012 the City of Beaumont recorded transaction # 207206 and dated this transaction 06/30/11. There are over 300 entries coded to transaction # 207206 that range from \$0.00 to over \$1/4 million. Some of the entries are double or repeat of the original closing number and some don't seem to have any basis for their existence. I found the 207206 transactions in 24 different funds, 7 of which are not on the budget.

01 – General Fund: The General Fund account has dozens of entries. Cash entry is plugged in at \$54,745,753.38 and the Cash-Interfund is \$63,943,957.17. The City twice coded \$11,242,073.41 to 'Unreserved Fund Balance' claiming to have a total of \$22,484,146.82 in unreserved funds.

02 – Gov Access TV: This fund only has two entries, but it is a double entry of \$49,369.06 coded to 'Unreserved Fund Balance' for a total of \$98,738.12.

03 – Gas Tax: This has an entry of \$4,862,145.79 transferred in from the General Fund and also has a double entry for 'Unreserved Fund Balance' of \$1,006,064.59; which would total \$2,012,129.18.

04 – AB2766: This fund records a Interfund transfer of \$63,028.76, but the Cash is listed at \$118,849.33. This leaves a discrepancy of \$55,820.57. This fund also has a double entry for Unreserved Cash Fund of \$27,308.58 to total \$54,617.16.

05 – Not on Budget: There is no listing for this fund and there is no other journal entries listed under this fund except for the two 207206 entries which record \$1,771,707.26 transferred from the General Fund and an Unreserved Fund Balance entry of \$0.00.

07 - CDBG Fund: This fund recorded \$411,613.35 transferred in from the General Fund and recorded Unreserved Fund Balance at \$0.00.

08 – Bike & Pedi: This listed Cash at \$75.76; Cash Interfund at \$10,812.01; Due from Other Govt. Agencies at \$142,142.03; and double recorded Unreserved Fund Balance at \$.08.

10 – Sewer Service: This fund has the most unbelievable discrepancies. Transaction 198148 records the 1st 06/30/11 entry to 'Cash with Fiscal Agent 2001 Issue' at \$1,274,332.58.

Transaction 207206 removes \$4,155,903.58 from the account. A \$1,102,000.00 is added under 'Note Receivable' with transaction 207206 and removed with transaction 217207 dated 06/30/12. Land is plugged in at \$502,560.06. An entry for Equipment is listed at \$69,163,584.11. The Unreserved Fund Balance is entered twice at \$51,469,503.73.

12 – Not on Budget: This fund has only bonds and debt listed. There are 17 for 'Trustee Issue' with date ranges in the memo from 2004 – 2009. The original 06/30/11 entries are small amounts, but the 207206 entries are in the millions. For example: 2004A Issue 1st 06/30/11 entry is \$12.84, but the 207206 entry is \$397,038.53. The total added to the bonds is over \$15 Million. This fund also has an entry coded to 'Investment in CFD Bonds' for \$207,985,804.87 and the entry 'Due to Bondholders' \$225,855,496.15.

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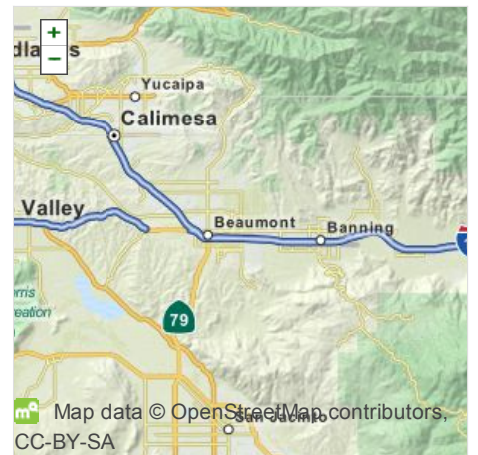
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14 – CFD Fund: The City recorded a 'Cash Interfund' transfer of \$76,109,648.03 – which is impossible when the total transfer amount from the General Fund was \$63,943.957.17. This department lists 13 more bonds with a total 207206 entries of \$2,717,890. It also double enters the Unreserved Fund Balance at \$24,263,353.98.

19 – Not on Budget: This fund is not listed on the budget, but it is where they account for the 'Charity'. There are a total of nine 207206 entries that remove funds from this department.

31 – Not on Budget: The only listings under this fund are the 207206 money transfers of \$90,741.00.

35 – Mitigation Fund: This listed a Cash entry of \$16,409,862.69, a Cash Interfund of \$17,123,788.880, and a double entry of \$8,290,725.63 coded to Unreserved Fund Balance

36 – RDA Capital Projects: 207206 entries added \$17,123,788.8 to Cash Interfund; \$85,990.00 to Note Receivable; and a double entry to Unreserved Fund Balance of \$4,360,657.16.

37 – RDA Debt Service: This has a Cash Interfund of \$15,796,555.81; Account Payable \$645,569.25, and a single Unreserved Fund Balance of \$56,242.64.

38 – RDA Low/Mod Housing: This fund received a Cash Interfund of \$1,908,229.02 and a double entry for Unreserved Fund Balance of \$1,387,404.04.

39 – Not on Budget: There have been 23 entries coded under fund 39 in the last two years. Most of checks issued to 'Beaumont-Cherry Valley' & "Christensen Brothers Engineering". The other three entries are 207206: Cash - \$874,771.22, Cash Interfund - \$156,411.81, and Deposits - \$718,359.41.

40 – Transit Fund: This fund has only two 207206 transactions: Cash - \$4,719,117.19, and Cash Interfund - \$4,492,567.72

43 – Vehicle Maintenance: This fund adds \$202,034.23 to Cash Interfund, repeats the original 06/30/11 entry of \$6,907.55 for Accrued Payroll, and attaches \$45,657.86 to Sick/Vacation Benefit Liability. Vehicle Maintenance is listed on the Budget as Department 5050, but does not list the department in the detailed budget. The State Controller's Office lists two employees in this department that make less than \$60,000/yr. It is not likely they have accumulated \$45,000 is sick leave.

The 207206 transaction recorded a total of \$213,669,257.10 in 'Unreserved Funds Balance'.

When questioned about the internal audit the response from the City has been: "We did a GAAP Audit".

It is true that a GAAP Audit was completed, but page two of the Audit clearly states "material misstatements' and 'do not present fairly'. I originally thought the 207206 plugs were done after the GAAP audit, but the GAAP Audit is dated 08/01/2012.

The City of Beaumont states that they 'had an audit', but what they are not acknowledging is that they flunked the GAAP audit.

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[TY Libi, TY Mr Berg, and TY all others that are participating....](#)

[Roosevelt Williams: A class act all the way!](#)



Ken

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10:02 am on Friday, February 1, 2013

When the going gets tough...the tough respond in a like manner. Where is Mr Berg? Never a word to the public from our "Senior Customer Service Representative" Mr Kapanicas. Where is Mr Aylward (or MOKRAY LLC... aka as MOoody ,KRall, and AYlward)?? Apparently in this case the BRASH have no accountability for the CASH. Council members its time to either step up and do your job and give us all some kind of explanation as to why the left hand has no idea what the right is doing, or pack your bags and get GONE. . If thats your story and you are sticking to it, then so be it. You can no longer (and for quite some time) claim that you were not or could not of been aware of what has been happening. KNOW your roles. You were elected as representatives of the City. Your job IS TO DIRECT City Staff for the good of the City and its inhabitants. YOU are not lemmings with a predetermined destiny to do as you're told. You have all failed miserably excluding the former Council member Ms Gail

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Libi Uremovic

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10:04 am on Friday, February 1, 2013

this is written for the state and local controller's offices, so it might be hard to understand ...if anyone would like to see the spreadsheets or the copies of the general ledger let me know...

i don't know if the gaap auditors did the audit before or after the 207206 transaction...but it doesn't matter....

...they would not have passed the gaap audit either way...

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Ken

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10:07 am on Friday, February 1, 2013

What a tangled web we weave.....

[Reply](#)



Victor S Dominguez

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3:35 pm on Friday, February 1, 2013

Charles,

Hitler did not kill Jews in WWII.The German government of the 40's said that was a lie.Today we know the truth.

The City Bell was not corrupt, the local government and county said things were fine at first, until the State stepped in.

San Bernardino was financially sound says the local government to the people, until they filed BK. Charles, pull your head out of your ass.....

[Reply](#)

Lifer in Bmt.

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12:11 pm on Saturday, February 2, 2013

Victor, don't be a jerk & wait till everything is done first.



Libi Uremovic

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5:50 am on Saturday, February 2, 2013

we're making progress....

i'm looking at the december bank statement and the city has removed the 2nd check book from the general fund bank account and put it into the payroll bank account that they hold with the 'bank of hemet'... which is where it should have been all along ...payroll is always kept separate....

[Reply](#)

Gene Lowe

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3:13 pm on Saturday, February 2, 2013

Libi, I saw the article in the Record Gazette and I'm now very curious about why the Grand Jury said they wouldn't talk with you. Did you file a proper compliant form, or are only residents of Riverside County allowed to file, etc? They investigated the BCVWD for much less than the things you have already seemed to uncover. Plus, what is this about police officers utilities getting paid by the City? If that is true, or anyone else is getting their paid for by the City that is a clear indication of misuse of public funds. As Mr. Berg reads all these statements, perhaps he could clear this up. Does the City pay the utility bills for anyone, and I mean anyone at all, and why?

[Reply](#)



Libi Uremovic

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3:35 pm on Saturday, February 2, 2013

they called and said their 'policy' was to do nothing if there was any other agencies investigating - which is incorrect - the grand jury has their own jurisdiction....it is the state that can't step in until i 'exhaust all local means'...

i told the grand jury to put it in writing....they got nervous.... i have yet to receive the excuse in writing...

now that the county has refused to do their job the state can step in...

in san diego the grand jury just sent me a 'dear jane' letter dismissing everything....i contacted the state....3 weeks later the grand jury called me back and told me they'd 'reconsidered'...

our local governments are corrupt...but our state is moving fast ...

...and the fbi is assigning an agent next week ... they want to focus on the 'big bucks' - everyone that's profited over \$100,000 from the city...

i just received the utility bills gene, so i haven't had time to analyze them..... if any line workers are getting extra perks it's the fault of their managers and city staff, not the line workers...

in my opinion a bigger misuse of public funds is giving government health care benefits to urban logic employees.....they're not with the regular payroll, they're buried in the administration dept...along with the personal loans...



Ken

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10:25 pm on Saturday, February 2, 2013

Hey why dont we all get together and eat before the next City Council meeting?

086188 1/15/13 The Woodland Grill \$1500 Service

Apparently my invite got lost again. I wonder how much "Service/food" \$1500 buys at The Woodland Grill?

Reply



Washy

Flag as inappropriate

10:34 pm on Saturday, February 2, 2013

Is that what the old Johnny Russo's place is now?



Libi Uremovic

Flag as inappropriate

1:03 pm on Monday, February 4, 2013

the grand jury called me back...i have an appointment at 10am tomorrowthat didn't take long...

Reply



Ken

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11:25 pm on Monday, February 4, 2013

From the Press Enterprise 1/28/13

SCHOOL BOND WARNING

State schools Superintendent Tom Torlakson and State Treasurer Bill Lockyer recently issued a statement to school and school district leaders to caution them against using costly Capital Appreciation Bonds to pay for school facility projects.

The bonds have drawn alot of scrutiny the past few months because the cost to borrow using them is very high and the repayment terms often exceed the expected life of the projects for which they pay.

In many cases the CAB deals have forced taxpayers to PAY MORE THAN 10 TIMES THE PRINCIPAL TO RETIRE THE BONDS!.....

.....Also the transactions have been structured with 40 year terms that delay interest and principal payments for decades. resulting in huge ballon payments and burdens on future taxpayers that cannot be justified.

(see more)

http://banning-beaumont.patch.com/blog_posts/give-me-1-and-ill-give-you-10

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