



INTERIM FINANCIAL REPORT – EXECUTIVE SUMMARY

DECEMBER 2010

(50% OF THE YEAR COMPLETE)

This executive report provides a summary by fund of the revised budget and actual activity as of December 31, 2010. The beginning available balance has been updated to reflect the final available balances after year end close. The revenue and expenditure revised budget reflects a combination of the original budget, the continuing appropriations, encumbrances, and any Council action between July and December to increase estimated revenues or appropriations. The continuing appropriation is comprised mostly of projects in progress.

The City Budget is prepared conservatively utilizing internal and external resources available to estimate revenues and expenditures. At mid-year, an additional review of the budget is presented to council with recommended adjustments. The adjustments for this year's midyear report consider the ongoing economic conditions, current trends and the State and Government Agencies' budget projections.

This report also provides a useful tool for staff and Council to identify funds that require closer attention. Any funds that have projected deficit ending balances will be addressed through midyear reductions in expenditures to avoid deficit spending.



This report will be expanded in the future to provide highlights of areas of concern or expanded explanations and information.

It is important to note that one of the challenges with evaluating the status of revenues is that the funds that rely on property taxes or sales taxes (i.e. General fund, CRA) do not receive the majority of these funds until January, April or May. Past State actions have restricted how and when Cities receive several revenues (i.e. Triple Flip, VLF SWAP).

Good to know: *Government Accounting and Budgeting*

Most government funds and budgets are managed using a method called "modified accrual" accounting. This method basically means that the governmental funds are managed on a cash basis throughout the year. At year end, accruals are made to ensure that revenues and expenditures are recorded in the applicable fiscal year in which the transactions occurred. This method applies to the General Fund, Special Revenue funds, capital funds, internal service funds and redevelopment funds.

To illustrate, revenue is recorded as it is received throughout the year (cash basis). The majority of General Fund revenues come in sporadically throughout the year and most of it is received in the last 6 months of the fiscal year. Meanwhile, the expenditures are continuing each month regardless of when the revenues are received. This circumstance highlights the importance of maintaining a reserve that allows for cash flow needs during the lean months when there are no revenues.

There are funds that are considered like a business. These are called "Enterprise Funds". The "accrual" method of accounting is used for these funds. These business type funds charge customers a fee to cover all or most of the cost of certain services that are provided. Consistent with accrual accounting, the revenues reported on the interim report reflect revenues based on what was billed the customer rather than the cash payments collected. This method applies to the Airport, Transit, Refuse, Electric, Water and Wastewater funds.

CITY OF BANNING

Fund Summary Status

Month Ending December 31, 2010

FY 2010-2011 50% Complete

Fund #	FUND NAME	Estimated Balance @ July 1, 2010	FY 2010-11 Adjusted Revenue	Year To Date Revenue	% complete	FY 2010-11 Adjusted Expenditures	Year To Date Expenditures	% complete	Budget Gain/(Loss)	Projected Balance @ 6/30/2011
<u>Governmental & Special Revenue Fds</u>										
001	General	4,683,506	13,104,695	4,221,299	32%	13,653,717	6,433,955	47%	(549,022)	4,134,484
002	Developer Deposit Fund	-	123,131	27,898	23%	123,131	31,948	26%	-	-
003	Riverside County MOU	288,410	303,500	376	0%	471,018	195,393	41%	(167,518)	120,892
100	Gas Tax	755,951	773,360	362,426	47%	929,733	372,308	40%	(156,373)	599,578
101	Measure A Street	1,357,859	359,000	150,481		984,080	-	0%	(625,080)	732,779
103	SB300 Street Improvement	146,617	725	228		-	-	0%	725	147,342
104	Article 3 - Sidewalk Construction	(75,705)	542,860	-	0%	601,837	1,537	0%	(58,977)	(134,682)
110	C.D.B.G.	-	241,517	53,765	22%	241,517	53,765	22%	-	-
111	Landscape Maintenance Assmt. Dist.#1	195,036	134,003	3,509	3%	145,230	58,056	40%	(11,227)	183,809
132	Air Quality	106,240	32,000	8,792	27%	-	6,000	0%	32,000	138,240
140	Asset Forfeiture	2,475	10	4	40%	-	-	0%	10	2,485
148	Supplemental Law Enforcement	105,864	100,000	145	0%	205,864	5,618	3%	(105,864)	-
149	Public Safety - Sales Tax	3,311	180,000	76,897	43%	170,000	84,996	50%	10,000	13,311
150	State Park Bond Act	924	-	1		-	-		-	924
200	Special Donations	20,045	1,500	4,758	317%	1,500	75	5%	-	20,045
201	Senior Center Activities	71,874	6,650	3,211	48%	16,670	4,770	29%	(10,020)	61,854
202	Animal Control Reserve	4,850	30	8	27%	-	-		30	4,880
203	Police Volunteer	5,698	30	9	30%	2,905	-	0%	(2,875)	2,823
204	D.A.R.E. Donation	46,737	42,593	17	0%	46,574	6,817	15%	(3,981)	42,756
300	City Hall COP Debt Service	43,478	517,130	421,277	81%	517,130	408,335	79%	-	43,478
360	Sun Lakes CFD #86-1	34,630	250	54	22%	250	-	0%	-	34,630
365	Assessmnt Dist - #91-1 Wilson St. Debt	344,309	268,845	373	0%	268,845	244,009	91%	-	344,309
370	Area Police Computer	13,399	48,835	43	0%	48,585	7,453	15%	250	13,649
375	Fair Oaks 2004-1 Debt Service	183,666	214,627	9,005	4%	205,985	136,871	66%	8,642	192,308
376	Cameo Homes	45,271	225	70	31%	-	-	0%	225	45,496
Sub-Total		8,384,445	16,995,516	5,344,646	31%	18,634,571	8,051,906	43%	(1,639,055)	6,745,390

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<i>Capital Improvement Funds</i>										
400	Police Facilities Development	19,090	1,650	30	2%	-	-	-	1,650	20,740
410	Fire Facility Development	916,249	9,500	1,427	15%	-	-	-	9,500	925,749
420	Traffic Control Facility	383,609	2,500	597	24%	225,000	-	0%	(222,500)	161,109
421	Ramsey & Highland Home Traffic Signal	79,791	400	124	31%	-	-	-	400	80,191
430	General Facilities	462,687	4,500	720	16%	-	-	-	4,500	467,187
441	Sunset Grade Separation Fund	373,366	2,796,715	185	0%	2,838,154	-	0%	(41,439)	331,927
444	Wilson Median	41,385	1,850	581	31%	-	-	-	1,850	43,235
451	Park Development	179,469	1,900	279	15%	159,161	8,636	5%	(157,261)	22,208
470	Capital Improvement Fund	699,195	20,000	2,108	11%	19,294	19,294	100%	706	699,901
Sub-Total		3,154,841	2,839,015	6,051	0%	3,241,609	27,930	1%	(402,594)	2,752,247
<i>Banning Utility Authority</i>										
660	Water Operations	1,725,904	7,505,319	4,052,404	54%	8,708,941	3,359,671	39%	(1,203,622)	522,282
661	Water Capital Facility Fee	4,683,163	29,000	14,522	50%	617,330	76,834	12%	(588,330)	4,094,833
662	Irrigation Water	2,985,750	2,334,302	4,649	0%	3,090,600	-	0%	(756,298)	2,229,452
663	BUA Water Capital Project Fund	2,539,838	25,000	2,837	11%	2,478,804	11,693	0%	(2,453,804)	86,034
669	BUA Water Debt Service Fund	95,933	2,295,130	1,228,456	54%	2,294,630	1,225,713	53%	500	96,433
Water Subtotal		12,030,588	12,188,751	5,302,868	44%	17,190,305	4,673,911	27%	(5,001,554)	7,029,034
680	Wastewater Operations	1,768,356	2,480,937	1,158,595	47%	3,268,321	1,414,273	43%	(787,384)	980,972
681	Wastewater Capital Facility Fees	10,991,950	1,741,488	1,160,006	67%	396,380	-	0%	1,345,108	12,337,058
683	BUA WWtr Capital Project Fund	3,636,125	5,000	3,692	74%	2,925,817	113,881	4%	(2,920,817)	715,308
685	State Revolving Loan	762,779	306,000	151,324	49%	304,295	254,388	84%	1,705	764,484
689	BUA Wastewater Debt Service Fund	90,135	532,560	354,302	67%	532,060	354,164	67%	500	90,635
Wastewater Subtotal		17,249,345	5,065,985	2,827,919	56%	7,426,873	2,136,706	29%	(2,360,888)	14,888,457
Sub-Total		29,279,933	17,254,736	8,130,787	47%	24,617,178	6,810,617	28%	(7,362,442)	21,917,491

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<i>Enterprise Funds</i>										
600	Airport	167,593	913,900	85,471	9%	663,202	89,170	13%	250,698	418,291
610	Transit Operations	-	2,911,297	1,483,418	51%	2,994,791	1,379,539	46%	(83,494)	(83,494)
690	Refuse	313,991	3,116,750	1,524,379	49%	3,068,574	1,491,674	49%	48,176	362,167
	Subtotal	481,584	6,941,947	3,093,268	45%	6,726,567	2,960,383	44%	215,380	696,964
670	Electric Operations	7,793,804	27,855,650	13,905,132	50%	28,057,427	11,740,343	42%	(201,777)	7,592,027
672	Rate Stability	4,894,559	40,000	8,023	20%	-	-	#DIV/0!	40,000	4,934,559
673	Electric Improvement	11,008,293	143,045	53,671	38%	1,130,214	275,448	24%	(987,169)	10,021,124
674	2007 Elec Rev Bond Proceeds	21,064,627	76,950	60,973	79%	-	12,400	#DIV/0!	76,950	21,141,577
675	Public Benefit Fund	1,008,963	694,000	352,141	51%	1,425,107	1,112,361	78%	(731,107)	277,856
678	2007 Elec Rev Bond Debt Service	120,340	2,960,300	762,104	26%	2,959,800	764,645	26%	500	120,840
	Electric Subtotal	45,890,586	31,769,945	15,142,044	48%	33,572,548	13,905,197	41%	(1,802,603)	44,087,983
	Sub-Total	46,372,170	38,711,892	18,235,312	47%	40,299,115	16,865,580	42%	(1,587,223)	44,784,947
<i>Internal Service Funds</i>										
700	Insurance	1,274,236	1,906,145	1,144,102	60%	2,274,981	1,324,539	58%	(368,836)	905,400
702	Fleet Maintenance	510,846	988,981	475,455	48%	1,188,981	429,454	36%	(200,000)	310,846
703	Information Systems Services	234,994	398,753	198,940	50%	538,753	187,449	35%	(140,000)	94,994
761	Utility Billing Services	567,323	936,414	477,457	51%	1,452,412	662,635	46%	(515,998)	51,325
	Sub-Total	2,587,399	4,230,293	2,295,954	54%	5,455,127	2,604,077	48%	(1,224,834)	1,362,565
<i>Community Redevelopment Agency Funds</i>										
810	Low Mod Housing	2,460,821	981,501	3,811	0%	435,189	55,844	13%	546,312	3,007,133
830	Debt Service Fund	937,086	5,039,156	19,507	0%	5,846,379	2,076,884	36%	(807,223)	129,863
850	Administration Fund	29,467	759,500	334,600	44%	804,722	334,817	42%	(45,222)	(15,755)
855	Tax Alloc Parity Bonds-2007 Tabs	14,234,142	50,000	15,595	31%	5,487,880	2,180,021	40%	(5,437,880)	8,796,262
856	Tax Allocation Bonds-2003 Tabs	1,679,616	10,000	2,701	27%	1,250,626	447,735	36%	(1,240,626)	438,990
857	Low Mod Tax Alloc Bonds-2003 Tabs	1,510,004	10,000	2,293	23%	1,335,285	220,064	16%	(1,325,285)	184,719
860	Project Fund	4,067,689	265,000	6,388	2%	1,420,187	226,073	16%	(1,155,187)	2,912,502
	Sub-Total	24,918,825	7,115,157	384,895	5%	16,580,268	5,541,438	33%	(9,465,111)	15,453,714
	GRAND TOTAL ALL FUNDS	114,697,613	87,146,609	34,397,645	39%	108,827,868	39,901,548	37%	(21,681,259)	93,016,354