



COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2020
City of Banning, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CITY OF BANNING, CALIFORNIA

For the Fiscal Year ended

JUNE 30, 2020

Prepared By:

Fiscal Services, Administrative Services Department

ADMINISTRATIVE SERVICES DIRECTOR
Jennifer Christensen, JD MBA CPFO CFIP

DEPUTY FINANCE DIRECTOR
Suzanne Cook, CGFM

Finance Staff

ACCOUNTANT II
Cornelio Datuin Cheryl Stafford

FINANCIAL SERVICES SPECIALISTS
Maribel Munoz Jacob Stewart Joyce Phillips

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CITY OF BANNING
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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City of Banning

February 26, 2021

Honorable Mayor, Members of the City Council & Citizens of the City of Banning, California,

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Banning (City) for the fiscal year ended June 30, 2020 (FY 2019-20), prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy of the data, the completeness and the fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed date is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City.

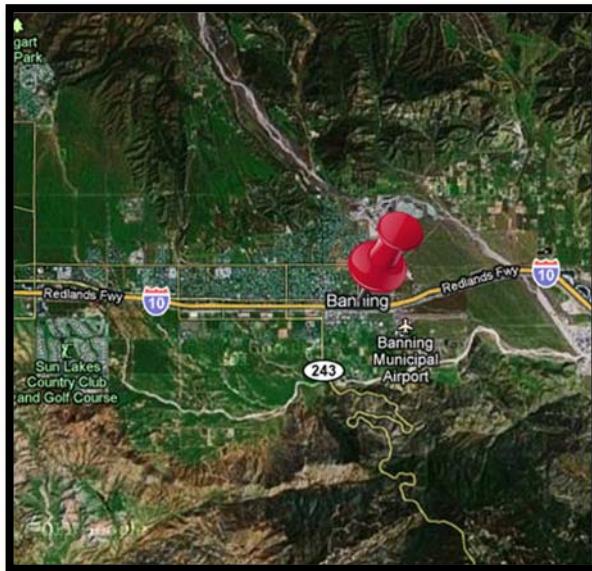
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Banning's MD&A can be found immediately following the independent auditor's report.

The City's financial statements have been audited by Lance, Soll & Lungren, CPAs (LSL). LSL is an independent public accounting firm fully licensed and qualified to perform audits of public agencies within the State of California.

The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that City's CAFR for the year ended June 30, 2020, and they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the City of Banning

The City of Banning is strategically located in Riverside county along the route of U.S. Interstate 10 approximately 25 miles northwest of Palm Springs and 82 miles east of Los Angeles. Beautifully located in the San Gorgonio Pass between the two highest mountain peaks in Southern California, Banning is only minutes away from many desert and mountain resorts. One of Banning's unique characteristics is that it provides the serenity of a rural setting yet has easy access to major metropolitan areas. Its unique location is at a relatively high altitude (2,350 feet) in the pass which provides a favorable year-round climate and air quality. Its municipal boundaries encompass 22.117 square miles.



Banning has a rich and colorful history. Its first permanent landmark, an adobe house, was built on a tract of land now known as the Gilman place, in 1854. The house was used as a stagecoach station and meal stop for many years. The Colorado Stage and Express Line included Banning on its route from Los Angeles to the Colorado River in 1862, where gold had been discovered. The railroad replaced the stagecoach in 1876.

Incorporated in 1913, Banning is a general law city with a council/manager type administration. The City has five elected council members. Mayor is appointed by the City Council. The City Manager is the Chief Administrative Officer and is appointed by the City Council.

The City of Banning is a full-service municipal government, which owns and operates its own electric, water and wastewater utilities. It also offers its residents an airport, local police protection, municipal bus service, seven parks, a swimming complex, a seasonally operated playhouse bowl, as well as youth and leisure programs. Recreation opportunities are also abundant in nearby areas, which offer golfing, fishing, hiking, and equestrian trails

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City is committed to a growing Banning and maintains a business-friendly approach to economic development. Thanks to continued investment in capital improvement projects, such as park facility rehabilitation, widening of roads, underground infrastructure, and new housing stock with over 4,000 new units under development and another few thousand more approved for construction in the near future, our story is just beginning. Our vibrant commercial environment is also home to large businesses and institutions that continue to invest in the city, including Diamond Hills Chevrolet GMC Buick, Lawrence Equipment and many others.

What were once vacant buildings throughout the city are now vibrant commercial shopping centers such as Sun Lakes Village, which is now home to Big 5, Marshalls and Hobby Lobby, and Stagecoach Plaza which includes Harbor Freight Tools.

Tri-Pointe Homes (previously Pardee) recently broke ground on Atwell in 2018, the city's largest residential development opportunity in 30 years. This 1,543-acre property will soon welcome families of all sizes. Featuring over 4,862 homes, two new schools, Commercial zoning, Community centers and plenty of open space.

Revitalization is coming in the form of capital improvement projects and replacement of old, deteriorated water infrastructure, and road widening and beautification along the Ramsey Corridor

Banning's small-town charm is attractive to small business owners and entrepreneurs looking to tell their story. With its close proximity to the I-10 freeway, Banning provides an ideal location. The Downtown Banning corridor includes a variety of shops and restaurants, as well as the historical Fox movie theatre.

Businesspeople see opportunity in Banning. They are attracted to the community because the City has prepared itself for development by controlling the sewer, water, and electric facilities. These low cost services in combination with a skilled work force, a housing supply that provides bargains for all income groups, a school district devoted to providing quality education to its students, an abundance of low-cost land, and the most favorable lease rates in all of the Inland Empire make Banning the place to locate.

The City has seen an assessed value of taxable property increase of 4.64% over 2019. This amounted to a tax levy increase of 5.84 % with collections increasing 3.69% at a 98.15% collection rate in 2020. In 2019, the population has seen an increase of 0.26% to 31,125. With the new developments in the city, this is expected to continue to go up. Per capita personal income has increased 5.32% and the unemployment rate holds steady at 5.0% in 2019 per data from the California State Department of Finance, and Employment Development Department. Additional information can be found in the statistical section of the CAFR.

Budget Process and Long-term Financial Planning

Of all the functional areas of city government finance, one of the most critical to success is budgeting. Budgeting has many dimensions: managerial, planning, communications, financial. A sound budget process encourages the development of organizational goals, establishes policies, and plans to achieve those goals, and allocates limited resources through the process that are consistent with these goals, policies, and plans. There is also a focus on measuring performance to determine what has been accomplished with the allocated resources.

The council's work is important in emphasizing that budgeting should have a long-range perspective, and not simply an exercise in balancing revenues and expenditures one year at a time. Sound budget policies encourage governments to consider the longer-term consequences of their actions. All budget decisions need to be understood over a multi-year planning horizon to assess whether program and service levels can be sustained.

While these processes and policies will not solve all of the problems encountered in budgeting, a thoughtful and transparent process governed by clear financial and budgetary policies can enhance the quality of decision making by encouraging practices that illuminate the key issues and choices facing the community.

A budget process that is well integrated with the other activities of city government, such as the planning and management functions, will provide better financial and program decisions and lead to improved city operations. A budget process that involves all stakeholders (elected officials, city administrators, employees and their representatives, citizen groups, and business leaders) and reflects their needs and priorities will serve as a positive force in maintaining good public relations and enhancing citizens' and other stakeholders' overall impression of city government.

A good budget process is far more than the preparation of a legal document that appropriates funds for a series of line items. Adherence to adopted financial policies promotes sound financial management, can lead to improvement in bond ratings, lower cost of capital, and improve the city's financial stability by helping city officials plan fiscal strategy with a consistent approach. It reduces the impact of unexpected shortfalls which could lead to reductions of city services. It also provides assurance to the community that the city's financial resources are being utilized to bring value and maximum quality of life.

Budgeting is guided by sound fiscal policy and it is characterized by these essential principles:

- Incorporates a long-term perspective.
- Establishes linkages to broad organizational goals.
- Focuses budget decisions on results and outcomes.
- Involves and promotes effective communication with stakeholders.
- Provides incentives to administration and employees.

When developing budget and fiscal policies, the City places emphasis on the following **CORE VALUES** known as: **C-I-T-Y**:

Customer Service Excellence – We excel in what we do by staying responsive, flexible, patient, effective, and professional.

Integrity – We are ethical, transparent, and compliant with our responsibility to the public and community.

Teamwork – We work together and maintain great communication and respect and foster a fun and enjoyable atmosphere to take pleasure in what we do.

Yes-Minded - We recognize diversity and maintain a positive attitude to do all we can to promote a City culture where our employees can do their best work, so our community can live its best life.

Based on established budgetary policies, prior to July 1st, the City Manager, the Administrative Services Director, and the Deputy Finance Director, working with the directors of the various city departments present a balanced budget to the City Council for approval. The budget is prepared on a bi-annual basis. During the budget cycle, two budgets are prepared, the operating budget and the capital budget for each of the respective fiscal years. The supporting budget documents provide the following:

- Revenue and expense assumptions upon which the budget is based.
- Number of budgeted full time equivalent (FTE) employees.
- Mission, strategic priorities, and impact of each operating department.
- Prior year actual, current year adopted budget, current year estimated actual, and new year recommended expenditures and revenues by department. The recommended budget will become the adopted budget.
- Descriptions of significant expenditure and revenue changes, and related operational impacts by the department.

The capital budget reflects the annual amount appropriated for each capital project included in the long-range Capital Improvement Program. When the council authorizes a new capital project, it approves the estimated total project cost and schedule. The approval of the project budget authorizes total expenditures over the duration of the construction project, which often spans multiple fiscal years. The bi-annual capital budget authorizes the anticipated expenditures for the scope of work anticipated to be completed in the upcoming fiscal year.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada has an award for the Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR). In order to achieve this Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. For its CAFR for the fiscal year ending June 30, 2020 the City of Banning is submitting its CAFR for the first time to determine its eligibility to receive this distinguished award of excellence and achievement.

The City's Comprehensive Annual Financial Report and successful conclusion of fiscal year 2019-20 would not be possible without the dedicated and efficient services of the City's Finance Department and the assistance of all City Departments in providing the necessary data to prepare this report. In addition, City Staff truly appreciates the ongoing leadership and support of the Mayor and City Council.

Respectfully submitted,



Douglas Schulze
City Manager



Jennifer Christensen
Administrative Services Director



Suzanne Cook
Deputy Finance Director



Elected Officials

City Council



Daniela Andrade
Mayor
District 1 (11/20)



Colleen Wallace
Mayor Pro Tem
District 5 (11/22)



Kyle Pingree
Council Member
District 2 (11/20)



David Happe
Council Member
District 4 (11/22)



Arthur L. "Art" Welch
Council Member
District 3 (11/20)

City Treasurer



Dr. John McQuown
(11/20)

City Clerk



Marie A. Calderon
(11/20)



Executive Staff

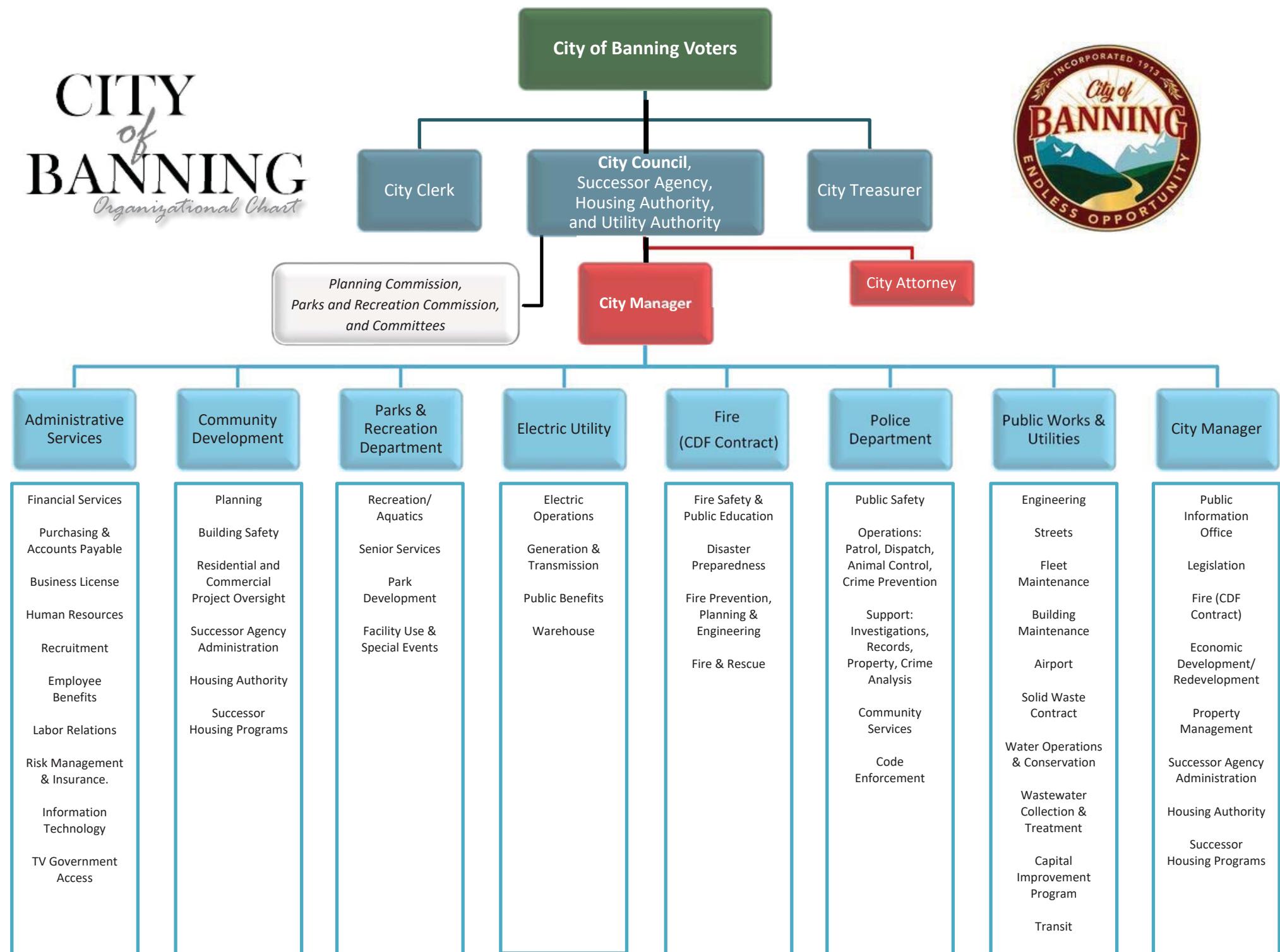
Douglas Schulze
City Manager

Jennifer Christensen Administrative Services Director
Art Vela Public Works Director
Adam Rush Community Development Director
Ralph Wright Parks & Recreation Director
Tom Miller Electric Utility Director
Matthew Hamner Police Chief
Todd Hopkins Division Chief (CalFire/Riverside County)

CITY of BANNING

Organizational Chart

City of Banning Voters



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Banning, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of City of Banning, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Banning, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





To the Honorable Mayor and Members of the City Council
City of Banning, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the general fund, the schedule of changes in net pension liability and related ratios (Miscellaneous rate Plan), the schedules of plan contributions, the schedule of proportionate share of the net pension liability (Safety Rate Plan) to 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



To the Honorable Mayor and Members of the City Council
City of Banning, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of the City'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lungard, LLP". The signature is fluid and cursive, with "Lance" and "Soll" on the first line and "Lungard, LLP" on the second line.

Brea, California
February 26, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Banning (City) presents this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2020 (FY 2020). This discussion is intended to provide an introduction to the City's basic financial statements, as well as a financial comparison with the fiscal year ended June 30, 2020 (FY 2020).

City management encourages readers to consider the information presented within this discussion and analysis in conjunction with the City's financial statements. The City's financial statement are in adherence to the pronouncements of the Governmental Accounting Standards Board (GASB). This annual report consists of five (5) sections as arranged in the Table of Contents:

- 1. Independent Auditors' Report,**
- 2. Management's Discussion and Analysis,**
- 3. Basic Financial Statements,**
- 4. Required Supplementary Information, and the**
- 5. Combining and Individual Fund Statements and Schedules for Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds.**

Although the Combining Statements provide details about Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds. The totals of Non-major funds, governmental and proprietary, are summarized in the Basic Financial Statements as "Other Governmental Funds" and "Other Enterprise Funds." The total of Internal Service Funds is also brought forward.

The General Fund Budgetary Comparison Schedule is in the section 4, Required Supplementary Information. Budgetary Comparison Schedules for each governmental fund are in section 5, Schedules for Non-Major Governmental Funds.

FOCUS OF MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis will focus on financial information contained in section 3. Basic Financial Statements. Other key points from other sections may be included.

The Basic Financial Statements present operation and fiscal accountability measurements, or in their presentation order, Government-wide and Funds, as required by GASB Statement 34 (GASB 34).

The two measurements differ in that Government-wide Statements report current and long-term activities on a full accrual basis of accounting, whereas, Fund Statements report current year transactions on a modified accrual basis of accounting. The focus here intends to explain the differences of the reporting requirements and to highlight areas of importance.

FRAMEWORK OF GASB STATEMENT 34 REPORTING MODEL

GASB 34 required all local and state governments in the United States to implement the new reporting model by June 15, 2003. GASB 34 requires that governments present top level, or Government-wide, financial statements using full accrual accounting, similar to business enterprises, for all City activities. GASB recognized the importance of traditional Fund statements by requiring the two presentations, traditional Fund statements and the new GASB 34 Government-wide statements.

- ❖ Government-Wide Financial Statements,
 - Operational accountability considers whether sufficient resources exist to cover the cost of providing services in the long term, i.e., the economic resource flows measurement focus, full accrual basis of accounting
 - Top level statements consolidate all City-wide activities in two column format
 - Governmental Activities
 - Business-Type Activities
 - Top level statements report City-wide activities in two statements
 - Statement of Net Position
 - Statement of Activities
- ❖ GASB 34 Reconciliation to convert Fund statements to Government-wide statements
 - Converts Governmental Funds to Governmental activities
 - Converts Proprietary Funds to Business-Type Activities
- ❖ Fund Financial Statements report fiscal accountability using the current financial resource flows measurement focus, modified accrual basis of accounting.
 - Types of funds
 - Governmental funds
 - Proprietary funds
 - Non-major Funds are reported in Combining Statements
 - Fiduciary Funds are not reported in Government-wide Financial Statements

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements, in the section Basic Financial Statements, provide additional information that is essential to the full understanding of the financial information contained therein.

In Note 1 of the Notes to Financial Statements, Organization and Summary of Significant Accounting Policies, there is further discussion as to the source of authoritative reporting requirements, the significance of those policies on the City's financial statements and provide additional supporting information as to the basis for the presentation formats of the Basic financial statements.

PROCESSING THE FINANCIAL STATEMENTS

Accounting information is internally processed in traditional City funds categorized as Governmental, Proprietary or Fiduciary, based on the activity. Fund Financial Statements (pre-GASB 34) are prepared from the accounting information collected for each individual fund. Again, subsequent year-end adjustments are calculated to provide the reconciliations to arrive at Government-Wide Financial Statements (GASB 34 model).

Funds are classified as either major or non-major funds based on criteria established by GASB. Major funds are individually reported in the Funds Financial Statements. The non-major funds are individually reported in the section "Combining Fund Statements and Schedules".

The traditional Fund Financial Statements focus on funds' accounting of the city government that reflect the City's accounting and budgetary structure. City's operations are accounted for in funds in much more detail. There are three (3) main fund categories; Governmental, Proprietary and Fiduciary. There are Fund Financial Statements for each main fund category, i.e., Governmental, Proprietary and Fiduciary. Within each of the reports, the report columns will provide each major fund and the total of non-major funds; the non-major funds are sub-totaled in columns entitled "Other Governmental Funds" and "Other Enterprise Funds".

Since full accrual is the method of accounting for Proprietary Funds in the Funds Financial Statements, the reconciliations necessary to arrive at Business-Type Activities are not as extensive as for Governmental Funds which are accounted for using modified accrual accounting. Those reconciling items are included within the Proprietary Funds' Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position.

GASB 34 reconciliations provide the necessary long-term adjustments to bridge the results of Governmental Funds and convert into Government-wide financial statements.

There are two reconciliations that convert Governmental Funds in the Funds Financial Statements to Governmental Activities in the Government-Wide Financial Statements. Those are a Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide, Governmental Activities, Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. The two reconciliations provide the linkage from Governmental Funds' operations to Governmental Activities in the Government-Wide Financial Statements.

1. Converts Governmental Funds to Governmental activities
 - a. Balance Sheet of Governmental Funds to Statement of Net Position
 - b. Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities
2. Converts Proprietary Funds to Business-Type Activities
 - a. Interfund Eliminations
 - b. Internal service fund adjustments related to Proprietary funds

The Government-Wide Financial Statements accomplish the GASB 34 model by reporting designated "Governmental Activities" and "Business-Type Activities" in a two column format resulting in Government-wide totals (City-wide). Governmental Activities are Governmental Fund totals and the reconciliation to full accrual. Similarly, the Business-Type Activities are the Proprietary Fund totals and their applicable reconciling items. The totals of these two types of City activities are the Government-wide totals.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

REPORTING THE CITY AS A WHOLE

Government-Wide Financial Statements provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.

All City funds, as well as, the Banning Financing Authority, Banning Housing Authority, Banning Public Facilities Corporation, and the Banning Utility Authority are included. These component units, while legally separate from the City, provide services entirely or almost exclusively for the benefit of the City. Therefore, these component units are blended with the City government because of their governing structure and the relationship with the City.

As noted earlier, in this presentation, City operations are designated as either a "Governmental Activities" or a "Business-Type Activities", and reported under the designated columns, as identified in the Fund Financial Statements. "Reporting the City as a Whole" is the total of the two activities.

Key items affecting the City's Net Position are highlighted below.

HIGHLIGHTS OF THE CITY AS A WHOLE

- ❖ As of June 30, 2020, the City's Net Position, which is the difference between the City's assets and deferred outflows of resources versus its liabilities and deferred inflows of resources, is at \$196.68 million, a decrease of \$4.09 million over June 30, 2019.
- ❖ At the close of the fiscal year, the Unrestricted portion of the Net Position, that which may be used to meet on-going obligations due to creditors, is \$49.00 million, a decrease of \$1.74 million over the prior fiscal year. The Net Investment in Capital Assets, another component of Net Position, was \$123.70 an increase of \$1.59 million over June 30, 2019. The Restricted portion of the Net Position amounted to \$23.87 million, a decrease of \$4.04 million over the prior fiscal year.
- ❖ GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) and Statement No. 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date) require that the Net Pension Liability be presented on the face of the financial statements. At June 30, 2020, the total Net Pension Liability for the City of Banning, government-wide, was \$42.89 million, an increase of \$2.8 million over the prior fiscal year.

A COMPARATIVE SUMMARY OF CITY'S NET POSITION

Net Position represents the difference between the City's resources (total assets and deferred outflows of resources) and its obligations (total liabilities and deferred inflows of resources). Over time, Net Position may serve as an indication of a government's financial position. The Statement of Net Position measures the City's Net Position. This is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's Net Position may serve as an indicator of whether or not its financial health is improving or deteriorating.

The City's Net Position, net expenses over revenues, decreased by \$4.09 million to \$196.68 million from the prior fiscal year.

The City's Net Position from Governmental Activities is \$72.61 million, a decrease of \$5.76 million, which was mainly due to a \$1.39 million increase in Public Safety, \$1.56 million increase in Community Development activities and \$0.34 million increase in Transportation activities.

The City's Net Position from Business-Type Activities is \$124.07 million, an increase of \$1.68 million. Program and General Revenues amounted to \$53.16 million, a decrease of \$0.2 million, mainly due to a decrease charges for services, while expenses totaled \$50.80 million, a decrease from last year's \$49.99 million.

ASSETS AND DEFERRED OUTFLOWS

The City's Total Assets decreased \$3.09 million to \$298.65 million. Deferred outflows decreased \$0.20 million to \$10.26 million. Total Assets and Deferred outflows are \$308.91 million.

LIABILITIES AND DEFERRED INFLOWS

The City's Total Liabilities increased \$0.82 million to \$111.22 million. Deferred inflows decreased \$0.01 million to \$1.01 million. Total Liabilities and Deferred inflows are \$112.22.

GASB 54 CLASSIFICATIONS OF NET POSITION

GASB 54 established a hierarchy of constraints applicable to the resources available in Fund Balances as well as the component of Net Position that corresponds to fund balances. The City's Net Position is made-up of three components: Net Investment in Capital Assets (net of related debt), Restricted, and Unrestricted.

Table 1 is a comparison of the Net Position in the Basic Financial Statements – Statement of Net Position with previous year. It includes both Changes in Net Position and any Restatements of Net Position. The City's Government-Wide Total Net Position for FY2020 is \$196.68 million, a decrease of \$4.09 million, or 2.0% under the June 30, 2019 balance. Total assets decreased by \$3.09 million while total liabilities also showed an increase by \$0.82 million. Corresponding analysis of the causes of these changes are reflected in the following paragraphs.

The *Net investment in Capital Assets* of \$123.70 million represents 62.89% of the City's Total Net Position. Investment in capital assets (e.g., infrastructure, land, structures and improvements, furniture and equipment) for this purpose is reduced by unspent bond proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported Net of Related Debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. No new long-term debt was incurred during the current fiscal year that would have significantly affected this section. Any decrease, therefore, is mainly due to recurring annual depreciation of the capital assets offset by additional capitalized expenditures for FY2020.

The portion of the City's Net Position subject to *external restrictions* in how they may be used is \$23.87 million (12.14% of the Total Net Position). The Restricted Net Position includes Community Development Projects, Public Safety, Parks and Recreation, Public Works, Capital Projects, and Debt Service.

The remaining *Unrestricted Net Position* balance of \$49.11 million (24.97% of the Total Net Position) may be used to meet the government's ongoing obligations to citizens and creditors within the

program areas. The negative unrestricted net position in the Governmental Activities is mainly the result of the implementation of GASB Statement No. 68 and 71. Net Pension Liability for Governmental and Business Type Activities were \$27.84 million and \$15.05 million respectively. Additional information can be found in the Notes to Financial Statements.

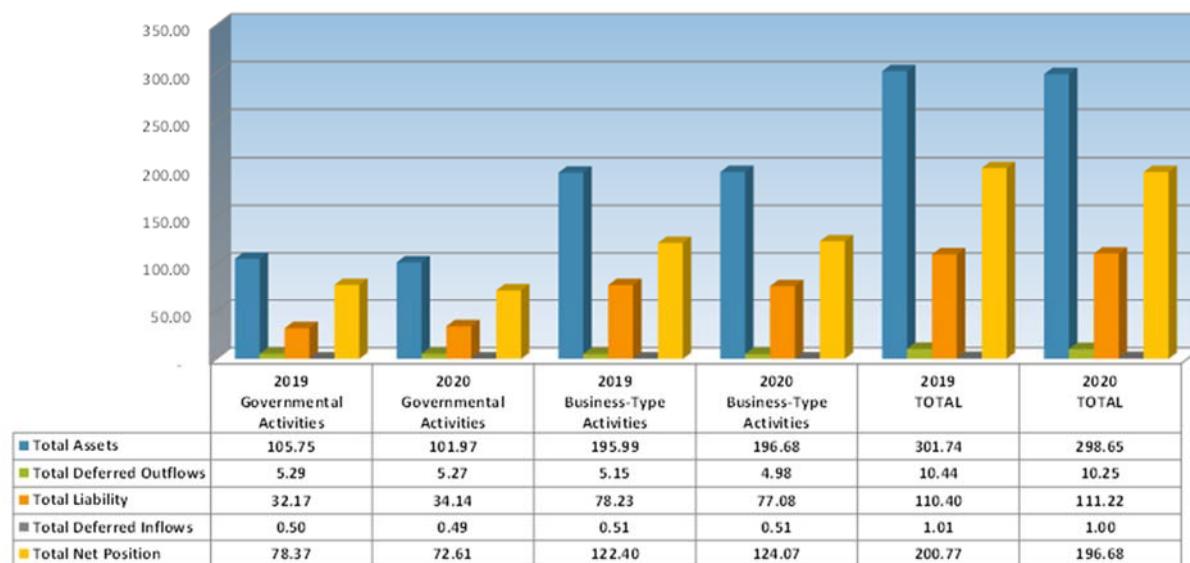
Table 1 summarizes the Statement of Net Position of the City and provides a comparison.

Table 1 - Summary of Net Position (In Millions)

Assets:	Governmental Activities		Business-Type Activities		Government-Wide Totals		% CHG
	2019	2020	2019	2020	2019	2020	
Current and other assets	38.44	36.25	83.85	84.68	122.28	120.92	1.1%
Capital assets	67.31	65.73	112.14	112.00	179.45	177.73	1.0%
TOTAL ASSETS	\$ 105.75	\$ 101.97	\$ 195.99	\$ 196.68	\$ 301.74	\$ 298.65	1.0%
Deferred outflows on refunding	-	-	2.94	2.76	2.94	2.76	6.1%
Deferred pension related items	5.29	5.27	2.21	2.22	7.50	7.49	0.1%
TOTAL DEFERRED OUTFLOWS	\$ 5.29	\$ 5.27	\$ 5.15	\$ 4.98	\$ 10.44	\$ 10.25	1.8%
Liabilities:							
Current and other liabilities	5.44	5.00	7.25	8.07	12.70	13.07	2.9%
Long-term liabilities*	26.73	29.14	70.97	69.01	97.70	98.15	0.5%
TOTAL LIABILITIES	\$ 32.17	\$ 34.14	\$ 78.23	\$ 77.08	\$ 110.40	\$ 111.22	0.7%
Deferred inflows on refunding	-	-	-	0.10	-	0.10	0.0%
Deferred pension related items	0.50	0.49	0.51	0.41	1.01	0.90	10.9%
TOTAL DEFERRED INFLOWS	\$ 0.50	\$ 0.49	\$ 0.51	\$ 0.51	\$ 1.01	\$ 1.00	1.0%
Net Position:							
Net investment in capital assets	66.69	65.52	55.42	58.18	122.11	123.70	1.3%
Restricted for:							
Community Development Projects	2.65	2.73	-	-	2.65	2.73	3.0%
Public Safety	0.31	0.29	-	-	0.31	0.29	6.5%
Culture and Leisure	0.04	0.05	-	-	0.04	0.05	25.0%
Transportation	3.86	3.07	-	-	3.86	3.07	20.5%
Capital Projects	8.16	7.48	6.91	6.55	15.07	14.03	6.9%
Debt Service	-	-	-	-	-	-	0.0%
SCPPA Projects	-	-	2.03	0.80	2.03	0.80	0.0%
SCPPA Project Stabilization Fund	-	-	3.96	2.90	3.96	2.90	0.0%
Unrestricted	(3.34)	(6.53)	54.08	55.64	50.74	49.11	3.2%
TOTAL NET POSITION	\$ 78.37	\$ 72.61	\$ 122.40	\$ 124.07	\$ 200.77	\$ 196.68	2.0%

Note: Details can be found in the "Statement of Net Position"

Chart 1 – provides a visual summary of the information presented in Table 1.



Note: Details can be found in the "Statement of Net Position"

STATEMENT OF ACTIVITIES

Table 2 is a two-year comparison of the Governmental and Business-Type Activities in the Statement of Activities. Comparisons are provided for City-wide Revenues and Expenses by Function/Program, the Change in City-wide Net Position, and the Beginning and Ending Net Position.

Table 2 - Statement of Activities (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2019	2020	2019	2020	2019	2020
Revenues						
Program Revenues:						
Charges for Services	4.93	6.30	49.66	49.22	54.59	55.52
Operating Contributions and Grants	0.88	2.03	1.84	2.23	2.72	4.26
Capital Contributions and Grants	0.20	0.56	-	-	0.20	0.56
Subtotal Program Revenues	6.01	8.89	51.50	51.45	57.51	60.34
General Revenues:						
Property Taxes	5.22	5.38	-	-	5.22	5.38
Sales Taxes	4.47	4.30	-	-	4.47	4.30
Business Licenses Taxes	0.17	0.17	-	-	0.17	0.17
Franchise Taxes	0.90	0.92	-	-	0.90	0.92
Transient Occupancy Taxes	0.90	0.80	-	-	0.90	0.80
Other Taxes	1.20	1.16	-	-	1.20	1.16
Motor Vehicle In-Lieu	0.02	0.02	-	-	0.02	0.02
Use of Money and Property	1.13	0.97	1.59	1.01	2.72	1.98
Other	0.55	0.44	0.27	0.69	0.83	1.13
Gain on sale of capital asset	-	-	-	0.01	-	0.01
Subtotal General Revenues	14.56	14.17	1.86	1.71	16.43	15.88
TOTAL REVENUES	20.57	23.06	53.36	53.16	73.94	76.22
Expenses						
General Government	3.12	3.21	-	-	3.12	3.21
Public Safety	13.58	14.97	-	-	13.58	14.97
Community Development	2.01	3.57	-	-	2.01	3.57
Culture and Leisure	1.61	1.66	-	-	1.61	1.66
Transportation	5.75	6.09	-	-	5.75	6.09
Interest on Long-term debt	0.04	0.02	-	-	0.04	0.02
Airport	-	-	0.35	0.32	0.35	0.32
Transit	-	-	2.32	2.37	2.32	2.37
Electric Utility	-	-	31.02	30.81	31.02	30.81
BUA Water	-	-	8.32	8.70	8.32	8.70
BUA Wastewater	-	-	3.50	3.78	3.50	3.78
Refuse	-	-	4.48	4.82	4.48	4.82
TOTAL EXPENSES	26.11	29.52	49.99	50.80	76.10	80.32
Increase/(Decrease) in Net Position						
Before Transfers and Special Items	(5.55)	(6.46)	3.38	2.37	(2.17)	(4.09)
Transfers	0.64	0.70	(0.64)	(0.70)	-	-
Increase/(Decrease) in Net Position	(4.91)	(5.76)	2.74	1.67	(2.17)	(4.09)
Net Position at Beginning of Year	83.29	78.37	117.12	122.40	200.41	200.77
Restatement of Net Position	-	-	2.54	-	2.54	-
Net Position at End of Year	78.37	72.61	122.40	124.07	200.77	196.68

Note: Details can be found in the "Statement of Activities"

GOVERNMENT-WIDE REVENUES AND EXPENSES

In the following two paragraphs, refer to Table 2 for Government-wide Revenues and Expenses. Net Revenues over Expenses decreased the City's Net Position by \$4.09 million.

The total Government-Wide revenues for FY2020 were \$76.22 million, \$23.06 million from Governmental Activities, and \$53.16 million from Business-Type Activities. City-wide total revenues increased by \$2.28 million, or 3.08%, from \$73.94 million in FY 2019.

Total Government-Wide expenses for FY2020 are \$80.32 million, an increase of \$4.22 million or 5.55% over FY 2019. City-wide total expenses supporting Governmental Activities was \$29.52 million or 36.75%, and Business-Type Activities, \$50.8 million, or 63.25%.

GOVERNMENTAL ACTIVITIES

Net Position for Governmental Activities was \$72.61 million, a decrease of \$5.75 million or 7.34% from FY 2019.

REVENUES

Total Revenues for Governmental Activities were \$23.06 million.

Charges for Services amounted to \$6.30 million for the current year which represents approximately 27.32% of the total revenues in the Governmental Activities category.

Revenues from overall tax sources decreased 1.01% in FY2020. The two largest taxes sources were Property Taxes and Sales Taxes, \$5.38 million and \$4.30 million, respectively. In comparison to the FY2019 levels, Property Taxes moderately increased 3.07% from \$5.22 million and Sales Taxes decreased 3.80% from \$4.47 million.

EXPENSES

Total Expenses for Governmental Activities were \$29.52 million.

Governmental Activities expenses increased 13.06% to \$29.52 million, \$3.41 million more than last year. The breakdown by governmental activity follows; General Government expenses increased \$85,337, Public Safety increased \$1,399,132, Community Development increased \$1,560,503 Culture and Leisure increased \$52,439. Public Works/Transportation expenses increased \$342,482, and Interest on long-term debt decreased \$19,547.

GOVERNMENTAL ACTIVITIES-NET REVENUES (EXPENSES)

The Net Revenues (Expenses) show the financial burden that was placed on the City's taxpayers by each of the functions.

Table 3 and Chart 3 focus on the Revenues and Expenses (Cost of Services) in the Statement of Activity related to Governmental Activities. Chart 3 compares each program, the Revenues, in blue, versus Expenses, in red. Note that the General Government program revenues sufficiently cover program expenses, but for all other governmental activities, program expenses and revenues are subsidized by General Revenues (Taxes, Use of Money and Property, Other Revenue and Transfers).

Table 3 - Program Net Cost: Government Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2019	2020	% Chg	2019	2020	% Chg	2019	2020	% Chg
General Government	3,786,420	2,454,033	35%	3,124,340	3,209,677	3%	662,080	(755,644)	214%
Public Safety	189,348	494,724	161%	13,575,303	14,974,435	10%	(13,385,955)	(14,479,711)	8%
Community Development	1,074,912	3,463,315	-	2,012,561	3,573,064	78%	(937,649)	(109,749)	88%
Culture & Leisure	304,561	410,190	35%	1,612,308	1,664,747	3%	(1,307,747)	(1,254,557)	4%
Transportation	650,467	2,066,734	218%	5,747,250	6,089,732	6%	(5,096,783)	(4,022,998)	21%
Interest on long-term debt	-	-	-	36,109	16,562	54%	(36,109)	(16,562)	54%
Government Subtotal	6,005,708	8,888,996	48%	26,107,871	29,528,217	13%	(20,102,163)	(20,639,221)	3%
General Revenues*	14,550,677	14,174,546	3%	-	-	-	14,550,677	14,174,546	3%
Transfers	638,759	699,653	10%	-	-	-	638,759	699,653	10%
TOTAL	21,195,144	23,763,195	12%	26,107,871	29,528,217	13%	(4,912,727)	(5,765,022)	17%

Note: Details can be found in the "Statement of Activities"

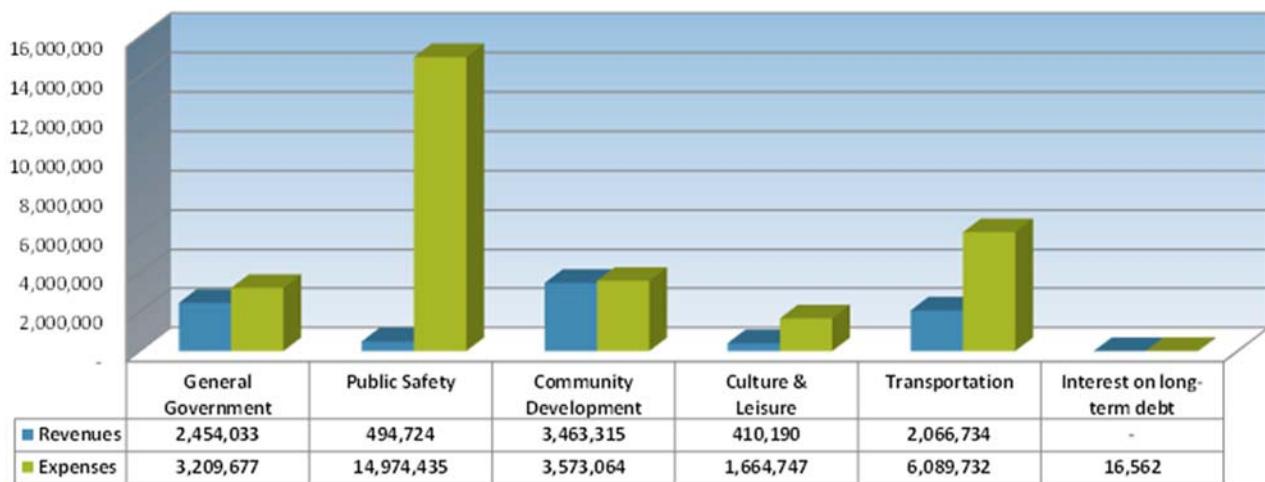


Chart 3: Details can be found in the "Statement of Activities"

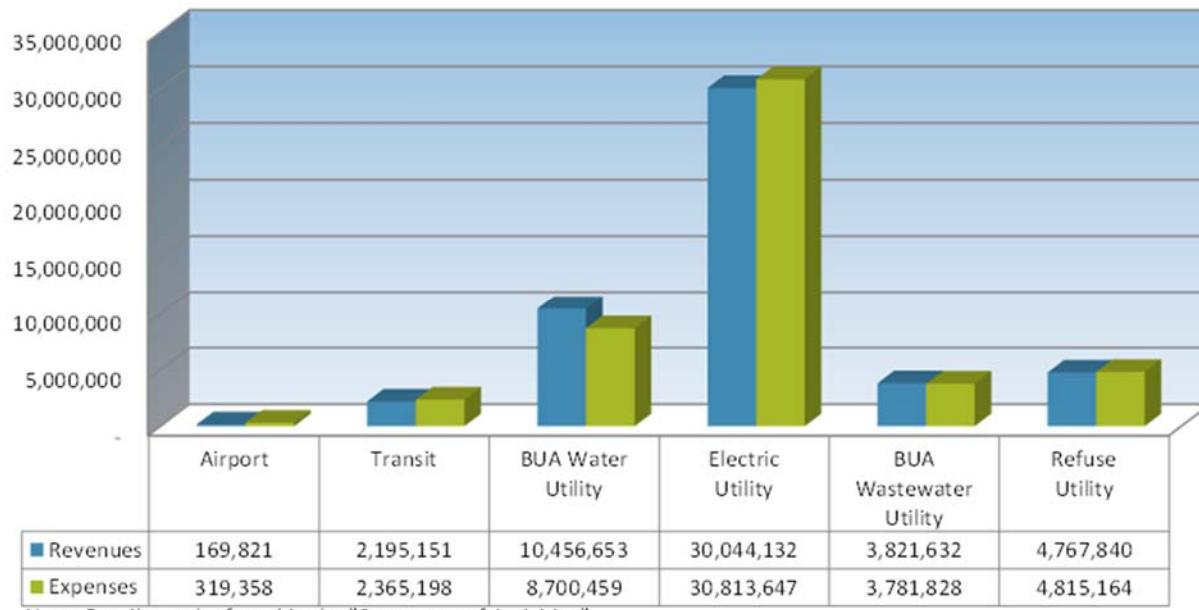
BUSINESS-TYPE ACTIVITIES

Table 4 focus is on the information on the Statement of Activities that relates to Business-type Activities which are the City's six services funded by customer user fees; Airport, Transit, BUA Water Utility, Electric Utility, BUA Wastewater Utility, and Refuse Utility; revenues, the cost of each program, and its net cost.

Table 4 - Program Net Cost: Business-Type Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2019	2020	% Chg	2019	2020	% Chg	2019	2020	% Chg
Airport	199,253	169,821	15%	353,205	319,358	10%	(153,952)	(149,537)	3%
Transit	1,674,948	2,195,151	31%	2,315,554	2,365,198	2%	(640,606)	(170,047)	73%
BUA Water Utility	9,893,198	10,456,653	6%	8,316,156	8,700,459	5%	1,577,042	1,756,194	11%
Electric Utility	31,498,810	30,044,132	5%	31,020,023	30,813,647	1%	478,787	(769,515)	261%
BUA Wastewater Utility	3,673,850	3,821,632	4%	3,502,698	3,781,828	8%	171,152	39,804	77%
Refuse Utility	4,562,696	4,767,840	4%	4,483,427	4,815,164	7%	79,269	(47,324)	160%
Business Subtotal	51,502,755	51,455,229	0%	49,991,063	50,795,654	2%	1,511,692	659,575	56%
General Revenues	1,867,330	1,708,495	9%	-	-	-	1,867,330	1,708,495	9%
SUBTOTAL	53,370,085	53,163,724	0%	49,991,063	50,795,654	2%	3,379,022	2,368,070	30%
Transfers	-	-	-	638,759	699,653	-	(638,759)	(699,653)	10%
TOTAL	53,370,085	53,163,724	0%	50,629,822	51,495,307	2%	2,740,263	1,668,417	39%

Note: Details can be found in the "Statement of Activities"



Note: Details can be found in the "Statement of Activities"

Important highlights of the Changes in Net Position of Business-Type Activities are:

- Net Position from Business-Type Activities was \$124.07 million (see Table 2).
- Business-type activities increased Net Position by \$1.67 million (see Table 2).
- All Business-type activities contributed to the Increase in Net Position. The FY 2020 results of Net Revenues (Expenses) was \$1,668,417, including non-operating revenue of \$1,708,495 as shown in Table 4.

- Net increases (decreases) by program operations are detailed in Table 4; Airport (\$149,537), Transit (\$170,047), Water \$1,756,194, Electric (\$769,515), Wastewater \$39,804, and Refuse (47,324).

FUNDS FINANCIAL STATEMENTS

Funds are accounted for on a modified accrual basis. Their focus is on reporting financial information useful for managing the budget and day to day operations.

Funds Financial Statements of the report ties in most closely to the financial information relied upon for managing the budget and the day to day operations of the City.

The Fund Financial Statements are divided into three fund types:

- **Governmental funds statements** tell how general government services such as police, fire, public works and special revenue funds were financed in the short-term as well as what remains for future spending. Property taxes, sales tax, transient occupancy tax, interest income, franchise fees, grants, contributions from other agencies, and other revenues fund these activities. The General Fund is reported as a major fund; all other Governmental funds are non-major.
- **Proprietary funds statements** offer short-term and long-term financial information of the City's utilities, the major proprietary funds, water, wastewater and electric, as well as airport, transit and refuse collection services. These funds require the use of full accrual accounting.
- **Internal Service funds statements** are reported with Governmental activities.
- **Fiduciary funds statements** provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of other governmental units, private organizations, or individuals to whom the resources belong. The Successor Agency, assessment districts and other non-City funds are accounted for in these fund types.

A fund is an accounting entity with a self-balancing set of accounts that the City uses to keep track of resources that have been segregated for specific activities or objectives. In addition, while some funds are required to be established by State law and by bond covenants, management has also established other funds to help control and manage money for particular purposes or to show that the legal responsibilities for using certain taxes, grants, and other resources are being met.

The City uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. The Fund Financial Statements focus on individual parts of the City government, thus reporting the City's operations in more detail than the Government-Wide statements. The types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds, and Internal Service Funds. Proprietary and Fiduciary Funds are also reported in this section. The fund statements provide information on near-term inflows, outflows and balances of spendable resources. Budget and interim council reporting are generally based on these funds.

The City adopts an annual appropriated budget which includes the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with the budget.

Although the annual operating budget includes Proprietary and Fiduciary Funds, those budgets are not required to be comparatively reported in the annual audit report.

GOVERNMENTAL FUNDS

Governmental Funds only focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Fund Financial Statements include the General Fund, the major fund of the governmental funds, and Other Governmental Funds, which are the total of the non-major governmental funds.

All City Funds are presented separately, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The General Fund is considered a Major Governmental Fund. Each of the Non-Major Governmental Funds are reported in the "Combining and Individual Fund Statements and Schedules" that follow the Notes to Financial Statements and the totals are brought forward to the "Other Governmental Funds" column of the Funds Financial Statements.

GOVERNMENTAL FUNDS HIGHLIGHTS

- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$26.81 million, a decrease of \$3.18 million, -10.61% compared to last fiscal year.
- ❖ GASB 54 requires governments to classify fund balances according to the spending constraints defined by GASB 54. For the General Fund, \$3.04 of the \$11.78 million fund balance is Unassigned, that is, those funds do not have restrictions. However, the remaining \$8.74 million is in the categories of Non-spendable, Restricted, Committed or Assigned.

GOVERNMENTAL REVENUES

Table 5 below presents a summary of Governmental Fund Revenues by Revenue category for the fiscal year 2019-20, with comparative amounts from the prior year. Fiscal Year 2019-20 Revenues were \$23,034,448, an increase of \$2,094,444 compared to the previous fiscal year.

Table 5 - Comparison of Governmental Revenues

	2018-19	% of Total Revenues	2019-20	% of Total Revenues	\$ Increase / (Decrease)	% Change
Taxes	12,849,432	61.36%	12,742,196	55.32%	(107,236)	0.83%
Licenses & Permits	925,340	4.42%	3,362,718	14.60%	2,437,378	263.40%
Intergovernmental	1,429,852	6.83%	2,576,501	11.19%	1,146,649	80.19%
Charges for Services	3,519,930	16.81%	2,422,355	10.52%	(1,097,575)	31.18%
Use of Money & Property	1,006,328	4.81%	824,149	3.58%	(182,179)	18.10%
Fines and Forfeitures	233,389	1.11%	169,833	0.74%	(63,556)	27.23%
Contributions	15,448	0.07%	17,137	0.07%	1,689	10.93%
Successor Agency Admin	250,000	1.19%	250,000	1.09%	-	0.00%
Miscellaneous	710,285	3.39%	669,559	2.91%	(40,726)	5.73%
TOTAL	20,940,004	100.00%	23,034,448	100.00%	2,094,444	10.00%

Note: Details can be found in the "Statement of Revenues, Expenditures and Changes in Fund Balances"

GOVERNMENTAL EXPENDITURES

Table 6 summarizes the Governmental Fund Expenditures by function for the fiscal years 2018-19 and 2019-20, with related percent of total expenditures for each fiscal year. Expenditures for FY2020 were \$26,871,137, an increase of \$6,497,172 from FY2019.

Table 6 - Comparison of Governmental Expenditures

	2018-19	% of Total Expenditures	2019-20	% of Total Expenditures	\$ Increase / (Decrease)	% Change
General Government	2,664,332	13.08%	2,972,421	11.06%	308,089	11.56%
Public Safety	11,153,944	54.75%	13,075,950	48.66%	1,922,006	17.23%
Community Development	1,931,189	9.48%	3,247,945	12.09%	1,316,756	68.18%
Parks and Recreation	1,192,937	5.86%	1,263,614	4.70%	70,677	5.92%
Public Works/Transportation	1,285,522	6.31%	2,008,296	7.47%	722,774	56.22%
Operating Expenditures	18,227,924	89.47%	22,568,226	83.99%	4,340,302	23.81%
Capital Outlay	1,628,584	7.99%	3,867,445	14.39%	2,238,861	137.47%
Debt Service	517,457	2.54%	435,466	1.62%	(81,991)	-15.84%
TOTAL	20,373,965	100.00%	26,871,137	100.00%	6,497,172	31.89%

Note: Details can be found in the "Statement of Revenues, Expenditures and Changes in Fund Balances"

BALANCE SHEETS OF GOVERNMENTAL FUNDS

The City maintains twenty-six individual governmental funds. These funds report financial transactions using the modified accrual accounting method.

FIDUCIARY FUNDS

The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Fiduciary Funds now include all of the funds related to the Successor Agency of the Former Redevelopment Agency, which was formed upon dissolution of the Banning Community Redevelopment Agency (CRA). The Successor Agency is subject to the control of the newly established oversight board and can only pay enforceable obligations in existence at the date of dissolution. Furthermore, it will hold the remaining assets of the former Redevelopment Agency until the enforceable obligations are legally satisfied or they are distributed to local taxing entities. Additional information on the dissolution of the CRA can be found in the Footnotes to the Financial Statements (Note 17).

As a result of AB 1X 26, a law enacted by the State in 2012 dissolving the Redevelopment Agencies, Successor Agency Trust Fund receives trust revenues based on ROP's approved by CA Department of Finance. In FY 2019-20, the Successor Agency received \$2.72 million from the Riverside County Redevelopment Property Tax Trust Fund (RPTTF).

Although the Fiduciary Funds Statements are a standalone report in the Funds Financial Statements they are not part of the Government-wide Statements as the fiduciary activities are not considered part of City activities.

PROPRIETARY FUNDS

Proprietary funds account for utility services, use of airport facilities, transit services and services where user fees are developed to recover the costs of services provided. Proprietary Funds are integrated into the Government-Wide Financial Statements, provide both long-term and short-term financial information. The full accrual method of accounting is required for these funds.

- ❖ **Enterprise Funds** are used to report the individual functions for each of the enterprise activities operated by the City. The major proprietary funds are the top three below. In addition, "Other Enterprise Funds" are considered non-major under the GASB criteria.
 - Banning Utility Authority-Water
 - Electric Utility
 - Banning Utility Authority-Wastewater
 - Other Enterprise funds:
 - Airport
 - Transit
 - Refuse Utility
- ❖ **Internal Service Funds** report activities that provide internal services for the City's other programs and activities such as the:
 - City's Self Insurance
 - Fleet Maintenance
 - Information Systems
 - Utility Billing Services

NET POSITION

The Total Net Position of Enterprise Funds \$126.74 million. The major funds, the total of City Utilities make up \$124.36 million.

An important metric in utility operations is the Operating Income (Loss).

OPERATING INCOME (LOSS)

All three major enterprise funds have positive results of operation; Water's operating income was \$2,965,291, Electric's was \$1,170,906 and Wastewater's was \$311,665.

GENERAL FUND HIGHLIGHTS

The General Fund Balance is \$11.78 million, with \$3.04 identified as Unassigned and the balance of \$8.74 million classified within one of the other four classifications applicable under the GASB 54 constraints. (see Balance Sheet - Governmental Funds) The balance of the fund, City Council commits as an emergency contingency in the General Fund a minimum. \$1.5 million to a maximum of 25% of the operating budget, \$3,53 or 15.95% was committed as emergency contingency in FY 2020. Funds classified as Non-spendable total \$0.03 million for prepaid costs and employee loans. Funds classified as Assigned total \$5.19 million which account for capital replacement, future compensated absences, litigation, Gas Tax, PEG, police reward, mining tax, encumbrances and CalPERS liability. The terminology and presentation of fund balance changed with the implementation of GASB 54.

GENERAL FUND – REVENUES

Table 7 below provides more information of the General Fund Revenues by category for the fiscal years 2017-18, 2018-19 and 2019-20.

Table 7 - General Fund Revenues

	2017-18	2018-19	2019-20	% of Total	\$ Increase / (Decrease) to Last Year	% Change
Property Tax	4,959,588	5,223,775	5,383,240	27.18%	159,465	3.05%
Sales Tax	3,624,871	3,815,606	3,672,949	18.54%	(142,657)	-3.74%
Transient Occupancy Tax	854,928	895,887	804,389	4.06%	(91,498)	-10.21%
Franchise	871,107	895,534	919,373	4.64%	23,839	2.66%
Other Taxes	403,944	656,829	659,301	3.33%	2,472	0.38%
License & Permits	799,517	925,340	3,362,718	16.98%	2,437,378	263.40%
Intergovernmental	162,862	128,088	197,054	0.99%	68,966	53.84%
Charges for Services	1,842,536	3,519,930	2,422,355	12.23%	(1,097,575)	-31.18%
Use of Money & Property	640,264	794,228	705,142	3.56%	(89,086)	-11.22%
Fines & Forfeitures	248,336	233,389	169,833	0.86%	(63,556)	-27.23%
Transfers In	724,000	734,759	651,980	3.29%	(82,779)	-11.27%
Contributions*	266,734	253,479	256,759	1.30%	3,280	1.29%
Miscellaneous	490,042	642,066	603,466	3.05%	(38,600)	-6.01%
TOTALS	15,888,729	18,718,910	19,808,559	100.00%	1,089,649	5.82%

*Category did not exist prior to fiscal year 2013

Note: Details can be found in the "Budgetary Comparison Schedule, General Fund"

For Fiscal Year 2019-20, General Fund revenues were \$19,808,559, an increase of \$1,089,649 over FY 2018-19. Key elements of this year's activity versus last fiscal year are as follows:

- Property Tax Revenues, \$5,383,240 increased by \$159,465, a 3.05% increase over FY2019.
- Licenses & Permits, \$3,362,718 increased 263.40%, as a result of the increased activity in development, from \$925,340 in FY2019.
- Other Tax revenues, \$659,301 slight increase by \$2,472, a 0.38% increase over FY2019.
- Revenues from Charges for Services, \$2,422,355, decreased 31.18% from FY2019. This includes the Electric Department's administrative service transfer to the General Fund, which was decreased to 4.5% for FY 2020.

GENERAL FUND - EXPENDITURES

Table 8 below summarizes the General Fund Expenditures for the fiscal years 2017-18, 2018-19 and 2019-20.

Table 8 - General Fund Expenditures

	2017-18	2018-19	2019-20	% of Total	\$ Increase / (Decrease) to Last Year	% Change
General Government*	2,344,116	2,664,332	2,972,421	14.07%	308,089	11.56%
Public Safety	10,439,183	11,041,240	12,898,273	61.04%	1,857,033	16.82%
Community Development	1,502,312	1,898,360	3,207,789	15.18%	1,309,429	68.98%
Culture & Leisure	1,106,051	1,192,937	1,263,614	5.98%	70,677	5.92%
Public Works *	-	-	-	0.00%	-	0.00%
Capital Outlay	363,629	124,183	-	0.00%	(124,183)	-100.00%
Debt Service	517,945	517,457	435,466	2.06%	(81,991)	-15.84%
Transfers Out	694,278	412,369	354,723	1.68%	(57,646)	-13.98%
TOTALS	16,967,514	17,850,878	21,132,286	100.00%	3,281,408	18.38%

* Some items reclassified from General Government & Public Works to Community Development category.

Note: Details can be found in the "Budgetary Comparison Schedule, General Fund"

A Community Development expenditure category, previously classified General Government and Public Works expenditures were aligned with the audited financial statements for fiscal years ending June 30, 2019 and 2020.

Total General Fund expenditures were \$21,132,286 an 18.38% increase over the previous year. The largest changes occurred in the following areas:

- General Government expenditures of \$2,972,421, increased by \$308,89, or 11.56%.
- Public Safety expenditures of \$12,898,273, increased by \$1,857,033, or 16.82%.
- Community Development expenditures of \$3,207,789 increased by \$1,309,429, or 68.98%, which has a direct correlation to the increased development activity.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original FY2020 budget for the General Fund was a structurally balanced budget incorporating the estimated upswing in the economy primarily indicated by increased property taxes and sales tax revenue projections offset by projected increases in personnel costs.

The final adjusted revenue budget differs from the Original Budget in that it contains carry-forward appropriations and revenues for various projects, supplemental revenues, carry-forward appropriations for open purchase orders from the previous year, and appropriations approved by City Council throughout the year. The budgetary comparison information can be found in the audit report section “Combining and Individual Funds Statements and Schedules” under “Budgetary Comparison Schedule, General Fund”.

For the City's General Fund, actual ending revenues of \$19.81 million were \$3.90 million less than the final budgeted revenues of \$23.71 million (please refer to Budgetary Comparison Schedule-General Fund). This is mainly due to less revenue from lower Inter-fund charges and Other Permits.

The General Fund actual ending expenditures of \$21.13 million were \$2.63 million lower than the final budget of \$23.76 million. The majority of the difference is accounted for by salary savings due to vacancies in several departments, and the unused contingency account in Central Services. Overall, the City's General Fund showed a net decrease in fund balance of \$1.32 million as a result of expenditures exceeding revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets (Table 9) for its Governmental and Business-Type Activities as of June 30, 2020, is \$177,730,767 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure and construction in progress. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-Wide Financial Statements.

Table 9 - Capital Assets by Activity

	Governmental Activities			Business-Type Activities			Totals		
	2019	2020	% Chg	2019	2020	% Chg	2019	2020	% Chg
Land	4,391,449	4,391,449	0%	4,703,988	4,853,988	3%	9,095,437	9,245,437	2%
Construction in Progress	2,102,749	1,102,808	48%	5,747,115	4,933,341	14%	7,849,864	6,036,149	23%
Building and Structures*	8,992,650	8,150,512	9%	79,802	72,686	9%	9,072,452	8,223,198	9%
Land Improvements*	3,130,800	3,144,077	0%	1,822,830	1,668,875	8%	4,953,630	4,812,952	3%
Machinery and Equipment*	458,444	670,882	46%	2,517	281,903	-	460,961	952,785	107%
Vehicles*	301,956	261,021	14%	-	-	-	301,956	261,021	14%
Utility Plant	-	-	-	99,784,502	100,192,029	0%	99,784,502	100,192,029	0%
Infrastructure*	47,936,982	48,007,196	0%	-	-	-	47,936,982	48,007,196	0%
TOTAL	67,315,030	65,727,945	2%	112,140,754	112,002,822	0%	179,455,784	177,730,767	1%

Note: Details can be found in "Note 4 (Changes in Capital Assets)"

* Net of accumulated depreciation

Details on the capital assets can be found on Note 4 of the Notes to Financial Statements section.

LONG-TERM DEBT

Table 10 is a summary of the City's long-term debt for the year ended June 30, 2020, including the Net Pension Liability required by GASB No. 68 and 71 beginning with year end June 30, 2015. City-wide long-term debt was \$103,336,289 at June 30, 2019 and \$103,089,228 at June 30, 2020.

At year June 30, 2020, the City's Governmental Activities had long term debt in the amount of \$30,731,520 including Net Pension Liability of \$27,840,668. No new debts were issued in the governmental activities for the current year. The Redevelopment Tax Allocation Bonds and other loans are no longer reported as a Governmental Activity. For additional information on the Redevelopment Tax Allocation bonds, refer to Note 17 of the notes to the Financial Statements.

Long-term debt in the Business-Type Activities amounted to \$72,357,708 including Net Pension Liability of \$15,045,458. For additional information on long-term debt refer to the Note 8 of the Notes to the Financial Statements. For additional information on the Net Pension Liability refer to Note 12 of the Notes to the Financial Statements.

Table 10 - Long Term Debt/Liability Recap

	Governmental Activities			Business-Type Activities			Totals		
	2019	2020	% Chg	2019	2020	% Chg	2019	2020	% Chg
Compensated Absences	997,789	1,140,094	14%	705,325	835,035	18%	1,703,114	1,975,129	16%
Refunding Lease	628,572	212,276	66%	-	-	-	628,572	212,276	66%
Vehicle Lease	-	-	0%	-	-	0%	-	-	0%
Revenue Bonds	-	-	-	54,325,012	51,640,011	5%	54,325,012	51,640,011	5%
Claims & Judgements	1,254,829	1,538,482	23%	-	-	-	1,254,829	1,538,482	23%
Loans	-	-	-	585,640	296,578	49%	585,640	296,578	49%
SUBTOTAL	2,881,190	2,890,852	0%	55,615,977	52,771,624	5%	58,497,167	55,662,476	5%
Less:									
Unamortized original issue premium				4,818,781	4,540,626	6%	4,818,781	4,540,626	6%
Unamortized original issue discount				(69,571)	-	100%	(69,571)	-	100%
Net Business-Type Activities				60,365,187	57,312,250	5%	63,246,377	60,203,102	5%
Net Pension Liability	26,182,645	27,840,668	6%	13,907,267	15,045,458	8%	40,089,912	42,886,126	7%
TOTAL	29,063,835	30,731,520	6%	74,272,454	72,357,708	3%	103,336,289	103,089,228	0%

Note: Details can be found in Note 8 (Long Term Debt) and in Note 12 (City Employees Retirement Plan)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Banning's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at the City of Banning, P.O. Box 998, Banning, California, 92220.

CITY OF BANNING

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 21,761,714	\$ 61,559,015	\$ 83,320,729
Receivables:			
Accounts	918,155	8,559,828	9,477,983
Loans	786,144	7,293	793,437
Interest	48,580	136,985	185,565
Internal balances	2,641,615	(2,641,615)	-
Prepaid costs	7,981	795,828	803,809
Deposits	-	115,414	115,414
Due from other governments	1,686,495	563,308	2,249,803
Inventories	26,679	3,852,296	3,878,975
Restricted assets:			
Cash and investments	-	2,279,429	2,279,429
Cash with fiscal agent	8,367,383	6,546,007	14,913,390
Investment in SCPPA Project Stabilization Fund	-	2,900,823	2,900,823
Capital assets not being depreciated	5,494,257	9,787,329	15,281,586
Capital assets, net of depreciation	<u>60,233,688</u>	<u>102,215,493</u>	<u>162,449,181</u>
Total Assets	<u>101,972,691</u>	<u>196,677,433</u>	<u>298,650,124</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	2,764,895	2,764,895
Deferred pension related items	<u>5,268,911</u>	<u>2,223,067</u>	<u>7,491,978</u>
Total Deferred Outflows of Resources	<u>5,268,911</u>	<u>4,987,962</u>	<u>10,256,873</u>
Liabilities:			
Accounts payable	1,969,750	2,767,255	4,737,005
Accrued liabilities	434,006	333,708	767,714
Accrued interest	1,330	279,131	280,461
Unearned revenue	322,376	102,331	424,707
Deposits payable	686,915	1,235,685	1,922,600
Compensated absences - due in one year	735,765	595,295	1,331,060
Claims payable - due in one year	642,629	-	642,629
Long term liabilities - due in one year	212,276	2,746,578	2,958,854
Noncurrent liabilities:			
Compensated absences - due in more than one year	404,329	239,740	644,069
Claims payable - due in more than one year	895,853	-	895,853
Long term liabilities - due in more than one year	-	53,730,637	53,730,637
Net pension liability	<u>27,840,668</u>	<u>15,045,458</u>	<u>42,886,126</u>
Total Liabilities	<u>34,145,897</u>	<u>77,075,818</u>	<u>111,221,715</u>
Deferred Inflows of Resources:			
Deferred gain on refunding	-	104,930	104,930
Deferred pension related items	<u>487,880</u>	<u>413,850</u>	<u>901,730</u>
Total Deferred Inflows of Resources	<u>487,880</u>	<u>518,780</u>	<u>1,006,660</u>
Net Position:			
Net investment in capital assets	65,515,669	58,185,572	123,701,241
Restricted for:			
Community development projects	2,736,767	-	2,736,767
Public safety	288,028	-	288,028
Culture and leisure	47,483	-	47,483
Transportation	3,072,067	-	3,072,067
Capital projects	7,481,156	6,546,007	14,027,163
SCPPA Projects	-	795,828	795,828
SCPPA Stabilization Fund	-	2,900,823	2,900,823
Unrestricted	<u>(6,533,345)</u>	<u>55,642,567</u>	<u>49,109,222</u>
Total Net Position	<u>\$ 72,607,825</u>	<u>\$ 124,070,797</u>	<u>\$ 196,678,622</u>

See Notes to Financial Statements

CITY OF BANNING

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues			
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 3,209,677	\$ 2,391,540	\$ 62,493	\$ -	
Public safety	14,974,435	184,204	310,520	-	
Community development	3,573,064	3,417,110	-	46,205	
Culture and leisure	1,664,747	68,347	6,123	335,720	
Transportation	6,089,732	236,781	1,648,060	181,893	
Interest on long-term debt	16,562	-	-	-	
Total Governmental Activities	29,528,217	6,297,982	2,027,196	563,818	
Business-Type Activities:					
Airport	319,358	169,821	-	-	
Transit	2,365,198	91,376	2,103,775	-	
Banning Utility Authority Water	8,700,459	10,390,992	65,661	-	
Electric Utility	30,813,647	30,034,857	9,275	-	
Banning Utility Authority Wastewater	3,781,828	3,818,607	3,025	-	
Refuse Utility	4,815,164	4,717,664	50,176	-	
Total Business-Type Activities	50,795,654	49,223,317	2,231,912	-	
Total Primary Government	\$ 80,323,871	\$ 55,521,299	\$ 4,259,108	\$ 563,818	
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					
Transient occupancy taxes					
Sales taxes					
Franchise taxes					
Business licenses taxes					
Other taxes					
Motor vehicle in lieu - unrestricted					
Use of money and property					
Other					
Gain on sale of capital asset					
Transfers					
Total General Revenues and Transfers					
Change in Net Position					
Net Position at Beginning of Year					
Net Position at End of Year					

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (755,644)	\$ -	\$ (755,644)
(14,479,711)	-	(14,479,711)
(109,749)	-	(109,749)
(1,254,557)	-	(1,254,557)
(4,022,998)	-	(4,022,998)
<u>(16,562)</u>	<u>-</u>	<u>(16,562)</u>
<u>(20,639,221)</u>	<u>-</u>	<u>(20,639,221)</u>
 - (149,537)	 (149,537)	 (149,537)
- (170,047)	- (170,047)	 (170,047)
- 1,756,194	- 1,756,194	 1,756,194
- (769,515)	- (769,515)	 (769,515)
- 39,804	- 39,804	 39,804
<u>- (47,324)</u>	<u>- (47,324)</u>	 <u>(47,324)</u>
 <u>- 659,575</u>	 <u>659,575</u>	 <u>659,575</u>
<u>(20,639,221)</u>	<u>659,575</u>	<u>(19,979,646)</u>
 5,383,240	 -	 5,383,240
804,389	-	804,389
4,300,140	-	4,300,140
919,373	-	919,373
171,592	-	171,592
1,163,462	-	1,163,462
24,570	-	24,570
967,914	1,009,209	1,977,123
436,266	692,150	1,128,416
3,600	7,136	10,736
<u>699,653</u>	<u>(699,653)</u>	 <u>-</u>
<u>14,874,199</u>	<u>1,008,842</u>	<u>15,883,041</u>
 (5,765,022)	 1,668,417	 (4,096,605)
 <u>78,372,847</u>	 <u>122,402,380</u>	 <u>200,775,227</u>
<u>\$ 72,607,825</u>	<u>\$ 124,070,797</u>	<u>\$ 196,678,622</u>

CITY OF BANNING

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 10,515,606	\$ 8,543,117	\$ 19,058,723
Receivables:			
Accounts, net	900,105	443	900,548
Loans	25,541	760,603	786,144
Interest	33,787	14,429	48,216
Prepaid costs	2,893	-	2,893
Due from other governments	995,973	689,314	1,685,287
Due from other funds	1,971,487	-	1,971,487
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	8,367,383	8,367,383
Total Assets	\$ 14,445,392	\$ 18,375,289	\$ 32,820,681
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,188,236	\$ 568,687	\$ 1,756,923
Accrued liabilities	332,228	25,031	357,259
Unearned revenues	68,550	253,826	322,376
Deposits payable	583,429	103,486	686,915
Due to other funds	-	1,608,082	1,608,082
Advances from other funds	394,118	-	394,118
Total Liabilities	2,566,561	2,559,112	5,125,673
Deferred Inflows of Resources:			
Unavailable revenues	94,959	792,312	887,271
Total Deferred Inflows of Resources	94,959	792,312	887,271
Fund Balances:			
Nonspendable:			
Prepaid costs	2,893	-	2,893
Employee loans	25,541	-	25,541
Restricted for:			
Community development projects	-	2,736,767	2,736,767
Public safety	-	288,028	288,028
Culture and leisure	-	47,483	47,483
Transportation	-	3,072,067	3,072,067
Capital Projects	-	7,481,156	7,481,156
Committed to:			
Emergency Contingency	3,525,858	-	3,525,858
Assigned to:			
Capital Replacement	1,500,000	2,542,385	4,042,385
Future compensated absences	989,008	-	989,008
Litigation Contingency	179,189	-	179,189
Gas tax commitment	164,325	-	164,325
PEG	105,536	-	105,536
Police Reward	25,000	-	25,000
Mining Tax Collected	1,106,855	-	1,106,855
CalPERS Liability	500,000	-	500,000
Encumbrances	615,279	-	615,279
Unassigned	3,044,388	(1,144,021)	1,900,367
Total Fund Balances	11,783,872	15,023,865	26,807,737
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,445,392	\$ 18,375,289	\$ 32,820,681

See Notes to Financial Statements

CITY OF BANNING**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Fund balances of governmental funds	\$	26,807,737
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		65,385,426
Deferred outflows related to pension items:		
Changes of assumptions	\$	604,392
Adjustments due to differences in proportions		33,882
Difference in proportionate share		71,931
Difference between expected and actual experiences		1,361,628
Current year contributions that occurred after the measurement date	<u>2,779,898</u>	4,851,731
Long-term debt, compensated absences and net pension liability that have not been included in the governmental fund activity:		
Bonds payable	\$	(212,276)
Compensated Absences		(989,008)
Net pension liability		
Safety plan		(16,783,668)
Miscellaneous plan	<u>(6,457,748)</u>	(24,442,700)
Deferred inflows related to pension items:		
Changes of assumptions	\$	(125,632)
Adjustments due to differences in proportions		(64,141)
Net differences between projected and actual earnings on plan investments	<u>(207,049)</u>	(396,822)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		
		(1,330)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		887,271
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
		<u>(483,488)</u>
Net Position of Governmental Activities	\$	<u>72,607,825</u>

CITY OF BANNING

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 11,439,252	\$ 1,302,944	\$ 12,742,196
Licenses and permits	3,362,718	-	3,362,718
Intergovernmental	197,054	2,379,447	2,576,501
Charges for services	2,422,355	-	2,422,355
Use of money and property	705,142	119,007	824,149
Fines and forfeitures	169,833	-	169,833
Contributions	6,759	10,378	17,137
Contribution from Successor Agency	250,000	-	250,000
Miscellaneous	603,466	66,093	669,559
Total Revenues	19,156,579	3,877,869	23,034,448
Expenditures:			
Current:			
General government	2,972,421	-	2,972,421
Public safety	12,898,273	177,677	13,075,950
Community development	3,207,789	40,156	3,247,945
Culture and leisure	1,263,614	-	1,263,614
Transportation	-	2,008,296	2,008,296
Capital outlay	-	3,867,445	3,867,445
Debt service:			
Principal retirement	416,296	-	416,296
Interest and fiscal charges	19,170	-	19,170
Total Expenditures	20,777,563	6,093,574	26,871,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,620,984)</u>	<u>(2,215,705)</u>	<u>(3,836,689)</u>
Other Financing Sources (Uses):			
Transfers in	651,980	428,424	1,080,404
Transfers out	(354,723)	(80,675)	(435,398)
Total Other Financing Sources (Uses)	297,257	347,749	645,006
Net Change in Fund Balances	(1,323,727)	(1,867,956)	(3,191,683)
Fund Balances, Beginning of Year	13,107,599	16,891,821	29,999,420
Fund Balances, End of Year	\$ 11,783,872	\$ 15,023,865	\$ 26,807,737

CITY OF BANNING**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds \$ (3,191,683)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 3,788,737
Depreciation	<u>(5,339,933)</u>
	(1,551,196)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	416,296
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

2,608

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(126,707)

Pension Expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.

Safety plan	(908,967)
Miscellaneous plan	<u>(442,875)</u>
	(1,351,842)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(118,271)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

155,773

Change in Net Position of Governmental Activities

\$ (5,765,022)

CITY OF BANNING

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
Assets:			
Current:			
Pooled cash and investments	\$ 22,012,965	\$ 18,426,509	\$ 19,697,663
Receivables:			
Accounts, net	2,075,698	5,006,097	772,107
Loans	-	4,227	-
Interest	46,430	46,195	41,721
Prepaid costs	-	795,828	-
Deposits	-	115,414	-
Due from other governments	40,406	-	-
Inventories	583,392	3,237,630	-
Restricted:			
Cash and investments	-	2,279,429	-
Cash with fiscal agent	854,154	2,815,847	2,876,006
Investment in SCPPA Project Stabilization Fund	-	2,900,823	-
Total Current Assets	25,613,045	35,627,999	23,387,497
Noncurrent:			
Advances to other funds	-	394,118	-
Capital assets - net of accumulated depreciation	47,326,908	49,708,608	12,210,034
Total Noncurrent Assets	47,326,908	50,102,726	12,210,034
Total Assets	72,939,953	85,730,725	35,597,531
Deferred Outflows of Resources:			
Deferred charge on refunding	758,849	1,999,663	6,383
Deferred pension related items	396,993	1,193,542	190,456
Total Deferred Outflows of Resources	1,155,842	3,193,205	196,839
Total Assets and Deferred Outflows of Resources	\$ 74,095,795	\$ 88,923,930	\$ 35,794,370
Liabilities, Deferred Inflow of Resources and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 546,214	\$ 1,749,767	\$ 167,895
Accrued liabilities	74,654	190,593	26,220
Accrued interest	160,760	101,170	17,201
Unearned revenues	-	-	-
Deposits payable	171,180	871,329	83,327
Due to other funds	-	-	-
Compensated absences	139,025	332,405	55,729
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,020,000	1,210,000	516,578
Total Current Liabilities	2,111,833	4,455,264	866,950
Noncurrent:			
Net Pension Liability	2,834,728	8,522,452	1,359,939
Compensated absences	55,989	133,868	22,443
Claims and judgments	-	-	-
Bonds, notes, and capital leases	22,442,760	27,487,877	3,800,000
Total Noncurrent Liabilities	25,333,477	36,144,197	5,182,382
Total Liabilities	27,445,310	40,599,461	6,049,332
Deferred Inflows of Resources:			
Deferred gain on refunding	-	-	104,930
Deferred pension related items	56,122	168,732	26,895
Total Deferred Inflows of Resources	56,122	168,732	131,825
Net Position:			
Net investment in capital assets	24,622,997	23,010,394	7,794,909
Restricted for capital projects	854,154	2,815,847	2,876,006
Restricted for SCPPA Projects	-	795,828	-
Restricted for SCPPA Stabilization Fund	-	2,900,823	-
Unrestricted	21,117,212	18,632,845	18,942,298
Total Net Position	46,594,363	48,155,737	29,613,213
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 74,095,795	\$ 88,923,930	\$ 35,794,370

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds

Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds.

Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds.

Net Position per Statement of Net Position

CITY OF BANNING

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds	
			Totals		
	Other Enterprise Funds				
Assets:					
Current:					
Pooled cash and investments	\$ 1,421,878	\$ 61,559,015	\$ 2,702,991		
Receivables:					
Accounts, net	705,926	8,559,828	17,607		
Loans	3,066	7,293	-		
Interest	2,639	136,985	364		
Prepaid costs	-	795,828	5,088		
Deposits	-	115,414	-		
Due from other governments	522,902	563,308	1,208		
Inventories	31,274	3,852,296	26,679		
Restricted:					
Cash and investments	-	2,279,429	-		
Cash with fiscal agent	-	6,546,007	-		
Investment in SCPPA Project Stabilization Fund	-	2,900,823	-		
Total Current Assets	2,687,685	87,316,226	2,753,937		
Noncurrent:					
Advances to other funds	-	394,118	-		
Capital assets - net of accumulated depreciation	2,757,272	112,002,822	342,519		
Total Noncurrent Assets	2,757,272	112,396,940	342,519		
Total Assets	5,444,957	199,713,166	3,096,456		
Deferred Outflows of Resources:					
Deferred charge on refunding	-	2,764,895	-		
Deferred pension related items	442,076	2,223,067	417,180		
Total Deferred Outflows of Resources	442,076	4,987,962	417,180		
Total Assets and Deferred Outflows of Resources	\$ 5,887,033	\$ 204,701,128	\$ 3,513,636		
Liabilities, Deferred Inflow of Resources and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 303,379	\$ 2,767,255	\$ 212,827		
Accrued liabilities	42,241	333,708	76,747		
Accrued interest	-	279,131	-		
Unearned revenues	102,331	102,331	-		
Deposits payable	109,849	1,235,685	-		
Due to other funds	363,405	363,405	-		
Compensated absences	68,136	595,295	130,197		
Claims and judgments	-	-	642,629		
Bonds, notes, and capital leases	-	2,746,578	-		
Total Current Liabilities	989,341	8,423,388	1,062,400		
Noncurrent:					
Net Pension Liability	2,328,339	15,045,458	4,599,252		
Compensated absences	27,440	239,740	20,889		
Claims and judgments	-	-	895,853		
Bonds, notes, and capital leases	-	53,730,637	-		
Total Noncurrent Liabilities	2,355,779	69,015,835	5,515,994		
Total Liabilities	3,345,120	77,439,223	6,578,394		
Deferred Inflows of Resources:					
Deferred gain on refunding	-	104,930	-		
Deferred pension related items	162,101	413,850	91,058		
Total Deferred Inflows of Resources	162,101	518,780	91,058		
Net Position:					
Net investment in capital assets	2,757,272	58,185,572	342,519		
Restricted for capital projects	-	6,546,007	-		
Restricted for SCPPA Projects	-	795,828	-		
Restricted for SCPPA Stabilization Fund	-	2,900,823	-		
Unrestricted	(377,460)	58,314,895	(3,498,335)		
Total Net Position	2,379,812	126,743,125	(3,155,816)		
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,887,033	\$ 204,701,128	\$ 3,513,636		
		\$ 126,743,125			
		(2,225,517)			
		(446,811)			
		\$ 124,070,797			

See Notes to Financial Statements

CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

Business-Type Activities - Enterprise Funds			
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
Operating Revenues:			
Sales and service charges	\$ 10,390,992	\$ 30,034,857	\$ 3,818,607
Miscellaneous	154,236	511,325	2,786
Total Operating Revenues	10,545,228	30,546,182	3,821,393
Operating Expenses:			
Salaries and benefits	2,238,329	5,382,263	969,561
Supplies and services	3,983,608	5,132,103	1,916,621
Repairs and maintenance	22,285	104,377	42,705
Street lighting costs	-	144,287	-
Power purchased	-	17,168,137	-
Bad debt expense	53,719	137,995	22,600
Insurance premiums	-	-	-
Depreciation expense	1,281,996	1,306,114	558,241
Total Operating Expenses	7,579,937	29,375,276	3,509,728
Operating Income (Loss)	2,965,291	1,170,906	311,665
Nonoperating Revenues (Expenses):			
Intergovernmental	65,661	9,275	3,025
Interest revenue and change in fair value of investments	325,419	377,512	291,679
Interest expense	(906,823)	(1,234,038)	(263,677)
Gain (loss) on disposal of capital assets	3,241	-	375
Total Nonoperating Revenues (Expenses)	(512,502)	(847,251)	31,402
Income (Loss) Before Transfers	2,452,789	323,655	343,067
Transfers in	2,881	-	2,479
Transfers out	(470,000)	(1,000)	(181,000)
Changes in Net Position	1,985,670	322,655	164,546
Net Position:			
Beginning of Year, as previously reported	44,608,693	47,833,082	29,448,667
End of Fiscal Year	\$ 46,594,363	\$ 48,155,737	\$ 29,613,213

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.

Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds.

Changes in Net Position of Business-Type Activities per Statement of Activities

CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities-Internal Service Funds	
	Other Enterprise Funds	Totals		
Operating Revenues:				
Sales and service charges	\$ 4,978,861	\$ 49,223,317	\$ 7,104,150	
Miscellaneous	23,803	692,150	70,901	
Total Operating Revenues	5,002,664	49,915,467	7,175,051	
Operating Expenses:				
Salaries and benefits	1,459,985	10,050,138	2,672,009	
Supplies and services	5,545,662	16,577,994	3,180,411	
Repairs and maintenance	31,849	201,216	493,755	
Street lighting costs	-	144,287	-	
Power purchased	-	17,168,137	-	
Bad debt expense	17,202	231,516	-	
Insurance premiums	-	-	1,286,037	
Depreciation expense	424,666	3,571,017	35,889	
Total Operating Expenses	7,479,364	47,944,305	7,668,101	
Operating Income (Loss)	(2,476,700)	1,971,162	(493,050)	
Nonoperating Revenues (Expenses):				
Intergovernmental	2,153,951	2,231,912	-	
Interest revenue and change in fair value of investments	14,599	1,009,209	143,765	
Interest expense	-	(2,404,538)	-	
Gain (loss) on disposal of capital assets	3,520	7,136	3,600	
Total Nonoperating Revenues (Expenses)	2,172,070	843,719	147,365	
Income (Loss) Before Transfers	(304,630)	2,814,881	(345,685)	
Transfers in	1,380	6,740	54,647	
Transfers out	(54,393)	(706,393)	-	
Changes in Net Position	(357,643)	2,115,228	(291,038)	
Net Position:				
Beginning of Year, as previously reported	2,737,455	124,627,897	(2,864,778)	
End of Fiscal Year	\$ 2,379,812	\$ 126,743,125	\$ (3,155,816)	
		\$ 2,115,228		
		(446,811)		
		\$ 1,668,417		

CITY OF BANNING

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 10,137,108	\$ 30,262,355	\$ 3,656,273
Cash received from interfund services provided	154,236	511,325	2,786
Cash paid to suppliers for goods and services	(3,915,796)	(22,306,395)	(1,910,616)
Cash paid to employees for services	(2,017,418)	(4,687,353)	(874,753)
Cash received from others	-	-	-
Net Cash Provided (Used) by Operating Activities	4,358,130	3,779,932	873,690
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	2,881	-	2,479
Cash transfers out	(470,000)	(1,000)	(181,000)
Intergovernmental	65,661	9,275	3,025
Net Cash Provided (Used) by Non-Capital Financing Activities	(401,458)	8,275	(175,496)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,153,538)	(2,206,119)	(57,176)
Proceeds from refunding capital debt	-	-	4,020,000
Principal paid on capital debt	(970,000)	(1,150,000)	(4,874,062)
Interest paid on capital debt	(991,288)	(1,238,830)	(110,541)
Proceeds from sales of capital assets	3,241	-	375
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,111,585)	(4,594,949)	(1,021,404)
Cash Flows from Investing Activities:			
Collections of repayment on loan receivables	-	708	-
Issuance of notes and loans receivable	-	-	-
Payments made to SCPPA Project Stabilization Fund	-	(532,933)	-
Interest received	431,396	326,233	396,607
Net Cash Provided (Used) by Investing Activities	431,396	(205,992)	396,607
Net Increase (Decrease) in Cash and Cash Equivalents	1,276,483	(1,012,734)	73,397
Cash and Cash Equivalents at Beginning of Year	21,590,636	24,534,519	22,500,272
Cash and Cash Equivalents at End of Year	\$ 22,867,119	\$ 23,521,785	\$ 22,573,669
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 2,965,291	\$ 1,170,906	\$ 311,665
Adjustments to Reconcile Operating Income (loss)			
Net Cash Provided (used) by Operating Activities:			
Depreciation	1,281,996	1,306,114	558,241
Bad debt expense	53,719	137,995	22,600
(Increase) decrease in accounts receivable	(277,692)	(240,175)	(183,503)
(Increase) decrease in deposits receivable	-	(1,670)	-
(Increase) decrease in due from other governments	(40,406)	-	-
(Increase) decrease in prepaid expense	-	1,102,040	-
(Increase) decrease in inventories	(139,802)	(927,224)	-
Increase (decrease) in accounts payable	277,067	69,363	71,387
Increase (decrease) in accrued liabilities	6,551	19,190	(77)
Increase (decrease) in deposits payable	10,495	467,673	(1,431)
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in employee salary/benefit obligations	194,407	584,473	93,265
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	26,504	91,247	1,543
Total Adjustments	1,392,839	2,609,026	562,025
Net Cash Provided (Used) by Operating Activities	\$ 4,358,130	\$ 3,779,932	\$ 873,690
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of Unamortized Premiums/Discounts	\$ 125,339	\$ 152,816	\$ (69,571)
Amortization of Gain/Loss on Defeasance	(48,958)	(117,627)	(6,382)

CITY OF BANNING

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise		Governmental Activities-Internal Service Funds
	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,913,107	\$ 48,968,843	\$ 7,142,586
Cash received from interfund services provided	1,325	669,672	69,943
Cash paid to suppliers for goods and services	(6,229,158)	(34,361,965)	(4,616,798)
Cash paid to employees for services	(1,289,889)	(8,869,413)	(2,339,415)
Cash received from others	14,052	14,052	-
Net Cash Provided (Used) by Operating Activities	(2,590,563)	6,421,189	256,316
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	1,380	6,740	54,647
Cash transfers out	(54,393)	(706,393)	-
Intergovernmental	2,517,356	2,595,317	-
Net Cash Provided (Used) by Non-Capital Financing Activities	2,464,343	1,895,664	54,647
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(16,252)	(3,433,085)	-
Proceeds from refunding capital debt	-	4,020,000	-
Principal paid on capital debt	-	(6,994,062)	-
Interest paid on capital debt	-	(2,340,659)	-
Proceeds from sales of capital assets	3,520	7,136	3,600
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,732)	(8,740,670)	3,600
Cash Flows from Investing Activities:			
Collections of repayment on loan receivables	-	708	-
Issuance of notes and loans receivable	130	130	-
Payments made to SCPPA Project Stabilization Fund	-	(532,933)	-
Interest received	22,471	1,176,707	145,827
Net Cash Provided (Used) by Investing Activities	22,601	644,612	145,827
Net Increase (Decrease) in Cash and Cash Equivalents	(116,351)	220,795	460,390
Cash and Cash Equivalents at Beginning of Year	1,538,229	70,163,656	2,242,601
Cash and Cash Equivalents at End of Year	\$ 1,421,878	\$ 70,384,451	\$ 2,702,991
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (2,476,700)	\$ 1,971,162	\$ (493,050)
Adjustments to Reconcile Operating Income (loss)			
Net Cash Provided (used) by Operating Activities:			
Depreciation	424,666	3,571,017	35,889
Bad debt expense	(17,202)	197,112	-
(Increase) decrease in accounts receivable	(32,752)	(734,122)	38,436
(Increase) decrease in deposits receivable	-	(1,670)	-
(Increase) decrease in due from other governments	(522,902)	(563,308)	(958)
(Increase) decrease in prepaid expense	-	1,102,040	-
(Increase) decrease in inventories	(21,480)	(1,088,506)	72,417
Increase (decrease) in accounts payable	13,780	431,597	(7,741)
Increase (decrease) in accrued liabilities	(3,094)	22,570	(3,346)
Increase (decrease) in deposits payable	1,402	478,139	-
Increase (decrease) in unearned revenue	(126,377)	(126,377)	-
Increase (decrease) in employee salary/benefit obligations	159,680	1,031,825	315,418
Increase (decrease) in claims and judgments	-	-	283,653
Increase (decrease) in compensated absences	10,416	129,710	15,598
Total Adjustments	(113,863)	4,450,027	749,366
Net Cash Provided (Used) by Operating Activities	\$ (2,590,563)	\$ 6,421,189	\$ 256,316
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of Unamortized Premiums/Discounts	\$ -	\$ 208,584	\$ -
Amortization of Gain/Loss on Defeasance	-	(172,967)	-

CITY OF BANNING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

		Private-Purpose Trust Fund Successor
	Agency Funds	Agency of the Former RDA
Assets:		
Pooled cash and investments	\$ 416,610	\$ 437,450
Receivables:		
Accounts	2,951	10,000
Notes and loans	-	850,155
Interest	453	126
Prepaid costs	-	225,057
Due from other governments	2,340	-
Land held for resale	-	4,675,556
Restricted assets:		
Cash and investments with fiscal agents	186,342	-
Capital assets:		
Capital assets, not being depreciated	-	403,934
Capital assets, net of accumulated depreciation	-	7,138,166
Total Assets	\$ 608,696	13,740,444
Deferred Outflows of Resources:		
Deferred charge on refunding		708,803
Total Deferred Outflows of Resources		708,803
Liabilities and Net Position:		
Liabilities:		
Accounts payable	\$ 4,089	-
Accrued interest	-	320,487
Deposits payable	77,614	-
Due to bondholders	526,993	-
Long-term liabilities:		
Bonds and loans payable due in one year	-	1,650,757
Bonds and loans payable due in more than one year	-	27,516,418
Total Liabilities	\$ 608,696	29,487,662
Net Position:		
Held in trust for other purposes		\$ (15,038,415)
Total Net Position		(15,038,415)

CITY OF BANNING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Fund Successor Agency of the Former RDA
Additions:	
Taxes	\$ 2,719,347
Interest and change in fair value of investments	841
Total Additions	2,720,188
Deductions:	
Administrative expenses	250,000
Capital outlay	1,170,625
Interest expense	980,489
Amortization expense	74,611
Depreciation expense	373,961
Total Deductions	2,849,686
Changes in Net Position	(129,498)
Net Position - Beginning of the Year	(14,908,917)
Net Position - End of the Year	\$ (15,038,415)

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CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Banning was incorporated in 1913 under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Banning (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of Banning.

Blended Component Units

The Banning Wastewater Facilities Corporation (the Corporation) was organized at the request of the City in 1984 pursuant to the Nonprofit Public Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). In 1986, an amendment to its articles of incorporation changed the name of the Corporation to the Banning Public Facilities Corporation. It exists for the purposes of participating with the City of Banning in projects to improve the health, safety and welfare of the City and its residents, purchasing and leasing real and personal property in connection with such projects, and assisting the City in financing, acquiring and constructing such projects. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The City of Banning Financing Authority (the Authority) was formed by a joint exercise of powers agreement between the City of Banning and the former Banning Redevelopment Agency. It was established November 12, 2003 under Article 1 (commencing with Section 6500) of the Joint Powers Law of the State of California for the purpose of providing an entity to assist in providing financing for the City and the Agency. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The Banning Utility Authority (Authority) is a joint powers authority which was established on July 12, 2005 pursuant to a Joint Exercise of Powers Agreement between the City of Banning and the former Redevelopment Agency of the City of Banning in accordance with the Joint Powers Law (Article 1 through 4 of Chapter 5, division 7, title 1 of the California Government code) for the purpose of assisting the City in the leasing of the utility system. Separate financial statements can be obtained at City Hall.

The Banning Redevelopment Agency was dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X26. The City serves as the successor agency to the Redevelopment Agency of the City of Banning. The Agency's Officers are the Banning City Council. The Agency is a separate legal entity, which is financially accountable to the City of Banning. It is considered a component unit of the City and, accordingly, is included with the City's activities in these financial statements.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City of Banning Housing Authority was established on January 10, 2012 to accept the assets of the former Redevelopment Agency. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. The Bill impacted the reporting entity of the City that previously had reported a redevelopment agency within the report of the City as a blended component unit. On January 10, 2012 and in accordance with California Health and Safety Code Section 34176, the City Council as part of City resolution numbers 2012-01 and 2012-04, elected to retain the housing assets and transfer those assets over to the Housing Authority. The housing assets and functions are reported in the Banning Housing Authority, a special revenue fund of the City. No separate financial statements are prepared.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

The City reports the following major governmental fund:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The Banning Utility Authority Water Fund is used to account for the construction, operation, maintenance and consumption of water services within the City's water service area.
- The Electric Utility Fund is used to account for the costs of labor and materials used in the maintenance, construction and consumption of electric services throughout the City.
- The Banning Utility Authority Wastewater Fund is used to account for the costs of labor and materials, construction and consumption of wastewater services within the City's wastewater service area.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Project Funds are used to account for capital project expenditures throughout the City.
- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency for other departments or agencies of the City, or to other governments, on a cost reimbursement basis.
- The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City's agency funds account for assessments levied for debt service on bond issues which are not a debt of the City.
- The Private-purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Certain indirect costs are included in the program expense reported for individual functions and activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity

Investments and Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the fiscal year in which the change occurred. All investments have been stated at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The noncurrent portion of receivables related to revenue is set up as unavailable revenue and recognized as revenue when the receivables become current. The noncurrent portion of loans and other receivables are offset by fund balance non-spendable accounts. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations are established by the Assessor of the County of Riverside for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Tax Levies are limited to 1% of appraised value, which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10, and the second is due on January 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payment.

Tax Levy Apportionments are due to the nature of the citywide maximum levy. It is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees for the State of California fiscal year 1990-1991 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded net of administrative fees withheld during the fiscal year.

Inventories and Prepaid Items

Inventories of materials and supplies (if material) are carried at cost on a first-in, first-out (FIFO) basis. The City uses the consumption method of accounting for inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects as constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Structures	20 - 50
Improvements	15 - 25
Machinery and Equipment	3 - 25
Vehicles	5 - 10
Infrastructure	40 - 50
Airport Master Plan	10 - 20
Utility Plant	20 - 60

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental balance sheets will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the Statements of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows relating to the net pension obligation reported in the statement of net position. These outflows are due to the following: contributions made subsequent to the measurement date of the net pension liability, which are deferred and recognized against the respective liabilities in the following year, and either the net difference between projected and actual earnings on pension plan investments is deferred and will be recognized as a portion of pension expense in future years over a five year amortization period, and differences between expected and actual experiences, change in assumptions, adjustments due to difference in proportions, and the difference between actual contributions made and the proportionate share of the risk pool's total contributions which is deferred and amortized over the expected average remaining service life.

In addition to liabilities, the statement of net position and governmental balance sheet will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government currently has two items that qualify for reporting in this category. The first item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sources, such as, taxes, grant revenues, and long-term receivables.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The second item is in relation to the net pension obligation reported in the statement of net position. These inflows are the results of either the net difference between projected and actual earnings on pension plan investments is deferred and will be recognized as a portion of pension expense in future years over a five year amortization period, and differences between expected and actual experiences, change in assumptions, adjustments due to difference in proportions, and the difference between actual contributions made and the proportionate share of the risk pool's total contributions which is deferred and amortized over the expected average remaining service life.

Compensated Absences

Compensated absences are the amounts due to employees for future absences that are attributable to services already rendered. The City has determined that no current liability exists for compensated absences; therefore, the liability for governmental activities is shown only in the government-wide statements. For proprietary funds the liability for compensated absences, if any, is segregated between short-term and long-term as indicated above and both portions are reflected in the fund involved. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Sick leave is payable when an employee is unable to work because of illness or upon termination. Compensatory time, personal leave, executive leave and holiday pay are payable at the time leave is taken or upon termination. The vested portion of these compensated absences is accrued in the government-wide statements and is also accrued in proprietary funds at year-end.

The following are summaries of the City's compensated leave policies:

Compensatory Time/ Personal Leave/Executive Leave:

May be accrued in the following manner: Compensatory time for Police employees up to 240 hours, Utility and General employees up to 160 hours, and Non-exempt Managers up to 240 hours.

Exempt Managers receive 98 hours of personal leave per year that may be accrued up to 192 hours. Effective the first full pay period in July 2013, all personal leave balances above 150 hours were moved to a unique leave account.

The City Manager receives 48 hours and Department Directors receive 98 hours of executive leave annually that may be accrued up to 200 hours. Effective the first full pay period in July 2013, all executive leave balances above 98 hours were moved to a unique leave bank.

General and Utility employees may cash out 80 hours of compensatory time, or vacation, or any combination thereof, annually in excess of 40 hours. Non-exempt and Exempt Management employees may cash out 60 hours of compensatory time per year. Police employees may elect to cash out 80 hours of personal leave per year. The City Manager and Department Directors may cash out 48 and 98 hours, respectively, of executive leave per year.

All compensatory time/personal leave/executive leave is payable to employees upon termination at the rate of pay at termination.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Sick Leave

Accrues to employees in the following manner:

Police employees accrue sick leave without limit. Each employee may be eligible to convert up to 40 hours of unused sick leave to vacation each year, and after 10 years of service to the City, each employee, upon voluntary separation or involuntary disability, shall be eligible to be paid 40% of accrued sick leave.

Management employees, Utility personnel and General employees will accrue sick leave up to a cap of 400 hours. Effective the first full pay period in July 2013, excess hours above 224 were moved to an "old sick" leave account. During the year ended June 30, 2014 and thereafter, any hours that exceed the regular cap of 400 hours will not be accrued.

Upon separation, service retirement, disability retirement or termination, after 10 years of service, Utility and General personnel may receive a cash payment for 30% of all unused sick leave or contribute the entire remaining balance of sick leave to the employee's 457 Deferred Compensation Account (subject to IRS maximum contributions provided by law) or City's Retiree Medical Savings Account.

Upon separation, service retirement, disability retirement or termination, Management employees shall be eligible to receive a cash payment for accrued sick leave in an amount not to exceed 96 hours. After 10 years of continuous City service, all hours accrued, less the total hours cashed out, shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave.

Beginning with the 11th year of service, all Management, Utility, and General employees, as well as Police employees, have the option to convert their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

The City Manager shall accrue sick leave to a maximum of 480 hours and may receive an annual sick leave pay off of up to 96 hours, in excess of 40 hours. Upon separation, the City Manager shall receive payment for all sick hours accrued.

Department Directors shall accrue sick leave up to a maximum of 480 hours. Effective the first full pay period in July 2013, excess sick hours above 96 were moved to an "old sick" leave bank. Annually, Department Directors may receive a 96-hour sick leave pay off, but will not be able to cash out sick leave below 40 hours. Upon separation, service retirement, disability retirement or termination, Department Directors shall receive payment for all sick hours accrued.

Police Management employees will accrue sick leave up to a cap of 320 hours. Annually, employees may receive a 96-hour sick leave pay off or convert hours to deferred compensation but will not be able to cash out sick leave below 40 hours. Upon separation, service retirement, disability retirement, or termination, an employee may receive a cash payment for a maximum of 96 hours. Beginning the 10th year of continuous City service, all hours accrued shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave. Beginning with the 11th year of service, unit members may convert 50% of their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Police Management employees will accrue sick leave up to a cap of 320 hours. Annually, employees may receive a 96-hour sick leave pay off or convert hours to deferred compensation but will not be able to cash out sick leave below 40 hours. Upon separation, service retirement, disability retirement, or termination, an employee may receive a cash payment for a maximum of 96 hours. Beginning the 10th year of continuous City service, all hours accrued shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave. Beginning with the 11th year of service, unit members may convert 50% of their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

Vacation and Holiday Leave

Police employees accrue hours according to schedules set forth in a memorandum of understanding. After one year of employment, each employee is eligible to be paid for accrued vacation. Maximum accrual for vacation is 320 hours and 336 hours for non-supervisory and supervisory personnel, respectively. Holiday leave accrues at a rate of 3.38 per pay period to a maximum of 160 hours and can be cashed out to a maximum of 88 hours per year. At termination, holiday leave is 100% paid out and after 1 year of continuous full-time service, employees shall be paid for 100% of accrued vacation leave.

General and Utility personnel accrue vacation leave in accordance with schedules set forth in a memorandum of understanding. Holidays do not accrue but are paid per schedules set forth in a memorandum of understanding. Vacation leave accrues up to a maximum of 320 hours. Upon termination, all union personnel with at least six months service will be paid for all accrued hours.

The City Manager's maximum accrual for vacation is 480 hours. Department Directors will accrue vacation leave up to a cap of 480 hours. Effective the first full pay period in July 2013, excess hours above 160 (for Department Directors) were moved to a unique vacation bank. Upon separation, the City Manager and Department Directors shall be entitled to 100% of the unused vacation leave on the books. Effective July 2013, existing holiday hours were moved to a unique leave bank and the City Manager and Department Directors will no longer accrue holidays but are paid for holidays per schedules referred to in individual contracts. Upon termination, the City Manager and Department Directors shall be entitled to be paid for the entire amount of holiday time accrued.

Police Management will accrue vacation leave up to a cap of 320 hours. Effective the first full pay period in July 2013, excess hours above 160 were moved to a unique vacation bank. Upon separation, employee shall be entitled to 100% of the unused vacation leave on the books. Police Management shall accrue holiday hours up to the cap of 96 hours. Effective the first full pay period in July 2013, all holiday hours were moved to a unique bank. Upon separation, employees shall be entitled to 100% of the unused holiday leave on the books.

Management employees accrue vacation and holiday leave in accordance with schedules set forth in a memorandum of understanding. Vacation accrues to a limit of 320 hours. Effective July 2013, existing holiday hours were moved to a unique leave bank and the Management employees are no longer accrue holidays but are paid for holidays per schedules contained in a memorandum of understanding. All accrued vacation and holiday leave shall be paid upon termination up to a maximum of

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

320 hours for vacation and an unlimited amount of hours for holiday, after six months of service. The cash value of holiday hours (for Management employees) in the unique bank will remain at the employee's July 2013 pay rate.

Employees may cash out vacation/holiday time annually as follows:

	<u>Hours</u>
City Manager (vacation)	80
Department Directors (vacation)	80
Managers (vacation)	80
Police Management (vacation)	80
Police (vacation)	40
Police (holiday)	88

Vacation hour cash outs are maximum per year in excess of 80 hours of accrued vacation time.

Floating Holiday

General employees, Utility employees, the City Manager, Department Directors and Managers will be credited one floating holiday (10 hours) with the first payroll in each fiscal year. Floating holiday leave balances must be used during the fiscal year or cashed out.

Career part-time classification employees shall accrue leave balances on a prorate basis derived from the leave rates and caps set forth in the most recent memorandum of understanding for Management employees. Career part-time employees are not eligible for cash out of any accrued hours, except upon termination.

Claims and Judgments

Both the long-term and short-term liability for claims and judgments payable are reported in an internal service fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid related to claims and judgments entered.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the pension plans fiduciary net positions and additions to/deductions from the pension plans fiduciary net positions have been determined on the same basis as they are reported by the 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.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

In the fund financial statements, government funds report the following fund balance classification:

Non-spendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Emergency Contingency - City Council has determined the specific purposes for which this may be used for are local disasters, recessions or other financial hardships; to subsidize unforeseen operating or capital needs; and cash flow requirements.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The City Manager or Deputy City Manager are authorized to assign amounts to a specific purpose, which was established by the governing body by resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include non-spendable resources and amounts that are restricted. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Fund Balance Deficits

The following non-major funds contained a deficit fund balance:

Fund	Amount
Gas Tax Street - Special Revenue	\$ 490,031
Community Development Block Grant - Special Revenue	41,246
Sunset Grade Separation - Capital Projects	612,744
Transit Fund	1,177,528
Self Insurance	433,305
Information Services	599,750
Utility Billing Services	2,380,446

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020

II. DETAILED NOTES ON ALL FUNDS**Note 2: Cash and Investments**

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 30,129,097
Business-type activities	73,285,274
Fiduciary funds	1,040,402
Total Cash and Investments	\$ 104,454,773
Petty Cash	\$ 4,155
Deposits with financial institutes	16,407,394
Investments	85,142,401
Investment in SCPPA Rate Stabilization Fund	2,900,823
Total Cash and Investments	\$ 104,454,773

The City of Banning maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

Deposits

At June 30, 2020, the carrying amount of the City's deposits was \$16,407,394 and the bank balance was \$15,894,468. The \$512,926 difference represents outstanding checks, deposits and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 2: Cash and Investments (Continued)

Investments

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government
- Bank certificates of deposit
- Shares of savings certificates of savings and loan associations
- Mortgage backed securities
- State of California Local Agency Investment Fund

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for certain investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Investment in SCPPA Project Stabilization Fund

The City has investments held with the Southern California Public Power Authority, a Joint Powers Authority, in a Project Stabilization Fund for future joint projects. At June 30, 2020 the balance held by SCPPA in the Project Stabilization Fund was \$2,900,823.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 2: Cash and Investments (Continued)

Credit Risk

The City's investment policy does not limit investments in Federal Agency Securities by ratings issued by nationally recognized statistical rating organizations. As of June 30, 2020, the City's investments in Federal Agency Securities consisted of investments in Federal Home Loan Bank bonds, Federal National Mortgage Association bonds, and Federal Home Loan Mortgage Corporation Notes. At June 30, 2020, all Federal Agency Securities were rated "AA+" or better by Standard & Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2020, the City's investments in external investment pools are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2020, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In addition, GASB Statement No. 40 requires a separate disclosure if any single issuer comprised more than 5% of the total investment value. The investments in mutual money market funds and external investment pools are excluded from this requirement. As of June 30, 2020, none of the City's investments exceeded more than 5% of the total investment value with a single issuer.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2020, the City had the following investments and maturities:

Investment Type	Remaining Investment Maturities					Fair Value
	1 year or less	1 to 3 years	3 to 5 years	More than 5 years		
Federal Agency Securities	\$ 3,015,120	\$ 5,578,650	\$ 6,000,660	\$ -	\$ 14,594,430	
Local Agency Investment Fund	42,572,887	-	-	-	-	42,572,887
Money Market	12,875,352	-	-	-	-	12,875,352
Cash with Fiscal Agents:						
Money Market	15,099,732	-	-	-	-	15,099,732
Total	<u>\$ 73,563,091</u>	<u>\$ 5,578,650</u>	<u>\$ 6,000,660</u>	<u>\$ -</u>	<u>\$ 85,142,401</u>	

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 2: Cash and Investments (Continued)****Fair Value Measurement and Application**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2020:

Investments by fair value level	Totals	Level			
		Uncategorized	1	2	3
Federal Agency Securities	\$ 14,594,430	\$ -	\$ -	\$ 14,594,430	\$ -
Local Agency Investment	42,572,887	42,572,887	-	-	-
Money Market Funds	12,875,352	12,875,352	-	-	-
Held by Fiscal Agent:					
Money Market Mutual Funds	15,099,732	15,099,732	-	-	-
Total Investments	<u>\$ 85,142,401</u>	<u>\$ 70,547,971</u>	<u>\$ -</u>	<u>\$ 14,594,430</u>	<u>\$ -</u>

Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

Note 3: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

Funds	Due to Other Funds		
	Nonmajor Governmental Funds	Other	
		Enterprise	Total
Due from Other Funds:			
General Fund	\$ 1,608,082	\$ 363,405	\$ 1,971,487
Total	<u>\$ 1,608,082</u>	<u>\$ 363,405</u>	<u>\$ 1,971,487</u>

The interfund balances were the results of routine interfund transactions not cleared prior to year-end.

Advances To/From Other Funds

Funds	Advances to Other Funds	
	Electric	Utility
Advances from Other Funds:		
General Fund	\$ 394,118	
Total	<u>\$ 394,118</u>	

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 3: Interfund Receivables, Payables and Transfers (Continued)

During previous fiscal years, the Electric Utility Fund had made loans to the General Fund. These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The Electric Utility Fund may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2020, principal owed on those loans was \$394,118.

Interfund Transfers

Funds	Transfers Out:						Nonmajor Enterprise Funds	Totals
	General Fund	BUA Water Fund	BUA Wastewater Fund	Electric Utility Fund	Nonmajor Governmental Funds			
Transfers In:								
General Fund	\$ -	\$ 470,000	\$ 181,000	\$ -	\$ 980	\$ -	\$ 651,980	
BUA Water Fund	2,881	-	-	-	-	-	-	2,881
BUA Wastewater Fund	2,479	-	-	-	-	-	-	2,479
Other Enterprise Funds	1,380	-	-	-	-	-	-	1,380
Internal Service Funds	254	-	-	-	-	54,393	54,647	
Nonmajor Governmental Funds	347,729	-	-	1,000	79,695	-	-	428,424
Totals	\$ 354,723	\$ 470,000	\$ 181,000	\$ 1,000	\$ 80,675	\$ 54,393	\$ 1,141,791	

Transfers out of the General Fund, BUA Water Fund, BUA Wastewater Fund, Electric Utility Fund, Nonmajor Governmental Funds and Nonmajor Enterprise are to pay certain costs incurred for special projects undertaken in the other Nonmajor Governmental Funds.

Note 4: Changes in Capital Assets

Capital asset activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 4,391,449	\$ -	\$ -	\$ -	\$ 4,391,449
Construction-in-progress	2,102,749	3,646,337	-	(4,646,278)	1,102,808
Total Capital Assets, Not Being Depreciated	6,494,198	3,646,337	-	(4,646,278)	5,494,257
Capital assets, being depreciated:					
Buildings and structures	26,841,710	-	-	-	26,841,710
Land improvements	8,073,180	28,286	-	310,696	8,412,162
Machinery and equipment	6,956,632	15,675	140,244	218,760	7,050,823
Vehicles	4,118,067	98,439	179,709	149,714	4,186,511
Infrastructure	119,914,805	-	-	3,967,108	123,881,913
Total Capital Assets, Being Depreciated	165,904,394	142,400	319,953	4,646,278	170,373,119
Less accumulated depreciation:					
Buildings and structures	17,849,060	842,138	-	-	18,691,198
Land improvements	4,942,380	338,493	-	-	5,280,873
Machinery and equipment	6,498,188	162,542	140,244	-	6,520,486
Vehicles	3,816,111	109,379	153,333	-	3,772,157
Infrastructure	71,977,823	3,896,894	-	-	75,874,717
Total Accumulated Depreciation	105,083,562	5,349,446	293,577	-	110,139,431
Total Capital Assets, Being Depreciated, Net	60,820,832	(5,207,046)	26,376	4,646,278	60,233,688
Governmental Activities Capital Assets, Net	\$ 67,315,030	\$ (1,560,709)	\$ 26,376	\$ -	\$ 65,727,945

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Note 4: Changes in Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

General government	\$ 47,451
Public safety	881,555
Public works	3,896,894
Transportation	1,189
Community Development	191,459
Parks and Recreation	321,385
Internal Service Funds	9,513
Total Depreciation Expense - Governmental Activities	\$ 5,349,446

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 4,703,988	\$ 150,000	\$ -	\$ -	\$ 4,853,988
Construction-in-progress	5,747,115	1,476,455	-	(2,290,229)	4,933,341
Total Capital Assets, Not Being Depreciated	10,451,103	1,626,455	-	(2,290,229)	9,787,329
Capital assets, being depreciated:					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	519,247	-	-	-	519,247
Land improvements	4,554,137	-	-	8,780	4,562,917
Machinery and equipment	31,626	279,656	-	-	311,282
Utility plant	181,962,684	1,526,974	897,127	2,281,449	184,873,980
Total Capital Assets, Being Depreciated	187,106,569	1,806,630	897,127	2,290,229	190,306,301
Less accumulated depreciation:					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	439,445	7,116	-	-	446,561
Land improvements	2,731,307	162,735	-	-	2,894,042
Machinery and equipment	29,109	270	-	-	29,379
Utility plant	82,178,182	3,400,896	897,127	-	84,681,951
Total Accumulated Depreciation	85,416,918	3,571,017	897,127	-	88,090,808
Total Capital Assets, Being Depreciated, Net	101,689,651	(1,764,387)	-	2,290,229	102,215,493
Business-Type Activities					
Capital Assets, Net	\$ 112,140,754	\$ (137,932)	\$ -	\$ -	\$ 112,002,822

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 4: Changes in Capital Assets (Continued)**

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:

Banning Utility Authority Water	\$ 1,281,996
Electric Utility	1,306,114
Banning Utility Authority Wastewater	558,241
Airport	169,851
Transit	254,545
Refuse Utility	270
Total Depreciation Expense - Business-Type Activities	\$ 3,571,017

Note 5: Accounts Receivable

Accounts receivable are shown net of applicable allowances for doubtful accounts. The accounts receivable and respective allowances are as follows:

	<u>Gross Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
General Fund	\$ 1,008,383	\$ (108,278)	\$ 900,105
Nonmajor Governmental	443	-	443
Internal Service Funds	17,607	-	17,607
Water	2,147,816	(72,118)	2,075,698
Electric	5,158,320	(152,223)	5,006,097
Wastewater	797,298	(25,191)	772,107
Nonmajor Proprietary Funds	<u>730,029</u>	<u>(24,103)</u>	<u>705,926</u>
	<u>\$ 9,859,896</u>	<u>\$ (381,913)</u>	<u>\$ 9,477,983</u>

Note 6: Loans Receivable

The City has entered into various loan agreements relating to owner's participation agreements, developer loans, the first-time home buyer loan program, the rehabilitation loan program, and various other loans receivable. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2020:

	<u>Description</u>	<u>Balance at June 30, 2020</u>
Owners participation loans		\$ 500,000
First time home buyer down payment assistance loans		240,000
Rehabilitation loans		20,000
Employee loans		26,144
Other loans		<u>7,293</u>
Total loans receivable at June 30, 2020		\$ 793,437

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 7: Deposits with Other Agencies**

On August 14, 2001, the City of Banning adopted Resolution 2001-85, approving the Utility Services Agreement between the City of Banning and the City of Riverside. Under this agreement, the City of Riverside shall provide scheduling, dispatching and other related electric utility services to the City. The implementation of this agreement required the payment of a refundable deposit by the City of Banning to the City of Riverside. This amount is shown as a restricted investment. The amount of deposit with the City of Riverside as of June 30, 2020, amounted to \$2,279,429.

Note 8: Long-Term Debt

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2020:

	Balance at June 30, 2019	Incurred	Retired	Balance at June 30, 2020	Due Within One Year
Governmental Activities:					
Direct borrowing:					
2011 Refunding Lease	\$ 628,572	\$ -	\$ 416,296	\$ 212,276	\$ 212,276
Total	<u>\$ 628,572</u>	<u>\$ -</u>	<u>\$ 416,296</u>	<u>\$ 212,276</u>	<u>\$ 212,276</u>
Business-Type Activities:					
Direct borrowing:					
Loans Payable	\$ 585,640	\$ -	\$ 289,062	\$ 296,578	\$ 296,578
Bonds Payable:					
2005 Wastewater Revenue Bond	4,585,000	-	4,585,000	-	-
2015 Electric Refunding Bond	27,250,000	-	1,150,000	26,100,000	1,210,000
2015 Water Revenue Bond	22,490,011		970,000	21,520,011	1,020,000
2019 Wastewater Refunding Bond	-	4,020,000	-	4,020,000	220,000
Total	<u>\$ 54,910,651</u>	<u>\$ 4,020,000</u>	<u>\$ 6,994,062</u>	<u>\$ 51,936,589</u>	<u>\$ 2,746,578</u>
Less:					
Unamortized original issue premium				<u>\$ 4,540,626</u>	
Net Business-Type Activities				<u>\$ 56,477,215</u>	

a. 2011 Refunding Lease Agreement

On April 27, 2011, the City entered into a lease agreement for the purpose of refunding the 1997 Refunding Certificates of Participation. The lease agreement totals \$3,455,000 and is subject to an interest rate of 3.75% per annum. The lease agreement is payable on November 1 and May 1 of each year commencing November 1, 2011 through 2020 and is in connection with real property leased by the City to the funding corporate parties. At June 30, 2020, the outstanding balance on the refunding lease agreement is \$212,277.

Year Ending June 30,	Principal	Interest	Total
2021	\$ 212,276	\$ 3,980	\$ 216,256
Total	<u>\$ 212,276</u>	<u>\$ 3,980</u>	<u>\$ 216,256</u>

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 8: Long-Term Debt (Continued)****b. 2005 Wastewater Revenue Bonds**

On December 8, 2005, the Banning Utility Authority issued \$7,100,000 in Wastewater Enterprise Revenue Bonds, Refunding and improvement projects. The Proceeds of these Bonds were utilized to refund and defease \$1,895,000 in 1989 Wastewater Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

As a result, the 1989 Wastewater Utility Fund Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from long-term debt. The advance refunding resulted in a decrease in the Authority's debt service payments over the next 14 years of approximately \$1,550,638. The economic loss (difference between the present values of the debt service payments on the old and new debt) amounts to approximately \$404,306.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$135,000 to \$265,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing between November 1, 2021 and November 1, 2025, in the amount of \$1,100,000 are term bonds and bear interest at 4.5%. Bonds maturing between November 1, 2026 and November 1, 2035, in the amount of \$3,105,000 are term bonds and bear interest at 4.625%. The 2005 Wastewater Revenue Bond was refunded in the current year with the issuance of the 2019 Wastewater Enterprise Refunding Revenue Bond.

c. 2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects

On August 19, 2015, the Banning Utility Authority issued \$25,365,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The proceeds of the bonds, together with other money being made available by the Authority, will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series, currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2005 Water Revenue Bonds, which have been removed from long-term debt. The refunding resulted in an economic gain of \$9,756,559. The 2015 Water Enterprise Revenue Bonds bear interest at rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on May 1 and November 1. The balance outstanding as of June 30, 2020, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,020,000	\$ 939,063	\$ 1,959,063
2022	1,075,000	886,688	1,961,688
2023	1,130,000	831,563	1,961,563
2024	1,185,000	773,688	1,958,688
2025	1,240,000	713,063	1,953,063
2026 - 2030	7,150,000	2,633,641	9,783,641
2031 - 2035	<u>8,720,011</u>	<u>1,017,928</u>	<u>9,737,939</u>
Total	<u>\$ 21,520,011</u>	<u>\$ 7,795,634</u>	<u>\$ 29,315,645</u>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 8: Long-Term Debt (Continued)

Pledged Revenue

The City pledged, as security for bonds issued, the net water revenues to the payment of the bonds. This is calculated by deducting gross water revenues in each fiscal year the amounts required for operation and maintenance of the water enterprise. For the current year, revenue recognized for the payment of indebtedness incurred was \$1,120,213.

The bonds include a provision, that in any event of default, the trustee has the right to accelerate the total unpaid principal amount of the Bonds. However, in the event of default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of the bonds.

d. Loan Payable - California Water Resource Control Board

On March 17, 1999, the City entered a loan contract with the California Water Resource Control Board (Board). The loan was to provide the City with assistance for the Wastewater Treatment Facility Upgrade Project. The loan amount was \$4,658,883 and is subject to a service charge of 2.6% per annum. The loan is to be repaid within 20 years through 20 equal annual installments of principal and service charges. The outstanding loan balance at June 30, 2020, was \$296,578. The loan is recorded in the BUA Wastewater Utility Enterprise Fund.

Year Ending June 30,	Principal	Service Charge	Total
2021	\$ 296,578	\$ 7,711	\$ 304,289
Total	\$ 296,578	\$ 7,711	\$ 304,289

e. 2015 Electric Revenue Refunding Bonds

On August 19, 2015, the Banning Financing Authority issued \$31,755,000 in Refunding Revenue Bonds (Electric System Project). The proceeds of the bond, together with other money being made available by the Authority, will be used to (i) refund the Authority's \$45,790,000 Revenue Bonds (Electric System Project) Series 2007, currently outstanding in the amount of \$34,270,000; (ii) finance certain improvements (the "Facilities") to the electric system of the City of Banning; (iii) pay the insurance premium for the Bonds; (iv) purchase a reserve surety bond for the Bonds; and (v) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2007 Electric Revenue Bonds, which have been removed from long-term debt. The refunding resulted in an economic gain of \$6,893,088.83. The 2015 Electric Enterprise Revenue Bonds bear interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on June 1 and December 1. The balance outstanding as of June 30, 2020, of the debt service payments are as follows:

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 8: Long-Term Debt (Continued)**

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,210,000	\$ 1,214,044	\$ 2,424,044
2022	1,275,000	1,153,544	2,428,544
2023	1,335,000	1,089,794	2,424,794
2024	1,400,000	1,023,044	2,423,044
2025	1,470,000	953,044	2,423,044
2026 - 2030	8,365,000	3,682,119	12,047,119
2031 - 2035	7,885,000	1,915,000	9,800,000
2036 - 2037	3,160,000	239,000	3,399,000
Total	\$ 26,100,000	\$ 11,269,589	\$ 37,369,589

Pledged Revenue

The City pledged, as security for bonds issued, the net electric revenues to the payment of the bonds. This is calculated by deducting gross electric revenues in each fiscal year the amounts required for operation and maintenance of the electric enterprise. For the current year, revenue recognized for the payment of indebtedness incurred was \$20,031,815.

The bonds include a provision, that in any event of default, the trustee has the right to accelerate the total unpaid principal amount of the Bonds. However, in the event of default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of the bonds.

f. 2019 Wastewater Enterprise Refunding Revenue Bonds

On October 8, 2019, the Banning Utility Authority issued the 2019 Wastewater Enterprise Refunding Revenue Bonds. The proceeds of the bond, together with other money being made available by the Authority, will be used to (i) refund the Authority's 2005 \$7,100,000 Wastewater Revenue Bonds, currently outstanding in the amount of \$4,585,000; (ii) finance certain improvements (the "Facilities") to the Wastewater System of the City of Banning; (iii) and to refinance certain obligations of the Authority. As a result, the refunding bonds defeased the liability of the 2005 Wastewater Revenue Bonds, which have been removed from long-term debt. The refunding resulted in an economic gain of \$109,348.37. The 2019 Wastewater Enterprise Refunding Revenue Bonds bear interest of 1.80%. Interest is payable semi-annually on May 1 and November 1, commencing May 1, 2020. The balance outstanding as of June 30, 2020, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 220,000	\$ 70,380	\$ 290,380
2022	220,000	66,420	286,420
2023	225,000	62,415	287,415
2024	230,000	58,320	288,320
2025	235,000	54,135	289,135
2026 - 2030	1,250,000	204,750	1,454,750
2031 - 2035	1,355,000	87,525	1,442,525
2036 - 2040	285,000	2,565	287,565
Total	\$ 4,020,000	\$ 606,510	\$ 4,626,510

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 9: Compensated Absences**

As described in Note 1, under certain circumstances and accordingly to the negotiated labor agreements, City employees are allowed to accumulate annual leave. The annual leave amount is accrued and accounted for as compensated absences in the government-wide and proprietary fund statements.

As shown in the table below, for governmental activities, accumulated vacation, sick leave benefits, holiday and compensatory time payable at June 30, 2020, was \$1,140,094 which includes \$151,087 recorded in the internal service funds. These amounts are payable from future resources and, therefore, have been recorded in the statement of net position. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used. For enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$835,034.

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities	\$ 997,789	\$ 789,889	\$ 647,584	\$ 1,140,094	\$ 735,765	\$ 404,329
Business-Type Activities	\$ 705,325	\$ 601,369	\$ 471,659	\$ 835,035	\$ 595,295	\$ 239,740

Note 10: Assessment District and Community Facilities District Bonds

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915, as well as the Mello-Roos Community Facilities District Act, are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. Neither the faith and credit, nor the taxing power, of the City of Banning or the Agency has been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds are shown in the financial statements of the City.

	Amount of Issue	Outstanding June 30, 2020
AD 2004-1	\$ 2,898,000	\$ 1,960,000

Note 11: Operating Lease

In December 2005, the Banning Utility Authority entered an operating lease with the City for the use of the City's water and wastewater systems. The lease agreement states that an initial payment of \$17,000,000 be paid to the City, with additional annual installments equal to the total surplus revenues and other funds pledged. The lease agreement is for a term of 55 years and the amount paid to the City over that time cannot exceed the fair value of the water and wastewater systems. In 2005-2006, the Banning Utility Authority paid the City the initial payment of \$17,000,000. The Banning Utility Authority made a payment of \$651,000 during the fiscal year ending June 30, 2020.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description – City Miscellaneous Plan

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, a single employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Plan Description – City Safety Plan

The City of Banning Safety Plan is a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). All qualified safety employees are eligible to participate in the City's Safety (Police and Fire) Plan. Benefit provisions under the Safety Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 non-duty disability benefits after 10 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.

The Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

Miscellaneous Plan

Hire date	Prior to January 1, 2013*	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%	1.1% to 2.00%
Required employee contribution rates	7.582%	6.250%
Required employer contribution rates	26.961%	26.961%

* Closed to new entrants not previously in CalPERS

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)****Safety Cost-Sharing Plan**

Hire date	Prior to January 1, 2013
Benefit formula	3% @ 50
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of eligible compensation	3.000%
Required employee contribution rates	9.000%
Required employer contribution rates	22.346%

Contribution

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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the period ended June 30, 2020, City contributions totaling \$4,655,127 was recognized as a reduction to the net pension liability.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and the June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.00% (net of administrative expenses)
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERSdemographic data from 1997 to 2015) that can be found on the CalPERS website.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (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 of 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 expected real rates of return by asset class are as followed:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.0% used for this period.
(3) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

Miscellaneous Rate Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2019 (Reporting Date) (1)	\$ 75,050,729	\$ 50,922,925	\$ 24,127,804
Changes Recognized for the Measurement Period:			
Service Cost	1,525,937	-	1,525,937
Interest on the Total Pension Liability	5,383,175	-	5,383,175
Change of Assumptions	-	-	-
Difference between Expected and Actual			
Experience	1,456,383	-	1,456,383
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	2,350,584	(2,350,584)
Contributions from Employees	-	721,618	(721,618)
Net Investment Income (2)	-	3,354,860	(3,354,860)
Benefit Payments including Refunds of Employee			
Contributions	(3,961,830)	(3,961,830)	-
Administrative Expense	-	(36,340)	36,340
Other Miscellaneous Income/(Expense)	-	119	(119)
Net Changes During 2019-20	4,403,665	2,429,011	1,974,654
Balance at: 6/30/2020 (Reporting Date) (1)	\$ 79,454,394	\$ 53,351,936	\$ 26,102,458

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

(2) Net of administrative expenses.

As of June 30, 2020, the City reported a \$26,102,458 net pension liability for its proportionate share of the pooled net pension liability.

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. City's proportion of the net pension liability was based on CalPERS' Public Agency Cost-Sharing Allocation Methodology Report, which can be obtained on the CalPERS website. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Safety Plan	
Proportion - June 30, 2018	0.16713%
Proportion - June 30, 2019	0.15397%
Change - Increase (Decrease)	-0.0132%

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous			
Plan's Net Pension Liability/(Assets)	\$ 36,322,078	\$ 26,102,458	\$ 17,621,307
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Safety Plan's Net Pension Liability/(Assets)	\$ 24,372,168	\$ 16,783,668	\$ 10,562,286

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2020, the following were the reported deferred outflows of resources and deferred inflows of resources related to the pension plans:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2019	\$ 2,491,669	\$ -	\$ 2,163,458	\$ -
Change of Assumptions	-	(202,939)	604,392	(117,947)
Difference between expected and actual experience	1,163,896	-	962,750	-
Net difference between projected and actual earnings on pension plan investments	-	(313,854)	-	(202,849)
Adjustment due to difference in proportions	-	-	33,882	(64,141)
Difference in actual contribution and proportionate share of contribution calculation	-	-	71,931	-
Total	\$ 3,655,565	\$ (516,793)	\$ 3,836,413	\$ (384,937)

The Miscellaneous Plan reported \$2,491,669 and the Safety Plan reported \$2,163,458 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 ended June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending	Net Deferred Outflows/ (Inflows) of Resources		
	Miscellaneous		
	June 30:	Plan	Safety Plan
2020	\$ 722,118	\$ 1,095,494	
2021	(34,287)	(16,104)	
2022	(89,455)	169,158	
2023	48,727	39,470	
2024	-	-	
Thereafter	-	-	
Total	\$ 647,103	\$ 1,288,018	

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

PARS

Plan Description

Effective July 2005, the City began participating in a Public Agency Retirement System (PARS) program, which is a defined contribution retirement plan for part-time, seasonal and temporary employees. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

As established by the plan, all eligible employees of the City will become participants in the plan from the date they are hired. An eligible employee is any employee who, at any time during which the employer maintains this plan, is not accruing benefits under the Public Employees Retirement System.

Funding Plan

Contributions made to the plan vest immediately. As determined by the plan, all members must contribute 7.5% of their gross earnings to the plan. The City is not required to contribute.

Annual Contributions

The amount of employee contributions was \$18,701 (7.5% of covered payroll). Total payroll for employees covered under this plan for the year was \$249,347.

Note 13: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employee. Participants' rights under the plan are equal to an amount equal to the fair market of the deferred account for each participant. The City has no liability for losses under the plan.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 14: Insurance Programs

The City maintains self-insurance programs for workers' compensation, general liability and wrongful employment practices. For general liability claims, the City is at risk for up to \$50,000 per occurrence; amounts in excess of \$50,000 up to \$50,000,000 are covered through the Public Entity Risk Management Authority (PERMA) and excess insurance. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence. Losses exceeding \$250,000 up to statutory limits are covered by the PERMA under their risk-sharing pool program and excess insurance. For wrongful employment practices claims, the City is at risk for up to \$25,000 per occurrence; amounts in excess of \$25,000 up to \$1,000,000 are covered through the Employment Risk Management Authority. Estimates for all liabilities, including an estimate for incurred but not reported claims (IBNR's), have been included in the Self-Insurance Internal Service Fund.

PERMA also provides a non-risk sharing "deductible" or claims-servicing pool for general liability claims within the self-insured retention (SIR) level (\$50,000). Annual contributions are deposited with the Authority from which claims are paid on behalf of the City. Any claims paid by PERMA for the City in excess of deposits at year-end are recorded as "Due to Other Agencies" within the Self-Insurance Internal Service Fund.

In addition, the City makes deposits with PERMA for workers' compensation claims below the \$250,000 SIR from which claims are paid on behalf of the City.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2020, the amount of these liabilities was \$1,538,482. The amount represents an estimate of \$973,299 for reported claims through June 30, 2020, and \$565,183 of estimate incurred but not reported claims. This liability is the City's best estimate based on available information. There are no significant reductions in insurance coverages from prior years and there have been no settlements exceeding the insurance coverages for each of the past four fiscal years.

Changes in the reported liability since June 30, 2020, resulted from the following:

Year	Liability at Beginning of Fiscal Year	Current Year		Liability at End of Fiscal Year
		Claims and Changes in Estimates	Claim Payments	
2019	\$ 1,057,689	\$ 1,240,632	\$ 1,043,492	\$ 1,254,829
2020	1,254,829	807,799	524,146	1,538,482

The City of Banning is a member of the Public Entity Risk Management Authority (a joint powers authority of 22 California cities, one Transit Agency and one other special district) which was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. The City continues to carry commercial insurance for all other risks of loss.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 15: Commitments and Contingencies

a. Grant Compliance Audits

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

b. Pending Litigation

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

c. Proposition 218

Was approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired.

At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

d. Construction Contracts

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitments
Design of Well C8	\$ 738,383	\$ 66,086	\$ 672,297
Road Construction Work - Hargrave at Ramsey Intersection	3,735,435	2,619,944	1,115,491
Electric Substation Equipment Maintenance	829,982	163,207	666,775
Wastewater SCADA System and Upgrades	739,417	-	739,417
	<u>\$ 6,043,217</u>	<u>\$ 2,849,237</u>	<u>\$ 3,193,980</u>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 16: Southern California Public Power Authority

The City, through its Electric Utility Fund, has entered into a "take or pay" contract and "take and pay" contract through its participation in the Southern California Public Power Authority (SCPPA) in order to meet the electric needs of its customers. These contracts are not considered a joint venture since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these contracts refer. Under the "take or pay" contract, the City is obligated to pay its share of the indebtedness regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. The City is only obligated to pay its share of the indebtedness upon delivery of energy under the "take and pay" contracts. A long-term obligation has not been recorded in the accompanying basic financial statements as these commitments do not represent an obligation of the Electric Utility until the year the power is available to be delivered to the Electric Utility.

During the fiscal year ended June 30, 2020, the Electric Utility Fund made payments totaling \$6,268,601 or these contracts. SCPPA membership consists of 10 Southern California cities and one public irrigation district of the State of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint power agreement has a term of 50 years.

For the year ended June 30, 2020, the City of Banning had power purchase agreements in the following SCPPA operating projects:

a. Palo Verde Project

Pursuant to an assignment agreement dated August 14, 1981 with the Salt River Project, SCPPA purchased a 5.910% interest in the Palo Verde Nuclear Generating Station, a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona and a 6.550% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the PV). Units 1, 2 and 3 of PV began commercial operations in January 1986, September 1986 and January 1988, respectively. The City's ownership share of this project is 1.0%.

b. San Juan Project

Effective July 1, 1993, the SCPPA purchased a 41.80% interest in Unit 3 and related common facilities of the San Juan Generation Station from Century Power Corporation. The City's ownership share of this project is 9.8%.

c. Mead-Phoenix Project

SCPPA entered into an agreement dated December 17, 1991, to acquire an interest in the MP, a transmission line extending between the West Wing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.308% interest in the West Wing-Mead project, a 17.756% interest in the Mead substation project component and a 22.408% interest in the Mead-Marketplace component. The project is a 256 mile, 500 kV AC transmission line with a rating of 1,300 MW. The City's ownership share of MP is 1.0%.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 16: Southern California Public Power Authority (Continued)

d. Mead-Adelanto Project

SCPPA also entered into an agreement dated December 17, 1991, to acquire a 67.917% interest in the MA, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer from the Multiple Projects Fund, and commercial operations commenced in April 1996. LADWP serves as the operations manager of MA. The project is a 202 mile, 500 kV AC transmission line with a rating of 1,200 MW. The City's ownership share of MA is 1.35%.

e. Hoover Uprating Project

On March 1, 1986, SCPPA and the City, and eight participants including the Cities of Anaheim, Azusa, Banning, Colton, Glendale, Pasadena, Riverside and Vernon entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the USBR on behalf of such participants. SCPPA has an 18.680% interest in the contingent capacity of the HU. All 17 "uprated" generators of the HU have commenced commercial operations. The City has a 2.1% (15 MW) ownership interest in this project.

A summary of the City's contracts and related projects and its commitments at June 30, 2020, are shown below:

	City of Banning portion	City of Banning share of bonds	City of Banning obligation relating to total debt service
Mead-Phoenix	1.00%	\$ 46,150	\$ 47,183
Mead-Adelanto	1.35%	208,934	213,552
		\$ 255,084	\$ 260,735

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Banning that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 437,450
	<u>\$ 437,450</u>

b. Loans Receivable

The former redevelopment agency had entered into various loan agreements relating to owners' participation agreements and various other loans receivable. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2020:

Description	Balance at June 30, 2020
Owners participation loans	\$ 850,155
Total loans receivable at June 30, 2020	<u>\$ 850,155</u>

During the Fiscal Year ending June 30, 2020, no rehabilitation and owner participation agreement loans were forgiven. These forgiven loans are reported as forgiven loan expense on the Statement of Changes in Fiduciary Net Position.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

c. Capital Assets

An analysis of capital assets as of June 30, 2020, follows:

	Balance June 30, 2019	Transfers	Additions	Deletions	Balance June 30, 2020
Nondepreciable Assets:					
Construction-in-progress	\$ 3,241,788	\$ (2,799,333)	\$ 1,479	\$ (40,000)	\$ 403,934
Total nondepreciable assets	3,241,788	(2,799,333)	1,479	(40,000)	403,934
Depreciable Assets:					
Land Improvements	2,201,160	2,799,333	200,000	-	5,200,493
Building and Structures	1,349,031	-	-	-	1,349,031
Machinery and Equipment	28,378	-	-	-	28,378
Infrastructure	3,307,989	-	-	-	3,307,989
Total depreciable assets	6,886,558	2,799,333	200,000	-	9,885,891
Less Accumulated Depreciation					
Land Improvements	1,105,590	-	251,810	-	1,357,400
Building and Structures	276,456	-	22,206	-	298,662
Machinery and Equipment	28,378	-	-	-	28,378
Infrastructure	963,340	-	99,945	-	1,063,285
Total Accumulated Depreciation	2,373,764	-	373,961	-	2,747,725
Total depreciable assets, net	4,512,794	2,799,333	(173,961)	-	7,138,166
Capital Assets	\$ 7,754,582	\$ -	\$ (172,482)	\$ (40,000)	\$ 7,542,100

d. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2020, follows:

	Balance June 30, 2019	Additions	Repayments	Balance June 30, 2020	Due Within One Year
Fiduciary Funds:					
2016 Tax Allocation					
Refunding Bonds	\$ 29,975,000	\$ -	\$ 1,220,000	\$ 28,755,000	\$ 1,240,000
SERAFF loan	707,415	-	295,240	412,175	410,757
Total Fiduciary Funds	\$ 30,682,415	\$ -	\$ 1,515,240	\$ 29,167,175	\$ 1,650,757

CITY OF BANNING**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED JUNE 30, 2020**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)****e. 2016 Tax Allocation Refunding Bonds**

On September 22, 2016, the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning issued Tax Allocation Refunding Bonds, Series 2016 (Taxable) in the amount of \$32,255,000, in order to (i) refund the Taxable Allocation Bonds, Series 2003 and 2007; (ii) purchase a surety bond for the Reserve Fund for the 2016 Bonds; (iii) purchase a municipal bond insurance policy for the 2016 Bonds as described below; and (iv) pay costs of issuance of the 2016 Bonds.

Principal on the 2016 Bonds is due annually on September 1 of each year, commencing September 1, 2018, and interest on the 2016 Bonds is due semiannually on March 1 and September 1 of each year, commencing March 1, 2017. Interest rates vary from 1.240% - 3.935%.

As a result of the refunding, the Successor Agency refunding bonds defeased the liability of the 2003 and 2007 Taxable Allocation Bonds and reduced its total debt service payments over 20 years by \$352,912 cash savings.

The balance outstanding as of June 30, 2020, and the remaining debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,240,000	\$ 949,712	\$ 2,189,712
2022	1,265,000	924,838	2,189,838
2023	1,290,000	896,718	2,186,718
2024	1,320,000	865,057	2,185,057
2025	1,355,000	830,472	2,185,472
2026 - 2030	7,390,000	3,505,323	10,895,323
2031 - 2035	8,775,000	2,078,326	10,853,326
2036 - 2038	6,120,000	367,529	6,487,529
Total	<u>\$ 28,755,000</u>	<u>\$ 10,417,975</u>	<u>\$ 39,172,975</u>

f. Supplement Education Augmentation Fund (SERAf) Loan

The advance for \$2,298,433 from the Low and Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund was made to fund the mandated payment for the "Supplemental" Educational Revenue Augmentation Fund. The amount of the loan outstanding at June 30, 2020, totaled \$412,175.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

g. Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$41,364,380 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$2,506,684 and the debt service obligation on the bonds was \$2,191,404.

h. Insurance

The Successor Agency is covered under the City of Banning's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 13.

i. Commitments and Contingencies

At June 30, 2020, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

Note 18: Subsequent Event

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The funding is to be received in six monthly installments of \$64,051, with the first installment received by the City in July 2020. The total amount of CARES Act funding to be received from the State by the City is \$384,304. In addition the City is expected to receive \$765,387 in subrecipient grant funding from other sources, including the County.

CITY OF BANNING

MISCELLANEOUS RATE PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service Cost	\$ 1,309,205	\$ 1,237,963	\$ 1,068,763	\$ 1,380,599	\$ 1,475,045	\$ 1,525,937
Interest	4,417,332	4,647,945	4,783,405	4,880,944	5,086,725	5,383,175
Difference Between Expected and Actual Experience	-	(48,685)	(1,098,175)	(1,096,153)	733,536	1,456,383
Changes in Assumptions	-	(1,116,894)	-	3,969,912	(653,917)	-
Benefit Payments, Including Refunds of employee Contributions	(2,569,019)	(2,762,291)	(3,102,523)	(3,187,613)	(3,833,044)	(3,961,830)
Net Change in Total Pension Liability	3,157,518	1,958,038	1,651,470	5,947,689	2,808,345	4,403,665
Total Pension Liability - Beginning	59,527,669	62,685,187	64,643,225	66,294,695	72,242,384	75,050,729
Total Pension Liability - Ending (a)	62,685,187	64,643,225	66,294,695	72,242,384	75,050,729	79,454,394
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	1,511,733	1,479,527	1,579,886	2,059,833	2,011,248	2,350,584
Contribution - Employee	608,478	566,122	445,598	674,451	670,531	721,618
Plan to Plan Resource Movement	-	9,303	-	-	(119)	-
Net Investment Income	6,586,288	1,020,136	221,312	4,904,903	4,077,253	3,354,860
Benefit Payments, Including Refunds of Employee Contributions	(2,569,019)	(2,762,291)	(3,102,523)	(3,187,613)	(3,833,044)	(3,961,830)
Administrative Expense	-	(50,336)	(27,249)	(64,709)	(75,132)	(36,340)
Other Miscellaneous Income/(Expense)	-	-	-	-	(142,677)	119
Net Change in Fiduciary Net Position	6,137,480	262,461	(882,976)	4,386,865	2,708,060	2,429,011
Plan Fiduciary Net Position - Beginning	38,311,035	44,448,515	44,710,976	43,828,000	48,214,865	50,922,925
Plan Fiduciary Net Position - Ending (b)	44,448,515	44,710,976	43,828,000	48,214,865	50,922,925	53,351,936
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 18,236,672	\$ 19,932,249	\$ 22,466,695	\$ 24,027,519	\$ 24,127,804	\$ 26,102,458
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability						
Covered Payroll	70.91%	69.17%	66.11%	66.74%	67.85%	67.15%
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	245.54%	285.05%	314.24%	406.98%	276.72%	266.85%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

Notes to Schedule:

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF BANNING

SAFETY RATE PLAN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020
Proportion of the Net Pension Liability	0.28259%	0.17340%	0.16650%	0.16191%	0.16713%	0.15397%
Proportionate Share of the Net Pension Liability	\$ 10,599,884	\$ 11,900,560	\$ 14,407,636	\$ 16,057,212	\$ 15,962,108	\$ 16,783,668
Covered Payroll	\$ 2,399,596	\$ 2,184,008	\$ 2,205,720	\$ 1,581,595	\$ 2,439,376	\$ 2,608,731
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	441.74%	544.90%	653.19%	1015.25%	654.35%	643.37%
Plan Fiduciary Net Position	\$ 33,631,871	\$ 32,989,395	\$ 32,521,518	\$ 35,284,479	\$ 37,103,510	\$ 38,589,307
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	72.69%	71.74%	73.39%	73.37%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change of Assumptions: In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

CITY OF BANNING

MISCELLANEOUS RATE PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,349,103	\$ 1,483,525	\$ 1,829,173	\$ 1,862,651	\$ 2,153,041	\$ 2,491,669
Contribution in Relation to the Actuarially Determined Contribution	(1,349,103)	(1,483,525)	(1,829,173)	(1,862,651)	(2,153,041)	(2,491,669)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,992,494	\$ 7,149,518	\$ 5,903,926	\$ 8,719,354	\$ 9,781,645	\$ 8,912,142
Contributions as a Percentage of Covered Payroll	19.29%	20.75%	30.98%	21.36%	22.01%	27.96%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (net of administrative expenses)
Retirement Age	All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF BANNING

SAFETY RATE PLAN

SCHEDULE OF PLAN CONTRIBUTIONS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,034,818	\$ 1,329,187	\$ 1,481,661	\$ 1,599,794	\$ 1,830,085	\$ 2,163,458
Contribution in Relation to the Actuarially Determined Contribution	(1,034,818)	(1,329,187)	(1,481,661)	(1,599,794)	(1,830,085)	(2,163,458)
Contribution Deficiency (Excess)	<u>\$ -</u>					
Covered Payroll	\$ 2,184,008	\$ 2,205,720	\$ 1,581,595	\$ 2,439,376	\$ 2,608,731	\$ 3,538,340
Contributions as a Percentage of Covered Payroll	47.38%	60.26%	93.68%	65.58%	70.15%	61.14%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

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CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 13,107,599	\$ 13,107,599	\$ -
Resources (Inflows):			
Taxes:			
Sales and use	3,742,414	3,780,323	3,672,949 (107,374)
Property	5,264,789	5,234,281	5,383,240 148,959
Franchise	867,490	910,963	919,373 8,410
Transient occupancy	896,015	871,062	804,389 (66,673)
Other	730,394	668,624	659,301 (9,323)
Subtotal	11,501,102	11,465,253	11,439,252 (26,001)
Licenses and permits:			
Building permits	193,116	828,282	842,419 14,137
Other permits	899,675	2,743,987	2,520,299 (223,688)
Subtotal	1,092,791	3,572,269	3,362,718 (209,551)
Intergovernmental:			
State motor vehicle in-lieu fees	17,340	15,000	24,570 9,570
Other intergovernmental revenues	91,364	193,283	172,484 (20,799)
Subtotal	108,704	208,283	197,054 (11,229)
Charges for services:			
Engineering, police, fire and other fees	185,691	300,233	233,493 (66,740)
Recreation fees	25,800	95,494	59,066 (36,428)
Interfund charges	4,014,055	2,181,438	2,129,796 (51,642)
Subtotal	4,225,546	2,577,165	2,422,355 (154,810)
Use of money and property:			
Interest and rents	506,996	539,355	705,142 165,787
Subtotal	506,996	539,355	705,142 165,787
Fines and forfeitures			
Parking fines	26,946	29,802	18,523 (11,279)
Court fines and other fines	281,136	217,849	151,310 (66,539)
Subtotal	308,082	247,651	169,833 (77,818)
Contributions	22,751	7,659	6,759 (900)
Contribution from Successor Agency	250,000	250,000	250,000 -
Miscellaneous	466,289	4,188,231	603,466 (3,584,765)
Transfers in	651,000	651,000	651,980 980
Subtotal	1,390,040	5,096,890	1,512,205 (3,584,685)
Total Resources (inflows)	19,133,261	23,706,866	19,808,559 (3,898,307)
Amounts Available for Appropriations	32,240,860	36,814,465	32,916,158 (3,898,307)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Charges to Appropriations (Outflow):			
General government			
City council	107,630	111,047	92,943 18,104
City manager	211,803	263,098	252,856 10,242
Personnel	151,002	171,201	130,564 40,637
City clerk	167,950	191,312	196,781 (5,469)
City attorney	243,247	389,194	374,138 15,056
Finance	372,771	426,395	375,268 51,127
Economic Development	268,721	261,613	151,999 109,614
Community enhancement	133,960	131,944	125,618 6,326
Central services	832,866	1,133,261	1,053,501 79,760
Building maintenance	257,326	300,193	218,753 81,440
Subtotal	<u>2,747,276</u>	<u>3,379,258</u>	<u>2,972,421</u> 406,837
Public safety			
Police	7,757,677	8,742,956	8,587,859 155,097
Animal control	210,503	210,503	216,105 (5,602)
Fire	3,520,455	3,549,740	3,147,597 402,143
Dispatch	1,077,278	1,055,770	946,712 109,058
Subtotal	<u>12,565,913</u>	<u>13,558,969</u>	<u>12,898,273</u> 660,696
Community development			
TV government access	116,749	122,488	107,283 15,205
Building safety	560,685	774,699	799,931 (25,232)
Code enforcement	346,814	611,061	513,303 97,758
Planning	1,231,659	1,867,989	808,483 1,059,506
Engineering	278,370	1,206,235	904,348 301,887
Community enhancement	76,500	110,931	74,441 36,490
Subtotal	<u>2,610,777</u>	<u>4,693,403</u>	<u>3,207,789</u> 1,485,614
Culture and leisure			
Parks	435,712	606,790	548,051 58,739
Recreation	393,688	566,009	499,587 66,422
Aquatics	199,269	233,793	123,543 110,250
Senior Center	117,990	123,336	92,433 30,903
Subtotal	<u>1,146,659</u>	<u>1,529,928</u>	<u>1,263,614</u> 266,314
Debt service:			
Principal retirement	417,246	417,246	416,296 950
Interest and fiscal charges	19,754	19,754	19,170 584
Transfers out	165,825	165,825	354,723 (188,898)
Subtotal	<u>602,825</u>	<u>602,825</u>	<u>790,189</u> (187,364)
Total Charges to Appropriations			
	<u>19,673,450</u>	<u>23,764,383</u>	<u>21,132,286</u> <u>2,632,097</u>
Budgetary Fund Balance, June 30			
	<u>\$ 12,567,410</u>	<u>\$ 13,050,082</u>	<u>\$ 11,783,872</u> <u>\$ (1,266,210)</u>

See Notes to Required Supplementary Information

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CITY OF BANNING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2020

I. STEWARDSHIP

Note 1: Stewardship, Compliance and Accountability

a. Budgets and Budgetary Accounting

The City Council has the responsibility for adoption of the City's budgets. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments.

The City Council may amend the budget by resolution during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council.

Budgetary comparison is provided in the accompanying financial statements for the General Fund, Special Revenue Funds, and Capital Projects Funds, except for the State Park Bond Act Special Revenue Fund, and the Capital Improvement Capital Project Fund. Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. Excess Expenditures Over Appropriations

General Fund	Actual	Budget	Excess
General Government			
City clerk	\$ 196,781	\$ 191,312	\$ 5,469
Public Safety			
Animal control	216,105	210,503	5,602
Community Development			
Building safety	799,931	774,699	25,232
Transfers	354,723	165,825	188,898

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds				Community Development Block Grant
	Gas Tax Street	Measure A	SB 300 Street		
Assets:					
Pooled cash and investments	\$ -	\$ 1,663,541	\$ -	\$ -	
Receivables:					
Accounts	100	-	-	-	-
Loans	603	-	-	-	-
Interest	-	3,361	-	-	-
Due from other governments	30,062	120,767	-	-	8,684
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 30,765	\$ 1,787,669	\$ -	\$ -	8,684
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 73,215	\$ 155,406	\$ -	\$ -	9,484
Accrued liabilities	25,031	-	-	-	-
Unearned revenues	-	-	-	-	-
Deposits payable	95,961	-	-	-	-
Due to other funds	302,961	-	-	-	31,762
Total Liabilities	497,168	155,406	-	-	41,246
Deferred Inflows of Resources:					
Unavailable revenues	23,628	-	-	-	8,684
Total Deferred Inflows of Resources	23,628	-	-	-	8,684
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and leisure	-	-	-	-	-
Transportation	-	1,632,263	-	-	-
Capital Projects	-	-	-	-	-
Assigned to:					
Capital Projects	-	-	-	-	-
Unassigned	(490,031)	-	-	-	(41,246)
Total Fund Balances	(490,031)	1,632,263	-	-	(41,246)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,765	\$ 1,787,669	\$ -	\$ -	\$ 8,684

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement
Assets:				
Pooled cash and investments	\$ 278,101	\$ 188,299	\$ 274,179	\$ 241,505
Receivables:				
Accounts	167	-	-	-
Loans	-	-	-	-
Interest	618	392	616	554
Due from other governments	804	9,716	-	25,000
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 279,690	\$ 198,407	\$ 274,795	\$ 267,059
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 8,253	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	253,826
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	8,253	-	-	253,826
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	198,407	-	-
Public safety	-	-	274,795	13,233
Culture and leisure	-	-	-	-
Transportation	271,437	-	-	-
Capital Projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	271,437	198,407	274,795	13,233
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 279,690	\$ 198,407	\$ 274,795	\$ 267,059

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			
	State Park Bond Act	Special Donations	Senior Center Activities	Animal Control Reserve
Assets:				
Pooled cash and investments	\$ -	\$ 43,195	\$ 47,400	\$ -
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	-	-	101	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 43,195	\$ 47,501	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 18	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	7,525	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	7,525	18	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	35,670	-	-
Public safety	-	-	-	-
Culture and leisure	-	-	47,483	-
Transportation	-	-	-	-
Capital Projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	35,670	47,483	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 43,195	\$ 47,501	\$ -

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Police Volunteer	Ramsey/ Highland Home Signal	Wilson Median Improvement	Banning Housing Authority
Assets:				
Pooled cash and investments	\$ 2,478	\$ -	\$ 399,380	\$ 2,084,309
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	760,000
Interest	5	-	838	3,723
Due from other governments	-	-	-	412,175
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,483	\$ -	\$ 400,218	\$ 3,260,207
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	760,000
Total Deferred Inflows of Resources	-	-	-	760,000
Fund Balances:				
Restricted for:				
Community development projects	2,483	-	-	2,500,207
Public safety	-	-	-	-
Culture and leisure	-	-	-	-
Transportation	-	-	400,218	-
Capital Projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,483	-	400,218	2,500,207
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,483	\$ -	\$ 400,218	\$ 3,260,207

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds		
	SB1	Police Facilities Development		Fire Facilities Development	Traffic Control Facilities
Assets:					
Pooled cash and investments	\$ 711,842	\$ 26,900	\$ 1,031,709	\$ 492,356	
Receivables:					
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Interest	-	56	2,164	1,137	
Due from other governments	82,106	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 793,948	\$ 26,956	\$ 1,033,873	\$ 493,493	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 25,799	\$ -	\$ -	\$ 58,675	
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	25,799	-	-	58,675	
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and leisure	-	-	-	-	-
Transportation	768,149	-	-	-	-
Capital Projects	-	-	-	-	-
Assigned to:					
Capital Projects	-	26,956	1,033,873	434,818	
Unassigned	-	-	-	-	-
Total Fund Balances	768,149	26,956	1,033,873	434,818	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 793,948	\$ 26,956	\$ 1,033,873	\$ 493,493	

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

Capital Projects Funds						
	General Facilities	Park Development	Capital Improvement	Sunset Grade Separation		
Assets:						
Pooled cash and investments	\$ 265,777	\$ 146,130	\$ -	\$ -		
Receivables:						
Accounts	-	-	-	-		
Loans	-	-	-	-		
Interest	557	307	-	-		
Due from other governments	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	681,524	-		
Total Assets	\$ 266,334	\$ 146,437	\$ 681,524	\$ -		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -		
Accrued liabilities	-	-	-	-		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	-	47,557	612,744		
Total Liabilities	-	-	47,557	612,744		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-		
Total Deferred Inflows of Resources	-	-	-	-		
Fund Balances:						
Restricted for:						
Community development projects	-	-	-	-		
Public safety	-	-	-	-		
Culture and leisure	-	-	-	-		
Transportation	-	-	-	-		
Capital Projects	-	-	-	-		
Assigned to:						
Capital Projects	266,334	146,437	633,967	-		
Unassigned	-	-	-	(612,744)		
Total Fund Balances	266,334	146,437	633,967	(612,744)		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 266,334	\$ 146,437	\$ 681,524	\$ -		

CITY OF BANNING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Capital Projects Funds			
	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund		Total Governmental Funds
Assets:				
Pooled cash and investments	\$ 546,071	\$ 99,945	\$	8,543,117
Receivables:				
Accounts	-	176		443
Loans	-	-		760,603
Interest	-	-		14,429
Due from other governments	-	-		689,314
Restricted assets:				
Cash and investments with fiscal agents	-	7,685,859		8,367,383
Total Assets	\$ 546,071	\$ 7,785,980	\$	18,375,289
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 237,837	\$	568,687
Accrued liabilities	-	-		25,031
Unearned revenues	-	-		253,826
Deposits payable	-	-		103,486
Due to other funds	-	613,058		1,608,082
Total Liabilities	-	850,895	\$	2,559,112
Deferred Inflows of Resources:				
Unavailable revenues	-	-		792,312
Total Deferred Inflows of Resources	-	-	\$	792,312
Fund Balances:				
Restricted for:				
Community development projects	-	-		2,736,767
Public safety	-	-		288,028
Culture and leisure	-	-		47,483
Transportation	-	-		3,072,067
Capital Projects	546,071	6,935,085		7,481,156
Assigned to:				
Capital Projects	-	-		2,542,385
Unassigned	-	-		(1,144,021)
Total Fund Balances	546,071	6,935,085	\$	15,023,865
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 546,071	\$ 7,785,980	\$	18,375,289

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CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Gas Tax Street	Measure A	SB 300 Street	Community Development Block Grant
Revenues:				
Taxes	\$ -	\$ 627,191	\$ -	\$ -
Intergovernmental	1,584,812	181,893	-	335,720
Use of money and property	-	28,449	192	-
Contributions	-	-	-	-
Miscellaneous	7,492	-	-	-
Total Revenues	1,592,304	837,533	192	335,720
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	1,646,016	-	-	-
	771,693	1,439,139	-	375,967
Total Expenditures	2,417,709	1,439,139	-	375,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	(825,405)	(601,606)	192	(40,247)
Other Financing Sources (Uses):				
Transfers in	420,783	-	-	-
Transfers out	-	-	(74,554)	-
Total Other Financing Sources (Uses)	420,783	-	(74,554)	-
Net Change in Fund Balances	(404,622)	(601,606)	(74,362)	(40,247)
Fund Balances, Beginning of Year	(85,409)	2,233,869	74,362	(999)
Fund Balances, End of Year	\$ (490,031)	\$ 1,632,263	\$ -	\$ (41,246)

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 138,075	\$ -	\$ -	\$ -
Intergovernmental	-	39,195	-	191,622
Use of money and property	3,981	2,549	4,212	3,682
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	142,056	41,744	4,212	195,304
Expenditures:				
Current:				
Public safety	-	-	-	177,677
Community development	-	3,000	-	-
Transportation	229,346	-	-	-
Capital outlay	-	-	29,327	13,946
Total Expenditures	229,346	3,000	29,327	191,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,290)	38,744	(25,115)	3,681
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(87,290)	38,744	(25,115)	3,681
Fund Balances, Beginning of Year	358,727	159,663	299,910	9,552
Fund Balances, End of Year	\$ 271,437	\$ 198,407	\$ 274,795	\$ 13,233

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	State Park Bond Act	Special Donations	Senior Center Activities	Animal Control Reserve
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	4	-	667	14
Contributions	-	4,255	6,123	-
Miscellaneous	-	-	3,461	-
Total Revenues	4	4,255	10,251	14
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	2,070	3,633	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	2,070	3,633	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4	2,185	6,618	14
Other Financing Sources (Uses):				
Transfers in	-	6,141	-	-
Transfers out	(980)	-	-	(5,141)
Total Other Financing Sources (Uses)	(980)	6,141	-	(5,141)
Net Change in Fund Balances	(976)	8,326	6,618	(5,127)
Fund Balances, Beginning of Year	976	27,344	40,865	5,127
Fund Balances, End of Year	\$ -	\$ 35,670	\$ 47,483	\$ -

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Police Volunteer	Ramsey/ Highland Home Signal	Wilson Median Improvement	Banning Housing Authority
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	46,205
Use of money and property	28	218	5,553	23,878
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	28	218	5,553	70,083
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	31,453
Transportation	-	84,560	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	84,560	-	31,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	28	(84,342)	5,553	38,630
Other Financing Sources (Uses):				
Transfers in	1,500	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,500	-	-	-
Net Change in Fund Balances	1,528	(84,342)	5,553	38,630
Fund Balances, Beginning of Year	955	84,342	394,665	2,461,577
Fund Balances, End of Year	\$ 2,483	\$ -	\$ 400,218	\$ 2,500,207

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds		
	SB1	Police Facilities Development		Fire Facilities Development	Traffic Control Facilities
Revenues:					
Taxes	\$ 537,678	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	-	382	14,359	7,193	-
Contributions	-	-	-	-	-
Miscellaneous	34,900	2,941	4,584	1,926	-
Total Revenues	572,578	3,323	18,943	9,119	
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Transportation	-	-	-	-	48,374
Capital outlay	515,976	-	-	-	-
Total Expenditures	515,976	-	-	-	48,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,602	3,323	18,943	(39,255)	
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	56,602	3,323	18,943	(39,255)	
Fund Balances, Beginning of Year	711,547	23,633	1,014,930	474,073	
Fund Balances, End of Year	\$ 768,149	\$ 26,956	\$ 1,033,873	\$ 434,818	

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Capital Projects Funds			
	General Facilities	Park Development	Capital Improvement	Sunset Grade Separation
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	3,279	2,004	7,204	-
Contributions	-	-	-	-
Miscellaneous	1,642	9,147	-	-
Total Revenues	4,921	11,151	7,204	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	694	28,286	-
Total Expenditures	-	694	28,286	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,921	10,457	(21,082)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	4,921	10,457	(21,082)	-
Fund Balances, Beginning of Year	261,413	135,980	655,049	(612,744)
Fund Balances, End of Year	\$ 266,334	\$ 146,437	\$ 633,967	\$ (612,744)

CITY OF BANNING

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Capital Projects Funds		Total Governmental Funds
	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	
Revenues:			
Taxes	\$ -	\$ -	\$ 1,302,944
Intergovernmental	-	-	2,379,447
Use of money and property	-	11,159	119,007
Contributions	-	-	10,378
Miscellaneous	-	-	66,093
Total Revenues	-	11,159	3,877,869
Expenditures:			
Current:			
Public safety	-	-	177,677
Community development	-	-	40,156
Transportation	-	-	2,008,296
Capital outlay	-	692,417	3,867,445
Total Expenditures	-	692,417	6,093,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(681,258)	(2,215,705)
Other Financing Sources (Uses):			
Transfers in	-	-	428,424
Transfers out	-	-	(80,675)
Total Other Financing Sources (Uses)	-	-	347,749
Net Change in Fund Balances	-	(681,258)	(1,867,956)
Fund Balances, Beginning of Year	546,071	7,616,343	16,891,821
Fund Balances, End of Year	\$ 546,071	\$ 6,935,085	\$ 15,023,865

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
GAS TAX STREET
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts \$ (85,409)	Variance with Final Budget \$ -
	Original	Final		
Budgetary Fund Balance, July 1	\$ (85,409)	\$ (85,409)	\$ (85,409)	\$ -
Resources (Inflows):				
Intergovernmental	1,705,642	1,705,642	1,584,812	(120,830)
Use of money and property	600	600	-	(600)
Miscellaneous	-	377	7,492	7,115
Transfers in	164,325	164,325	420,783	256,458
Amounts Available for Appropriations	1,785,158	1,785,535	1,927,678	142,143
Charges to Appropriations (Outflow):				
Transportation	1,315,306	1,766,812	1,646,016	120,796
Capital outlay	36,439	3,093,281	771,693	2,321,588
Total Charges to Appropriations	1,351,745	4,860,093	2,417,709	2,442,384
Budgetary Fund Balance, June 30	\$ 433,413	\$ (3,074,558)	\$ (490,031)	\$ 2,584,527

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
MEASURE A
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,233,869	\$ 2,233,869	\$ 2,233,869	\$ -
Resources (Inflows):				
Taxes	598,000	598,000	627,191	29,191
Intergovernmental	-	-	181,893	181,893
Use of money and property	6,750	7,267	28,449	21,182
Amounts Available for Appropriations		2,838,619	2,839,136	3,071,402
Charges to Appropriations (Outflow):				
Capital outlay	91,000	2,905,726	1,439,139	1,466,587
Total Charges to Appropriations		91,000	2,905,726	1,439,139
Budgetary Fund Balance, June 30		\$ 2,747,619	\$ (66,590)	\$ 1,632,263
				\$ 1,698,853

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 SB 300 STREET
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 74,362	\$ 74,362	\$ 74,362	\$ -
Resources (Inflows):				
Use of money and property	-	192	192	-
Amounts Available for Appropriations	74,362	74,554	74,554	-
Charges to Appropriations (Outflow):				
Transfers out	-	-	74,554	(74,554)
Total Charges to Appropriations	-	-	74,554	(74,554)
Budgetary Fund Balance, June 30	\$ 74,362	\$ 74,554	\$ -	\$ (74,554)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (999)	\$ (999)	\$ (999)	\$ -
Resources (Inflows):				
Intergovernmental	-	354,193	335,720	(18,473)
Amounts Available for Appropriations	(999)	353,194	334,721	(18,473)
Charges to Appropriations (Outflow):				
Capital outlay	-	511,172	375,967	135,205
Total Charges to Appropriations	-	511,172	375,967	135,205
Budgetary Fund Balance, June 30	\$ (999)	\$ (157,978)	\$ (41,246)	\$ 116,732

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 358,727	\$ 358,727	\$ 358,727	\$ -
Resources (Inflows):				
Taxes	140,632	140,632	138,075	(2,557)
Use of money and property	1,250	1,250	3,981	2,731
Amounts Available for Appropriations	500,609	500,609	500,783	174
Charges to Appropriations (Outflow):				
Transportation	131,550	326,459	229,346	97,113
Total Charges to Appropriations	131,550	326,459	229,346	97,113
Budgetary Fund Balance, June 30	\$ 369,059	\$ 174,150	\$ 271,437	\$ 97,287

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 AQMD AIR POLLUTION PROGRAM
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 159,663	\$ 159,663	\$ 159,663	\$ -
Resources (Inflows):				
Intergovernmental	39,500	39,500	39,195	(305)
Use of money and property	300	499	2,549	2,050
 Amounts Available for Appropriations	199,463	199,662	201,407	1,745
Charges to Appropriations (Outflow):				
Community development	3,000	3,000	3,000	-
Capital outlay	-	75,000	-	75,000
 Total Charges to Appropriations	3,000	78,000	3,000	75,000
Budgetary Fund Balance, June 30	\$ 196,463	\$ 121,662	\$ 198,407	\$ 76,745

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 299,910	\$ 299,910	\$ 299,910	\$ -
Resources (Inflows):				
Intergovernmental	-	153,181	-	(153,181)
Use of money and property	-	827	4,212	3,385
Amounts Available for Appropriation	299,910	453,918	304,122	(149,796)
Charges to Appropriation (Outflow):				
Capital outlay	-	154,008	29,327	124,681
Total Charges to Appropriations	-	154,008	29,327	124,681
Budgetary Fund Balance, June 30	\$ 299,910	\$ 299,910	\$ 274,795	\$ (25,115)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1,	\$ 9,552	\$ 9,552	\$ 9,552	\$ -
Resources (Inflows):				
Intergovernmental	100,000	455,465	191,622	(263,843)
Use of money and property	-	586	3,682	3,096
Amounts Available for Appropriations	109,552	465,603	204,856	(260,747)
Charges to Appropriations (Outflow):				
Public safety	100,000	470,331	177,677	292,654
Capital outlay	-	13,981	13,946	35
Total Charges to Appropriations	100,000	484,312	191,623	292,689
Budgetary Fund Balance, June 30	\$ 9,552	\$ (18,709)	\$ 13,233	\$ 31,942

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
SPECIAL DONATIONS
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 27,344	\$ 27,344	\$ 27,344	\$ -
Resources (Inflows):				
Contributions	8,000	7,250	4,255	(2,995)
Transfers in	-	1,000	6,141	5,141
Amounts Available for Appropriations				
	35,344	35,594	37,740	2,146
Charges to Appropriations (Outflow):				
Community development	8,000	8,000	2,070	5,930
Total Charges to Appropriations				
	8,000	8,000	2,070	5,930
Budgetary Fund Balance, June 30	\$ 27,344	\$ 27,594	\$ 35,670	\$ 8,076

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 SENIOR CENTER ACTIVITIES
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 40,865	\$ 40,865	\$ 40,865	\$ -
Resources (Inflows):				
Use of money and property	150	150	667	517
Contributions	2,500	5,500	6,123	623
Miscellaneous	5,650	4,618	3,461	(1,157)
Amounts Available for Appropriations				
	49,165	51,133	51,116	(17)
Charges to Appropriations (Outflow):				
Community development	8,300	9,800	3,633	6,167
Total Charges to Appropriations				
	8,300	9,800	3,633	6,167
Budgetary Fund Balance, June 30				
	\$ 40,865	\$ 41,333	\$ 47,483	\$ 6,150

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 POLICE VOLUNTEER
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 955	\$ 955	\$ 955	\$ -
Resources (Inflows):				
Use of money and property	-	9	28	19
Transfers in	1,500	1,500	1,500	-
Amounts Available for Appropriations				
	2,455	2,464	2,483	19
Charges to Appropriations (Outflow):				
Community development	1,500	1,509	-	1,509
Total Charges to Appropriations				
	1,500	1,509	-	1,509
Budgetary Fund Balance, June 30	\$ 955	\$ 955	\$ 2,483	\$ 1,528

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
RAMSEY/HIGHLAND HOME SIGNAL
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 84,342	\$ 84,342	\$ 84,342	\$ -
Resources (Inflows):				
Use of money and property	310	310	218	(92)
Amounts Available for Appropriations	84,652	84,652	84,560	(92)
Charges to Appropriation (Outflow):				
Public works	-	-	84,560	(84,560)
Total Charges to Appropriations	-	-	84,560	(84,560)
Budgetary Fund Balance, June 30	\$ 84,652	\$ 84,652	\$ -	\$ (84,652)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
WILSON MEDIAN IMPROVEMENT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 394,665	\$ 394,665		
Budgetary Fund Balance, July 1			\$ 394,665	\$ -
Resources (Inflows):				
Use of money and property	1,450	1,450	5,553	4,103
Amounts Available for Appropriations	396,115	396,115	400,218	4,103
Budgetary Fund Balance, June 30	\$ 396,115	\$ 396,115	\$ 400,218	\$ 4,103

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 BANNING HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,461,577	\$ 2,461,577	\$ 2,461,577	\$ -
Resources (Inflows):				
Intergovernmental	-	26,787	46,205	19,418
Use of money and property	3,939	4,181	23,878	19,697
Amounts Available for Appropriations	2,465,516	2,492,545	2,531,660	39,115
Charges to Appropriation (Outflow):				
Community development	3,939	365,942	31,453	334,489
Total Charges to Appropriations	3,939	365,942	31,453	334,489
Budgetary Fund Balance, June 30	\$ 2,461,577	\$ 2,126,603	\$ 2,500,207	\$ 373,604

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
SB1
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 711,547	\$ 711,547	\$ 711,547	\$ -
Resources (Inflows):				
Taxes	521,076	521,076	537,678	16,602
Miscellaneous	-	34,901	34,900	(1)
Amounts Available for Appropriations	1,232,623	1,267,524	1,284,125	16,601
Charges to Appropriation (Outflow):				
Capital outlay	521,076	1,036,993	515,976	521,017
Total Charges to Appropriations	521,076	1,036,993	515,976	521,017
Budgetary Fund Balance, June 30	\$ 711,547	\$ 230,531	\$ 768,149	\$ 537,618

CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE
POLICE FACILITIES DEVELOPMENT
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts		Variance with Final Budget
	Original	Final	Amounts		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 23,633	\$ 23,633	\$ 23,633	\$ 23,633	\$ -
Resources (Inflows):					
Use of money and property	-	80	382	302	
Miscellaneous	-	2,941	2,941	-	
Amounts Available for Appropriations	23,633	26,654	26,956	302	
Budgetary Fund Balance, June 30	\$ 23,633	\$ 26,654	\$ 26,956	\$ 302	

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
FIRE FACILITIES DEVELOPMENT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,014,930	\$ 1,014,930	\$ 1,014,930	\$ -
Resources (Inflows):				
Use of money and property	3,000	3,000	14,359	11,359
Miscellaneous	-	4,584	4,584	-
Amounts Available for Appropriations	1,017,930	1,022,514	1,033,873	11,359
Budgetary Fund Balance, June 30	\$ 1,017,930	\$ 1,022,514	\$ 1,033,873	\$ 11,359

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONTROL FACILITIES
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 474,073	\$ 474,073	\$ 474,073	\$ -
Resources (Inflows):				
Use of money and property	1,750	1,750	7,193	5,443
Miscellaneous	-	1,926	1,926	-
Amounts Available for Appropriations	475,823	477,749	483,192	5,443
Charges to Appropriations (Outflow):				
Transportation	-	400,000	48,374	351,626
Total Charges to Appropriations	-	400,000	48,374	351,626
Budgetary Fund Balance, June 30	\$ 475,823	\$ 77,749	\$ 434,818	\$ 357,069

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
GENERAL FACILITIES
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 261,413	\$ 261,413	\$ 261,413	\$ -
Resources (Inflows):				
Use of money and property	1,400	1,400	3,279	1,879
Miscellaneous	-	1,642	1,642	-
Amounts Available for Appropriations	262,813	264,455	266,334	1,879
Charges to Appropriations (Outflow):				
Capital outlay	-	25,412	-	25,412
Total Charges to Appropriations	-	25,412	-	25,412
Budgetary Fund Balance, June 30	\$ 262,813	\$ 239,043	\$ 266,334	\$ 27,291

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 135,980	\$ 135,980	\$ 135,980	\$ -
Resources (Inflows):				
Use of money and property	-	360	2,004	1,644
Miscellaneous	-	39,640	9,147	(30,493)
Amounts Available for Appropriations	135,980	175,980	147,131	(28,849)
Charges to Appropriations (Outflow):				
Parks and recreation	-	40,000	-	40,000
Capital outlay	155,000	387,062	694	386,368
Total Charges to Appropriations	155,000	427,062	694	426,368
Budgetary Fund Balance, June 30	\$ (19,020)	\$ (251,082)	\$ 146,437	\$ 397,519

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
SUNSET GRADE SEPARATION
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ (612,744)	\$ (612,744)	\$ (612,744)	\$ -
Resources (Inflows):				
Intergovernmental	-	360,792	-	(360,792)
Amounts Available for Appropriations	(612,744)	(251,952)	(612,744)	(360,792)
Budgetary Fund Balance, June 30	\$ (612,744)	\$ (251,952)	\$ (612,744)	\$ (360,792)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
 BEA LOW/MOD CAPITAL PROJECT FUND
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 546,071	\$ 546,071	\$ 546,071	\$ -
Resources (Inflows):				
Use of money and property	2,000	2,000	-	(2,000)
Amounts Available for Appropriations	548,071	548,071	546,071	(2,000)
Budgetary Fund Balance, June 30	\$ 548,071	\$ 548,071	\$ 546,071	\$ (2,000)

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE
BEA CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 7,616,343	\$ 7,616,343	\$ 7,616,343	\$ -
Resources (Inflows):				
Use of money and property	9,000	9,399	11,159	1,760
Amounts Available for Appropriations	7,625,343	7,625,742	7,627,502	1,760
Charges to Appropriation (Outflow):				
Capital outlay	-	6,872,863	692,417	6,180,446
Total Charges to Appropriations	-	6,872,863	692,417	6,180,446
Budgetary Fund Balance, June 30	\$ 7,625,343	\$ 752,879	\$ 6,935,085	\$ 6,182,206

CITY OF BANNING

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
Assets:				
Current:				
Cash and investments	\$ 255,181	\$ -	\$ 1,166,697	\$ 1,421,878
Receivables:				
Accounts	18,505	37	687,384	705,926
Notes and loans	-	3,066	-	3,066
Interest	-	-	2,639	2,639
Due from other governments	-	514,476	8,426	522,902
Inventories	31,274	-	-	31,274
Total Current Assets	304,960	517,579	1,865,146	2,687,685
Noncurrent:				
Capital assets - net of accumulated depreciation	2,239,183	502,107	15,982	2,757,272
Total Noncurrent Assets	2,239,183	502,107	15,982	2,757,272
Total Assets	2,544,143	1,019,686	1,881,128	5,444,957
Deferred Outflows of Resources:				
Pension related items	17,914	375,544	48,618	442,076
Total Deferred Outflows of Resources	17,914	375,544	48,618	442,076
Liabilities:				
Current:				
Accounts payable	1,595	5,199	296,585	303,379
Accrued liabilities	2,257	34,480	5,504	42,241
Unearned revenues	1,410	100,921	-	102,331
Deposits payable	20,988	-	88,861	109,849
Due to other funds	-	363,405	-	363,405
Compensated absences	3,482	44,760	19,894	68,136
Total Current Liabilities	29,732	548,765	410,844	989,341
Noncurrent:				
Compensated absences	1,402	18,026	8,012	27,440
Net Pension Liability	127,902	1,853,274	347,163	2,328,339
Total Noncurrent Liabilities	129,304	1,871,300	355,175	2,355,779
Total Liabilities	159,036	2,420,065	766,019	3,345,120
Deferred Inflows of Resources:				
Pension related items	2,535	152,693	6,873	162,101
Total Deferred Inflows of Resources	2,535	152,693	6,873	162,101
Net Position:				
Investment in capital assets	2,239,183	502,107	15,982	2,757,272
Unrestricted	161,303	(1,679,635)	1,140,872	(377,460)
Total Net Position	\$ 2,400,486	\$ (1,177,528)	\$ 1,156,854	\$ 2,379,812

CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
Operating Revenues:				
Sales and service charges	\$ 169,821	\$ 91,376	\$ 4,717,664	\$ 4,978,861
Miscellaneous	813	512	22,478	23,803
Total Operating Revenues	170,634	91,888	4,740,142	5,002,664
Operating Expenses:				
Salaries and benefits	62,214	1,204,719	193,052	1,459,985
Supplies and services	80,537	864,508	4,600,617	5,545,662
Repairs and maintenance	6,445	25,404	-	31,849
Bad debt expense	-	-	17,202	17,202
Depreciation expense	169,851	254,545	270	424,666
Total Operating Expenses	319,047	2,349,176	4,811,141	7,479,364
Operating Income (Loss)	(148,413)	(2,257,288)	(70,999)	(2,476,700)
Nonoperating Revenues:				
Intergovernmental	-	2,103,775	50,176	2,153,951
Interest revenue and change in fair value of investments	143	(3,420)	17,876	14,599
Gain (loss) on disposal of capital assets	-	3,520	-	3,520
Total Nonoperating Revenues (Expenses)	143	2,103,875	68,052	2,172,070
Income (Loss) Before Transfers	(148,270)	(153,413)	(2,947)	(304,630)
Changes in Net Position	(148,196)	(207,255)	(2,192)	(357,643)
Net Position:				
Beginning of Year	2,548,682	(970,273)	1,159,046	2,737,455
End of Fiscal Year	\$ 2,400,486	\$ (1,177,528)	\$ 1,156,854	\$ 2,379,812

CITY OF BANNING

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

Business-Type Activities - Enterprise Funds

	Airport	Transit	Refuse Utility	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 156,525	\$ 91,339	\$ 4,665,243	\$ 4,913,107
Cash received from/(paid to) interfund service provided	813	512	-	1,325
Cash paid to suppliers for goods and services	(110,238)	(1,541,826)	(4,577,094)	(6,229,158)
Cash paid to employees for services	(53,340)	(1,072,279)	(164,270)	(1,289,889)
Cash received from others	-	-	14,052	14,052
Net Cash Provided (Used) by Operating Activities	(6,240)	(2,522,254)	(62,069)	(2,590,563)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	74	551	755	1,380
Cash transfers out	-	(54,393)	-	(54,393)
Intergovernmental	-	2,467,180	50,176	2,517,356
Net Cash Provided (Used) by Non-Capital Financing Activities	74	2,413,338	50,931	2,464,343
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	(16,252)	(16,252)
Proceeds from sales of capital assets	-	3,520	-	3,520
Net Cash Provided (Used) by Capital and Related Financing Activities	-	3,520	(16,252)	(12,732)
Cash Flows from Investing Activities:				
Issuance of notes and loans receivable	-	130	-	130
Interest received and change in fair value of investments	231	(2,245)	24,485	22,471
Net Cash Provided (Used) by Investing Activities	231	(2,115)	24,485	22,601
Net Increase (Decrease) in Cash and Cash Equivalents	(5,935)	(107,511)	(2,905)	(116,351)
Cash and Cash Equivalents at Beginning of Year	261,116	107,511	1,169,602	1,538,229
Cash and Cash Equivalents at End of Year	\$ 255,181	\$ -	\$ 1,166,697	\$ 1,421,878
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (148,413)	\$ (2,257,288)	\$ (70,999)	\$ (2,476,700)
Adjustments to Reconcile Operating Income (loss)				
Net Cash Provided (used) by Operating Activities:				
Depreciation	169,851	254,545	270	424,666
Bad debt expense	-	-	(17,202)	(17,202)
(Increase) decrease in accounts receivable	(13,946)	(37)	(18,769)	(32,752)
(Increase) decrease in due from other governments	-	(514,476)	(8,426)	(522,902)
(Increase) decrease in inventories	(21,480)	-	-	(21,480)
Increase (decrease) in accounts payable	50	(9,029)	22,759	13,780
Increase (decrease) in accrued liabilities	788	(4,646)	764	(3,094)
Increase (decrease) in deposits payable	650	-	752	1,402
Increase (decrease) in unearned revenue	(2,614)	(123,763)	-	(126,377)
Increase (decrease) in employee salary/benefit obligations	8,772	127,099	23,809	159,680
Increase (decrease) in compensated absences	102	5,341	4,973	10,416
Total Adjustments	142,173	(264,966)	8,930	(113,863)
Net Cash Provided (Used) by Operating Activities	\$ (6,240)	\$ (2,522,254)	\$ (62,069)	\$ (2,590,563)

CITY OF BANNING

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Governmental Activities					Utility Billing Services	Totals
	Self Insurance	Fleet Maintenance	Information Services				
Assets:							
Current:							
Pooled cash and investments	\$ 1,723,715	\$ 581,411	\$ 69,392	\$ 328,473		\$ 2,702,991	
Receivables:							
Accounts	6,430	6,391	-	4,786		17,607	
Interest	-	364	-	-		364	
Prepaid costs	-	-	5,088	-		5,088	
Due from other governments	1,153	55	-	-		1,208	
Inventories	-	26,679	-	-		26,679	
Total Current Assets	1,731,298	614,900	74,480	333,259		2,753,937	
Noncurrent:							
Capital assets - net of accumulated depreciation	-	280,258	12,997	49,264		342,519	
Total Noncurrent Assets	-	280,258	12,997	49,264		342,519	
Total Assets	1,731,298	895,158	87,477	382,523		3,096,456	
Deferred Outflows of Resources:							
Pension related outflows	70,553	86,638	101,624	158,365		417,180	
Total Deferred Outflows of Resources	70,553	86,638	101,624	158,365		417,180	
Liabilities:							
Current:							
Accounts payable	176,352	33,313	784	2,378		212,827	
Accrued liabilities	3,293	15,834	9,581	48,039		76,747	
Compensated absences	2,824	37,992	33,152	56,229		130,197	
Claims and judgments	642,629	-	-	-		642,629	
Total Current Liabilities	825,098	87,139	43,517	106,646		1,062,400	
Noncurrent:							
Net pension liability	503,778	618,628	725,648	2,751,198		4,599,252	
Compensated absences	453	6,096	5,319	9,021		20,889	
Claims and judgments	895,853	-	-	-		895,853	
Total Noncurrent Liabilities	1,400,084	624,724	730,967	2,760,219		5,515,994	
Total Liabilities	2,225,182	711,863	774,484	2,866,865		6,578,394	
Deferred Inflows of Resources:							
Pension related items	9,974	12,248	14,367	54,469		91,058	
Total Deferred Inflows of Resources	9,974	12,248	14,367	54,469		91,058	
Net Position:							
Investment in capital assets	-	280,258	12,997	49,264		342,519	
Unrestricted	(433,305)	(22,573)	(612,747)	(2,429,710)		(3,498,335)	
Total Net Position	\$ (433,305)	\$ 257,685	\$ (599,750)	\$ (2,380,446)		\$ (3,155,816)	

CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Governmental Activities				
	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
Operating Revenues:					
Sales and service charges	\$ 3,147,418	\$ 1,467,918	\$ 490,456	\$ 1,998,358	\$ 7,104,150
Miscellaneous	70,146	755	-	-	70,901
Total Operating Revenues	3,217,564	1,468,673	490,456	1,998,358	7,175,051
Operating Expenses:					
Salaries and benefits	179,942	555,986	350,056	1,586,025	2,672,009
Supplies and services	1,709,421	695,900	58,666	716,424	3,180,411
Repairs and maintenance	-	261,392	145,563	86,800	493,755
Insurance premiums	1,286,037	-	-	-	1,286,037
Depreciation expense	-	14,968	9,513	11,408	35,889
Total Operating Expenses	3,175,400	1,528,246	563,798	2,400,657	7,668,101
Operating Income (Loss)	42,164	(59,573)	(73,342)	(402,299)	(493,050)
Nonoperating Revenues:					
Interest revenue and change in fair value	142,697	884	-	184	143,765
Gain (loss) on disposal of capital assets	-	990	-	2,610	3,600
Total Nonoperating Revenues (Expenses)	142,697	1,874	-	2,794	147,365
Income (Loss) Before Transfers	184,861	(57,699)	(73,342)	(399,505)	(345,685)
Changes in Net Position	184,861	(3,123)	(73,342)	(399,434)	(291,038)
Net Position:					
Beginning of Year	(618,166)	260,808	(526,408)	(1,981,012)	(2,864,778)
End of Fiscal Year	\$ (433,305)	\$ 257,685	\$ (599,750)	\$ (2,380,446)	\$ (3,155,816)

CITY OF BANNING

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Governmental Activities				
	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 3,147,568	\$ 1,498,600	\$ 490,456	\$ 2,005,962	\$ 7,142,586
Cash received from interfund service provided	68,993	950	-	-	69,943
Cash paid to suppliers for goods and services	(2,707,154)	(885,773)	(199,319)	(824,552)	(4,616,798)
Cash paid to employees for services	(145,194)	(511,800)	(291,313)	(1,391,108)	(2,339,415)
Net Cash Provided (Used) by Operating Activities	364,213	101,977	(176)	(209,698)	256,316
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sales of capital assets	-	990	-	2,610	3,600
Net Cash Provided (Used) by Capital and Related Financing Activities	-	990	-	2,610	3,600
Cash Flows from Investing Activities:					
Interest received	142,697	1,365	-	1,765	145,827
Net Cash Provided (Used) by Investing Activities	142,697	1,365	-	1,765	145,827
Net Increase (Decrease) in Cash and Cash Equivalents	506,910	158,908	(176)	(205,252)	460,390
Cash and Cash Equivalents at Beginning of Year	1,216,805	422,503	69,568	533,725	2,242,601
Cash and Cash Equivalents at End of Year	\$ 1,723,715	\$ 581,411	\$ 69,392	\$ 328,473	\$ 2,702,991
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 42,164	\$ (59,573)	\$ (73,342)	\$ (402,299)	\$ (493,050)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:					
Depreciation	-	14,968	9,513	11,408	35,889
(Increase) decrease in accounts receivable	150	30,682	-	7,604	38,436
(Increase) decrease in due from other governments	(1,153)	195	-	-	(958)
(Increase) decrease in inventories	-	72,417	-	-	72,417
Increase (decrease) in accounts payable	6,475	2,561	4,551	(21,328)	(7,741)
Increase (decrease) in accrued liabilities	(1,824)	(3,459)	359	1,578	(3,346)
Increase (decrease) in employee salary/benefit obligation	34,549	42,425	49,766	188,678	315,418
Increase (decrease) in claims and judgments	283,653	-	-	-	283,653
Increase (decrease) in compensated absences	199	1,761	8,977	4,661	15,598
Total Adjustments	322,049	161,550	73,166	192,601	749,366
Net Cash Provided (Used) by Operating Activities	\$ 364,213	\$ 101,977	\$ (176)	\$ (209,698)	\$ 256,316

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CITY OF BANNING

COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2020

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2004-1	Cameo Homes	Totals
Assets:						
Pooled cash and investments	\$ 37,043	\$ 76,593	\$ 55,875	\$ 198,674	\$ 48,425	\$ 416,610
Receivables:						
Accounts	-	-	-	2,951	-	2,951
Interest	78	161	112	-	102	453
Due from other governments	-	-	-	2,340	-	2,340
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	186,342	-	186,342
Total Assets	\$ 37,121	\$ 76,754	\$ 55,987	\$ 390,307	\$ 48,527	\$ 608,696
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 2,089	\$ 2,000	\$ -	\$ 4,089
Deposits payable	-	19,958	-	17,656	40,000	77,614
Due to bondholders	37,121	56,796	53,898	370,651	8,527	526,993
Total Liabilities	\$ 37,121	\$ 76,754	\$ 55,987	\$ 390,307	\$ 48,527	\$ 608,696

CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Sun Lake CFD 86-1</u>				
Assets:				
Pooled cash and investments	\$ 36,332	\$ 761	\$ 50	\$ 37,043
Receivables:				
Interest	274	377	573	78
Total Assets	\$ 36,606	\$ 1,138	\$ 623	\$ 37,121
Liabilities:				
Due to bondholders	\$ 36,606	\$ 729	\$ 214	\$ 37,121
Total Liabilities	\$ 36,606	\$ 729	\$ 214	\$ 37,121
<u>Special AD 91-1</u>				
Assets:				
Pooled cash and investments	\$ 75,123	\$ 1,573	\$ 103	\$ 76,593
Receivables:				
Interest	566	780	1,185	161
Total Assets	\$ 75,689	\$ 2,353	\$ 1,288	\$ 76,754
Liabilities:				
Deposits payable	\$ 19,958	\$ -	\$ -	\$ 19,958
Due to bondholders	55,731	1,508	443	56,796
Total Liabilities	\$ 75,689	\$ 1,508	\$ 443	\$ 76,754
<u>Area Police Computer</u>				
Assets:				
Pooled cash and investments	\$ 43,438	\$ 51,806	\$ 39,369	\$ 55,875
Receivables:				
Interest	342	451	681	112
Due from other governments	24,578	-	24,578	-
Total Assets	\$ 68,358	\$ 52,257	\$ 64,628	\$ 55,987
Liabilities:				
Accounts payable	\$ 2,087	\$ 37,308	\$ 37,306	\$ 2,089
Due to bondholders	66,271	64,000	76,373	53,898
Total Liabilities	\$ 68,358	\$ 101,308	\$ 113,679	\$ 55,987

CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Fair Oaks AD 2004-1</u>				
Assets:				
Pooled cash and investments	\$ 155,755	\$ 199,772	\$ 156,853	\$ 198,674
Receivables:				
Accounts	2,951	-	-	2,951
Due from other governments	2,970	2,340	2,970	2,340
Restricted assets:				
Cash and investments with fiscal agents	226,639	300	40,597	186,342
Total Assets	\$ 388,315	\$ 202,412	\$ 200,420	\$ 390,307
Liabilities:				
Accounts payable	\$ -	\$ 9,435	\$ 7,435	\$ 2,000
Deposits payable	17,656	-	-	17,656
Due to bondholders	370,659	199,579	199,587	370,651
Total Liabilities	\$ 388,315	\$ 209,014	\$ 207,022	\$ 390,307
<u>Cameo Homes</u>				
Assets:				
Pooled cash and investments	\$ 47,496	\$ 995	\$ 66	\$ 48,425
Receivables:				
Interest	357	493	748	102
Total Assets	\$ 47,853	\$ 1,488	\$ 814	\$ 48,527
Liabilities:				
Deposits payable	\$ 40,000	\$ -	\$ -	\$ 40,000
Due to bondholders	7,853	953	279	8,527
Total Liabilities	\$ 47,853	\$ 953	\$ 279	\$ 48,527
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 358,144	\$ 254,907	\$ 196,441	\$ 416,610
Receivables:				
Accounts	2,951	-	-	2,951
Interest	1,539	2,101	3,187	453
Due from other governments	27,548	2,340	27,548	2,340
Restricted assets:				
Cash and investments with fiscal agents	226,639	300	40,597	186,342
Total Assets	\$ 616,821	\$ 259,648	\$ 267,773	\$ 608,696
Liabilities:				
Accounts payable	\$ 2,087	\$ 46,743	\$ 44,741	\$ 4,089
Deposits payable	77,614	-	-	77,614
Due to bondholders	537,120	266,769	276,896	526,993
Total Liabilities	\$ 616,821	\$ 313,512	\$ 321,637	\$ 608,696

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STATISTICAL SECTION DESCRIPTIONS

This section of the City of Banning's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its key revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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CITY OF BANNING

Table 1 - Net Position by Component
Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net Investment in capital assets	\$ 61,119,090	\$ 92,987,626	\$ 87,922,958	\$ 84,094,506	\$ 79,795,958	\$ 76,155,814	\$ 72,517,050	\$ 70,010,870	\$ 66,686,458	\$ 65,515,669
Restricted	19,052,253	7,951,401	4,918,592	6,311,732	5,819,965	14,257,465	14,680,040	14,514,482	15,025,895	13,625,501
Unrestricted	24,924,376	8,521,496	12,887,883	12,531,897	(3,750,779)	1,381,053	569,568	(1,239,778)	(3,339,506)	(6,533,345)
Total governmental activities net position	\$ 105,095,719	\$ 109,460,523	\$ 105,729,433	\$ 102,938,135	\$ 81,865,144	\$ 91,794,332	\$ 87,766,658	\$ 83,285,574	\$ 78,372,847	\$ 72,607,825
Business-type activities:										
Net Investment in capital assets	\$ 55,502,630	\$ 55,526,327	\$ 53,839,905	\$ 50,855,990	\$ 35,025,342	\$ 46,164,187	\$ 49,101,929	\$ 54,651,632	\$ 55,418,755	\$ 58,185,572
Restricted	26,821,845	26,586,939	23,697,428	23,726,197	20,852,195	17,086,463	17,237,091	6,870,598	12,900,528	\$ 10,242,658
Unrestricted	32,335,490	27,584,420	32,437,072	40,869,941	52,395,049	48,642,361	49,602,708	55,601,962	54,083,097	\$ 55,642,567
Total business-type activities net position	\$ 114,659,965	\$ 109,697,686	\$ 109,974,405	\$ 115,452,128	\$ 108,272,586	\$ 111,893,011	\$ 115,941,728	\$ 117,124,192	\$ 122,402,380	\$ 124,070,797
Primary government:										
Net Investment in capital assets	\$ 116,621,720	\$ 148,513,953	\$ 141,762,863	\$ 134,950,496	\$ 114,821,300	\$ 122,320,001	\$ 121,618,979	\$ 124,662,502	\$ 122,105,213	\$ 123,701,241
Restricted	45,874,098	34,538,340	28,616,020	30,037,929	26,672,160	31,343,928	31,917,131	21,385,080	27,926,423	\$ 23,868,159
Unrestricted	57,259,866	36,105,916	45,324,955	53,401,838	48,644,270	50,023,414	50,172,276	54,362,184	50,743,591	\$ 49,109,222
Total primary government activities net position	\$ 219,755,684	\$ 219,158,209	\$ 215,703,838	\$ 218,390,263	\$ 190,137,730	\$ 203,687,343	\$ 203,708,386	\$ 200,409,766	\$ 200,775,227	\$ 196,678,622

Source: City of Banning Finance Department

CITY OF BANNING

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenue:										
Governmental activities:										
Charges for Services										
General Government	\$ 2,783,441	\$ 3,205,141	\$ 3,312,086	\$ 3,518,279	\$ 3,673,140	\$ 3,428,121	\$ 3,498,269	\$ 1,935,931	\$ 3,522,951	\$ 2,391,540
Public Safety	\$ 180,793	\$ 217,205	\$ 187,853	\$ 88,698	\$ 167,426	\$ 71,550	\$ 60,673	\$ 75,552	\$ 60,608	\$ 184,204
Community Development					\$ 581,449	\$ 826,327	\$ 692,337	\$ 836,137	\$ 1,074,183	\$ 3,417,110
Culture and Leisure	\$ 64,833	\$ 74,475	\$ 66,265	\$ 69,554	\$ 78,191	\$ 95,455	\$ 136,740	\$ 154,452	\$ 107,551	\$ 68,347
Public Works/Transportation	\$ 526,376	\$ 619,606	\$ 619,077	\$ 590,975	\$ 75,897	\$ 92,545	\$ 52,830	\$ 42,264	\$ 162,294	\$ 236,781
Operating Contributions and Grants	\$ 5,552,276	\$ 1,787,277	\$ 1,816,929	\$ 1,645,348	\$ 1,162,736	\$ 1,848,420	\$ 767,501	\$ 2,011,733	\$ 882,361	\$ 2,027,196
Capital Contributions and Grants	\$ 1,060,858	\$ 981,952	\$ 1,795,367	\$ 422,492	\$ 888,241	\$ 392,728	\$ 160,156	\$ 555,374	\$ 195,760	\$ 563,818
Total governmental activities program revenues	\$ 10,168,577	\$ 6,885,656	\$ 7,797,577	\$ 6,335,346	\$ 6,627,080	\$ 6,755,146	\$ 5,368,506	\$ 5,611,443	\$ 6,005,708	\$ 8,888,996
Business-type activities:										
Charges for Services										
Airport	\$ 227,802	\$ 238,187	\$ 195,007	\$ 172,656	\$ 147,965	\$ 136,789	\$ 162,731	\$ 232,734	\$ 199,253	\$ 169,821
Transit	\$ 120,260	\$ 132,349	\$ 155,314	\$ 163,257	\$ 153,211	\$ 138,753	\$ 130,112	\$ 117,872	\$ 111,068	\$ 91,376
Electric Utility	\$ 27,877,890	\$ 28,141,491	\$ 29,818,485	\$ 30,821,540	\$ 30,163,068	\$ 30,584,446	\$ 34,374,969	\$ 31,048,355	\$ 31,485,295	\$ 30,034,857
BUA Water	\$ 7,463,327	\$ 9,190,547	\$ 10,014,765	\$ 10,575,576	\$ 9,696,891	\$ 8,856,234	\$ 9,756,472	\$ 9,554,347	\$ 9,681,733	\$ 10,390,992
BUA Wastewater	\$ 2,818,690	\$ 3,029,966	\$ 3,279,157	\$ 3,423,514	\$ 3,462,692	\$ 3,482,411	\$ 3,568,129	\$ 3,339,942	\$ 3,672,200	\$ 3,818,607
Refuse	\$ 3,008,019	\$ 2,983,206	\$ 3,177,173	\$ 3,165,206	\$ 3,131,670	\$ 3,364,634	\$ 3,473,035	\$ 3,562,532	\$ 4,513,331	\$ 4,717,664
Operating Contributions and Grants	\$ 2,592,982	\$ 1,705,800	\$ 1,241,203	\$ 1,802,425	\$ 1,683,815	\$ 1,971,552	\$ 2,128,770	\$ 2,590,014	\$ 1,839,875	\$ 2,231,912
Total business-type activities program revenues	\$ 44,108,970	\$ 45,421,546	\$ 47,881,104	\$ 50,124,174	\$ 48,439,312	\$ 48,534,819	\$ 53,594,218	\$ 50,445,796	\$ 51,502,755	\$ 51,455,229
Total primary government program revenues	\$ 54,277,547	\$ 52,307,202	\$ 55,678,681	\$ 56,459,520	\$ 55,066,392	\$ 55,289,965	\$ 58,962,724	\$ 56,057,239	\$ 57,508,463	\$ 60,344,225
Expenses:										
Governmental activities:										
Charges for Services										
General Government	\$ 6,431,942	\$ 3,034,127	\$ 4,319,749	\$ 2,584,494	\$ 2,161,242	\$ 2,225,118	\$ 2,590,641	\$ 2,461,098	\$ 3,124,340	\$ 3,209,677
Public Safety	\$ 10,520,747	\$ 11,800,803	\$ 10,296,130	\$ 10,126,310	\$ 9,615,308	\$ 8,583,405	\$ 11,566,632	\$ 13,123,891	\$ 13,575,303	\$ 14,974,435
Community Development		\$ 287,345	\$ 125,508	\$ 89,000	\$ 1,333,832	\$ 1,598,792	\$ 1,495,415	\$ 1,621,737	\$ 2,012,561	\$ 3,573,064
Culture and Leisure	\$ 1,067,744	\$ 1,097,992	\$ 1,027,651	\$ 1,122,226	\$ 1,132,717	\$ 1,001,189	\$ 1,308,589	\$ 1,441,115	\$ 1,612,308	\$ 1,664,747
Public Works/Transportation	\$ 6,731,319	\$ 6,849,156	\$ 6,475,542	\$ 6,270,524	\$ 5,044,885	\$ 4,585,220	\$ 4,967,935	\$ 4,970,388	\$ 5,747,250	\$ 6,089,732
Interest on long-term debt	\$ 2,135,671	\$ 1,256,285	\$ 112,467	\$ 101,479	\$ 88,096	\$ 86,124	\$ 76,005	\$ 55,195	\$ 36,109	\$ 16,562
Total governmental activities program expenses	\$ 26,887,423	\$ 24,325,708	\$ 22,357,047	\$ 20,294,033	\$ 19,376,080	\$ 18,079,848	\$ 22,005,217	\$ 23,673,424	\$ 26,107,871	\$ 29,528,217
Business-type activities:										
Charges for Services										
Airport	489,011	447,969	391,467	382,611	382,510	209,930	351,599	391,245	353,205	319,358
Transit	1,395,621	1,516,885	1,484,817	1,722,416	1,854,509	1,858,161	1,726,873	1,866,561	2,315,554	2,365,198
Electric Utility	30,602,082	29,459,756	30,038,988	28,819,584	28,253,812	29,505,627	33,351,692	32,726,577	31,020,023	30,813,647
BUA Water	7,503,288	7,792,219	7,737,665	7,569,525	7,786,308	7,308,819	7,658,337	8,139,411	8,316,156	8,700,459
BUA Wastewater	2,938,904	3,137,404	2,948,381	2,915,736	2,884,856	2,701,401	2,899,152	2,936,846	3,502,698	3,781,828
Refuse	3,040,225	3,048,211	2,886,320	3,074,393	3,088,208	3,082,003	3,341,491	3,526,288	4,483,427	4,815,164
Total business-type activities program expenses	\$ 45,969,131	\$ 45,402,444	\$ 45,487,638	\$ 44,484,265	\$ 44,250,203	\$ 44,665,941	\$ 49,329,144	\$ 49,586,928	\$ 49,991,063	\$ 50,795,654
Total primary government program expenses	\$ 72,856,554	\$ 69,728,152	\$ 67,844,685	\$ 64,778,298	\$ 63,626,283	\$ 62,745,789	\$ 71,334,361	\$ 73,260,352	\$ 76,098,934	\$ 80,323,871
Net revenues (expenses)										
Governmental activities:	\$ (16,718,846)	\$ (17,440,052)	\$ (14,559,470)	\$ (13,958,687)	\$ (12,749,000)	\$ (11,324,702)	\$ (16,636,711)	\$ (18,061,981)	\$ (20,102,163)	\$ (20,639,221)
Business-type activities:	\$ (1,860,161)	\$ 19,102	\$ 2,393,466	\$ 5,639,909	\$ 4,189,109	\$ 3,868,878	\$ 4,265,074	\$ 858,868	\$ 1,511,692	\$ 659,575
Total net revenues (expenses)	\$ (18,579,007)	\$ (17,420,950)	\$ (12,166,004)	\$ (8,318,778)	\$ (8,559,891)	\$ (7,455,824)	\$ (12,371,637)	\$ (17,203,113)	\$ (18,590,471)	\$ (19,979,646)

CITY OF BANNING

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, general purpose	\$ 8,366,362	\$ 5,571,836	\$ 3,762,591	\$ 4,001,164	\$ 4,238,973	\$ 4,459,662	\$ 4,685,723	\$ 4,959,588	\$ 5,223,775	\$ 5,383,240
Transit occupancy taxes	\$ 506,074	\$ 586,083	\$ 626,255	\$ 712,135	\$ 722,434	\$ 789,994	\$ 861,221	\$ 854,928	\$ 895,887	\$ 804,389
Sales taxes	\$ 2,667,478	\$ 2,996,039	\$ 3,199,845	\$ 3,413,423	\$ 3,533,478	\$ 3,497,150	\$ 3,762,082	\$ 4,188,798	\$ 4,466,545	\$ 4,300,140
Franchise taxes	\$ 800,346	\$ 819,203	\$ 813,682	\$ 861,155	\$ 871,284	\$ 860,923	\$ 839,395	\$ 871,107	\$ 895,534	\$ 919,373
Business licenses taxes	\$ 145,500	\$ 156,161	\$ 159,828	\$ 157,242	\$ 155,025	\$ 156,268	\$ 168,831	\$ 179,109	\$ 170,560	\$ 171,592
Other taxes	\$ 343,967	\$ 214,993	\$ 231,303	\$ 261,305	\$ 684,734	\$ 734,954	\$ 373,310	\$ 542,857	\$ 1,197,131	\$ 1,163,462
Motor vehicle in lieu - unrestricted	\$ 92,958	\$ 75,220	\$ 28,160	\$	\$ 12,427	\$ 12,303	\$ 13,813	\$ 16,354	\$ 15,016	\$ 24,570
Uses of money and property (investment income)	\$ 792,272	\$ 571,715	\$ 473,031	\$ 582,558	\$ 519,940	\$ 628,752	\$ 646,221	\$ 737,464	\$ 1,128,236	\$ 967,914
Other/miscellaneous	\$ 595,581	\$ 697,915	\$ 880,339	\$ 469,656	\$ 774,987	\$ 397,009	\$ 534,441	\$ 506,692	\$ 554,860	\$ 436,266
Gain on sale of capital asset			\$ 576	\$ 1,039	\$	\$ 8,801,033			\$ 3,133	\$ 3,600
Extraordinary gain/(loss) on dissolution of redevelopment										
agency (Note 17)	\$ 2,828,520									
Transfers	\$ 713,172	\$ 287,171	\$ 727,352	\$ 724,000	\$ 720,432	\$ 652,157	\$ 724,000	\$ 724,000	\$ 638,759	\$ 699,653
Total governmental activities	\$ 15,023,710	\$ 14,804,856	\$ 10,902,962	\$ 11,183,677	\$ 12,233,714	\$ 20,990,205	\$ 12,609,037	\$ 13,580,897	\$ 15,189,436	\$ 14,874,199
Business-type activities:										
Property taxes, general purpose										
Uses of money and property (investment income)	\$ 477,016	\$ 232,120	\$ 68,834	\$ 272,796	\$ 164,885	\$ 218,902	\$ 252,397	\$ 642,496	\$ 1,593,722	\$ 1,009,209
Other/miscellaneous	\$ 1,311,115	\$ 2,073,661	\$ 304,023	\$ 288,557	\$ 178,290	\$ 184,802	\$ 252,581	\$ 405,100	\$ 272,773	\$ 692,150
Gain on sale of capital asset	\$ 9	\$ 12,767	\$ 461	\$	\$	\$ 2,665	\$	\$ 835	\$ 7,136	
Transfers	\$ (713,172)	\$ (287,171)	\$ (727,352)	\$ (724,000)	\$ (720,432)	\$ (652,157)	\$ (724,000)	\$ (724,000)	\$ (638,759)	\$ (699,653)
Total business-like activities	\$ 1,074,959	\$ 2,018,619	\$ (341,728)	\$ (162,186)	\$ (377,257)	\$ (248,453)	\$ (216,357)	\$ 323,596	\$ 1,228,571	\$ 1,008,842
Total general revenues	\$ 16,098,669	\$ 16,823,475	\$ 10,561,234	\$ 11,021,491	\$ 11,856,457	\$ 20,741,752	\$ 12,392,680	\$ 13,904,493	\$ 16,418,007	\$ 15,883,041
Changes in net position										
Governmental activities:										
Business-type activities:										
Total primary government	\$ (1,695,136)	\$ (2,635,196)	\$ (3,656,508)	\$ (2,775,010)	\$ (515,286)	\$ 9,665,503	\$ (4,027,674)	\$ (4,481,084)	\$ (4,912,727)	\$ (5,765,022)
	\$ (785,202)	\$ 2,037,721	\$ 2,051,738	\$ 5,477,723	\$ 3,811,852	\$ 3,620,425	\$ 4,048,717	\$ 1,182,464	\$ 2,740,263	\$ 1,668,417
	\$ (2,480,338)	\$ (597,475)	\$ (1,604,770)	\$ 2,702,713	\$ 3,296,566	\$ 13,285,928	\$ 21,043	\$ (3,298,620)	\$ (2,172,464)	\$ (4,096,605)

Source: City of Banning Finance Department

CITY OF BANNING

Table 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Non-Spendable	\$ 6,234,199	\$ 35,398	\$ 29,324	\$ 27,950	\$ 5,100	\$ 43,923	\$ 63,225	\$ 61,372	\$ 54,552	\$ 28,434
Restricted										
Committed	3,000,000	2,343,760	3,338,733	3,480,481	3,806,936	3,975,332	4,096,473	4,528,172	4,785,065	3,525,858
Assigned	2,116,125	1,149,224	2,069,513	2,340,003	2,722,165	4,687,477	4,415,700	4,911,017	4,998,482	5,185,192
Unassigned	761,092			753,115	3,267,395	3,536,735	4,742,954	2,739,006	3,269,500	3,044,388
Total general fund	\$ 12,111,416	\$ 3,528,382	\$ 5,437,570	\$ 6,601,549	\$ 9,801,596	\$ 12,243,467	\$ 13,318,352	\$ 12,239,567	\$ 13,107,599	\$ 11,783,872
All Other Governmental Funds										
Non-Spendable	3,378,961	831	1,120,946							
Restricted										
Reported in:										
Special revenue funds	3,087,914	7,572,329	4,595,881	5,986,616	5,805,914	5,503,509	5,312,223	6,214,265	6,862,505	6,144,345
Capital project funds	11,559,980	379,072	322,711	325,116	14,051	8,753,956	9,367,817	8,300,217	8,163,390	7,481,156
Debt Service funds	1,025,398									
Committed	2,696,906									
Assigned		2,680,071	2,658,303	2,628,525	2,620,462	2,624,852	2,662,362	2,674,301	2,565,078	2,542,385
Unassigned	(5,274)	(776,594)	(2,286,485)	(2,485,462)	(2,061,740)	(1,547,898)	(1,113,773)	(633,728)	(699,152)	(1,144,021)
Total all other governmental funds	\$ 21,743,885	\$ 9,855,709	\$ 6,411,356	\$ 6,454,795	\$ 6,378,687	\$ 15,334,419	\$ 16,228,629	\$ 16,555,055	\$ 16,891,821	\$ 15,023,865
Total primary government program revenues	\$ 33,855,301	\$ 13,384,091	\$ 11,848,926	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420	\$ 26,807,737

Note: The City of Banning implemented changes to the presentation of fund balance per GASB Statement No 54 in fiscal year 2011

Source: City of Banning Finance Department

CITY OF BANNING

Table 4 - Changes in Fund Balance of Governmental Funds

Last Ten Fiscal Years (modified accrual basis)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 12,804,034	\$ 10,333,746	\$ 8,841,406	\$ 9,406,564	\$ 10,138,020	\$ 10,792,461	\$ 10,739,122	\$ 11,596,387	\$ 12,849,432	\$ 12,742,196
Licenses and Permits	162,683	137,689	171,406	219,998	542,773	779,554	605,809	799,517	925,340	3,362,718
Intergovernmental	3,663,222	2,812,139	2,872,511	1,935,257	2,388,989	2,040,858	2,582,458	2,310,871	1,429,852	2,576,501
Charges for services	2,983,132	3,608,617	3,565,636	3,580,518	3,555,706	3,317,149	3,396,761	1,842,536	3,519,930	2,422,355
Use of money and property	764,035	536,753	487,723	540,560	519,940	553,390	640,812	730,369	1,006,328	824,149
Fines and forfeitures	404,274	292,192	291,465	291,125	303,308	267,410	252,114	248,336	233,389	169,833
Contributions			33,115	27,671	15,873	13,724	13,502	26,157	15,448	17,137
Contributions from Successor Agency					123,840	250,000	103,932	250,000	250,000	250,000
Miscellaneous	404,729	257,406	723,618	538,711	786,454	457,486	567,775	547,331	710,285	669,559
Total Revenues	\$ 21,186,109	\$ 17,978,542	\$ 16,986,880	\$ 16,540,404	\$ 18,374,903	\$ 18,472,032	\$ 18,902,285	\$ 18,351,504	\$ 20,940,004	\$ 23,034,448
Expenditures										
General government	\$ 6,216,291	\$ 2,668,160	\$ 4,095,480	\$ 2,359,703	\$ 2,515,876	\$ 2,227,796	\$ 2,317,140	\$ 2,346,949	\$ 2,664,332	\$ 2,972,421
Public safety	9,527,866	10,295,109	9,380,358	9,322,284	8,973,171	9,529,941	10,063,201	10,944,961	11,153,944	13,075,950
Community Development		287,345	136,878		1,320,264	1,547,336	1,447,973	1,595,580	1,931,189	3,247,945
Culture and leisure	632,859	658,765	622,959	729,874	727,793	764,076	1,049,253	1,106,051	1,192,937	1,263,614
Public Works/Transportation	2,316,524	2,260,310	2,389,687	2,373,978	1,015,760	1,059,235	918,170	1,379,680	1,285,522	2,008,296
Capital outlay	4,182,225	3,126,606	2,188,248	818,606	1,660,791	963,545	1,203,917	1,936,697	1,628,584	3,867,445
Debt services:										
Principal retirement	5,022,964	1,255,107	320,963	333,112	345,721	358,806	579,198	460,329	478,835	416,296
Interest and fiscal charges	2,096,112	1,919,379	114,824	103,141	90,261	76,884	78,338	57,616	38,622	19,170
Total Expenditures	\$ 29,994,841	\$ 22,470,781	\$ 19,249,397	\$ 16,040,698	\$ 16,649,637	\$ 16,527,619	\$ 17,657,190	\$ 19,827,863	\$ 20,373,965	\$ 26,871,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (8,808,732)	\$ (4,492,239)	\$ (2,262,517)	\$ 499,706	\$ 1,725,266	\$ 1,944,413	\$ 1,245,095	\$ (1,476,359)	\$ 566,039	\$ (3,836,689)
Other Financing Sources (Uses)										
Transfers In	\$ 11,583,548	\$ 8,189,735	\$ 971,608	\$ 972,122	\$ 2,001,503	\$ 913,544	\$ 888,325	\$ 1,418,278	\$ 1,051,128	\$ 1,080,404
Transfers Out	(10,869,801)	(9,713,344)	(244,256)	(248,122)	(602,830)	(261,387)	(164,325)	(694,278)	(412,369)	(435,398)
Refunding debt issued	3,455,000									
Refunding debt issuance costs	(78,726)									
Total Other Financing Sources (Uses)	\$ 4,090,021	\$ (1,523,609)	\$ 727,352	\$ 724,000	\$ 1,398,673	\$ 652,157	\$ 724,000	\$ 724,000	\$ 638,759	\$ 645,006
Extraordinary gain/(loss)/Special Items		\$ (21,455,362)	2			\$ 8,801,033	5			
Net Change in Fund Balance	\$ (4,718,711)	\$ (27,471,210)	\$ (1,535,165)	\$ 1,223,706	\$ 3,123,939	\$ 11,397,603	\$ 1,969,095	\$ (752,359)	\$ 1,204,798	\$ (3,191,683)
Fund Balance, Beginning of Year, as previously reported	\$ 42,278,793	\$ 33,855,301	\$ 13,384,091	\$ 11,848,926	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420
Restatements	\$ (3,704,781)	1	\$ 7,000,000	3	\$ (16,288)	4				
Fund Balance, Beginning of Year, as restated	\$ 38,574,012	\$ 40,855,301	\$ 13,384,091	\$ 11,832,638	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420
Fund Balance, End of Year	\$ 33,855,301	\$ 13,384,091	\$ 11,848,926	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420	\$ 26,807,737

Source: City of Banning Finance Department

¹ Fiscal Year 2011 Prior period adjustment to correctly record land that had been classified as land held for resale to capital land \$ (3,736,481) and to correctly record land that had been classified as capital land to land held for resale \$ 31,700, fund balance restatement \$ (3,704,781) - (Note 15)-Redevelopment Agency Capital Project Fund

² Fiscal Year 2012 Extraordinary loss on dissolution of redevelopment agency (Note 17)

³ Fiscal Year 2012 Correct prior years restatement of advance to the Redevelopment Agency from the Banning Utility Authority Water and Electric Utility \$ 7,000,000 (Note 16)

⁴ Fiscal Year 2014 restatement of \$ (16,288), Beginning fund balance previously reported \$ 11,848,926, restated Fund Balance \$ 11,832,638 due to properly recognize unearned Supplemental Law Enforcement revenue as unearned revenues, which was previously recorded as revenue without a corresponding expenditure/expense (Note 16)

⁵ Special item Fiscal Year 2016 - Pursuant to Health and Safety Code (the "HSC") § 34178 (c), the City of Banning came to an agreement with the Successor Agency to the dissolved community redevelopment agency of the City of Banning on January 26, 2016, to transfer excess bond proceeds to the city from the Successor Agency. This transfer of \$ 8,801,033 included assets and liabilities related to the unspent bond proceeds of the 2003 Tax Allocation Bonds and the 2007 Tax Allocation Bonds (Note 18)

CITY OF BANNING

Table 5 - Electric by Type of Customer (Revenues and Demand)

Last Ten Fiscal Years

Electric Fund	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Customers										
Residential	10,623	10,679	10,693	10,768	10,843	10,974	10,954	10,989	10,847	11,122
Commercial	989	1,000	999	1,000	1,003	1,012	1,022	1,027	1,044	1,091
Industrial	6	5	5	5	6	6	6	6	6	6
Other	124	130	130	121	123	120	120	118	119	120
Total Number of Customers	11,742	11,814	11,827	11,894	11,975	12,112	12,102	12,140	12,016	12,339
Mega-Watt Hour Sales⁽¹⁾										
Residential	64,508	67,302	68,552	66,352	67,692	66,768	72,585	70,204	69,128	69,908
Commercial	46,540	49,370	49,338	49,415	50,269	48,334	48,720	48,170	45,944	45,117
Industrial	8,933	8,555	10,121	13,379	11,638	10,527	10,939	10,722	11,375	12,296
Other	10,233	10,749	10,873	9,780	15,396	14,321	11,485	11,810	11,592	10,529
Total Mega-Watt Hour Sales	130,214	135,976	138,884	138,926	144,995	139,950	143,729	140,906	138,039	137,850
Revenues from Sales⁽¹⁾										
Residential	12,071,425	12,226,581	12,443,114	13,151,115	13,266,022	13,275,934	14,714,907	13,775,727	13,711,007	12,848,125
Commercial	8,003,840	9,498,875	9,518,696	10,624,022	10,613,239	10,372,350	10,655,013	10,262,343	9,726,219	9,571,183
Industrial	2,266,153	1,367,155	1,447,083	2,131,714	1,843,979	1,716,528	1,717,027	1,542,367	1,772,997	1,893,843
Other	1,588,510	1,739,672	1,711,292	1,296,415	2,082,082	1,951,446	1,591,987	1,589,801	1,505,272	1,410,311
Total Revenue from Sales	\$ 23,929,928	\$ 24,832,283	\$ 25,120,185	\$ 27,203,266	\$ 27,805,322	\$ 27,316,258	\$ 28,678,934	\$ 27,170,238	\$ 26,715,495	\$ 25,723,462
Peak Demand (MW)	45.0	44.3	46.9	40.5	42.4	44.5	46.3	49.1	49.0	44.1

⁽¹⁾ Metered Sales

Source: City of Banning Finance Department & Electric Utility

CITY OF BANNING

Table 6 - Electricity Rates

Last Ten Fiscal Years

Electric Fund	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average rate in Dollars per Kilowatt Hour										
Residential	0.1861	0.1815	0.1815	0.1982	0.1960	0.1988	0.2027	0.1962	0.1983	0.1983
Commercial	0.1971	0.1924	0.1929	0.2150	0.2111	0.2146	0.2187	0.2130	0.2117	0.2117
Industrial	0.1663	0.1539	0.1430	0.1593	0.1584	0.1631	0.1570	0.1438	0.1559	0.1559
Other	0.1436	0.1618	0.1574	0.1326	0.1301	0.1363	0.1386	0.1346	0.1299	0.1299

Source: City of Banning Electric Utility

CITY OF BANNING

 Table 7 - Ten Largest Electric Customers
 Current Year and Nine Years Ago

Electric Fund		Fiscal Year 2020			Rank	Fiscal Year 2011			Rank
Customer	Customer type	% of Retail Sales	Sales	Consumption (kWh)		% of Retail Sales	Sales	Consumption (kWh)	
City of Banning	Government	5.00%	1,384,841	10,188,298	1	5.90%	1,410,930	9,899,035	1
EDA Facilities Management	Government	3.64%	1,009,160	5,376,649	2	5.05%	1,209,202	5,741,593	2
Banning Unified School District	School	3.02%	836,342	3,760,188	3	3.46%	828,115	3,686,316	3
San Gorgonio Memorial Hospital	Institutional	2.63%	729,790	5,432,107	4	2.10%	503,406	3,208,523	4
Robertson's Ready Mix	Construction	2.17%	600,900	2,470,300	5	1.28%	305,795	796,080	6
Sun Lakes Country Club Home Owners Association	Residential	1.92%	533,117	2,463,373	6	0.88%	210,965	904,480	7
Frontier California	Commercial	0.78%	216,386	971,078	7	0.71%	169,697	954,642	9
Albertson's Grocery	Commercial	0.76%	211,908	1,635,840	8	1.66%	396,726	1,754,880	5
Sunrise Mobile Home Park	Residential	0.63%	175,597	899,840	9	0.67%	160,356	865,920	10
Rio Ranch Market	Commercial	0.62%	172,241	857,100	10	0.75%	179,858	926,700	8

Source: City of Banning Utility Billing Department

CITY OF BANNING

Table 8 - Water by Type of Customer (Revenues and Consumption)

Last Ten Fiscal Years

Water Fund	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Customers										
Residential	9,653	9,657	9,673	9,727	9,730	9,793	9,739	9,867	9,732	9,796
Commercial	693	677	703	715	711	716	710	730	725	660
Industrial	10	10	10	10	10	10	10	9	10	90
Public	51	49	49	47	47	46	47	44	41	34
Irrigation	9	9	9	9	9	10	10	8	10	9
Total Number of Customers	10,416	10,402	10,444	10,508	10,507	10,575	10,516	10,658	10,518	10,589
Consumption Sales										
Residential	1,887,251	1,973,441	1,948,550	1,953,004	1,739,303	1,365,536	1,601,778	1,707,704	1,516,281	1,639,019
Commercial	845,354	871,611	917,042	936,423	894,408	689,879	792,531	790,882	841,727	847,685
Industrial	50,212	53,633	49,560	48,233	43,681	39,596	43,328	44,476	42,592	41,222
Public	42,719	47,148	46,165	44,664	30,760	22,152	26,695	27,727	20,158	11,349
Irrigation	386,606	467,152	419,593	443,188	399,781	285,798	407,890	372,531	300,097	390,106
Total Consumption Sales	\$ 3,212,142	\$ 3,412,985	\$ 3,380,910	\$ 3,425,512	\$ 3,107,933	\$ 2,402,961	\$ 2,872,222	\$ 2,943,320	\$ 2,720,855	\$ 2,929,381
Revenues from Sales⁽¹⁾										
Residential	4,599,067	5,597,636	6,054,310	6,440,803	6,105,172	5,248,775	5,799,336	6,066,320	5,731,331	6,254,795
Commercial	1,789,607	2,245,629	2,566,872	2,618,402	2,752,023	2,206,600	2,466,697	2,482,100	2,688,529	2,795,592
Industrial	73,498	93,539	91,926	96,816	90,751	83,109	90,057	92,809	91,131	91,298
Public	25,057	27,346	26,776	25,905	17,841	12,848	15,483	16,082	11,959	7,019
Irrigation	617,315	929,745	936,894	1,054,230	976,946	718,469	998,708	915,149	735,148	1,011,087
Total Revenue from Sales	\$ 7,104,544	\$ 8,893,895	\$ 9,676,777	\$ 10,236,157	\$ 9,942,734	\$ 8,269,801	\$ 9,370,281	\$ 9,572,460	\$ 9,258,098	\$ 10,159,791

⁽¹⁾ Metered Sales

Source: City of Banning Finance Department & Water Department

CITY OF BANNING

Table 9 - Water Rates

Last Ten Fiscal Years

Water Fund Rates	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Monthly Water Charges										
Meter size										
5/8 inch	\$ 15.90	\$ 18.29	\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22
3/4 inch	\$ 15.90	\$ 18.29	\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22
1 inch	\$ 24.11	\$ 27.73	\$ 29.67	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 32.70	\$ 33.68
1 1/2 inch	\$ 44.62	\$ 51.31	\$ 54.90	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 60.50	\$ 62.32
2 inch	\$ 69.23	\$ 79.61	\$ 85.18	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 93.87	\$ 96.69
3 inch	\$ 126.66	\$ 145.66	\$ 155.86	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 171.77	\$ 176.93
4 inch	\$ 208.74	\$ 240.05	\$ 256.85	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 283.07	\$ 291.57
6 inch	\$ 413.77	\$ 475.84	\$ 509.15	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 561.13	\$ 577.97
8 inch	\$ 659.89	\$ 758.87	\$ 811.99	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 894.89	\$ 921.74
Commodity Charge (per HCF)										
Tier 1 0-12	\$ 1.40	\$ 1.61	\$ 1.72	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.90	\$ 1.95
Tier 2 13-25	\$ 1.78	\$ 2.05	\$ 2.19	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.41	\$ 2.48
Tier 3 26+	\$ 2.01	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.72	\$ 2.80
Municipal (City/Parks)				\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.60	\$ 0.62

Source: City of Banning Water Utility

CITY OF BANNING

 Table 10 - Ten Largest Water Customers
 Current Year and Nine Years Ago

Water Fund	Customer	Customer type	Fiscal Year 2020				Fiscal Year 2011			
			% of Retail Sales	Sales	Consumption	Rank	% of Retail Sales	Sales	Consumption	Rank
	Sun Lakes Country Club HOA	Commercial	12.27%	1,246,493	940.82	1	11.21%	794,837	1042.3	1
	Banning Unified School District	School	3.16%	321,368	237.51	2	2.69%	190,786	184.8	2
	EDA Facilities Management	Institutional	2.18%	221,702	189.06	3	1.77%	120,804	140.5	3
	City Of Banning	Government	1.04%	105,918	179.91	4	1.47%	33,959	107.3	4
	High Valley Water District	Utility	0.93%	94,102	82.31	5	0.88%	62,694	79.0	6
	Robertson's Ready Mix	Construction	0.55%	55,600	44.88	6	1.47%	104,030	107.5	5
	Mountain Springs Mobile Home Park	Residential	0.48%	49,205	37.19	7	0.39%	27,733	33.4	9
	San Gorgonio Memorial Hospital	Institutional	0.46%	46,884	23.91	8	0.37%	26,848	31.3	10
	HK Realty - Windscape Village Apartments	Residential	0.43%	43,872	33.54	9	0.47%	32,492	39.0	8
	Peppertree Apartments	Residential	0.42%	42,549	31.94	10	0.47%	33,114	40.2	7

Source: City of Banning Utility Billing Department

CITY OF BANNING

Table 11 - Wastewater by Type of Customer (Revenues)

Last Ten Fiscal Years

Wastewater Fund	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Customers										
Residential/Commercial	10,596	10,750	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815
Total Number of Customers	10,596	10,750	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815
Revenues from Sales⁽¹⁾										
Residential/Commercial	2,469,252	2,696,991	2,937,728	3,086,099	3,124,358	3,142,411	3,230,542	3,339,942	3,323,385	3,480,853
Total Revenue from Sales	\$ 2,469,252	\$ 2,696,991	\$ 2,937,728	\$ 3,086,099	\$ 3,124,358	\$ 3,142,411	\$ 3,230,542	\$ 3,339,942	\$ 3,323,385	\$ 3,480,853

⁽¹⁾ User Fees

Source: City of Banning Finance Department & Water Department

CITY OF BANNING**Table 12 - Wastewater Rates****Last Ten Fiscal Years**

Wastewater Fund Rates	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential/Commercial	14.40	15.84	17.11	18.48	18.48	18.48	18.48	18.48	19.03	19.61
Tertiary Surcharge	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.06	2.12
Total Charge	16.40	17.84	19.11	20.48	20.48	20.48	20.48	20.48	21.09	21.73

Source: City of Banning Water Utility

CITY OF BANNING

Table 13 - Ten Largest Wastewater Customers

Current Year and Nine Years Ago

Water Fund	Customer	Customer type	Fiscal Year 2020			Fiscal Year 2011		
			% of Retail Sales	Sales	Rank	% of Retail Sales	Sales	Rank
	EDA Facilities Management	Institutional	8.75%	304,435	1	6.93%	171,130	2
	Sunrise Mobile Home Park	Residential	1.47%	51,269	2	1.62%	40,106	3
	Mountain Air Mobile Home Park	Residential	1.35%	46,895	3	1.08%	26,568	4
	Twin View Mobile Home Park	Residential	1.07%	37,245	4	11.03%	272,362	1
	HK Realty - Windscape Village Apartments	Residential	0.97%	33,841	5	1.00%	24,583	6
	Banning Unified School District	School	0.92%	32,032	6	1.04%	25,736	5
	Peppertree Apartments	Residential	0.67%	23,153	7	0.68%	16,830	8
	San Gorgonio Memorial Hospital	Institutional	0.54%	18,766	8	0.69%	17,088	7
	Sun Lakes Country Club & HOA	Commercial	0.15%	5,159	9	0.15%	3,737	9
	Albertson's Grocery Store	Commercial	0.09%	3,128	10	0.12%	3,026	10

Source: City of Banning Utility Billing Department

CITY OF BANNING
Table 14 - Assessed Value of Taxable Property by Category

Last Ten Fiscal Years (in thousands of dollars)

Category	Fiscal Year									
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Residential	1,185,011,200	1,162,115,450	1,175,199,868	1,231,205,686	1,361,770,501	1,456,038,822	1,529,223,488	1,616,626,647	1,703,563,175	1,795,364,039
Commercial	202,885,419	205,752,990	211,517,413	220,468,493	217,554,607	227,226,058	238,283,775	246,325,182	253,666,105	262,762,441
Industrial	43,622,197	41,606,163	52,015,479	51,018,407	50,397,147	42,649,123	45,657,917	51,131,650	53,034,191	54,209,548
Agricultural										1,269,688
Government Owned	651,197	656,099	669,220	41,769	-	-	19,600	19,992	20,391	20,800
Institutional	983,234	689,725	867,488	914,450	911,496	1,304,236	897,253	1,207,192	3,446,035	2,298,468
Miscellaneous	6,522,689	5,677,174	7,610,332	6,542,754	5,617,626	5,910,533	5,491,362	5,216,069	4,147,483	5,286,116
Recreational	441,510	444,832	453,727	462,799	464,897	474,181	481,408	491,035	500,854	510,868
Vacant	149,969,589	134,306,404	121,958,231	123,636,821	12,012,997	122,043,801	122,231,237	137,478,116	145,980,871	145,446,771
SBE Nonunitary	123,968	123,968	71,000	71,000	71,000	71,000	71,000	71,000	56,250	56,250
Cross Reference	17,805,037	17,928,617	16,844,925	16,794,672	16,767,086	18,032,076	17,535,587	17,426,796	21,443,971	18,882,075
Unsecured	85,409,325	54,589,683	47,576,655	58,614,332	51,249,393	47,306,695	39,554,059	48,043,330	51,853,726	52,547,634
Exempt	(9,231,233)	(9,415,798)	(9,601,324)	(9,621,151)	(9,813,510)	(10,009,717)	(10,349,091)	(9,894,532)	(10,092,353)	-
Unknown										2,940,334
Totals	1,693,425,365	1,623,891,105	1,634,784,338	1,709,771,183	1,716,816,750	1,921,056,525	1,999,446,686	2,124,037,009	2,237,713,052	2,341,595,032
Total Direct Rate	0.37188	0.36123	0.32063	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respects to the actual market value of taxable property and is subject to the limitations described above.

Data source: Riverside County Assessor 2010/11 - 2019/20 Combined Tax Rolls

CITY OF BANNING

Table 15 - Property Tax Rates

All Overlapping Governments (rate per \$100 of assessed value)

Last Ten Fiscal Years

Agency	Fiscal Year									
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Basic Levy¹	1.00000									
Banning Unified School District	0.08745	0.10207	0.10207	0.11284	0.10956	0.10826	0.10573	0.14473	0.14278	0.14526
Beaumont Unified School District	0.04980	0.07841	0.08486	0.09000	0.08169	0.07106	0.07193	0.07677	0.07432	0.07438
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320
San Gogonio Pass Memorial Hospital Dist	0.09914	0.10365	0.11572	0.11896	0.11296	0.08143	0.08357	0.09052	0.08692	0.06990
San Gogonio Pass Wager Agency	0.17000	0.18500	0.18500	0.18500	0.18500	0.18500	0.18500	0.18250	0.18250	0.17750
Total Direct & Overlapping Tax² Rates	1.40639	1.46913	1.48765	1.50680	1.48921	1.45969	1.45943	1.50772	1.49972	1.48024
City's Share of 1% Levy Per Prop 13³	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228
Voter Approved City Debt Rate										
Redevelopment Rate⁴	1.17000	1.18500								
Total Direct Rate⁵	0.37188	0.36123	0.32063	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

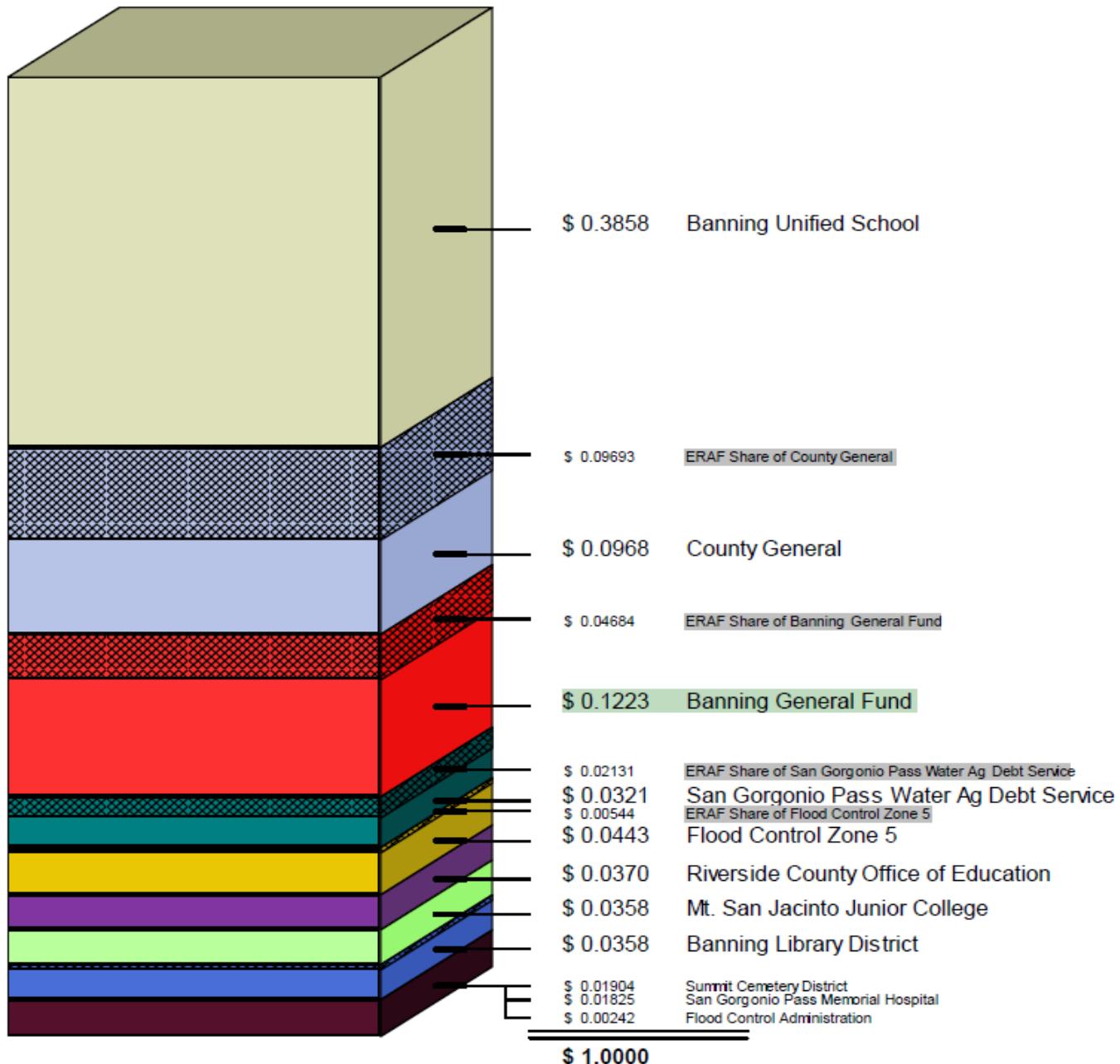
⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as a general fund revenue.

Data Source: Riverside County Assessor 2010/11 - 2019/20 Tax Rate Table

Provided by HDL Coren & Cone

CITY OF BANNING

Table 16 - Property Tax Rates
Property Tax Dollar Breakdown



ATI (Annual Tax Increment) Ratios for Tax Rate Area 001-054. Excluding Redevelopment Factors & Additional Debt Service

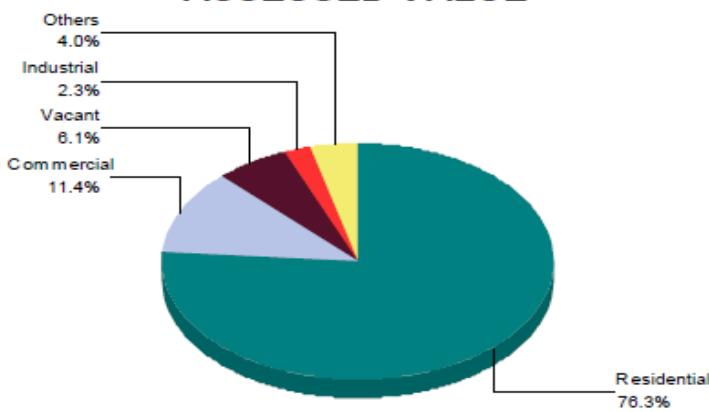
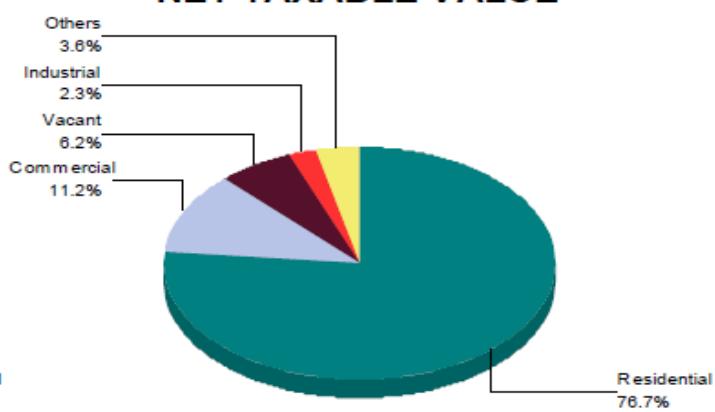
Data Source: Riverside County Assessor 2019/20 Annual Tax Increment Tables

Provided by HDL Coren & Cone

CITY OF BANNING

Table 17 - Use Category Summary & Roll Summary Fiscal Year 2019-20

Use Category Summary		Basic Property Value Table			
Category	Parcels	Assessed Value	%	Net Taxable Value	%
Residential	1,185,011,200	1,162,115,450		1,231,205,686	
Commercial	202,885,419	205,752,990		220,468,493	
Industrial	43,622,197	41,606,163		51,018,407	
Agricultural					
Government Owned	651,197	656,099		41,769	
Institutional	983,234	689,725		914,450	
Miscellaneous	6,522,689	5,677,174		6,542,754	
Recreational	441,510	444,832		462,799	
Vacant	149,969,589	134,306,404		123,636,821	
SBE Nonunitary	123,968	123,968		71,000	
Cross Reference	17,805,037	17,928,617		16,794,672	
Unsecured	85,409,325	54,589,683		58,614,332	
Exempt	(9,231,233)	(9,415,798)		(9,621,151)	
Unknown					
Totals	1,693,425,365	1,623,891,105		1,709,771,183	
Total Direct Rate		0.37188		0.36123	
				0.14885	

ASSESSED VALUE

NET TAXABLE VALUE


Data Source: Riverside County Assessor 2019/20 20 Combined Tax Rolls

Provided by HDL Coren & Cone

CITY OF BANNING

Table 17 - Use Category Summary & Roll Summary Fiscal Year 2019-20

Roll Summary	Taxable Property Values												
	Secured	Nonunitary Utilities	Unsecured										
Parcels	11,732	1	410										
TRAs	17	1	11										
VALUES													
Land	668,706,729	56,250	-										
Improvements	1,669,898,567	-	970,734										
Personal Property	3,681,432	-	23,591,973										
Fixtures	1,881,513	-	25,812,522										
Aircraft	-	-	2,275,100										
Total Value	\$ 2,344,168,241	\$ 56,250	\$ 50,375,229										
EXEMPTIONS													
Real Estate	54,929,360	-	-										
Personal Property	239,841	-	295										
Fixtures	7,892	-	-										
Aircraft	-	-	102,400										
Homeowners*	36,111,208	-	-										
Total Exemptions*	\$ 55,177,093	\$ -	\$ 295										
Total Net Value	\$ 2,288,991,148	\$ 56,250	\$ 50,374,934										
<table border="1"> <thead> <tr> <th>Combined Values</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total Values</td> <td>\$ 2,394,599,720</td> </tr> <tr> <td>Total Exemptions</td> <td>\$ 55,177,388</td> </tr> <tr> <td>Net Total Values</td> <td>\$ 2,339,422,332</td> </tr> <tr> <td>Net Aircraft Values</td> <td>\$ 2,172,700</td> </tr> </tbody> </table>				Combined Values	Total	Total Values	\$ 2,394,599,720	Total Exemptions	\$ 55,177,388	Net Total Values	\$ 2,339,422,332	Net Aircraft Values	\$ 2,172,700
Combined Values	Total												
Total Values	\$ 2,394,599,720												
Total Exemptions	\$ 55,177,388												
Net Total Values	\$ 2,339,422,332												
Net Aircraft Values	\$ 2,172,700												

Notes: *Homeowner Exemptions are not included in Total Exemptions

Totals do not include Aircraft Values or Exemptions

Data Source: Riverside County Assessor 2019/20 Combined Tax Rolls

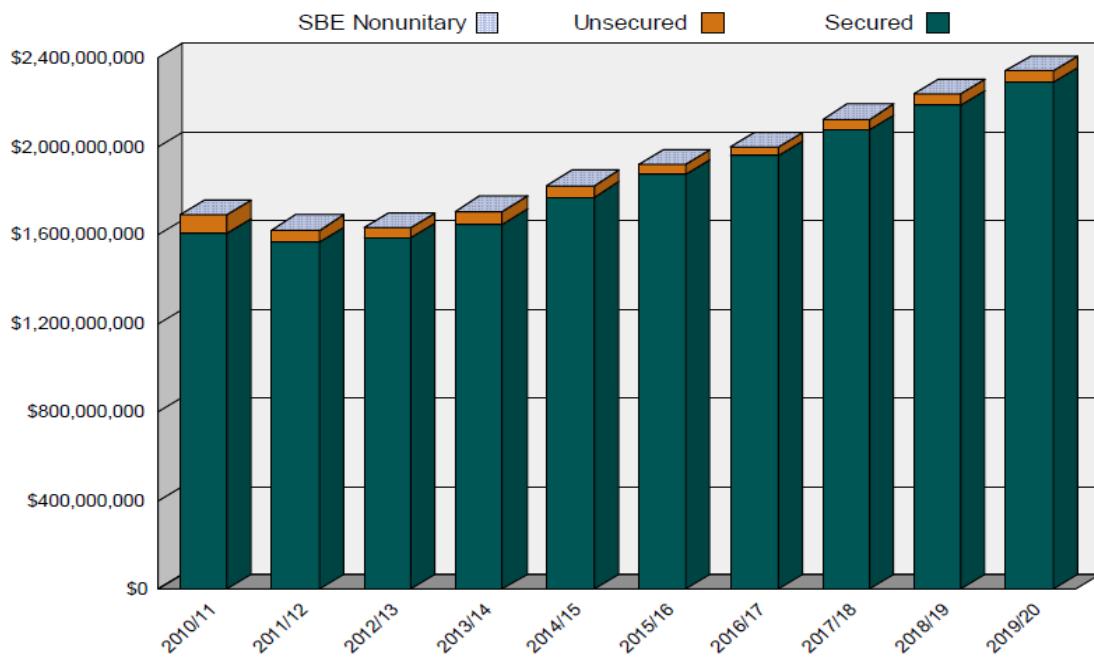
Provided by HDL Coren & Cone

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CITY OF BANNING

Table 18 - Net Taxable Assessed Value History
Last Ten Years

Lien Year	Taxable Property Values			Net Total AV	% Change
	Secured	Unsecured	SBE Nonunitary		
2010/11	\$ 1,607,892,072	\$ 85,409,325	\$ 123,968	\$ 1,693,425,365	
2011/12	\$ 1,569,177,454	\$ 54,589,683	\$ 123,968	\$ 1,623,891,105	-4.11%
2012/13	\$ 1,587,136,683	\$ 47,576,655	\$ 71,000	\$ 1,634,784,338	0.67%
2013/14	\$ 1,651,085,851	\$ 58,614,332	\$ 71,000	\$ 1,709,771,183	4.59%
2014/15	\$ 1,773,613,357	\$ 51,249,393	\$ 71,000	\$ 1,824,933,750	6.74%
2015/16	\$ 1,873,678,830	\$ 47,306,695	\$ 71,000	\$ 1,921,056,525	5.27%
2016/17	\$ 1,959,821,627	\$ 39,554,059	\$ 71,000	\$ 1,999,446,686	4.08%
2017/18	\$ 2,075,922,679	\$ 48,043,330	\$ 71,000	\$ 2,124,037,009	6.23%
2018/19	\$ 2,185,803,076	\$ 51,853,726	\$ 56,250	\$ 2,237,713,052	5.35%
2019/20	\$ 2,288,991,148	\$ 52,547,634	\$ 56,250	\$ 2,341,595,032	4.64%
				Average % Change	4.23%



*Net AV Changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Data Source: Riverside County Assessor 2019/20 20 Combined Tax Rolls

Provided by HDL Coren & Cone

CITY OF BANNING

 Table 19 - Principal Property Taxpayers
 Current Year and Nine Years Ago

Fiscal Year 2019/2020		Secured			Unsecured			Combined			Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV		
1	Pardee Homes	25	\$ 23,108,063	1.01%				\$ 23,108,063	0.99%	Vacant	
2	MLD Banning Investment	2	\$ 21,339,001	0.93%				\$ 21,339,001	0.91%	Banning General Fund	
3	Marinita Sage Rancho (Pending Appeals on Parcels)	1	\$ 13,669,710	0.60%				\$ 13,669,710	0.58%	Commercial	
4	Sunrise TFFLP	1	\$ 13,645,948	0.60%				\$ 13,645,948	0.58%	Banning General Fund	
5	Sun Lakes Investment LLC	4	\$ 11,445,241	0.50%				\$ 11,445,241	0.49%	Residential	
6	JRC Holdings LLC (Pending Appeals on Parcels)	1	\$ 9,156,661	0.40%				\$ 9,156,661	0.39%	Commercial	
7	CFAlbert Propco III LLC	1	\$ 9,095,081	0.40%				\$ 9,095,081	0.39%	Successor Agency	
8	RRM Properties Limited	19	\$ 5,809,556	0.25%	1	\$ 2,911,642	5.54%	\$ 8,721,198	0.37%	Commercial	
9	Sarodia Suncity	1	\$ 8,007,000	0.35%	1	\$ 500,000		\$ 8,507,000	0.36%	Banning General Fund	
10	OSI Partnership 1	4	\$ 8,368,180	0.37%				\$ 8,368,180	0.36%	Commercial	
Top Ten Total		59	\$ 123,644,441	5.40%	2	\$ 3,411,642		\$ 127,056,083	5.43%	Vacant	
City Total			\$ 2,289,047,398			\$ 52,547,634		\$ 2,341,595,032		Successor Agency	

Top Owners using sales through 6/30/2020

Data Source: Riverside County Assessor 2019/20 Combined Tax Roll and the SBE Non Unitary Tax Roll

Provided by HDL Coren & Cone

CITY OF BANNING

 Table 19 - Principal Property Taxpayers
 Current Year and Nine Years Ago

Fiscal Year 2010/2011		Secured			Unsecured			Combined			Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV		
1	Deutsch Company Electronic Components	6	\$ 2,293,313	0.14%	3	\$ 31,780,973	37.21%	\$ 34,074,286	2.01%	Unsecured	Successor Agency
2	MLD Banning Investment	2	\$ 15,925,105	0.99%				\$ 15,925,105	0.94%	Commercial	Banning General Fund
3	Lennar Homes of California Inc	9	\$ 13,503,546	0.84%				\$ 13,503,546	0.80%	Vacant	Successor Agency
4	Sun Lakes Investment LLC	4	\$ 9,699,194	0.60%				\$ 9,699,194	0.57%	Commercial	Banning General Fund
5	MG Banning	3	\$ 9,620,915	0.60%				\$ 9,620,915	0.57%	Vacant	Successor Agency
6	Beaver Kirkmulon (Pending Appeals on Parcels)	1	\$ 8,919,485	0.55%				\$ 8,919,485	0.53%	Commercial	Successor Agency
7	Dexter Tuttle	4	\$ 7,313,377	0.45%				\$ 7,313,377	0.43%	Industrial	Successor Agency
8	Semain Brothers Partnership	4	\$ 7,301,481	0.45%				\$ 7,301,481	0.43%	Residential	Banning General Fund
9	OSI Partnership 1	4	\$ 7,231,720	0.45%				\$ 7,231,720	0.43%	Vacant	Successor Agency
10	Pardee Homes	26	\$ 7,214,247	0.45%				\$ 7,214,247	0.43%	Vacant	Successor Agency
Top Ten Total		63	\$ 89,022,383	5.54%	3	\$ 31,780,973	37.21%	\$ 120,803,356	7.13%		
City Total			\$ 1,608,016,040			\$ 85,409,325		\$ 1,693,425,365			

Top Owners using sales through 6/30/2011

Data Source: Riverside County Assessor 2010/11 Combined Tax Roles and the SBE Non Unitary Tax Roll

Provided by HDL Coren & Cone

CITY OF BANNING

Table 20 - Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Amount Collected in Subsequent Year	Total Tax Collections	Percentage of Levy
		Amount	Percentage of Levy			
2011	1,967,007	1,809,006	91.97%	140,337.33	1,949,344	99.10%
2012	1,916,857	1,763,118	91.98%	90,569.81	1,853,688	96.70%
2013	1,926,973	1,810,496	93.96%	71,271.05	1,881,767	97.65%
2014	1,998,817	1,908,850	95.50%	60,908.35	1,969,758	98.55%
2015	2,157,676	2,079,042	96.36%	54,380.64	2,133,422	98.88%
2016	2,272,476	2,196,000	96.63%	48,703.86	2,244,704	98.78%
2017	2,364,118	2,364,411	100.01%	52,340.69	2,416,752	102.23%
2018	2,496,693	2,481,424	99.39%	5,462.38	2,486,886	99.61%
2019	2,602,851	2,601,581	99.95%	6,148.21	2,607,730	100.19%
2020	2,754,802	2,698,938	97.97%	4,931.37	2,703,869	98.15%

Source: Riverside County Auditor-Controller's Office -Property Tax Division and Banning Finance Department

Tax Levy Based on Statement of Original Charge General Purpose Distribution (Secured Original Charge, Unsecured Original Charge and Homeowners Exemption)

CITY OF BANNING

Table 21 - Sales Tax by Major Business Groups

Last Ten Fiscal Years

Major Business Group	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Autos and Transportation	319,028	374,375	396,081	421,344	507,338	607,279	642,783	761,037	785,604	830,122
Building and Construction	64,680	70,324	89,592	97,873	88,266	106,345	111,590	119,694	88,340	146,626
Business and Industry	51,086	50,654	50,033	64,436	57,275	51,601	76,463	58,231	224,798	105,216
Food and Drugs	184,769	193,620	195,716	202,928	217,538	225,680	227,999	225,762	259,357	249,480
Fuel and Service Stations	449,172	453,031	455,182	477,641	416,109	376,501	391,555	417,517	497,109	398,008
General Consumer Goods	144,108	159,717	185,984	205,372	130,643	114,365	226,089	275,627	274,043	254,450
Restaurants and Hotels	326,294	343,778	349,568	354,938	376,903	394,093	412,271	445,318	478,995	426,049
Transfers & Unidentified	-	-	-	-	218	-	(3,036)	-	(1,166)	(5,087)
Total Major Business Groups	1,539,137	1,645,499	1,722,156	1,824,532	1,794,290	1,875,864	2,085,714	2,303,186	2,607,080	2,404,864
Gross Sales Tax Allocations										
Major Business Groups	1,539,137	1,645,499	1,722,156	1,824,532	1,794,290	1,875,864	2,085,714	2,303,186	2,607,080	2,404,864
Allocations from County Pool	154,664	191,774	178,124	197,907	191,099	221,983	247,355	299,013	400,864	369,781
Allocations from State Pool	215	1,261	772	1,250	1,166	897	1,143	1,292	1,311	1,207
Total Gross Sales Tax Allocations	1,694,016	1,838,534	1,901,052	2,023,689	1,986,555	2,098,744	2,334,212	2,603,491	3,009,255	2,775,852

Data Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

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CITY OF BANNING

Table 22 - Top 25 Sales Tax Producers

Current Year and 9 Years Ago

Fiscal Year 2010-11	
Business Name*	
22nd Shell	Service Stations
Albertsons	Grocery Store
Arco AM PM	Service Stations
Auto Source	Used Automotive Dealers
AutoZone	Automotive Supply Stores
Banning RV Discount Center	Trailers/RVs
Big Lots	Variety Store
Carls Jr	Quick-Serve Restaurants
Chevron	Service Stations
Del Taco	Quick-Serve Restaurants
Diamond Hills Auto Group	New Motor Vehicle Dealers
Farmhouse Restaurant	Casual Dining
Highland Springs Mobil	Service Stations
IHOP	Casual Dining
Jack In The Box	Quick-Serve Restaurants
K Mart	Discount Dept Stores
McDonalds	Quick-Serve Restaurants
Mobile	Service Stations
Performance Meter	Heavy Industrial
Rite Aid	Drug Stores
Sizzler	Casual Dining
Smart & Final	Grocery Store
Sun Lakes Country Club	Leisure/Entertainment
Walgreens	Drug Stores
Wausau Tile	Contractors

Percent of Fiscal Year Total Paid by Top 25 Accounts = 73.38%

Period: July 2010 Thru March 2011

*Firms listed Alphabetically

Data Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

Fiscal Year 2019-20	
Business Name*	
Albertsons	Grocery Stores
Arco AM PM	Service Stations
Auto Source	Used Automotive Dealers
Auto Zone	Automotive Supply Stores
Banning Arco	Service Stations
Banning RV Discount Centers	Trailers/RVs
Beaumont Motorcycles	Boats/Motorcycles
Carl's Jr	Quick-Serve Restaurants
Chevron	Service Stations
Diamond Hills Chevrolet Buick GMC	New Motor Vehicle Dealers
Harbor Freight Tools	Building Materials
Highland Springs Mobil	Service Stations
Hobby Lobby	Specialty Stores
Jack in the Box	Quick-Serve Restaurants
Marshalls	Family Apparel
McDonalds	Quick-Serve Restaurants
Mobil	Service Stations
Rite Aid	Drug Stores
Shell	Service Stations
Sizzler	Casual Dining
Smart & Final	Grocery Stores
Walgreens	Drug Stores
Wausau Tile	Contractors
Western Hydro	Contractors
Zenner Performance Meters	Heavy Industrial

Percent of Fiscal Year Total Paid by Top 25 Accounts = 69.21%

Period: July 2019 Thru March 2020

CITY OF BANNING

 Table 23 - Pledged Revenue Coverage
 Last Ten Fiscal Years

REVENUE BONDS - ELECTRIC FUND							
Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	27,730,952	25,151,702	2,579,250	785,000	1,885,638	2,670,638	0.97
2012	28,148,952	24,698,929	3,450,023	815,000	1,854,238	2,669,238	1.29
2013	29,258,728	26,203,143	3,055,585	850,000	1,821,638	2,671,638	1.14
2014	30,421,655	25,121,732	5,299,923	880,000	1,787,638	2,667,638	1.99
2015	29,671,254	24,687,062	4,984,192	935,000	1,737,038	2,672,038	1.87
2016	30,087,832	26,197,793	3,890,039	1,360,000	1,062,224	2,422,224	1.61
2017	33,879,947	30,002,023	3,877,924	1,005,000	1,418,744	2,423,744	1.60
2018	30,807,738	29,280,864	1,526,874	1,045,000	1,378,544	2,423,544	0.63
2019	31,541,706	27,171,125	4,370,581	1,095,000	1,326,294	2,421,294	1.81
2020	30,202,798	27,264,082	2,938,716	1,150,000	1,271,544	2,421,544	1.21

Data Source: City of Banning Finance Department, Bond Covenants and Annual Continuing Disclosure documents

Notes: Pursuant to the Installment Sale Agreement, Operation and Maintenance Costs do not include debt service or similar payments on Parity Obligations, depreciation or amortization of intangibles or other bookkeeping entries of similar nature, or public benefit program expenditures.

Operating Expenses includes the City's proportionate share of SCPA's obligations.

The 2007 Bonds were refunded by the 2015 Bonds on September 9, 2015

Debt service on the 2015 Bonds began in fiscal year 2015/16

Operating Revenue: although the City's Electric Utility maintains a Rate Stabilization Fund that had balances of \$6,357,338, at June 30, 2018; \$6,305,770 at June 30, 2017; \$6,280,510 at June 30, 2016; \$6,258,242 at June 30, 2015; and \$6,032,185 at June 30, 2014, the Electric Rate Stabilization Fund balances have been excluded from total gross revenues as these funds were not appropriated as revenue and had the necessary budgetary action to release fund balance be taken in Fiscal Year ending June 30, 2018, the available fund balance would have been sufficient to provide for the minimum required debt service coverage, same for Fiscal year 2011.

CITY OF BANNING

 Table 23 - Pledged Revenue Coverage
 Last Ten Fiscal Years

REVENUE BONDS - WATER FUND							
Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	7,595,789	4,245,296	3,350,493	685,000	1,608,438	2,293,438	1.46
2012	9,434,378	4,846,818	4,587,560	715,000	1,580,438	2,295,438	2.00
2013	10,157,255	5,961,719	4,195,536	740,000	1,551,338	2,291,338	1.83
2014	10,680,473	4,757,956	5,922,517	770,000	1,521,138	2,291,138	2.58
2015	9,764,953	5,102,614	4,662,339	805,000	1,487,625	2,292,625	2.03
2016	8,940,295	4,950,953	3,989,342	840,000	1,451,675	2,291,675	1.74
2017	9,869,852	5,383,489	4,486,363	875,000	1,416,338	2,291,338	1.96
2018	9,829,025	5,820,654	4,008,371	910,000	1,380,638	2,290,638	1.75
2019	10,225,755	5,734,560	4,491,195	945,000	1,342,947	2,287,947	1.96
2020	10,870,647	6,244,222	4,626,425	985,000	1,302,203	2,287,203	2.02

Data Source: City of Banning Finance Department and Bond Covenants and Annual Continuing Disclosure documents

Notes: Pursuant to the Indenture, Water Operation and Maintenance Expenses do not include debt service or similar payments on Parity Obligations, depreciation or amortization of intangibles or other bookkeeping entries of similar nature.

The 2005 Bonds were refunded by the 2015 Bonds on September 9, 2015

Debt Service on the 2015 Bonds began in Fiscal Year 2015/16

CITY OF BANNING

 Table 23 - Pledged Revenue Coverage
 Last Ten Fiscal Years

REVENUE BONDS - WASTEWATER FUND									
Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				Total	Coverage
				Principal	Interest	Principal	Interest		
2011	3,956,242	1,746,885	2,209,357	265,000	262,854	229,438	74,851	832,143	2.66
2012	4,407,277	1,951,562	2,455,715	135,000	255,753	235,403	68,886	695,042	3.53
2013	3,347,173	1,981,487	1,365,686	140,000	250,664	241,524	62,765	694,953	1.97
2014	3,525,838	1,995,443	1,530,395	145,000	245,248	247,802	56,485	694,535	2.20
2015	3,531,808	1,999,208	1,532,600	155,000	239,395	254,246	50,043	698,684	2.19
2016	3,548,541	1,910,147	1,638,394	160,000	233,094	260,857	43,432	697,383	2.35
2017	3,688,410	2,045,413	1,642,997	165,000	226,430	267,639	36,650	695,719	2.36
2018	3,838,717	2,087,099	1,751,618	170,000	219,606	274,597	29,692	693,895	2.52
2019	4,126,301	2,580,758	1,545,543	180,000	212,494	281,737	22,552	696,783	2.22
2020	4,113,072	2,928,887	1,184,185	185,000	204,966	289,062	15,227	694,255	1.71

Data Source: City of Banning Finance Department and Bond Covenants and Annual Continuing Disclosure documents

Notes: Pursuant to the Wastewater Indenure, Wastewater Operation and Maintenance Expenses do not include debt service or similar payments or parity debt, depreciation or amortization of intangible or other bookkeeping entries of similar nature.

The 2005 Bonds were refunded by the 2019 Bonds and redeemed on November 23, 2019

Debt Service on the 2019 Bonds commences in the 2020 Bond year.

CITY OF BANNING

 Table 23 - Pledged Revenue Coverage
 Last Ten Fiscal Years

TAX ALLOCATION BONDS - SUCCESSOR AGENCY											
Fiscal Year	Tax Increment	Debt Service Requirements								Coverage	
		2003 Tax Allocation Bonds		2007 Tax Allocation Bonds		2016 Refunding Tax Allocation Bond		Principal	Interest	Total	
		Principal	Interest	Principal	Interest	Principal	Interest				
2011	3,714,795	410,000	551,520	365,000	1,227,004					2,553,524	1.45
2012	3,396,409	425,000	536,898	505,000	1,210,516					2,677,414	1.27
2013	3,309,848	440,000	518,195	570,000	1,189,016					2,717,211	1.22
2014	3,184,770	460,000	497,995	695,000	1,163,716					2,816,711	1.13
2015	1,648,964	480,000	478,895	710,000	1,137,391					2,806,286	0.59
2016	3,541,209	500,000	458,370	750,000	1,111,466					2,819,836	1.26
2017	3,759,131	520,000	436,370	780,000	1,083,829					2,820,199	1.33
2018	2,722,510					1,075,000	1,005,364			2,080,364	1.31
2019	2,506,684					1,205,000	990,023			2,195,023	1.14
2020	2,506,684					1,220,000	971,404			2,191,404	1.14

Data Source: City of Banning Finance Department and Bond Covenants and Financial Statements

Notes: Fiscal Year 2011 - Note 9: Long-term Debt (b) 2003 Tax Allocation Bonds (c) 2007 Tax Allocation Bonds (J) Debt Service Requirements

Fiscal Year 2012 -Note 17 Sucessor Agency Trust for Assets of Former Redevelopment Agency (f) 2003 Tax Allocation Bonds (g) 2007 Tax Allocation Bonds (k) Pledged Revenue

Fiscal Year 2013 -Note 17 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2003 Tax Allocation Bonds (g) 2007 Tax Allocation Bonds (l) Pledged Revenue

Fiscal Year 2014 -Note 15 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2003 Tax Allocation Bonds (f) 2007 Tax Allocation Bonds (i) Pledged Revenue

Fiscal Year 2015 -Note 16 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2003 Tax Allocation Bonds (f) 2007 Tax Allocation Bonds (i) Pledged Revenue

Fiscal Year 2016 -Note 16 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2003 Tax Allocation Bonds (f) 2007 Tax Allocation Bonds (i) Pledged Revenue

Fiscal Year 2017 -Note 16 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2003 Tax Allocation Bonds (f) 2007 Tax Allocation Bonds (i) Pledged Revenue

September 22,2016 Successor Agency of the Dissolved Redevelopment Agency of the City of Banning issued Tax Allocation Refunding Bonds, Series 2016 (Taxable)

As result the refunding bonds defeased the liability of the 2003 and 2007 Taxable Allocation Bonds

Fiscal Year 2018 -Note 16 Sucessor Agency Trust for Assets of Former Redevelopment Agency (d) 2016 Tax Allocation Refunding Bonds, Pledged Revenue

Fiscal Year 2019 -Note 17 Sucessor Agency Trust for Assets of Former Redevelopment Agency (e) 2016 Tax Allocation Refunding Bonds, (g) Pledged Revenue

Fiscal Year 2020 -Note 17 Sucessor Agency Trust for Assets of Former Redevelopment Agency (g) 2016 Tax Allocation Refunding Bonds, (g) Pledged Revenue

CITY OF BANNING

Table 24 - Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Governmental Activities
	2003 Tax Allocation Bonds	2007 Tax Allocation Bonds	Loans Payable	2011 Refunding Lease	Glick Note Payable	Ford Motor Credit Vehicle Lease	
2011	11,425,000	29,355,000	1,133,602	3,455,000			45,368,602
2012	- ¹	- ¹	- ¹	3,147,156			3,147,156
2013	-	-	-	2,826,192			2,826,192
2014	-	-	-	2,493,082			2,493,082
2015	-	-	-	2,147,361			2,147,361
2016	-	-	-	1,788,555	125,007		1,913,562
2017	-	-	-	1,416,167	- ⁴	151,569	1,567,736
2018	-	-	-	1,029,684	-	77,723	1,107,407
2019	-	-	-	628,572	-	-	628,572
2020	-	-	-	212,726	-	-	212,726

Fiscal Year	Business Type Activities							
	Loans Payable	2005 Water Revenue Bond	2005 Wastewater Revenue Bond	2007 Electric Revenue Bond	2015 Electric Refunding Bond	2015 Water Revenue Bond	2019 Wastewater Refunding Bond	Total Business- Type Activities
2011	2,649,445	32,195,000	5,835,000	37,750,000				78,429,445
2012	2,414,042	31,480,000	5,700,000	36,935,000				76,529,042
2013	2,172,519	30,740,000	5,560,000	36,085,000				74,557,519
2014	1,924,715	29,970,000	5,415,000	35,205,000				72,514,715
2015	1,670,469	29,165,000	5,260,000	34,270,000				70,365,469
2016	1,409,613	- ²	5,100,000	- ³	30,395,000	24,420,000		61,324,613
2017	1,141,974	-	4,935,000	-	29,390,000	23,965,000		59,431,974
2018	867,377	-	4,765,000	-	28,345,000	23,235,000		57,212,377
2019	585,640	-	4,585,000	-	27,250,000	22,490,011		54,910,651
2020	296,578	-	- ⁵	-	26,100,000	21,520,011	4,020,000	51,936,589

CITY OF BANNING

Table 24 - Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Total Personal Income	Percentage of Personal Income	Population	Per Capita
2011	45,368,602	78,429,445	123,798,047	599,315,000	20.66%	28,751	4,306
2012	3,147,156	76,529,042	79,676,198	610,207,000	13.06%	29,965	2,659
2013	2,826,192	74,557,519	77,383,711	622,075,000	12.44%	30,170	2,565
2014	2,493,082	72,514,715	75,007,797	609,714,000	12.30%	30,325	2,473
2015	2,147,361	70,365,469	72,512,830	618,818,000	11.72%	30,306	2,393
2016	1,913,562	61,324,613	63,238,175	613,060,000	10.32%	30,834	2,051
2017	1,567,736	59,431,974	60,999,710	609,946,000	10.00%	31,068	1,963
2018	1,107,407	57,212,377	58,319,784	598,427,000	9.75%	31,282	1,864
2019	628,572	54,910,651	55,539,223	598,336,000	9.28%	31,044	1,789
2020	212,726	51,936,589	52,149,315	631,804,000	8.25%	31,125	1,675

Notes: Details regarding the City's outstanding debt can be found in Note 8 of the financial statements (Note 9 in fiscal year 2011).

Personal income and population data provided by HdL Coren & Cone and can be found on Table 22 Demographic and Economic Statistics

¹ Transferred to Successor Agency, 2003 Tax Allocation Bonds \$11,000,000, 207 Tax Allocation Bonds \$28,850,000 and Loans Payable \$1,116,339 in Fiscal Year 2012

² 2005 Water Revenue Bonds were refunded by the issuance of the 2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects on August 19, 2015

³ 2007 Electric Revenue Bond Refunding Bonds was refunded with the issuance of the 2015 Electric Revenue Refunding Bonds on August 19, 2015.

⁴ Loan Payable Glick is a liability that was transferred from the Successor Agency and became an obligation to the City during fiscal year 2017. The City paid off the balance of the note during the fiscal year. At June 30, 2017 the outstanding balance was zero.

⁵ 2005 Wastewater Revenue Bonds were refunded with the issuance of the 2019 Wastewater Enterprise Revenue Bonds on October 24, 2019

CITY OF BANNING

Table 25 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

	Total Debt 6/30/2020	Percentage Applicable to Banning (1)	City's Share of Debt 6/30/2020
2019-20 Assessed Value \$2,341,609,312			
Overlapping Tax and Assessment Debt:			
Banning Unified School District	\$ 60,155,313	69.616%	\$ 41,877,723
Beaumont Unified School District	\$ 92,742,938	2.844%	\$ 2,637,609
Mount San Jacinto Community College District	\$ 164,385,000	2.432%	\$ 3,997,843
San Geronio Memorial Healthcare District	\$ 106,565,000	24.695%	\$ 26,316,227
City of Banning 1915 Act Bonds	\$ 1,975,000	100.000%	\$ 1,975,000
Total Overlapping Tax and Assessment Debt			\$ 76,804,402
Direct and Overlapping General Fund Debt			
Riverside County General Fund Obligations	\$ 759,807,924	0.791%	\$ 6,010,081
Riverside County Pension Obligations	\$ 938,825,000	0.791%	\$ 7,426,106
Banning Unified School District Certificates of Participation	\$ 9,366,000	69.616%	\$ 6,520,235
Beaumont Unified School District Certificates of Participation	\$ 7,747,701	2.844%	\$ 220,345
City of Banning Certificates of Participation	\$ 212,276	100.000%	\$ 212,276
			\$ 20,389,042
Overlapping Tax Increment Debt (Successor Agency)	\$ 28,755,000	100.000%	\$ 28,755,000
Total Direct Debt			\$ 212,276
Total Overlapping Debt			\$ 125,736,169
Combined Debt			\$ 125,948,445 (2)

Notes:

Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city.

(1) The percentage of overlapping debt applicable to the City is estimated by using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and nonbonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.28%
Total Direct Debt (\$212,276)	0.01%
Combined Total Debt	5.38%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$492,807,486):

Total Overlapping Tax Incremental Debt	5.83%
----------------------------------------	-------

AB:(\$500)

Data Source

California Municipal Statistics
City Finance Department

CITY OF BANNING

Table 26 - Legal Debt Margin Information
Last Ten Fiscal Years (dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation	1,693,425,365	1,623,891,105	1,634,784,338	1,709,771,183	1,824,933,750	1,921,056,525	1,999,446,686	2,124,037,009	2,237,713,052	2,341,595,032
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	254,013,805	243,583,666	245,217,651	256,465,677	273,740,063	288,158,479	299,917,003	318,605,551	335,656,958	351,239,255
Total Net Debt Applicable to the Limit General Obligation Bonds										
Legal Debt Margin	254,013,805	243,583,666	245,217,651	256,465,677	273,740,063	288,158,479	299,917,003	318,605,551	335,656,958	351,239,255
Total Debt Applicable to the limit as a Percentage of Debit Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note:

Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

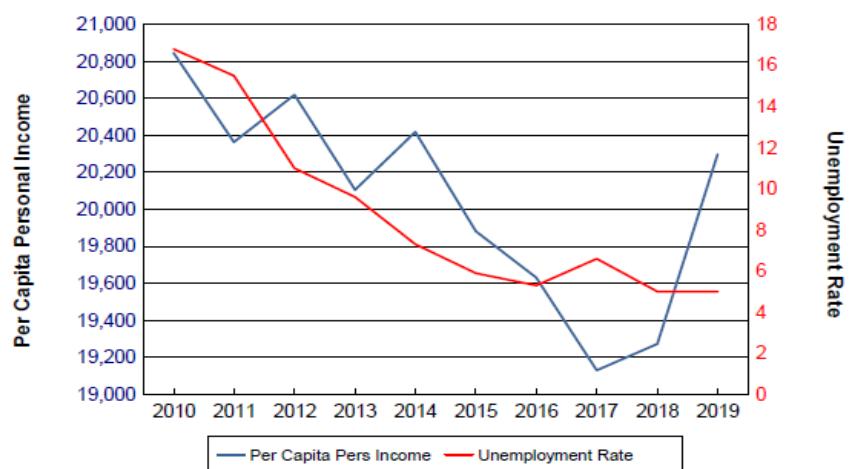
CITY OF BANNING

Table 27 - Demographics and Economic Statistics

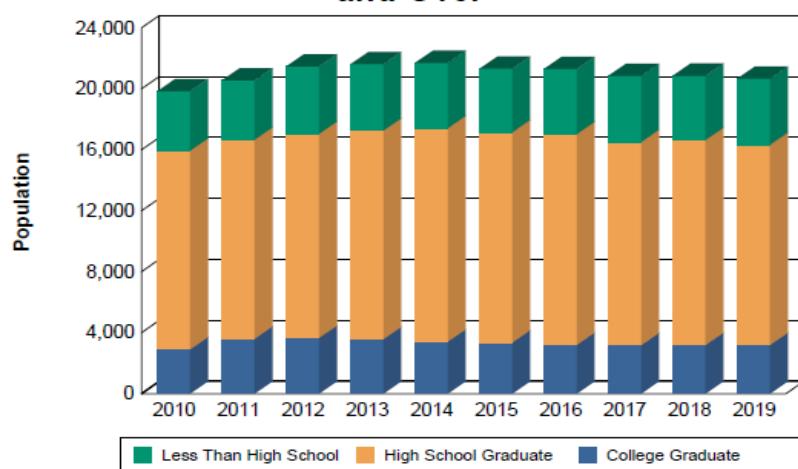
Last Ten Fiscal Years

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2010	28,751	\$ 599,315	\$ 20,845	16.8%	43.5	80.4%	14.7%
2011	29,955	\$ 610,207	\$ 20,364	15.5%	45.2	81.1%	17.6%
2012	30,170	\$ 622,075	\$ 20,619	11.0%	46.7	79.4%	17.1%
2013	30,325	\$ 609,714	\$ 20,106	9.6%	47.0	79.9%	16.6%
2014	30,306	\$ 618,818	\$ 20,419	7.3%	46.4	80.3%	15.8%
2015	30,834	\$ 613,060	\$ 19,882	5.9%	45.1	80.5%	15.8%
2016	31,068	\$ 609,946	\$ 19,632	5.3%	42.6	80.0%	15.1%
2017	31,282	\$ 598,427	\$ 19,130	6.6%	39.9	79.2%	15.3%
2018	31,044	\$ 598,336	\$ 19,273	5.0%	40.0	79.8%	15.4%
2019	31,125	\$ 631,804	\$ 20,298	5.0%	39.6	79.0%	15.5%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Provided by HdL, Coren & Cone

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

CITY OF BANNING

Table 28 - Top 20 Principal Employers

Current Fiscal Year

Employer	Business Description	Number of Employee Range
Stagecoach Motor Inn	Hotels (Except Casino Hotels) & Motels	500 to 999
Cherry Valley Health Care	Nursing Care Facilities (Skilled Nursing Fclts)	100 to 249
Green Thumb Produce	Other Post-Harvest Crop Activities	100 to 249
Sun Lakes Country Club	Other Similar Organizations	100 to 249
Banning, City	Legislative Bodies	100 to 249
Banning High School	Elementary & Secondary Schools	100 to 249
Help Center	Other Social Advocacy Organizations	100 to 249
Morongo Indian Health	Freestanding Ambulatory Surgical & Emergency Ctrs	100 to 249
Riverside County Public Social	Legislative Bodies	100 to 249
Silent Valley Club Inc	Rv (Recreational Vehicle) Parks & Campgrounds	100 to 249
Banning Healthcare	Nursing Care Facilities (Skilled Nursing Fclts)	50 to 99
Banning Police Dept	Police Protection	50 to 99
Poison Spyder	Other Motor Vehicle Parts Manufacturing	50 to 99
Albertsons	Supermarkets/Other Grocery (Exc Convenience) Strs	50 to 99
Coombs Middle School	Elementary & Secondary Schools	50 to 99
Central Elementary School	Elementary & Secondary Schools	50 to 99
Nicolet Middle School	Elementary & Secondary Schools	50 to 99
Beaver Medical Group	All Other Misc Ambulatory Health Care Services	50 to 99
Banning Alternative Education	Elementary & Secondary Schools	50 to 99
Hoffer Elementary School	Elementary & Secondary Schools	50 to 99

Data Source:

State of California, Employment Development Department, Labor Market Information Division, Local Information Services Group.

Data Axel - Unable to disclose specific identifiable information - confidential

CITY OF BANNING

Table 29 - Authorized Full-time Equivalent City Employees by Function

Last Ten Fiscal Years

Department/Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Manager										
Administration	0.68	0.68	1.69	1.37	1.57	1.57	1.09	1.09	0.85	0.85
Economic Development ¹	4.50	0.53	1.00	1.00	1.00	1.00	1.24	1.24	1.00	1.00
City Clerk ²	1.75	1.75	2.83	1.83	1.83	1.83	1.70	1.70	1.50	1.50
Administrative Services										
Fiscal Services	4.95	4.95	4.95	5.45	5.45	6.45	5.45	5.45	6.35	6.85
Purchasing	1.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00
Human Resources	1.02	1.02	1.05	1.15	0.95	1.06	1.07	1.07	1.20	1.20
Risk Management	1.55	1.56	1.56	1.56	1.56	1.90	1.82	1.82	1.65	1.65
Information Technology	2.40	2.40	2.40	2.40	2.40	2.40	3.45	3.45	2.00	2.00
Media	-	-	-	-	-	-	-	1.00	1.00	1.00
Utility Billing	8.65	8.65	9.15	9.63	9.63	9.63	11.31	11.31	10.20	10.70
Meter Reading	4.20	4.20	4.20	4.20	5.00	5.00	5.00	5.00	5.00	5.00
Public Works										
Engineering	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	1.11	1.11
Building Maintenance	1.28	1.28	1.28	1.28	1.28	1.78	1.31	1.31	1.48	1.58
Streets	4.85	4.85	4.85	4.85	4.85	4.85	5.05	5.05	6.05	6.40
Landscape Maintenance District										
Airport	1.40	1.55	1.55	1.55	1.20	0.30	0.80	0.80	0.83	0.88
Transit										
Fixed Route	7.75	9.83	9.83	10.77	12.67	13.30	13.13	13.13	13.65	15.65
Dial-A-Ride	2.38	2.04	2.04	2.04	2.04	1.54	1.39	1.39	1.00	1.00
Water	15.07	15.07	15.10	15.17	15.20	15.25	15.59	16.59	16.70	16.95
Wastewater	5.22	5.22	5.25	5.32	5.26	5.31	5.52	5.52	6.09	6.34
Refuse	0.69	0.69	0.69	0.69	0.69	0.69	1.14	1.14	0.82	1.82
Fleet Maintenance	2.50	3.50	3.50	3.50	3.50	3.50	4.05	4.05	4.42	4.42
Electric										
Operations	18.55	18.55	19.58	19.65	23.73	24.73	25.20	25.20	28.18	31.18
Generation	0.85	0.85	0.85	0.85	1.00	1.00	1.00	1.00	1.00	1.00
Public Benefits ³	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-

CITY OF BANNING

Table 29 - Authorized Full-time Equivalent City Employees by Function

Last Ten Fiscal Years

Department/Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Sworn Police officers & Non Sworn Personnel	36.90	35.15	35.15	31.75	31.90	34.90	35.90	36.90	37.90	37.90
Dispatch	8.10	8.10	8.10	8.10	8.10	8.10	8.10	9.10	9.10	9.10
Fire ⁴	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Code Enforcement	-	2.00	2.00	2.00	1.45	2.00	2.00	2.00	2.00	4.00
Planning	1.80	1.88	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Building Safety	0.90	0.42	0.60	0.60	1.60	1.60	1.60	1.60	1.60	2.60
Parks & Recreation										
Parks	4.28	4.28	4.28	4.28	4.28	4.28	4.30	4.30	2.25	2.70
Recreation	2.63	2.63	2.63	3.07	3.28	5.33	6.05	6.05	3.32	4.17
Aquatics	2.16	2.16	2.16	2.09	2.11	2.11	2.06	2.06	3.32	3.32
Day Care ⁵	-	-	-	-	-	-	-	-	0.61	0.61
Senior Center	0.63	0.63	0.63	0.58	0.58	0.58	0.75	0.75	1.57	1.57
Total Full-time Equivalent Employees	152.56	151.34	156.22	154.05	161.43	169.31	174.39	179.39	179.28	191.58

Notes:

¹ Economic Development contains FTE of Community Redevelopment Admin/Successor Housing Agency for Fiscal years 2011-2016

² City Clerk (Elected) included in figures due to also employed with the City until FY2018, other Elected officials are not included in any figures

³ Starting in Fiscal year 2019 these employees were moved to Electric Operations

⁴ Fire Services are contracted through Riverside County/Cal Fire and the City of Banning had one staff member for Fire Marshall Services through Fiscal Year 2015, starting Fiscal Year 2016 this was added to the Contract

⁵ Day Care services allocation of personnel were added to Parks & Recreation in Fiscal Year 2019

CITY OF BANNING

Table 30 - Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical Arrests	2,949	2,389	2,401	1,876	1,622	1,759	1,876	1,720	1,139	1,189
Parking violations	1	2	-	-	66	311	399	456	1,007	343
Traffic violations	1,588	1,319	744	257	161	230	249	455	189	262
Calls for service	42,687	42,525	41,496	37,910	39,307	40,390	42,322	37,817	34,603	36,457
Fire										
Emergency Response	¹ 3,830	3,998	3,987	4,179	4,559	4848	4800	4549	4680	4,686
Fire Extinguished	¹ 113	120	127	148	127	126	158	136	129	188
Fire Inspections	80	123	142	131	92	136	121	107	115	611
Public Works										
Street resurfacing (miles)	0.15	-	-	2.10	-	0.75	3.55	0.50	1.47	6.07
Street reconstructing (miles)	-	-	-	-	-	-	-	-	-	-
Potholes repaired (square feet per year)	-	52	96	96	99	66	122	24	100	107
Traffic signs repaired/replaced	-	1	92	92	160	123	75	51	130	81
Parks & Recreation										
Number of facility rentals	²							314	415	397
Number of recreation classes	²							135	217	254
Building & Safety										
Building Permits issued	574	601	694	713	742	864	922	989	934	3,262
Building Inspections	³ -	-	-	-	233	200	181	264	420	6,020
Code Enforcement										
Citations issued	⁴ -	-	-	-	7	64	48	27	26	38
Calls for Service	⁴ -	-	-	-	136	984	1,070	1,305	1,493	1,832
Transit										
Total route miles	301,923	349,489	365,858	499,407	776,698	785,685	808,420	401,790	455,214	147,813
Passengers	136,563	147,747	156,052	144,978	137,594	133,185	126,793	116,748	112,960	30,148

CITY OF BANNING

Table 30 - Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water										
New Connections	⁵	-	-	-	-	1.00	1.00	-	-	1.00
Number of service connections	⁶	10,570	10,610	10,614	10,615	10,650	10,647	10,661	10,675	10,680
Service Breaks		320	311	74	93	86	45	71	75	75
Water Main Breaks		14	41	31	48	50	64	28	50	50
Average Daily Consumption (thousands of gallons)		6,582,691	3,166,168	6,928,550	7,019,953	6,369,134	4,924,424	5,886,088	6,031,790	5,575,889
Peak daily consumption (thousands of gallons)		13,537,000	13,649,400	13,537,000	12,766,000	9,779,000	11,085,000	11,201,000	11,970,000	12,202,000
Water purchased (AF)	⁷	800	1,200	1,200	608	694	1,477	1,350	500	250
Water Sold (AF)		7,373	7,841	7,761	7,867	7,134	5,517	6,593	6,756	6,246
Wastewater										
Number of service connections		10,736	10,755	10,735	10,745	10,786	10,750	10,657	10,698	10,687
Average Daily swage treatment (thousands of gallons)		2,162	2,109	2,104	2,005	1,970	1,940	1,978	2,016	1,995
TBD										
Electric										
Number of service connections		11,812	11,814	11,827	12,426	11,974	12,111	12,101	12,139	12,015
Average daily consumption (MWH)		356.75	378.02	380.50	380.62	397.24	383.43	393.78	386.04	378.19
Electricity purchased (MWH)		140,444	144,769	150,390	146,193	148,697	147,176	148,500	146,510	148,973
Electricity sold -Retail (MWH)		130,214	137,977	138,884	138,926	144,994	139,951	143,729	140,906	138,040
Peak Demand (MW)		45.04	44.29	46.89	40.92	42.39	42.65	46.71	46.31	49.05
44.09										
Airport										
Number of flights		6748	8091	7824	4668	4631	3287	3071	3049	3126
Number of Gallons of Fuel Sold		3606	26135	18139	14150	7395	9353	12691	23545	13902
9954										
Community Development										
Planning applications completed	⁹	63.00	80.00	110.00	110.00	100.00	110.00	270.00	250.00	390.00
710.00										
Business Licenses										
Number of licenses issued		2,047	2,159	2,123	1,964	1,929	1,949	1,968	2,031	1,949
1,945										

CITY OF BANNING

Table 30 - Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Refuse										
Number of Customers										
Commercial/Multi-Family	520	581	525	518	506	510	510	516	512	494
Residential	11,181	11,208	11,258	11,022	11,070	11,266	11,317	11,280	11,280	11,340
Roll-off Service	8			35	34	35	38	38	44	41
Tonnage Collected by Service										
Commercial/Multi-Family	6917	6514	6447	6675	6455	6097	12424	7534	8175	7702
Residential	14632	14454	14659	14538	15127	16412	15187	15769	16533	17059
Roll-off Service	4468	3689	4616	4817	3599	2919	3458	3906	4066	3978
Total Tonnage Collected by Service	26017	24656	25722	26030	25181	25428	31069	27209	28774	28740
Tonnage Type Collected (All Services)										
Trash	18995	17947	18522	18389	18491	18777	24780	20489	20517	21084
Recycle	2708	2480	2827	3326	2715	2868	4141	3557	3295	2479
Green Waste	4315	4229	4374	4316	3975	3782	2052	2967	4742	5010
Organics	0	0	0	0	0	0	96	197	219	166
Total Tons Collected	26017	24656	25722	26030	25181	25428	31069	27209	28774	28740
Total Tons Diverted	7023	6709	7201	7641	6689	6650	6290	6720	8257	7656
Diversion % All Services	26.99%	27.21%	27.99%	29.36%	26.57%	26.15%	20.24%	24.70%	28.69%	26.64%

Data Source: City Departments and Fire Statistics from Riverside County/CalFire

Notes:

¹ Fire Statistic provided by Riverside County Fire Department / CAL Fire

² Parks and recreation programs were not tracked until Fiscal Year 2015, no data available for prior years.

³ For Building & Safety, there is no data available for tracking building inspection prior to Fiscal year 2015

⁴ Code Enforcement items were not tracked until Fiscal Year 2015, no data available for prior years

⁵ For New Water Connections only. This number is expected to be larger with new home developments.

⁶ The number of Water service connections represents active accounts and will change with non-occupied locations

⁷ Water Purchased is the amount of imported water purchased

⁸ Refuse roll off services was not tracked until Fiscal Year 2014

⁹ Planning applications completed also includes the number of Engineering applications as they are combined in our system.

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CITY OF BANNING
Table 31 - Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Police											
Police Station		1	1	1	1	1	1	1	1	1	
Patrol Units	1	13	13	13	13	11	11	11	15	18	
Fire											
Stations	2	1	1	1	1	1	1	1	1	1	
Fire Engines	2	2	2	2	2	2	2	2	2	2	
Public Works											
Streets (miles)		118	118	118	118	118	118	118	118	122	
Traffic signals		7	7	7	7	7	7	7	7	7	
Storm catch basin	3	98	98	98	98	98	98	98	126	126	
Parks & Recreation											
Parks		7	7	7	7	7	7	7	7	7	
Park acreage		59.23	59.23	59.23	59.23	59.23	59.23	59.23	59.23	59.23	
Community Center		2	2	2	2	2	2	2	2	2	
Aquatics center		1	1	1	1	1	1	1	1	1	
Skate Park		1	1	1	1	1	1	1	1	1	
Baseball/Softball Diamonds		5	5	5	5	5	5	5	5	5	
Transit											
Buses		10	10	10	11	13	12	12	15	10	
Water											
Water Mains (miles)		163.99	166.19	166.19	166.19	166.19	166.19	166.19	167.56	169.05	
Fire hydrants		1,391	1,421	1,423	1,424	1,425	1,425	1,428	1,437	1,455	
Storage capacity (MGD)	4	19.98	19.98	19.98	19.98	19.98	19.98	19.98	19.98	19.98	

CITY OF BANNING
Table 31 - Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Wastewater										
Sanitary Sewers (miles)	111.67	111.67	111.67	111.67	111.67	112.20	112.20	112.20	113.96	118.00
Treatment Plant capacity (MGD)	⁵ 3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Electric										
Number of electric meters	11,812	11,814	11,827	12,426	11,974	12,111	12,101	12,139	12,015	12,339
Number of street lights	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Substations	6	6	6	6	6	6	6	6	6	6
Substation capacity	103.25	103.25	103.25	103.25	103.25	103.25	103.25	103.25	103.25	103.25
Airprot										
Runway Miles	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985

Data Source: City Departments and Fire Statistics from Riverside County/CalFire

Notes:

¹ Patrol Units with lights, sirens, lightbar on top and does not include detective cars

² The City of Banning owns two fire stations but only one is operational, Station 89 at Murray Street, the other one is at Wilson Street and has been closed since 1998 when the City contracted fire services with the County. There are two fire engines/medic in which one is at Fire Station 89 and the other is shared with Fire Station 20 at the Beaumont Forest Fire Station

³ Represents the number of basins/inlets

⁴ MGD = Millions Gallons per Day

⁵ MGD = Millions Gallons per Day

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