



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2021

City of Banning, California



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT of the CITY OF BANNING, CALIFORNIA**

For the Fiscal Year ended  
**JUNE 30, 2021**

*Prepared By:*

*Fiscal Services / Finance Department*

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## **INTRODUCTORY SECTION**



# City of Banning

March 31, 2022

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the City of Banning (City) for the fiscal year ended June 30, 2021 (FY 2020-21), 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 data 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.

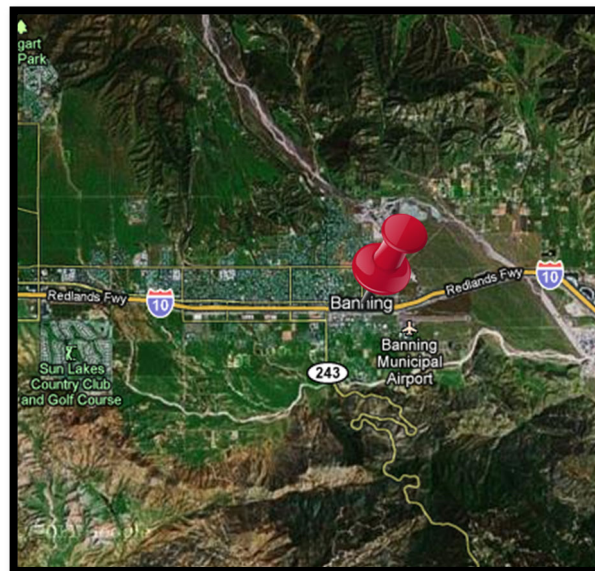
The City's financial statements have been audited by CliftonLarsonAllen LLP (CLA). CLA is an independent public accounting firm fully licensed and qualified to perform audits of public agencies within the State of California.



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, 2021 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 ACFR for the year ended June 30, 2021, and they are fairly presented in conformity with GAAP. The independent auditors' 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 Geronio 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 Chevrolet GMC Buick, Lawrence Equipment, So Cal West Coast Electric, Estes Express Trucking 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 and Auto Zone.

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 began selling new homes in April 2020 and has welcomed more than 650 families of all sizes, making Banning the fastest growing city in California with a population over 30,000. The Tri-Pointe Atwell Project features 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 4.24% over 2020. This amounted to a tax levy increase of 2.39% with collections increasing .68% at a 96.51% collection rate in 2021. In 2020, the population has seen an increase of 3.56% to 32,233. With the new developments in the city, this is expected to continue to go up. Per capita personal income has increased 12.54% from \$20,298 to \$22,059. The effects of COVID-19 can be seen in the unemployment rate which increased substantially from at 5.0% in 2019 to 12.2% in 2020. Population data from the California State Department of Finance, and unemployment data from the California Employment Development Department. Additional information can be found in the statistical section of the ACFR.

## **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 1<sup>st</sup>, the City Manager, the Finance Director, and the Budget & Financial Analyst, 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 biennial 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 biennial 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 of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Banning for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

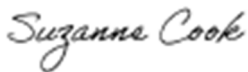
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The City's Annual Comprehensive Financial Report and successful conclusion of fiscal year 2020-21 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



Suzanne Cook  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Banning  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO





# Elected Officials

City Council  
Fiscal Year 20-21



Colleen Wallace  
**Mayor**  
District 5 (11/22)



David Happe  
**Mayor Pro Tem**  
District 4 (11/22)



Kyle Pingree  
**Council Member**  
District 2 (11/24)



Mary Hamlin  
**Council Member**  
District 3 (11/24)



Alberto Sanchez  
**Council Member**  
District 1 (11/24)

City Treasurer



Alejandro Geronimo  
(11/24)

City Clerk



Marie A. Calderon  
(11/24)



# Executive Staff

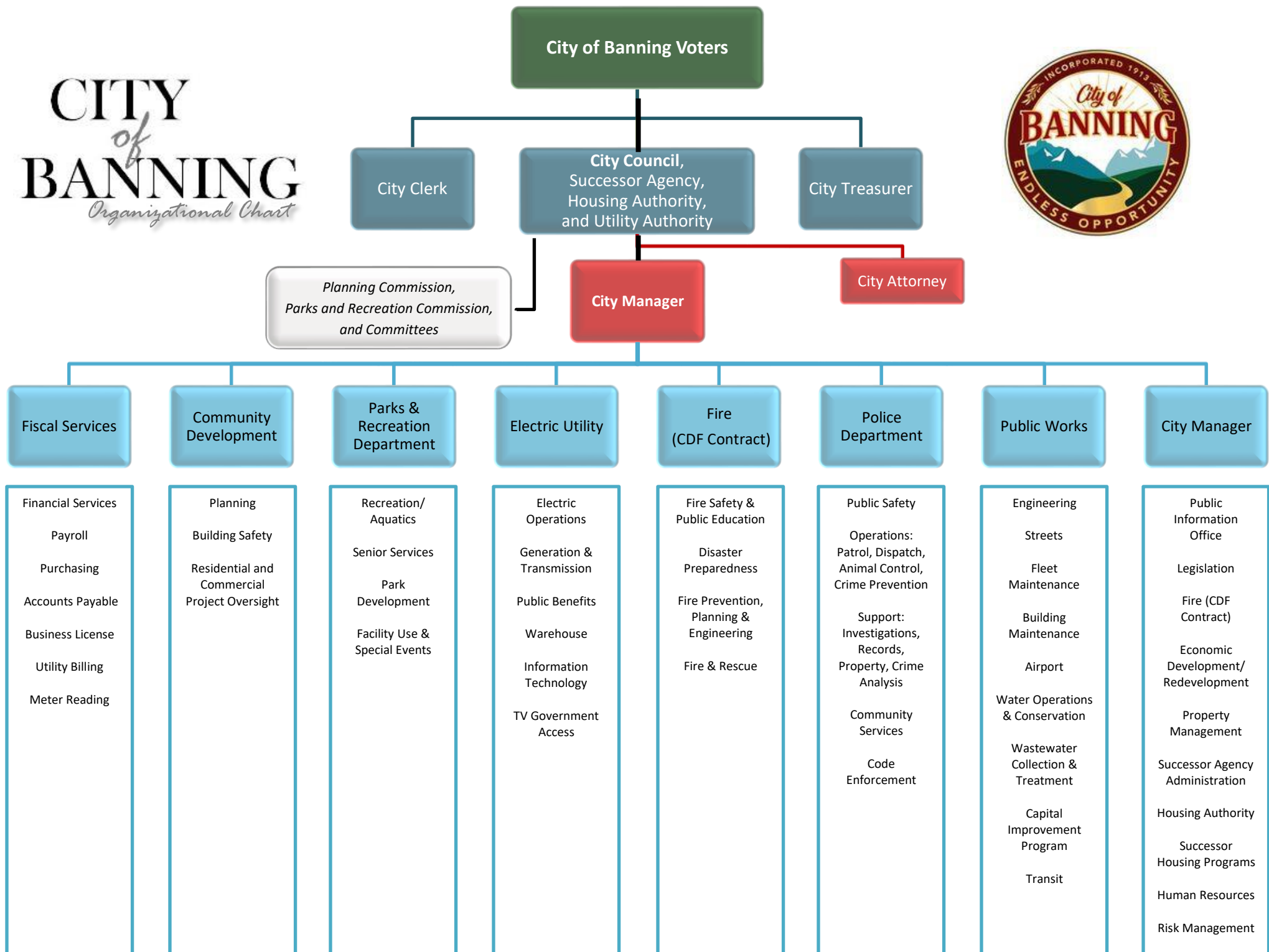
Douglas Schulze  
City Manager

Suzanne Cook .....Finance Director  
Arturo Vela.....Public Works Director  
Adam Rush.....Community Development Director  
Ralph Wright..... Parks & Recreation Director  
Thomas Miller..... Electric Utility Director  
Matthew Hamner ..... Police Chief  
Todd Hopkins..... Division Chief (CalFire/Riverside County)



# CITY of BANNING

*Organizational Chart*



## FINANCIAL SECTION



## 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 the City of Banning, California (the City) as of and for the year ended June 30, 2021, 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.

### ***Auditors' 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 auditors' 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.

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, 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, 2021, 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.

### ***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.

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

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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 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 "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Irvine, California  
March 30, 2022



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2021 (FY 2021). 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.

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### FOCUS OF MANAGEMENT DISCUSSION AND ANALYSIS

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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

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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

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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

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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

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### *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, 2021, 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 \$207.37 million, an increase of \$10.69 million over June 30, 2020.
- ❖ 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 \$51.11 million, an increase of \$2.00 million over the prior fiscal year. The Net Investment in Capital Assets, another component of Net Position, was \$137.62 an increase of \$13.92 million over June 30, 2020. The Restricted portion of the Net Position amounted to \$18.64 million, a decrease of \$5.23 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, 2021, the total Net Pension Liability for the City of Banning, government-wide, was \$45.09 million, an increase of \$2.21 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, increased by \$10.69 million to \$207.37 million from the prior fiscal year.

The City's Net Position from Governmental Activities is \$74.48 million, an increase of \$1.87 million, which was mainly due to a \$2.14 million increase in Operating Contributions and Grants, \$4.24 million increase in Capital Contributions and Grants with a decrease of \$1.87 Transportation activities.

The City's Net Position from Business-Type Activities is \$132.89 million, an increase of \$8.82 million. Program and General Revenues amounted to \$58.89 million, an increase of \$5.72 million, mainly due to an increase in Charges for Services, Capital Contributions and Grants, while expenses totaled \$49.54 million, a decrease from last year's \$50.795 million.

### **ASSETS AND DEFERRED OUTFLOWS**

The City's Total Assets increased \$17.55 million to \$316.21 million. Deferred outflows increased \$0.26 million to \$10.51 million. Total Assets and Deferred outflows are \$326.72 million.

### **LIABILITIES AND DEFERRED INFLOWS**

The City's Total Liabilities increased \$7.79 million to \$119.01 million. Deferred inflows decreased \$0.65 million to \$.35 million. Total Liabilities and Deferred inflows are \$119.36.

### **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 FY2021 is \$207.37 million, an increase of \$10.69 million, or 5.4% over the June 30, 2020 balance. Total assets increased by \$17.55 million while total liabilities also showed an increase by \$7.79 million. Corresponding analysis of the causes of these changes are reflected in the following paragraphs.

The *Net investment in Capital Assets* of \$137.62 million represents 66.36% 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 FY2021.

The portion of the City's Net Position subject to *external restrictions* in how they may be used is \$18.64 million (8.99% 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 \$51.11 million (24.65% 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 \$29.37 million and \$15.72 million respectively. Additional information can be found in the Notes to Financial Statements.

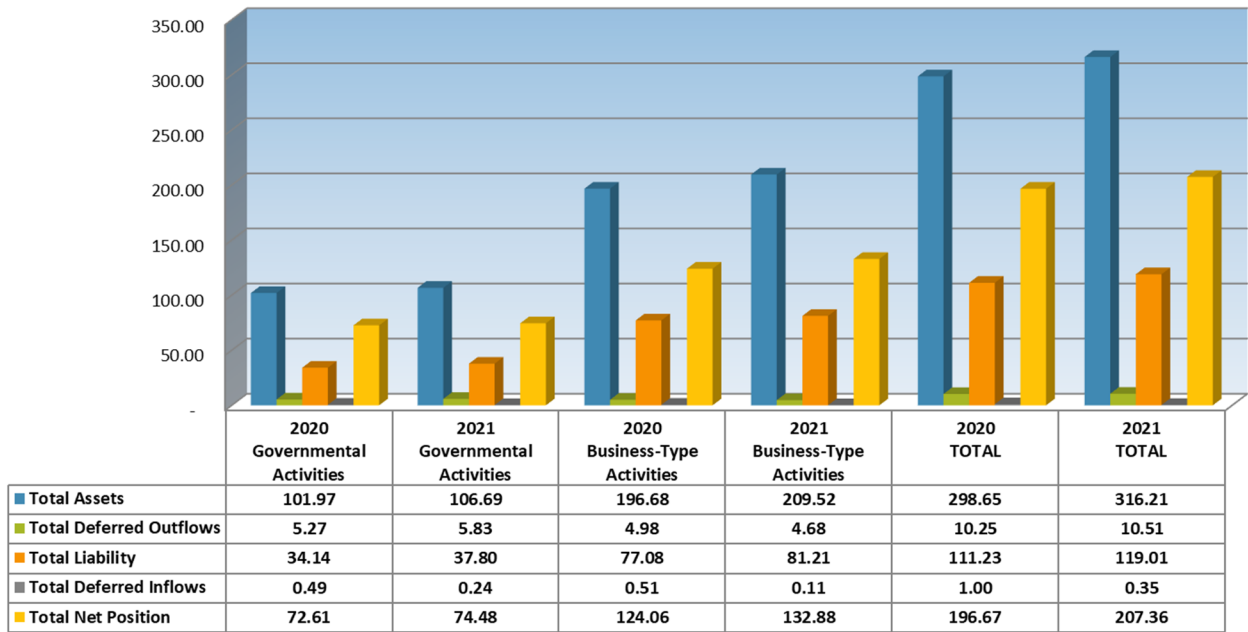
Table 1 summarizes the Statement of Net Position of the City and provides a comparison.

**Table 1 - Summary of Net Position (In Millions)**

	Governmental Activities		Business-Type Activities		Government-Wide Totals		
Assets:	2020	2021	2020	2021	2020	2021	% CHG
Current and other assets	36.25	38.39	84.68	86.75	120.92	125.14	3.5%
Capital assets	65.73	68.30	112.00	122.77	177.73	191.07	7.5%
<b>TOTAL ASSETS</b>	<b>\$ 101.97</b>	<b>\$ 106.69</b>	<b>\$ 196.68</b>	<b>\$ 209.52</b>	<b>\$ 298.66</b>	<b>\$ 316.21</b>	<b>5.9%</b>
Deferred outflows on refunding	-	-	2.76	2.59	2.76	2.59	6.2%
Deferred pension related items	5.27	5.83	2.22	2.09	7.49	7.92	5.7%
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$ 5.27</b>	<b>\$ 5.83</b>	<b>\$ 4.98</b>	<b>\$ 4.68</b>	<b>\$ 10.25</b>	<b>\$ 10.51</b>	<b>2.5%</b>
<b>Liabilities:</b>							
Current and other liabilities	5.00	5.58	8.07	13.76	13.07	19.35	48.0%
Long-term liabilities*	29.14	32.22	69.01	67.45	98.15	99.66	1.5%
<b>TOTAL LIABILITIES</b>	<b>\$ 34.14</b>	<b>\$ 37.80</b>	<b>\$ 77.08</b>	<b>\$ 81.21</b>	<b>\$ 111.22</b>	<b>\$ 119.01</b>	<b>7.0%</b>
Deferred inflows on refunding	-	-	0.10	0.10	0.10	0.10	0.0%
Deferred pension related items	0.49	0.24	0.41	0.01	0.90	0.25	72.2%
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 0.49</b>	<b>\$ 0.24</b>	<b>\$ 0.51</b>	<b>\$ 0.11</b>	<b>\$ 1.00</b>	<b>\$ 0.35</b>	<b>65.0%</b>
<b>Net Position:</b>							
Net investment in capital assets	65.52	68.30	58.18	69.31	123.70	137.62	11.3%
<b>Restricted for:</b>							
Community Development Projects	2.73	2.65	-	-	2.73	2.65	2.9%
Public Safety	0.29	0.02	-	-	0.29	0.02	93.1%
Culture and Leisure	0.05	0.05	-	-	0.05	0.05	0.0%
Transportation	3.07	2.85	-	-	3.07	2.85	7.2%
Capital Projects	7.48	5.91	6.55	3.42	14.03	9.32	33.6%
Debt Service	-	-	-	-	-	-	0.0%
SCPPA Projects	-	-	0.80	0.85	0.80	0.85	0.0%
SCPPA Project Stabilization Fund	-	-	2.90	2.90	2.90	2.90	0.0%
Unrestricted	(6.53)	(5.30)	55.64	56.41	49.11	51.11	4.1%
<b>TOTAL NET POSITION</b>	<b>\$ 72.61</b>	<b>\$ 74.48</b>	<b>\$ 124.07</b>	<b>\$ 132.89</b>	<b>\$ 196.68</b>	<b>\$ 207.37</b>	<b>5.4%</b>

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	
	2020	2021	2020	2021	2020	2021
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	6.30	7.22	49.22	51.08	55.52	58.30
Operating Contributions and Grants	2.03	4.17	2.23	3.12	4.26	7.29
Capital Contributions and Grants	0.56	4.80	-	4.56	0.56	9.36
Subtotal Program Revenues	8.89	16.19	51.45	58.76	60.34	74.95
<b>General Revenues:</b>						
Property Taxes	5.38	6.00	-	-	5.38	6.00
Sales Taxes	4.30	4.63	-	-	4.30	4.63
Business Licenses Taxes	0.17	0.18	-	-	0.17	0.18
Franchise Taxes	0.92	0.92	-	-	0.92	0.92
Transient Occupancy Taxes	0.80	1.12	-	-	0.80	1.12
Other Taxes	1.16	0.57	-	-	1.16	0.57
Motor Vehicle In-Lieu	0.02	0.02	-	-	0.02	0.02
Use of Money and Property	0.97	0.04	1.01	0.01	1.98	0.06
Other	0.44	3.27	0.69	-	1.13	3.27
Gain on sale of capital asset	-	0.03	0.01	0.11	0.01	0.13
Subtotal General Revenues	14.16	16.78	1.71	0.12	15.87	16.91
<b>TOTAL REVENUES</b>	<b>23.05</b>	<b>32.97</b>	<b>53.16</b>	<b>58.88</b>	<b>76.21</b>	<b>91.86</b>
<b>Expenses</b>						
General Government	3.21	5.25	-	-	3.21	5.25
Public Safety	14.97	15.22	-	-	14.97	15.22
Community Development	3.57	4.73	-	-	3.57	4.73
Culture and Leisure	1.66	1.85	-	-	1.66	1.85
Transportation	6.09	4.22	-	-	6.09	4.22
Interest on Long-term debt	0.02	-	-	-	0.02	-
Airport	-	-	0.32	0.43	0.32	0.43
Transit	-	-	2.37	2.31	2.37	2.31
Electric Utility	-	-	31.02	30.35	30.81	30.35
BUA Water	-	-	8.70	8.14	8.70	8.14
BUA Wastewater	-	-	3.78	3.44	3.78	3.44
Refuse	-	-	4.82	4.86	4.82	4.86
<b>TOTAL EXPENSES</b>	<b>29.52</b>	<b>31.27</b>	<b>51.01</b>	<b>49.53</b>	<b>80.32</b>	<b>80.80</b>
<b>Increase/(Decrease) in Net Position Before Transfers and Special Items</b>	<b>(6.48)</b>	<b>1.70</b>	<b>3.38</b>	<b>9.34</b>	<b>(3.10)</b>	<b>11.04</b>
Transfers	0.70	0.17	(0.70)	(0.17)	-	-
<b>Increase/(Decrease) in Net Position</b>	<b>(5.78)</b>	<b>1.87</b>	<b>2.68</b>	<b>9.17</b>	<b>(3.10)</b>	<b>11.04</b>
<b>Net Position at Beginning of Year</b>	<b>78.37</b>	<b>72.61</b>	<b>122.40</b>	<b>124.07</b>	<b>200.78</b>	<b>196.68</b>
<b>Restatement of Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.35)</b>	<b>-</b>	<b>(0.35)</b>
<b>Net Position at End of Year</b>	<b>72.61</b>	<b>74.48</b>	<b>125.08</b>	<b>132.89</b>	<b>200.77</b>	<b>207.37</b>

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 FY2021 were \$91.86 million, \$32.97 million from Governmental Activities, and \$58.88 million from Business-Type Activities. City-wide total revenues increased by \$15.65 million, or 20.54%, from \$76.21 million in FY 2020.

Total Government-Wide expenses for FY2021 are \$80.80 million, an increase of \$.48 million or .60% over FY 2020. City-wide total expenses supporting Governmental Activities was \$31.27 million or 38.70%, and Business-Type Activities, \$49.53 million, or 61.30%.

## **GOVERNMENTAL ACTIVITIES**

Net Position for Governmental Activities was \$74.48 million, an increase of \$5.75 million or 7.34% from FY 2019.

### **REVENUES**

Total Revenues for Governmental Activities were \$32.97 million.

Charges for Services amounted to \$7.22 million for the current year which represents approximately 21.90% of the total revenues in the Governmental Activities category.

Revenues from overall tax sources increased 5.42% in FY2021. The two largest taxes sources were Property Taxes and Sales Taxes, \$6.00 million and \$4.63 million, respectively. In comparison to the FY2020 levels, Property Taxes moderately increased 11.52% from \$5.38 million, which can be attributed to an increase in property values assessed 4.24% and taxes levied 2.39% due to new home developments. Compared to FY 2020, Sales Taxes increased 7.67% from \$4.30 million due a 19.82% increase of all major business groups with businesses opening back up and 55.81% increase from the County pool, which can be attributed to on-line sales.

### **EXPENSES**

Total Expenses for Governmental Activities were \$31.27 million.

Governmental Activities expenses increased by 2.18%, \$1.75 million more than last year. The breakdown by governmental activity follows; General Government expenses increased \$2,038,598 increased due to a change in moving offsets to departmental revenue, new employees, Public Safety increased \$246,496 due to increase in salaries and benefits for retaining officers, Community Development increased \$1,159,048 due to increase in development, Culture and Leisure increased \$186,035 due to additional employee in parks. Public Works/Transportation expenses decreased \$1,866,092, and Interest on long-term debt decreased \$13,956 due to loan pay off.

## 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)		
	2020	2021	% Chg	2020	2021	% Chg	2020	2021	% Chg
General Government	2,454,033	2,895,491	18%	3,209,677	5,248,275	64%	(755,644)	(2,352,784)	211%
Public Safety	494,724	1,508,347	205%	14,974,435	15,220,931	2%	(14,479,711)	(13,712,584)	5%
Community Development	3,463,315	4,340,989	-	3,573,064	4,732,112	32%	(109,749)	(391,123)	256%
Culture & Leisure	410,190	123,830	70%	1,664,747	1,850,782	11%	(1,254,557)	(1,726,952)	38%
Transportation	2,066,734	7,324,263	254%	6,089,732	4,223,640	31%	(4,022,998)	3,100,623	177%
Interest on long-term debt	-	-	-	16,562	2,606	84%	(16,562)	(2,606)	84%
Government Subtotal	8,888,996	16,192,920	82%	29,528,217	31,278,346	6%	(20,639,221)	(15,085,426)	27%
General Revenues*	14,174,546	16,783,610	18%	-	-	-	14,174,546	16,783,610	18%
Transfers	699,653	177,439	75%	-	-	-	699,653	177,439	75%
<b>TOTAL</b>	<b>23,763,195</b>	<b>33,153,969</b>	<b>40%</b>	<b>29,528,217</b>	<b>31,278,346</b>	<b>6%</b>	<b>(5,765,022)</b>	<b>1,875,623</b>	<b>133%</b>

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

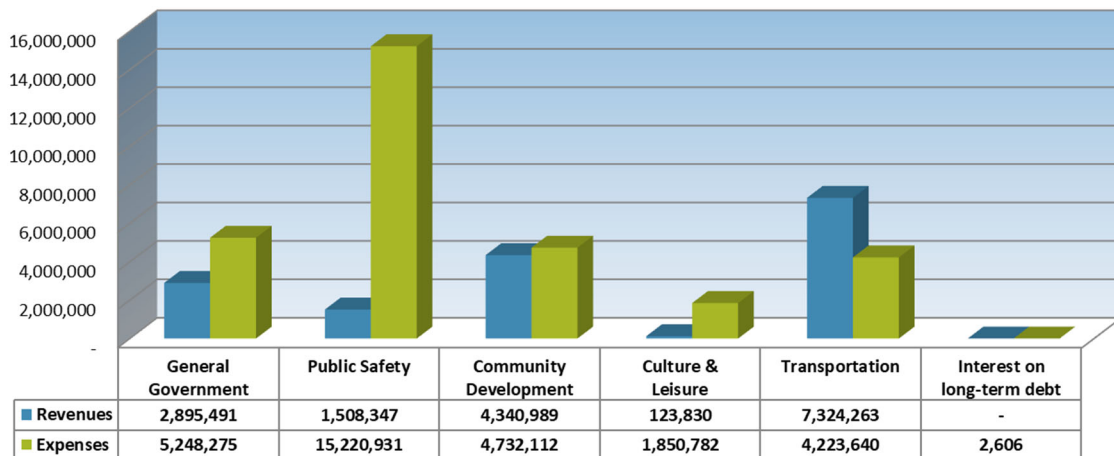


Chart 3: Details can be found in the "Statement of Activities"

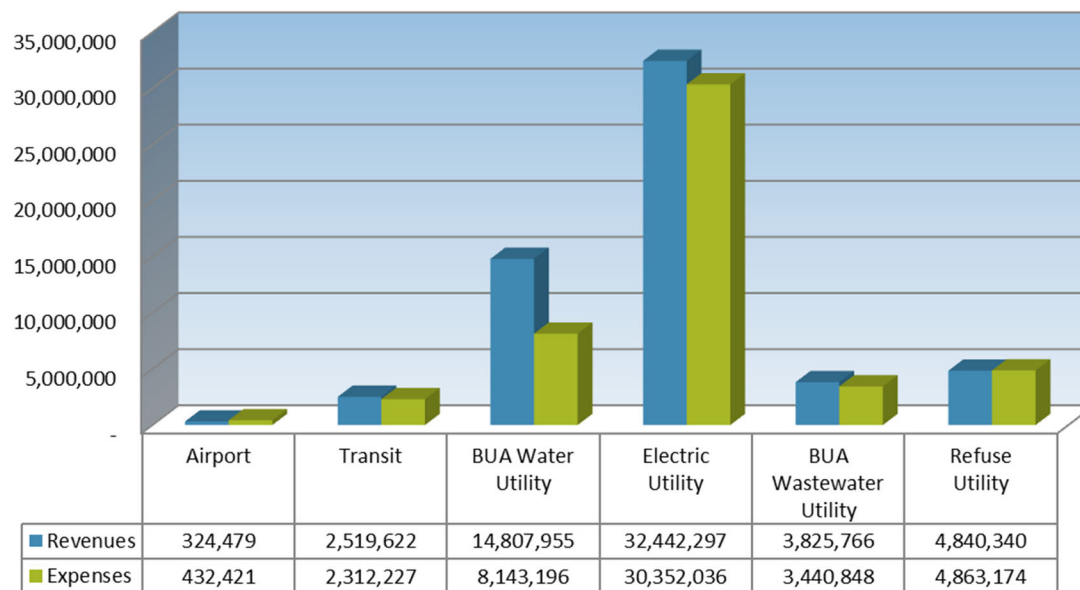
## BUSINESS-TYPE ACTIVITIES

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)		
	2020	2021	% Chg	2020	2021	% Chg	2020	2021	% Chg
Airport	169,821	324,479	91%	319,358	432,421	35%	(149,537)	(107,942)	28%
Transit	2,195,151	2,519,622	15%	2,365,198	2,312,227	2%	(170,047)	207,395	222%
BUA Water Utility	10,456,653	14,807,955	42%	8,700,459	8,143,196	6%	1,756,194	6,664,759	280%
Electric Utility	30,044,132	32,442,297	8%	30,813,647	30,352,036	1%	(769,515)	2,090,261	372%
BUA Wastewater Utility	3,821,632	3,825,766	0%	3,781,828	3,440,848	9%	39,804	384,918	867%
Refuse Utility	4,767,840	4,840,340	2%	4,815,164	4,863,174	1%	(47,324)	(22,834)	52%
Business Subtotal	51,455,229	58,760,459	14%	50,795,654	49,543,902	2%	659,575	9,216,557	1297%
General Revenues	1,708,495	128,240	92%	-	-	-	1,708,495	128,240	92%
SUBTOTAL	53,163,724	58,888,699	11%	50,795,654	49,543,902	2%	2,368,070	9,344,797	295%
Transfers	-	-	-	699,653	177,439	-	(699,653)	(177,439)	75%
TOTAL	53,163,724	58,888,699	11%	51,495,307	49,721,341	3%	1,668,417	9,167,358	449%

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 2021 results of Net Revenues (Expenses) was \$9,167,358, including non-operating revenue of \$128,240 as shown in Table 4.
- Net increases (decreases) by program operations are detailed in Table 4; Airport (\$107,942), Transit \$207,395, Water \$6,664,759, Electric \$2,090,261 Wastewater \$384,918, and Refuse \$(22,834).



## FUNDS FINANCIAL STATEMENTS

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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 2020-21, with comparative amounts from the prior year. Fiscal Year 2020-21 Revenues were \$28,494,063, an increase of \$5,459,615 compared to the previous fiscal year.

Table 5 - Comparison of Governmental Revenues

	2019-20	% of Total Revenues	2020-21	% of Total Revenues	\$ Increase / (Decrease)	% Change
Taxes	12,742,196	55.32%	13,149,520	46.15%	407,324	3.20%
Licenses & Permits	3,362,718	14.60%	2,975,991	10.44%	(386,727)	11.50%
Intergovernmental	2,576,501	11.19%	4,535,311	15.92%	1,958,810	76.03%
Charges for Services	2,422,355	10.52%	2,728,036	9.57%	305,681	12.62%
Use of Money & Property	824,149	3.58%	267,821	0.94%	(556,328)	67.50%
Fines and Forfeitures	169,833	0.74%	180,425	0.63%	10,592	6.24%
Contributions	17,137	0.07%	12,350	0.04%	(4,787)	27.93%
Successor Agency Admin	250,000	1.09%	250,000	0.88%	-	0.00%
Miscellaneous	669,559	2.91%	4,394,609	15.42%	3,725,050	556.34%
<b>TOTAL</b>	<b>23,034,448</b>	<b>100.00%</b>	<b>28,494,063</b>	<b>100.00%</b>	<b>5,459,615</b>	<b>23.70%</b>

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 year 2020-21, with comparative amounts from prior year. Expenditures for FY2021 were \$29,321,523, an increase of \$2,450,386 from FY2020.

**Table 6 - Comparison of Governmental Expenditures**

	<b>2019-20</b>	<b>% of Total Expenditures</b>	<b>2020-21</b>	<b>% of Total Expenditures</b>	<b>\$ Increase / (Decrease)</b>	<b>% Change</b>
General Government	2,972,421	11.06%	4,484,323	15.29%	1,511,902	50.86%
Public Safety	13,075,950	48.66%	13,563,927	46.26%	487,977	3.73%
Community Development	3,247,945	12.09%	4,449,247	15.17%	1,201,302	36.99%
Parks and Recreation	1,263,614	4.70%	1,374,080	4.69%	110,466	8.74%
Public Works/Transportation	2,008,296	7.47%	1,879,755	6.41%	(128,541)	-6.40%
Operating Expenditures	22,568,226	83.99%	25,751,332	87.82%	3,183,106	14.10%
Capital Outlay	3,867,445	14.39%	3,353,979	11.44%	(513,466)	-13.28%
Debt Service	435,466	1.62%	216,212	0.74%	(219,254)	-50.35%
<b>TOTAL</b>	<b>26,871,137</b>	<b>100.00%</b>	<b>29,321,523</b>	<b>100.00%</b>	<b>2,450,386</b>	<b>9.12%</b>

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

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 \$135.87 million. The major funds, the total of City Utilities make up \$133.28 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 \$5,168,674, Electric’s was \$3,479,189 and Wastewater’s was \$488,928.

## GENERAL FUND HIGHLIGHTS

The General Fund Balance is \$9.96 million, with \$5.03 million identified as Unassigned and the balance of \$4.93 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, \$1.5 million was committed as emergency contingency in FY 2021. Funds classified as Non-spendable total \$0.03 million for prepaid costs and employee loans. Funds classified as Assigned total \$3.40 million which account for capital replacement, future compensated absences, litigation, 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 2018-19, 2019-20 and 2020-21.

Table 7 - General Fund Revenues

	2018-19	2019-20	2020-21	% of Total	\$ Increase / (Decrease) to Last Year	% Change
Property Tax	5,223,775	5,383,240	5,584,212	24.07%	200,972	3.73%
Sales Tax	3,815,606	3,672,949	3,854,823	16.62%	181,874	4.95%
Transient Occupancy Tax	895,887	804,389	1,119,765	4.83%	315,376	39.21%
Franchise	895,534	919,373	922,932	3.98%	3,559	0.39%
Other Taxes	656,829	659,301	753,873	3.25%	94,572	14.34%
License & Permits	925,340	3,362,718	2,975,991	12.83%	(386,727)	-11.50%
Intergovernmental	128,088	197,054	2,364,405	10.19%	2,167,351	1099.88%
Charges for Services	3,519,930	2,422,355	2,728,036	11.76%	305,681	12.62%
Use of Money & Property	794,228	705,142	265,746	1.15%	(439,396)	-62.31%
Fines & Forfeitures	233,389	169,833	180,425	0.78%	10,592	6.24%
Transfers In	734,759	651,980	1,090,159	4.70%	438,179	67.21%
Contributions*	253,479	256,759	255,850	1.10%	(909)	-0.35%
Miscellaneous	642,066	603,466	1,103,474	4.76%	500,008	82.86%
<b>TOTALS</b>	<b>18,718,910</b>	<b>19,808,559</b>	<b>23,199,691</b>	<b>100.00%</b>	<b>3,391,132</b>	<b>17.12%</b>

\*Category did not exist prior to fiscal year 2013

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

For Fiscal Year 2020-21, General Fund revenues were \$23,199,691, an increase of \$3,391,132 over FY 2019-20. Key elements of this year's activity versus last fiscal year are as follows:

- Property Tax Revenues, \$5,584,212 increased by \$200,972, a 3.73% increase over FY2020 due to increased home sales with new developments
- Transient Occupancy Tax, \$3,854,823, increased \$315,376, a 39.21% increase over FY2020 due to hotels opening back up
- Licenses & Permits, \$2,975,991 which was a slight decrease of 11.50% from FY2020 but still up from FY 2019 as a result of the increased activity in development.
- Intergovernmental Revenue showed a substantial increase of \$2,167,351 for a total of \$2,364,405 received and this was due to one-time money for COVID-19 relief and a settlement.

## 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

	2018-19	2019-20	2020-21	% of Total	\$ Increase / (Decrease) to Last Year	% Change
General Government*	2,664,332	2,972,421	4,484,323	17.92%	1,511,902	50.86%
Public Safety	11,041,240	12,898,273	13,282,214	53.08%	383,941	2.98%
Community Development	1,898,360	3,207,789	4,068,730	16.26%	860,941	26.84%
Culture & Leisure	1,192,937	1,263,614	1,372,529	5.48%	108,915	8.62%
Public Works *	-	-	-	0.00%	-	0.00%
Capital Outlay	124,183	-	-	0.00%	-	0.00%
Debt Service	517,457	435,466	216,212	0.86%	(219,254)	-50.35%
Transfers Out	412,369	354,723	1,599,606	6.39%	1,244,883	350.95%
TOTALS	17,850,878	21,132,286	25,023,614	100.00%	3,891,328	18.41%

\* 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 \$25,023,614 an 18.41% increase over the previous year. The largest changes occurred in the following areas:

- General Government expenditures of \$4,484,323, increased by \$1,511,902, or 50.86%, with increases in building maintenance, and the reclassification of previous expense offsets of cost recoveries to departmental revenue.
- Community Development expenditures of \$4,068,730 increased by \$860,941, or 26.84%, which has a direct correlation to the increased development activity.
- Transfers Out of \$1,599,606, an increase of \$1,244,883 or 350.95 % was attributed to additional funds subsidizing the streets and transit funds.

## 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 \$23,199,691 million were \$276,848 more than the final budgeted revenues of \$22,922,843 million (please refer to Budgetary Comparison Schedule-General Fund). This is mainly due to increases in property, sales and other taxes more than budgeted and in addition one-time revenues not originally expected, offset by decrease in miscellaneous revenues.

The General Fund actual ending expenditures of \$25,023,614 were \$1,353,698 lower than the final budget of \$26,377,312. Most 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 \$1.63 million because 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, 2021, is \$191,069,282 (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		
	2020	2021	% Chg	2020	2021	% Chg	2020	2021	% Chg
Land	4,391,449	4,561,753	4%	4,853,988	5,217,688	7%	9,245,437	9,779,441	6%
Construction in Progress	1,102,808	794,068	28%	4,933,341	11,550,859	134%	6,036,149	12,344,927	105%
Building and Structures*	8,150,512	7,386,502	9%	72,686	92,407	27%	8,223,198	7,478,909	9%
Land Improvements*	3,144,077	3,321,332	6%	1,668,875	1,505,665	10%	4,812,952	4,826,997	0%
Machinery and Equipment*	670,882	744,278	11%	281,903	3,329,468	-	952,785	4,073,746	328%
Vehicles*	261,021	576,830	121%	-	-	-	261,021	576,830	121%
Utility Plant	-	-	-	100,192,029	101,069,545	1%	100,192,029	101,069,545	1%
Infrastructure*	48,007,196	50,918,887	6%	-	-	-	48,007,196	50,918,887	6%
<b>TOTAL</b>	<b>65,727,945</b>	<b>68,303,650</b>	<b>4%</b>	<b>112,002,822</b>	<b>122,765,632</b>	<b>10%</b>	<b>177,730,767</b>	<b>191,069,282</b>	<b>8%</b>

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 \$103,089,228 at June 30, 2020 and \$103,104,941 at June 30, 2021

At year June 30, 2020, the City's Governmental Activities had long term debt in the amount of \$32,861,970 including Net Pension Liability of \$29,371,861. 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 \$70,242,971 including Net Pension Liability of \$15,721,007. 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		
	2020	2021	% Chg	2020	2021	% Chg	2020	2021	% Chg
Compensated Absences	1,140,094	1,450,694	27%	835,035	834,618	0%	1,975,129	2,285,312	16%
Refunding Lease	212,276	-	100%	-	-	-	212,276	-	100%
Vehicle Lease	-	-	0%	-	-	0%	-	-	0%
Revenue Bonds	-	-	-	51,640,011	49,190,011	5%	51,640,011	49,190,011	5%
Claims & Judgements	1,538,482	2,039,415	33%	-	-	-	1,538,482	2,039,415	33%
Loans	-	-	-	296,578	-	100%	296,578	-	100%
SUBTOTAL	2,890,852	3,490,109	21%	52,771,624	50,024,629	5%	55,662,476	53,514,738	4%
Less:									
Unamortized original issue premium				4,540,626	4,262,472	6%	4,540,626	4,262,472	6%
Unamortized original issue discount						0%	-	-	0%
Net Business-Type Activities				57,312,250	54,287,101	5%	60,203,102	57,777,210	4%
Net Pension Liability	27,840,668	29,371,861	5%	15,045,458	15,721,007	4%	42,886,126	45,092,868	5%
TOTAL	30,731,520	32,861,970	7%	72,357,708	70,008,108	3%	103,089,228	102,870,078	0%

## 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.



## **BASIC FINANCIAL STATEMENTS**

**CITY OF BANNING**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 21,112,296	\$ 65,357,656	\$ 86,469,952
Receivables:			
Accounts	3,597,944	10,095,930	13,693,874
Loans	771,260	5,175	776,435
Interest	8,973	25,787	34,760
Internal Balances	2,824,000	(2,824,000)	-
Prepaid Costs	15,105	846,881	861,986
Deposits	-	115,460	115,460
Due from Other Governments	1,599,548	1,055,729	2,655,277
Inventories	92,585	3,477,081	3,569,666
Restricted Assets:			
Cash and Investments	8,367,814	2,279,429	10,647,243
Cash with Fiscal Agent	-	3,415,158	3,415,158
Investment in SCPPA Project Stabilization Fund	-	2,902,382	2,902,382
Capital Assets, Not Being Depreciated	5,355,821	16,768,547	22,124,368
Capital Assets, Net of Depreciation	62,947,829	105,997,085	168,944,914
Total Assets	<u>106,693,175</u>	<u>209,518,300</u>	<u>316,211,475</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	-	2,591,926	2,591,926
Deferred Pension Related Items	5,828,962	2,093,163	7,922,125
Total Deferred Outflows of Resources	<u>5,828,962</u>	<u>4,685,089</u>	<u>10,514,051</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2021**

	Primary Government		
	Governmental	Business- Type	
	Activities	Activities	Total
<b>LIABILITIES</b>			
Accounts Payable	3,119,396	4,569,947	7,689,343
Accrued Liabilities	814,406	445,976	1,260,382
Accrued Interest	-	259,789	259,789
Unearned Revenue	174,463	4,979,543	5,154,006
Deposits Payable	830,922	935,361	1,766,283
Compensated Absences - Due in One Year	642,753	516,859	1,159,612
Claims Payable - Due in One Year	-	-	-
Long Term Liabilities - Due in One Year	-	2,570,000	2,570,000
Noncurrent Liabilities:	-	-	-
Compensated Absences - Due in More Than One Year	807,941	326,759	1,134,700
Claims Payable - Due in More Than One Year	2,039,415	-	2,039,415
Long Term Liabilities - Due in More Than One Year	-	50,882,483	50,882,483
Net Pension Liability	29,371,861	15,721,007	45,092,868
Total Liabilities	<u>37,801,157</u>	<u>81,207,724</u>	<u>119,008,881</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Refunding	-	98,161	98,161
Deferred Pension Related Items	237,532	10,925	248,457
Total Deferred Inflows of Resources	<u>237,532</u>	<u>109,086</u>	<u>346,618</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	68,303,650	69,313,149	137,616,799
Restricted for:			
Community Development Projects	2,647,809	-	2,647,809
Public Safety	23,725	-	23,725
Culture and Leisure	49,779	-	49,779
Transportation	2,854,653	-	2,854,653
Capital Projects	5,907,923	3,415,158	9,323,081
SCPPA Projects	-	846,881	846,881
SCPPA Stabilization Fund	-	2,902,382	2,902,382
Unrestricted	(5,304,091)	56,409,009	51,104,918
Total Net Position	<u>\$ 74,483,448</u>	<u>\$ 132,886,579</u>	<u>\$ 207,370,027</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities:</b>				
General Government	\$ 5,248,275	2,794,965	\$ 100,526	\$ -
Public Safety	15,220,931	253,972	1,254,375	-
Community Development	4,732,112	3,800,759	540,230	-
Culture and Leisure	1,850,782	105,523	18,307	-
Transportation	4,223,640	268,726	2,257,181	4,798,356
Interest expense	2,606	-	-	-
Total Governmental Activities	31,278,346	7,223,945	4,170,619	4,798,356
<b>Business-Type Activities:</b>				
Airport	432,421	226,477	98,002	-
Transit	2,312,227	23,005	2,456,739	39,878
Banning Utility Authority Water	8,143,196	12,406,181	556,570	1,845,204
Electric Utility	30,352,036	29,855,208	12,455	2,574,634
Banning Utility Authority Wastewater	3,440,848	3,728,441	-	97,325
Refuse Utility	4,863,174	4,840,340	-	-
Total Business-Type Activities	49,543,902	51,079,652	3,123,766	4,557,041
Total Primary Government	\$ 80,822,248	\$ 58,303,597	\$ 7,294,385	\$ 9,355,397

**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

Total General Revenues

**TRANSFERS**

Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - Beginning of Year, As Restated

**NET POSITION - END OF YEAR**

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,352,784)	\$ -	\$ (2,352,784)
(13,712,584)	-	(13,712,584)
(391,123)	-	(391,123)
(1,726,952)	-	(1,726,952)
3,100,623	-	3,100,623
(2,606)	-	(2,606)
<u>(15,085,426)</u>	<u>-</u>	<u>(15,085,426)</u>
-	(107,942)	(107,942)
-	207,395	207,395
-	6,664,759	6,664,759
-	2,090,261	2,090,261
-	384,918	384,918
-	(22,834)	(22,834)
<u>-</u>	<u>9,216,557</u>	<u>9,216,557</u>
(15,085,426)	9,216,557	(5,868,869)
6,004,043	-	6,004,043
1,119,765	-	1,119,765
4,630,683	-	4,630,683
922,932	-	922,932
179,228	-	179,228
574,645	-	574,645
22,828	-	22,828
37,985	19,460	57,445
3,266,109	3	3,266,112
25,392	108,777	134,169
<u>16,783,610</u>	<u>128,240</u>	<u>16,911,850</u>
<u>177,439</u>	<u>(177,439)</u>	<u>-</u>
<u>16,961,049</u>	<u>(49,199)</u>	<u>16,911,850</u>
1,875,623	9,167,358	11,042,981
<u>72,607,825</u>	<u>123,719,221</u>	<u>196,327,046</u>
<u>\$ 74,483,448</u>	<u>\$ 132,886,579</u>	<u>\$ 207,370,027</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 8,301,423	\$ 10,503,181	\$ 18,804,604
Receivables:			
Accounts, Net	3,286,909	292,720	3,579,629
Loans	11,210	760,050	771,260
Interest	5,456	3,321	8,777
Prepaid Costs	15,105	-	15,105
Due from Other Governments	1,238,896	359,240	1,598,136
Due from Other Funds	3,204,414	-	3,204,414
Restricted Assets:			
Cash and Investments With Fiscal Agents	-	8,367,814	8,367,814
 Total Assets	 \$ 16,063,413	 \$ 20,286,326	 \$ 36,349,739
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	2,739,711	\$ 209,657	\$ 2,949,368
Accrued Liabilities	675,100	29,646	704,746
Unearned Revenues	44,664	129,799	174,463
Deposits Payable	727,436	103,486	830,922
Due to Other Funds	-	2,836,400	2,836,400
Advances from Other Funds	394,118	-	394,118
Total Liabilities	4,581,029	3,308,988	7,890,017
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	1,522,435	779,676	2,302,111

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Costs	\$ 15,105	\$ -	\$ 15,105
Employee Loans	11,210	-	11,210
Restricted:			
Community Development Projects	-	2,647,809	2,647,809
Public Safety		23,725	23,725
Culture and Leisure	-	49,779	49,779
Transportation		2,854,653	2,854,653
Capital Projects	-	5,907,923	5,907,923
Committed:			
Emergency Contingency	1,500,000	-	1,500,000
Assigned:			
Capital Replacement	1,500,000	5,000,419	6,500,419
Future Compensated Absences	1,224,830	-	1,224,830
Litigation Contingency	179,189	-	179,189
CalPERS Liability	500,000	-	500,000
Unassigned	5,029,615	(286,646)	4,742,969
Total Fund Balances	<u>9,959,949</u>	<u>16,197,662</u>	<u>26,157,611</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 16,063,413</u>	 <u>\$ 20,286,326</u>	 <u>\$ 36,349,739</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

<b>Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>26,157,611</b>
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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.		67,994,401
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Deferred outflows related to pension items:		5,189,101
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Long-term debt, compensated absences and net pension liability  
that have not been included in the governmental fund activity:

Compensated Absences	(1,224,830)	
Net Pension Liability	<u>(24,566,102)</u>	(25,790,932)

Deferred inflows related to pension items:		(234,151)
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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.		2,302,111
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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>(1,134,693)</u>
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<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>74,483,448</u></b>
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**CITY OF BANNING**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	12,235,605	\$ 913,915	\$ 13,149,520
Licenses and Permits	2,975,991	-	2,975,991
Intergovernmental	2,364,405	2,170,906	4,535,311
Charges for Services	2,728,036	-	2,728,036
Use of Money and Property	265,746	2,075	267,821
Fines and Forfeitures	180,425	-	180,425
Contributions	5,850	6,500	12,350
Contribution from Successor Agency	250,000	-	250,000
Miscellaneous	1,103,474	3,291,134	4,394,608
Total Revenues	<u>22,109,532</u>	<u>6,384,530</u>	<u>28,494,062</u>
<b>EXPENDITURES</b>			
Current:			
General Government	4,484,323	-	4,484,323
Public Safety	13,282,214	281,713	13,563,927
Community Development	4,068,730	380,517	4,449,247
Culture and Leisure	1,372,529	1,551	1,374,080
Transportation	-	1,879,755	1,879,755
Capital Outlay	-	3,353,979	3,353,979
Debt Service:			
Principal Retirement	212,276	-	212,276
Interest and Fiscal Charges	3,936	-	3,936
Total Expenditures	<u>23,424,008</u>	<u>5,897,515</u>	<u>29,321,523</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(1,314,476)	487,015	(827,461)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,090,159	1,375,941	2,466,100
Transfers Out	<u>(1,599,606)</u>	<u>(689,159)</u>	<u>(2,288,765)</u>
Total Other Financing Sources (Uses)	<u>(509,447)</u>	<u>686,782</u>	<u>177,335</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,823,923)	1,173,797	(650,126)
Fund Balances - Beginning of Year	<u>11,783,872</u>	<u>15,023,865</u>	<u>26,807,737</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 9,959,949</u>	<u>\$ 16,197,662</u>	<u>\$ 26,157,611</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

**Net Change in Fund Balances - Total Governmental Funds** \$ (650,126)

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	\$	3,353,979	
Capital Contributions		4,798,356	
Depreciation		<u>(5,543,361)</u>	2,608,974

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		<u>212,276</u>	212,276
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

1,330

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.

(235,823)

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

(824,676)

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.

1,414,840

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.

(651,172)

**Change in Net Position of Governmental Activities**

\$ 1,875,623

*See accompanying Notes to Basic Financial Statements.*

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**CITY OF BANNING**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>ASSETS</b>		
Current:		
Pooled Cash and Investments	\$ 24,826,535	\$ 14,381,765
Receivables:		
Accounts, Net	2,290,266	6,397,354
Loans	761	1,348
Interest	9,445	7,162
Prepaid Costs	-	846,881
Deposits	-	115,460
Due from Other Governments	-	-
Inventories	576,002	2,870,122
Restricted:		
Cash and Investments	-	2,279,429
Cash with Fiscal Agent	120,360	682,570
Investment in SCPPA Project Stabilization Fund	-	2,902,382
Total Current Assets	<u>27,823,369</u>	<u>30,484,473</u>
Noncurrent:		
Advances to Other Funds	-	394,118
Capital Assets not Being Depreciated	6,581,458	8,812,452
Capital Assets - Net of Accumulated Depreciation	<u>43,991,092</u>	<u>48,767,451</u>
Total Noncurrent Assets	<u>50,572,550</u>	<u>57,974,021</u>
Total Assets	<u>78,395,919</u>	<u>88,458,494</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	709,891	1,882,035
Deferred Pension Related Items	<u>394,374</u>	<u>1,185,666</u>
Total Deferred Outflows of Resources	<u>1,104,265</u>	<u>3,067,701</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 19,931,410	\$ 6,217,946	\$ 65,357,656	\$ 2,307,691
	-		
670,711	737,599	10,095,930	18,315
-	3,066	5,175	-
8,060	1,120	25,787	196
-	-	846,881	-
-	-	115,460	-
-	1,055,729	1,055,729	1,412
-	30,957	3,477,081	92,585
-	-	2,279,429	-
2,612,228	-	3,415,158	-
-	-	2,902,382	-
<u>23,222,409</u>	<u>8,046,417</u>	<u>89,576,668</u>	<u>2,420,199</u>
-	-	394,118	-
808,418	566,219	16,768,547	43,104
<u>11,351,771</u>	<u>1,886,771</u>	<u>105,997,085</u>	<u>266,145</u>
<u>12,160,189</u>	<u>2,452,990</u>	<u>123,159,750</u>	<u>309,249</u>
<u>35,382,598</u>	<u>10,499,407</u>	<u>212,736,418</u>	<u>2,729,448</u>
-	-	2,591,926	-
<u>189,199</u>	<u>323,924</u>	<u>2,093,163</u>	<u>639,862</u>
<u>189,199</u>	<u>323,924</u>	<u>4,685,089</u>	<u>639,862</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>LIABILITIES</b>		
Current:		
Accounts Payable	\$ 639,832	\$ 3,387,994
Accrued Liabilities	97,608	247,640
Accrued Interest	152,260	96,129
Unearned Revenues	33,104	-
Deposits Payable	197,325	566,596
Due to Other Funds	-	-
Bonds, Notes, and Capital Leases	1,075,000	1,275,000
Total Current Liabilities	<u>2,195,129</u>	<u>5,573,359</u>
Noncurrent:		
Net Pension Liability	2,962,009	8,905,114
Compensated Absences	205,566	448,047
Claims and Judgments	-	-
Bonds, Notes, and Capital Leases	21,242,422	26,060,061
Total Noncurrent Liabilities	<u>24,409,997</u>	<u>35,413,222</u>
Total Liabilities	<u>26,605,126</u>	<u>40,986,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Gain on Refunding	-	-
Deferred Pension Related Items	2,062	6,205
Total Deferred Inflows of Resources	<u>2,062</u>	<u>6,205</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	28,255,128	30,244,842
Restricted for Capital Projects	120,360	682,570
Restricted for SCPPA Projects	-	846,881
Restricted for SCPPA Stabilization Fund	-	2,902,382
Unrestricted	24,517,508	15,856,734
Total Net Position	<u>\$ 52,892,996</u>	<u>\$ 50,533,409</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 194,696	\$ 347,425	\$ 4,569,947	\$ 170,028
34,144	66,584	445,976	109,660
11,400	-	259,789	-
-	4,946,439	4,979,543	-
71,023	100,417	935,361	-
-	234,937	234,937	133,077
220,000	-	2,570,000	-
<u>531,263</u>	<u>5,695,802</u>	<u>13,995,553</u>	<u>412,765</u>
			-
1,421,001	2,432,883	15,721,007	4,805,760
83,434	106,571	843,618	225,863
-	-	-	2,039,415
<u>3,580,000</u>	<u>-</u>	<u>50,882,483</u>	<u>-</u>
<u>5,084,435</u>	<u>2,539,454</u>	<u>67,447,108</u>	<u>7,071,038</u>
<u>5,615,698</u>	<u>8,235,256</u>	<u>81,442,661</u>	<u>7,483,803</u>
98,161	-	98,161	-
960	1,698	10,925	3,350
<u>99,121</u>	<u>1,698</u>	<u>109,086</u>	<u>3,350</u>
8,360,189	2,452,990	69,313,149	309,249
2,612,228	-	3,415,158	-
-	-	846,881	-
-	-	2,902,382	-
<u>18,884,561</u>	<u>133,387</u>	<u>59,392,190</u>	<u>(4,427,092)</u>
<u>\$ 29,856,978</u>	<u>\$ 2,586,377</u>	<u>\$ 135,869,760</u>	<u>\$ (4,117,843)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**RECONCILIATION OF NET POSITION TO THE STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

<b>Net Position per Statement of Net Position - Proprietary Funds</b>	\$ 135,869,760
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds.	(2,672,328)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds.	<u>(310,853)</u>
<b>Net Position per Statement of Net Position</b>	<u><u>\$ 132,886,579</u></u>

*See accompanying Notes to Basic Financial Statements.*



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**CITY OF BANNING**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>OPERATING REVENUES</b>		
Sales and Service Charges	\$ 11,538,856	\$ 29,793,135
Miscellaneous	867,324	2,636,702
Total Operating Revenues	<u>12,406,180</u>	<u>32,429,837</u>
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	2,053,895	4,677,398
Supplies and Services	3,611,332	4,447,225
Repairs and Maintenance	45,928	189,873
Street Lighting Costs	-	132,263
Power Purchased	-	17,533,673
Bad Debt Expense	217,868	512,179
Insurance Premiums	-	-
Depreciation Expense	1,308,483	1,458,037
Total Operating Expenses	<u>7,237,506</u>	<u>28,950,648</u>
<b>OPERATING INCOME (LOSS)</b>	5,168,674	3,479,189
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	556,570	12,455
Interest Revenue and Change in Fair Value of Investments	9,799	1,952
Interest Expense	(856,657)	(1,176,288)
Gain (Loss) on Disposal of Capital Assets	40,153	60,364
Total Nonoperating Revenues (Expenses)	<u>(250,135)</u>	<u>(1,101,517)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>4,918,539</u>	<u>2,377,672</u>
Capital Contributions	1,845,204	-
Transfers In	4,890	-
Transfers Out	<u>(470,000)</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	6,298,633	2,377,672
Net Position - Beginning of Year, as restated	46,594,363	48,155,737
Prior Period Adjustment	<u>-</u>	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 52,892,996</u></u>	<u><u>\$ 50,533,409</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 3,658,299	\$ 4,989,099	\$ 49,979,389	\$ 6,641,199
167,469	28,944	3,700,439	45,932
<u>3,825,768</u>	<u>5,018,043</u>	<u>53,679,828</u>	<u>6,687,131</u>
853,500	1,628,309	9,213,102	2,357,583
1,809,844	5,460,448	15,328,849	3,326,696
37,501	14,819	288,121	420,661
-	-	132,263	-
-	-	17,533,673	-
67,303	66,704	864,054	-
-	-	-	1,529,293
568,692	430,427	3,765,639	33,270
<u>3,336,840</u>	<u>7,600,707</u>	<u>47,125,701</u>	<u>7,667,503</u>
488,928	(2,582,664)	6,554,127	(980,372)
-	2,666,398	3,235,423	-
7,644	65	19,460	14,908
(74,403)	-	(2,107,348)	-
-	8,260	108,777	3,333
<u>(66,759)</u>	<u>2,674,723</u>	<u>1,256,312</u>	<u>18,241</u>
<u>422,169</u>	<u>92,059</u>	<u>7,810,439</u>	<u>(962,131)</u>
-	-	1,845,204	-
2,596	466,075	473,561	104
<u>(181,000)</u>	<u>-</u>	<u>(651,000)</u>	<u>-</u>
243,765	558,134	9,478,204	(962,027)
29,613,213	2,379,812	126,743,125	(3,155,816)
<u>-</u>	<u>(351,569)</u>	<u>(351,569)</u>	<u>-</u>
<u>\$ 29,856,978</u>	<u>\$ 2,586,377</u>	<u>\$ 135,869,760</u>	<u>\$ (4,117,843)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING  
RECONCILIATION OF CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

<b>Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds</b>	\$ 9,478,204
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds.	<u>(310,846)</u>
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>	<u><u>\$ 9,167,358</u></u>

*See accompanying Notes to Basic Financial Statements.*

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**CITY OF BANNING**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and Users	\$ 12,073,399	\$ 30,221,668
Cash Paid to Suppliers for Goods and Services	(3,556,252)	(20,348,398)
Cash Paid to Employees for Services	(1,944,549)	(4,410,566)
Net Cash Provided (Used) by Operating Activities	<u>6,572,598</u>	<u>5,462,704</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Transfers In	4,890	-
Cash Transfers Out	(470,000)	-
Intergovernmental	556,570	12,455
Net Cash Provided (Used) by Noncapital Financing Activities	<u>91,460</u>	<u>12,455</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(4,554,125)	(9,329,332)
Capital contributions	1,845,204	-
Principal Paid on Capital Debt	(1,020,000)	(1,210,000)
Interest Paid on Capital Debt	(941,537)	(1,216,517)
Proceeds from Sales of Capital Assets	40,153	60,364
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,630,305)</u>	<u>(11,695,485)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Collections of Repayment on Loan Receivables	-	2,879
Issuance of Notes and Loans Receivable	(761)	-
Payments Made to SCPPA Project Stabilization Fund	-	(1,559)
Interest Received	46,784	40,985
Net Cash Provided (Used) by Investing Activities	<u>46,023</u>	<u>42,305</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,079,776	(6,178,021)
Cash and Cash Equivalents - Beginning of Year	<u>22,867,119</u>	<u>23,521,785</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 24,946,895</u>	<u>\$ 17,343,764</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 3,847,557	\$ 9,713,682	\$ 55,856,306	\$ 6,686,219
(1,820,544)	(5,430,904)	(31,156,098)	(4,879,334)
(803,930)	(1,530,678)	(8,689,723)	(2,353,775)
<u>1,223,083</u>	<u>2,752,100</u>	<u>16,010,485</u>	<u>(546,890)</u>
2,596	466,075	473,561	133,181
(181,000)	(480,037)	(1,131,037)	-
-	2,174,231	2,743,256	-
<u>(178,404)</u>	<u>2,160,269</u>	<u>2,085,780</u>	<u>133,181</u>
(518,847)	(126,144)	(14,528,448)	-
-	-	1,845,204	-
(516,578)	-	(2,746,578)	-
(80,590)	-	(2,238,644)	-
-	8,260	108,777	3,333
<u>(1,116,015)</u>	<u>(117,884)</u>	<u>(17,559,689)</u>	<u>3,333</u>
-	-	2,879	-
-	-	(761)	-
-	-	(1,559)	-
41,305	1,583	130,657	15,076
<u>41,305</u>	<u>1,583</u>	<u>131,216</u>	<u>15,076</u>
(30,031)	4,796,068	667,792	(395,300)
<u>22,573,669</u>	<u>1,421,878</u>	<u>70,384,451</u>	<u>2,702,991</u>
<u>\$ 22,543,638</u>	<u>\$ 6,217,946</u>	<u>\$ 71,052,243</u>	<u>\$ 2,307,691</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 5,168,674	\$ 3,479,189
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Changes in Operating Assets and Liabilities:		
Depreciation (Expense)	1,308,483	1,458,037
Bad Debt Expense	217,868	512,179
(Increase) Decrease in Assets and Deferred Outflow of Resources:		
Accounts Receivable	(432,436)	(1,903,436)
Deposits Receivable	-	(46)
Due from Other Governments	40,406	-
Prepaid Expense	-	(51,053)
Inventories	7,390	367,508
Deferred Pension Related Items	2,619	7,876
Increase (Decrease) in Liabilities:		
Accounts Payable	93,618	1,638,227
Accrued Liabilities	22,954	57,047
Deposits Payable	26,145	(304,733)
Unearned Revenue	33,104	-
Net Pension Liability	127,281	382,662
Claims and Judgments	-	-
Compensated Absences	10,552	(18,226)
Deferred Pension Related Items	(54,060)	(162,527)
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,572,598</u>	<u>\$ 5,462,704</u>
 <b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITY</b>		
Amortization of Unamortized Premiums/Discounts	<u>\$ 125,338</u>	<u>\$ 152,816</u>
 Amortization of Gain/Loss on Defeasance	<u>\$ (48,958)</u>	<u>\$ (117,628)</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF BANNING**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 488,928	\$ (2,582,664)	\$ 6,554,127	\$ (980,372)
568,692	430,427	3,765,639	33,270
67,303	66,704	864,054	-
34,093	(98,377)	(2,400,156)	(708)
-	-	(46)	-
-	(40,660)	(254)	(204)
-	-	(51,053)	5,088
-	317	375,215	(65,906)
1,257	118,152	129,904	(222,682)
26,801	44,046	1,802,692	(42,799)
7,924	24,343	112,268	32,913
(12,304)	(9,432)	(300,324)	-
-	4,844,108	4,877,212	-
61,062	104,544	675,549	206,508
-	-	-	500,933
5,262	10,995	8,583	74,777
(25,935)	(160,403)	(402,925)	(87,708)
<u>\$ 1,223,083</u>	<u>\$ 2,752,100</u>	<u>\$ 16,010,485</u>	<u>\$ (546,890)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2021**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 463,500	\$ 275,333
Receivables:		
Accounts	2,951	10,000
Notes and Loans	-	850,155
Interest	91	-
Prepaid Costs	-	211,818
Land Held for Resale		4,675,556
Restricted Assets:		
Cash and Investments With Fiscal Agents	186,063	-
Capital Assets:		
Capital Assets, Not Being Depreciated	-	-
Capital Assets, Net of Accumulated Depreciation	-	7,155,758
Total Assets	<u>652,605</u>	<u>13,178,620</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	-	634,193
<b>LIABILITIES</b>		
Accounts Payable	2,089	-
Accrued Interest	-	312,654
Deposits Payable	77,614	-
Long-Term Liabilities:		
Bonds and Loans Payable Due in One Year	-	1,265,000
Bonds and Loans Payable Due in More Than One Year	-	26,250,000
Total Liabilities	<u>79,703</u>	<u>27,827,654</u>
<b>NET POSITION</b>		
Restricted for Other Organizations	572,902	-
Restricted for Other Purposes	-	(14,014,841)
Total Net Position	<u>\$ 572,902</u>	<u>\$ (14,014,841)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>ADDITIONS</b>		
Taxes	\$ 197,229	\$ 2,411,372
Interest and Change in Fair Value of Investments	93	(8)
Miscellaneous	79,746	284,521
Total Additions	<u>277,068</u>	<u>2,695,885</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	45,076	253,784
Principal Payment	85,000	-
Interest Expense	101,083	957,593
Amortization Expense	-	74,611
Depreciation Expense	-	386,323
Total Deductions	<u>231,159</u>	<u>1,672,311</u>
<b>CHANGE IN NET POSITION</b>	45,909	1,023,574
Net Position - Beginning of Year, As Restated	<u>526,993</u>	<u>(15,038,415)</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 572,902</u></u>	<u><u>\$ (14,014,841)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Description of the Reporting Entity**

The City of Banning (the City) 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 (U.S. GAAP), 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**a. Description of the Reporting Entity (Continued)**

**Blended Component Units (Continued)**

The City of Banning Housing Authority was established on January 10, 2012 to accept the assets of the former Redevelopment Agency. The Board consists of members of the City Council, which is substantively the same governing body of the City and management has operational responsibility for the Housing Authority. 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. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances.

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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 fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

- 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.

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 *Custodial 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 custodial 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

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 noncurrent 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 nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.



**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Receivables and Payables (Continued)**

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.

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Receivables and Payables (Continued)**

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 acquisition value at the date of donation.

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Capital Assets (Continued)**

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:

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

**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, 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Deferred Outflows/Inflows of Resources (Continued)**

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 three 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.

The second 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 third item is in relation to the net pension obligation reported in the statement of net position. These inflows are the results of differences between expected and actual experiences, change in assumptions and adjustments due to difference in proportions 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences (Continued)**

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 Nonexempt 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. Nonexempt 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.

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences (Continued)**

Sick Leave (Continued)

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 Internal Revenue Service 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences (Continued)**

Sick Leave (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 nonsupervisory 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 one 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences (Continued)**

Vacation and Holiday Leave (Continued)

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 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:

City Manager (Vacation)	80 Hours
Department Directors (Vacation)	80 Hours
Managers (Vacation)	80 Hours
Police Management (Vacation)	80 Hours
Police (Vacation)	40 Hours
Police (Holiday)	88 Hours

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.



**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences (Continued)**

**Floating Holiday (Continued)**

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.

**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. These amounts are payable from future resources and, therefore, have been recorded in the statement of net position. Annual required contributions are recorded as expenditures in the related funds when due.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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:

*Nonspendable* 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 of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Balance 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 nonspendable 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 nonmajor funds contained a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
Gas Tax Street - Special Revenue	\$ 34,648
Sunset Grade Separation - Capital Projects	251,998
Transit Fund	853,513
Self Insurance	1,435,533
Information Services	844,675
Utility Billing Services	2,376,431

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e. New Accounting Pronouncements**

**GASB 84**

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements

Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The City adopted this standard in the current fiscal year. Implementation of GASB 84 resulted in reclassification previously reported agency fund, which qualifies as a fiduciary fund, as custodial funds which resulted in an increase of \$526,993 in net position at the beginning of the year.

**f. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 29,480,110
Business-Type Activities	73,954,625
Fiduciary Funds	924,896
Total Cash and Investments	<u><u>\$ 104,359,631</u></u>
Petty Cash	\$ 4,055
Deposits with Financial Institutes	20,002,922
Investments	81,450,272
Investment in SCPPA Rate Stabilization Fund	2,902,382
Total Cash and Investments	<u><u>\$ 104,359,631</u></u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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, 2021, the carrying amount of the City's deposits was \$20,002,922 and the bank balance was \$20,639,624. The \$636,702 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.

**Investments**

Under provision of the City's investment policy, the City is authorized to invest in investments allowed by Government Code of the State of California. From these permitted investments, the City's investment officials shall determine those investment types that best meet the needs and abilities of the City. Maximum maturity period for any portion of invested operating moneys shall not exceed five years per California Government Code.

**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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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, 2021, the balance held by SCPPA in the Project Stabilization Fund was \$2,902,382.

**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, 2021, the City's investments in Federal Agency Securities consisted of investments Federal Home Loan Mortgage Corporation Notes. At June 30, 2021, 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, 2021, 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, 2021, 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, 2021, 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

As of June 30, 2021, 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	\$ -	\$ -	\$ 2,951,040	\$ -	\$ 2,951,040
Local Agency Investment Fund	39,716,043	-	-	-	39,716,043
Money Market	24,534,726	-	-	-	24,534,726
Cash with Fiscal Agents:					
Money Market	14,248,463	-	-	-	14,248,463
Total Investments	<u>\$ 78,499,232</u>	<u>\$ -</u>	<u>\$ 2,951,040</u>	<u>\$ -</u>	<u>\$ 81,450,272</u>

**Fair Value Measurement and Application**

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. 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, 2021:

Investment Type	Totals	Uncategorized	Level 1	Level 2	Level 3
Federal Agency Securities	\$ 2,951,040	\$ -	\$ -	\$ 2,951,040	\$ -
Local Agency Investment Fund	39,716,043	39,716,043	-	-	-
Money Market Funds	24,534,726	24,534,726	-	-	-
Held by Fiscal Agent:					
Money Market Mutual Funds	14,248,463	14,248,463	-	-	-
Total Investments	<u>\$ 81,450,272</u>	<u>\$ 78,499,232</u>	<u>\$ -</u>	<u>\$ 2,951,040</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, 2021, is as follows:

**Due To/From Other Funds**

Funds	Due to Other Funds			
	Nonmajor Governmental Funds	Other Enterprise Funds	Internal Service Funds	Total
Due from Other Funds:				
General Fund	\$ 2,836,400	\$ 234,937	\$ 133,077	\$ 3,204,414
Total	<u>\$ 2,836,400</u>	<u>\$ 234,937</u>	<u>\$ 133,077</u>	<u>\$ 3,204,414</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

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

**Advances To/From Other Funds**

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

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, 2021, principal owed on those loans was \$394,118.

**Interfund Transfers**

<u>Funds</u>	<u>Transfers Out</u>				<u>Totals</u>
	<u>General Fund</u>	<u>BUA Water Fund</u>	<u>BUA Wastewater Fund</u>	<u>Nonmajor Governmental Funds</u>	
Transfers In:					
General Fund	\$ -	\$ 470,000	\$ 181,000	\$ 439,159	\$ 1,090,159
BUA Water Fund	4,890	-	-		4,890
BUA Wastewater Fund	2,596	-	-		2,596
Other Enterprise Funds	466,075	-	-	-	466,075
Internal Service Funds	-	-	-	104	104
Nonmajor Governmental Funds	1,126,045	-	-	249,896	1,375,941
Totals	<u>\$ 1,599,606</u>	<u>\$ 470,000</u>	<u>\$ 181,000</u>	<u>\$ 689,159</u>	<u>\$ 2,939,765</u>

Transfers out of the General Fund to BUA Water Fund, BUA Wastewater Fund, Nonmajor Governmental Funds and Nonmajor Enterprise are to pay certain costs incurred for special projects. Transfers out of the BUA Water Fund and BUA Wastewater Fund to General Fund were for lease payments (see Note 11).



**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 4,391,449	\$ 170,304	\$ -	\$ -	\$ 4,561,753
Construction in Progress	1,102,808	558,709	(867,449)	-	794,068
Total Capital Assets Not Being Depreciated	5,494,257	729,013	(867,449)	-	5,355,821
Capital Assets Being Depreciated:					
Buildings and Structures	26,841,710	89,000	-	-	26,930,710
Land Improvements	8,412,162	538,306	(848)	-	8,949,620
Machinery and Equipment	7,050,823	336,010	(302,897)	-	7,083,936
Vehicles	4,186,511	342,356	(590,182)	-	3,938,685
Infrastructure	123,881,913	6,923,971	-	-	130,805,884
Total Capital Assets Being Depreciated	170,373,119	8,229,643	(893,927)	-	177,708,835
Less Accumulated Depreciation:					
Buildings and Structures	18,691,198	853,010	-	-	19,544,208
Land Improvements	5,280,873	347,415	-	-	5,628,288
Machinery and Equipment	6,520,486	122,069	(302,897)	-	6,339,658
Vehicles	3,772,157	179,880	(590,182)	-	3,361,855
Infrastructure	75,874,717	4,012,280	-	-	79,886,997
Total Accumulated Depreciation	110,139,431	5,514,654	(893,079)	-	114,761,006
Total Capital Assets Being Depreciated, Net	60,233,688	2,714,989	(848)	-	62,947,829
Governmental Activities Capital Assets, Net	<u>\$ 65,727,945</u>	<u>\$ 3,444,002</u>	<u>\$ (868,297)</u>	<u>\$ -</u>	<u>\$ 68,303,650</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 56,987
Public Safety	1,058,712
Community Development	229,935
Transportation	3,749,780
Parks and Recreation	385,970
Internal Service Fund	33,270
Total Depreciation Expense - Governmental Activities	<u>\$ 5,514,654</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CHANGES IN CAPITAL ASSETS (CONTINUED)**

Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 4,853,988	\$ 363,700	\$ -	\$ -	\$ 5,217,688
Construction in Progress	4,933,341	9,664,242	(50,002)	(2,996,722)	11,550,859
Total Capital Assets Not Being Depreciated	9,787,329	10,027,942	(50,002)	(2,996,722)	16,768,547
Capital Assets Being Depreciated:					
Airport Master Plan	38,875	-	-	-	38,875
Buildings and Structures	519,247	26,837	-	-	546,084
Land Improvements	4,562,917	-	-	-	4,562,917
Machinery and Equipment	311,282	704,071	-	2,391,146	3,406,499
Utility Plant	184,873,980	3,819,918	(783,278)	605,576	188,516,196
Total Capital Assets Being Depreciated	190,306,301	4,550,826	(783,278)	2,996,722	197,070,571
Less Accumulated Depreciation:					
Airport Master Plan	38,875	-	-	-	38,875
Buildings and Structures	446,561	7,116	-	-	453,677
Land Improvements	2,894,042	163,210	-	-	3,057,252
Machinery and Equipment	29,379	47,652	-	-	77,031
Utility Plant	84,681,951	3,547,661	(782,961)	-	87,446,651
Total Accumulated Depreciation	88,090,808	3,765,639	(782,961)	-	91,073,486
Total Capital Assets Being Depreciated, Net	102,215,493	785,187	(317)	2,996,722	105,997,085
Business-Type Activities Capital Assets, Net	<u>\$ 112,002,822</u>	<u>\$ 10,813,129</u>	<u>\$ (50,319)</u>	<u>\$ -</u>	<u>\$ 122,765,632</u>

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

Banning Utility Authority Water	\$ 1,308,483
Electric Utility	1,458,037
Banning Utility Authority Wastewater	568,692
Airport	169,851
Transit	257,325
Refuse Utility	3,251
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,765,639</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 ACCOUNTS RECEIVABLE**

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

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
General Fund	\$ 3,395,187	\$ (108,278)	\$ 3,286,909
Nonmajor Governmental	292,720	-	292,720
Internal Service Funds	18,315	-	18,315
Water	2,552,054	(261,788)	2,290,266
Electric	6,961,537	(564,183)	6,397,354
Wastewater	744,200	(73,489)	670,711
Nonmajor Proprietary	817,741	(80,142)	737,599
Total	<u>\$ 14,781,754</u>	<u>\$ (1,087,880)</u>	<u>\$ 13,693,874</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, 2021:

	Balance at June 30, 2021
Owners Participation Loans	\$ 500,000
First Time Home Buyer Down Payment Assistance Loans	240,000
Rehabilitation Loans	19,937
Employee Loans	16,498
Total Loans Available	<u>\$ 776,435</u>

**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, 2021, amounted to \$2,279,429.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT**

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Incurred	Retired	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities</b>					
Direct Borrowing:					
2011 Refunding Leases	\$ 212,276	\$ -	\$ 212,276	\$ -	\$ -
Total	<u>\$ 212,276</u>	<u>\$ -</u>	<u>\$ 212,276</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Business-Type Activities</b>					
Direct Borrowing:					
Loans Payable	\$ 296,578	\$ -	\$ 296,578	\$ -	\$ -
Bonds Payable:					
2005 Wastewater Revenue Bond	-	-	-	-	-
2015 Electric Refunding Bond	26,100,000	-	1,210,000	24,890,000	1,275,000
2015 Water Revenue Bond	21,520,011	-	1,020,000	20,500,011	1,075,000
2019 Wastewater Refunding Bond	4,020,000	-	220,000	3,800,000	220,000
Total	<u>\$ 51,936,589</u>	<u>\$ -</u>	<u>\$ 2,746,578</u>	<u>49,190,011</u>	<u>\$ 2,570,000</u>
Less: Unamortized Original Issue Premium				<u>4,262,472</u>	
Net Business-Type Activities				<u>\$ 53,452,483</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 was paid off during the current fiscal year.

**b. 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**b. 2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects**

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, 2021, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	1,305,000	649,438	1,954,438
2027 to 2031	7,450,000	2,326,597	9,776,597
2032 to 2035	7,115,011	675,534	7,790,545
Total	<u>\$ 20,500,011</u>	<u>\$ 6,856,571</u>	<u>\$ 27,356,582</u>

**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 \$6,477,157.

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.

**c. 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 loan was paid off during the current fiscal year.

**d. 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**d. 2015 Electric Revenue Refunding Bonds (Continued)**

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, 2021, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	1,545,000	879,544	2,424,544
2027 to 2031	8,620,000	3,354,825	11,974,825
2032 to 2036	7,625,000	1,520,750	9,145,750
2037	1,620,000	81,000	1,701,000
Total	<u>\$ 24,890,000</u>	<u>\$ 10,055,545</u>	<u>\$ 34,945,545</u>

**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 \$3,661,860.

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.

**e. 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**e. 2019 Wastewater Enterprise Refunding Revenue Bonds (Continued)**

The balance outstanding as of June 30, 2021, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	240,000	49,860	289,860
2027 to 2031	1,270,000	182,070	1,452,070
2032 to 2036	1,380,000	62,910	1,442,910
Total	<u>\$ 3,800,000</u>	<u>\$ 536,130</u>	<u>\$ 4,336,130</u>

**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, 2021, was \$1,450,694 which includes \$225,863 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 \$1,069,481.

	Balance July 01, 2020	Additions	Deletions	June 30, 2021	Amounts Due Within One Year	Amounts Due In More Than One Year
Governmental Activities	<u>\$ 1,140,094</u>	<u>\$ 957,494</u>	<u>\$ 646,894</u>	<u>\$ 1,450,694</u>	<u>\$ 642,753</u>	<u>\$ 807,941</u>
Business-Type Activities	<u>\$ 835,035</u>	<u>\$ 751,563</u>	<u>\$ 517,117</u>	<u>\$ 1,069,481</u>	<u>\$ 662,304</u>	<u>\$ 407,177</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021
AD 2004-1	\$ 2,898,000	\$ 1,875,000

**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, 2021.

**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, agent multiple 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.



**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**  
**(CONTINUED)**

**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 nonduty 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, 2021, are summarized as follows:

Miscellaneous Plan			
Hire Date	Prior to January 1, 2013*	On or After January 1, 2013	
Benefit Formula	2.5% at Age 55	2.2% at Age 62	
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	
Benefit Payments	Monthly for Life	Monthly for Life	
Retirement Age	Age 50	Age 52	
Monthly Benefits, as a Percentage of Eligible Compensation	2.00% to 2.50%	1.1% to 2.00%	
Required Employee Contribution Rates	7.275%	7.000%	
Required Employer Contribution Rates			
Normal Cost Rate	10.389%	7.210%	
Payment of Unfunded Liability	\$ 1,856,652	\$	-

\* Closed to new entrants not previously in Ca PERS

Safety Cost-Sharing Plan				
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013	On or After January 1, 2013	
Benefit Formula	3% at Age 50	2% at Age 50	2.7% at Age 57	
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service	
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	
Retirement Age	Age 50	Age 50	Age 57	
Monthly Benefits, as a Percentage of Eligible Compensation	3.000%	3.000%	3.000%	
Required Employee Contribution Rates	8.990%	8.942%	7.000%	
Required Employer Contribution Rates				
Normal Cost Rate	25.540%	19.825%	13.884%	
Payment of Unfunded Liability	\$ 1,457,078	\$ 3,295	\$	10,457

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**  
**(CONTINUED)**

**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, 2021, 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, 2021, City contributions totaling \$5,164,200 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 and the June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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 CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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:

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

(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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Assets)
	(a)	(b)	(c)=(a)-(b)
Miscellaneous Rate Plan			
Balance at: 6/30/2020 (Reporting Date) (1)	\$ 79,454,394	\$ 53,351,936	\$ 26,102,458
Changes Recognized for the Measurement Period:			
Service Cost	1,598,026	-	1,598,026
Interest on the Total Pension Liability	5,587,964	-	5,587,964
Change of Assumptions	-	-	-
Difference between Expected and Actual Experience	(29,569)	-	(29,569)
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	2,667,289	(2,667,289)
Contributions from Employees	-	734,736	(734,736)
Net Investment Income (2)	-	2,657,597	(2,657,597)
Benefit Payments including Refunds of Employee Contributions	(4,140,982)	(4,140,982)	-
Administrative Expense	-	(75,213)	75,213
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During 2019-20	3,015,439	1,843,427	1,172,012
Balance at: 6/30/2020 (Reporting Date) (1)	<u>\$ 82,469,833</u>	<u>\$ 55,195,363</u>	<u>\$ 27,274,470</u>

(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, 2021, the City reported a \$17,818,398 net pension liability for its proportionate share of the pooled net pension liability.

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, 2019, 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, 2018, rolled forward to June 30, 2019, 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, 2020 and 2021 was as follows:

Safety Plan	
Proportion - June 30, 2020	0.26886%
Proportion - June 30, 2021	0.26745%
Change - Increase (Decrease)	<u>-0.00141%</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**  
**(CONTINUED)**

**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%, 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%) or 1 percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 37,771,834	\$ 27,274,470	\$ 18,552,656
Safety Plan's Net Pension Liability	\$ 25,574,655	\$ 17,818,398	\$ 11,453,656

**Pension Plan Fiduciary Net Position**

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

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

As of June 30, 2021, 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
<u>Miscellaneous Rate Plan</u>				
Current Year Contributions That Occurred After the Measurement Date of June 30, 2020	\$ 2,810,447	\$ -	\$ 2,353,753	\$ -
Change of Assumptions	-	-	-	59,353
Difference between Expected and Actual Experience	416,109	19,009	1,381,726	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	404,887	-	387,269	-
Adjustments Due to Difference in Proportions	-	-	-	170,095
Difference in Actual Contribution and Proportionate Share of Contribution Calculation	-	-	167,934	-
Total	<u>\$ 3,631,443</u>	<u>\$ 19,009</u>	<u>\$ 4,290,682</u>	<u>\$ 229,448</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**  
**(CONTINUED)**

The Miscellaneous Plan reported \$2,810,447 and the Safety Plan reported \$2,353,753 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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 June 30,	Miscellaneous Plan	Safety Plan
2021	\$ 179,156	\$ 380,872
2022	126,099	665,558
2023	272,730	467,008
2024	224,002	194,043
2025	-	-
Thereafter	-	-
Total	<u>\$ 801,987</u>	<u>\$ 1,707,481</u>

**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 \$7,156 (7.5% of covered payroll). Total payroll for employees covered under this plan for the year was \$94,875.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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.

**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 nonrisk 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, 2021, the amount of these liabilities was \$2,039,415. The amount represents an estimate of \$1,110,973 for reported claims through June 30, 2021, and \$928,442 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14 INSURANCE PROGRAMS (CONTINUED)**

Changes in the reported liability since June 30, 2021, resulted from the following:

Year	Liability at Beginning of Fiscal Year	Current Year Claims in Changes in Estimates	Claim Payments	Liability at End of Fiscal Year
2020	\$ 1,254,829	\$ 807,799	\$ 524,146	\$ 1,538,482
2021	1,538,482	500,933		2,039,415

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.

**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.



**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**d. Construction Contracts**

The following material construction commitments existed at June 30, 2021:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2021	Remaining Commitments
Design of Well C8	\$ 738,383	\$ 173,635	\$ 564,748
Road Construction Work - Hargrave at Ramsey Intersection	3,735,435	2,619,944	1,115,491
Electric Substation Equipment Maintenance	1,404,982	1,204,470	200,512
Shelters, Insulated, Fabricated	843,108	-	843,108
Ivy & Stagecoach substation	6,016,967	5,546,178	470,789
Street Hwy Repairs Wide Street Improvements	678,502	674,365	4,137
Ramsey Street and Hathaway Street Improvements	4,067,319	2,658,349	1,408,970
Total	<u>\$ 17,484,696</u>	<u>\$ 12,876,941</u>	<u>\$ 4,607,755</u>

**NOTE 16 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**“Take or Pay” Contracts**

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, 2021, the Electric Utility Fund made payments totaling \$4,387,455 on these contracts. SCPPA membership consists of eleven 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 powers agreement has a term expiring in 2030 or such later date as all bonds and notes of SCPPA and the interest thereon have been paid in full or adequate provisions for payments have been made. A copy of SCPPA's audited financial statements can be reviewed on their website at [www.scppa.org](http://www.scppa.org) or can be obtained by written request at 225 South Lake Avenue, Suite 1250, Pasadena, CA 91101.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 16 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (CONTINUED)**

For the year ended June 30, 2021, the City of Banning's interests in various SCPPA projects are described as follows:

**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%.

**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%.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 16 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (CONTINUED)**

**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, 2021, 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%	\$ -	\$ -
Mead-Adelanto	1.00%	-	-
Total		<u>\$ -</u>	<u>\$ -</u>

**Power Purchase Agreements**

The City entered into power sales agreements with SCPPA for the following projects:

**Ormat Geothermal Energy Project** – In June 2005, the City entered into a 25-year power sales agreement for the Ormat Geothermal Energy Project for purchase of up to 2 megawatts of the project electric energy. The project began commercial operation in January 2006.

**Astoria 2 Solar Project** – In July 2014, the City entered into a 20-year power sales agreement for the Astoria 2 Solar Project for purchase of up to 8 megawatts of the project electric energy. The project began commercial operation in December 2016.

**Puente Hills Landfill Gas-to-Energy Project** – In June 2014, the City entered into a 13-year power sales agreement for the Puente Hills Landfill Gas-to-Energy Project for purchase of up to 7 megawatts of the electric generation from a landfill gas to energy facility. The project began commercial operation in January 2017.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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).

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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 17 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**a. Cash and Investments**

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

Cash and Investments Pooled with the City	\$ 275,333
Total	<u>\$ 275,333</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, 2021:

	Balance at June 30, 2021
Owners Participation Loans	<u>\$ 850,155</u>
Total Loans Receivable	<u>\$ 850,155</u>

During the Fiscal Year ending June 30, 2021, 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.

**c. Capital Assets**

An analysis of capital assets as of June 30, 2021, follows:

	Balance June 30, 2020	Transfers	Additions	Deletions	Balance June 30, 2021
Nondepreciable Assets:					
Construction in Progress	\$ 403,934	\$ (403,934)	\$ -	\$ -	\$ -
Total Nondepreciable Assets	403,934	(403,934)	-	-	-
Depreciable Assets:					
Land Improvements	5,200,493	-	-	-	5,200,493
Building and Structures	1,349,031	-	-	-	1,349,031
Machinery and Equipment	28,378	-	-	-	28,378
Infrastructure	3,307,989	403,934	-	-	3,711,923
Total Depreciable Assets	9,885,891	403,934	-	-	10,289,825
Less Accumulated Depreciation:					
Land Improvements	1,357,400	-	257,459	-	1,614,859
Building and Structures	298,662	-	-	-	298,662
Machinery and Equipment	28,378	-	22,206	-	50,584
Infrastructure	1,063,285	-	106,677	-	1,169,962
Total Accumulated Depreciation	2,747,725	-	386,342	-	3,134,067
Total Depreciable Assets, Net	7,138,166	403,934	(386,342)	-	7,155,758
Capital Assets	<u>\$ 7,542,100</u>	<u>\$ -</u>	<u>\$ (386,342)</u>	<u>\$ -</u>	<u>\$ 7,155,758</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 17 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**d. Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2021, follows:

	Balance June 30, 2020	Additions	Repayments	Balance June 30, 2021	Due Within One Year
Fiduciary Funds:					
2016 Tax Allocation Refunding Bonds	\$ 28,755,000	\$ -	\$ 1,240,000	\$ 27,515,000	\$ 1,265,000
SERAF Loan	412,175	-	151,054	261,121	-
Total Fiduciary Funds	<u>\$ 29,167,175</u>	<u>\$ -</u>	<u>\$ 1,391,054</u>	<u>\$ 27,776,121</u>	<u>\$ 1,265,000</u>

**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% to 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, 2021, and the remaining debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,390,000	793,057	2,183,057
2027 to 2031	7,630,000	3,255,543	10,885,543
2032 to 2036	9,105,000	1,737,309	10,842,309
2037 to 2038	4,160,000	165,270	4,325,270
Total	<u>\$ 27,515,000</u>	<u>\$ 9,468,264</u>	<u>\$ 36,983,264</u>

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 17 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**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, 2021, totaled \$261,121.

**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 \$36,983,264 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 \$2,411,372 and the debt service obligation on the bonds was \$2,189,712.

**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, 2021, 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.

**CITY OF BANNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 18 RESTATEMENT OF NET POSITION**

Net position of the Other Enterprise Funds – Transit Fund and Business-Type Activities at July 1, 2020 was reduced by \$351,569 for a fiscal year 2019-20 shortfall requiring additional allocation from the Riverside County Transportation Commission to meet revenue recognition criteria, therefore requiring reduction of Due from Other Govt and Operating Assistance.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BANNING**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS (MISCELLANEOUS RATE PLAN)**  
**LAST 10 FISCAL YEARS\***

	Measurement Period						
	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability:							
Service Cost	\$ 1,309,205	\$ 1,237,963	\$ 1,068,763	\$ 1,380,599	\$ 1,475,045	\$ 1,525,937	\$ 1,598,026
Interest	4,417,332	4,647,945	4,783,405	4,880,944	5,086,725	5,383,175	5,587,964
Difference in Expected and Actual Experiences	-	(48,685)	(1,098,175)	(1,096,153)	733,536	1,456,383	(29,569)
Changes of 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)	(4,140,982)
Net Change in Total Pension Liability	3,157,518	1,958,038	1,651,470	5,947,689	2,808,345	4,403,665	3,015,439
Total Pension Liability – Beginning	59,527,669	62,685,187	64,643,225	66,294,695	72,242,384	75,050,729	79,454,394
Total Pension Liability – Ending (a)	62,685,187	64,643,225	66,294,695	72,242,384	75,050,729	79,454,394	82,469,833
Plan Fiduciary Net Position:							
Contributions – Employer	1,511,733	1,479,527	1,579,886	2,059,833	2,011,248	2,350,584	2,667,289
Contribution – Employee	608,478	566,122	445,598	674,451	670,531	721,618	734,736
Net Investment Income	-	1,020,136	221,312	4,904,903	4,077,253	3,354,860	2,657,597
Benefit Payments, Including Refunds of Employee Contributions	6,586,288	(2,762,291)	(3,102,523)	(3,187,613)	(3,833,044)	(3,961,830)	(4,140,982)
Administrative Expense	(2,569,019)	(50,336)	(27,249)	(64,709)	(75,132)	(36,340)	(75,213)
Other Miscellaneous Income (Expense)	-	9,303	-	-	(142,796)	119	-
Net Change in Plan Fiduciary Net Position	6,137,480	262,461	(882,976)	4,386,865	2,708,060	2,429,011	1,843,427
Plan Fiduciary Net Position – Beginning	38,311,035	44,448,515	44,710,976	43,828,000	48,214,865	50,922,925	53,351,936
Plan Fiduciary Net Position – Ending (b)	44,448,515	44,710,976	43,828,000	48,214,865	50,922,925	53,351,936	55,195,363
Plan Net Pension Liability (Asset) (a) – (b)	\$ 18,236,672	\$ 19,932,249	\$ 22,466,695	\$ 24,027,519	\$ 24,127,804	\$ 26,102,458	\$ 27,274,470
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91 %	69.17 %	66.11 %	66.74 %	67.85 %	67.15 %	66.93 %
Covered Payroll	\$ 7,427,270	\$ 6,992,494	\$ 7,149,518	\$ 5,903,926	\$ 8,719,354	\$ 9,781,645	\$ 8,912,142
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	245.54 %	285.05 %	314.24 %	406.98 %	276.72 %	266.85 %	306.04 %

\* This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

Notes:

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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

See accompanying Note to Required Supplementary Information.

**CITY OF BANNING**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY (SAFETY RATE PLAN)**  
**LAST 10 FISCAL YEARS\***

	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	0.23259 %	0.01734 %	0.16650 %	0.16191 %	0.16713 %	0.26886 %	0.26745 %
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	\$ 17,818,398
Covered Payroll	\$ 2,399,596	\$ 2,184,008	\$ 2,205,720	\$ 1,581,595	\$ 2,439,376	\$ 2,608,731	\$ 3,538,340
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	441.74%	544.90%	653.19%	1015.25%	654.35%	643.37%	503.58%
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 %	- %

\* This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

Notes:

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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

*See accompanying Note to Required Supplementary Information.*

**CITY OF BANNING**  
**SCHEDULE OF PLAN CONTRIBUTIONS (MISCELLANEOUS RATE PLAN)**  
**YEAR ENDED JUNE 30, 2021**

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 1,349,103	\$ 1,483,525	\$ 1,829,173	\$ 1,862,651	\$ 2,153,041	\$ 2,491,669	\$ 2,810,447
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)	(2,810,447)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

Notes:

Valuation Date: June 30, 2019

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 <a href="http://www.calpers.ca.gov">www.calpers.ca.gov</a> 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% of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.
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See accompanying Note to Required Supplementary Information.

**CITY OF BANNING**  
**SCHEDULE OF PLAN CONTRIBUTIONS (SAFETY RATE PLAN)**  
**YEAR ENDED JUNE 30, 2021**

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 1,034,818	\$ 1,329,187	\$ 1,481,661	\$ 1,599,794	\$ 1,830,085	\$ 2,163,458	\$ 2,353,753
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)	(2,353,753)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

Notes:

Valuation Date: June 30, 2019

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 <a href="http://www.calpers.ca.gov">www.calpers.ca.gov</a> 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% of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.
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See accompanying Note to Required Supplementary Information.

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 11,783,872	\$ 11,783,872	\$ 11,783,872	\$ -
Resources (Inflows):				
Taxes:				
Sales and Use	3,373,038	3,023,038	3,854,823	831,785
Property	5,250,658	5,250,658	5,584,212	333,554
Franchise	895,534	895,534	922,932	27,398
Transient Occupancy	783,901	783,901	1,119,765	335,864
Other	641,925	641,925	753,873	111,948
Subtotal	10,945,056	10,595,056	12,235,605	1,640,549
Licenses and Permits:				
Building Permits	460,000	460,000	605,631	145,631
Other Permits	1,538,070	2,638,070	2,370,360	(267,710)
Subtotal	1,998,070	3,098,070	2,975,991	(122,079)
Intergovernmental:				
State Mother Vehicle In-Lieu Fees	15,016	15,016	22,828	7,812
Other Intergovernmental Revenues	96,132	96,132	2,341,577	2,245,445
Subtotal	111,148	111,148	2,364,405	2,253,257
Charges for Services:				
Engineering, Police, Fire, and Other Fees	863,760	318,009	254,152	(63,857)
Recreation Fees	125,170	106,070	53,330	(52,740)
Interfund Charges	2,420,774	2,420,774	2,420,554	(220)
Subtotal	3,409,704	2,844,853	2,728,036	(116,817)
Use of Money and Property:				
Interest and Rents	283,595	283,595	265,746	(17,849)
Subtotal	283,595	283,595	265,746	(17,849)
Fines and Forfeitures:				
Parking Fines	38,385	11,385	10,834	(551)
Court Fines and Other Fines	195,004	110,004	169,591	59,587
Subtotal	233,389	121,389	180,425	59,036
Contributions	5,400	5,400	5,850	450
Contributing from Successor Agency	250,000	250,000	250,000	-
Miscellaneous	4,894,255	4,814,255	1,103,474	(3,710,781)
Transfers In	799,077	799,077	1,090,159	291,082
Subtotal	5,948,732	5,868,732	2,449,483	(3,419,249)
Total Resources (Inflows)	22,929,694	22,922,843	23,199,691	276,848
Amounts Available for Appropriations	34,713,566	34,706,715	34,983,563	276,848

See accompanying Note to Required Supplementary Information.

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Changes to Appropriations (Outflow):				
General Government:				
City Council	\$ 113,225	\$ 111,475	\$ 100,698	\$ 10,777
City Manager	424,255	435,959	494,828	(58,869)
Personnel	246,007	245,709	262,220	(16,511)
City Clerk	196,556	195,164	172,052	23,112
City Attorney	509,067	509,067	374,450	134,617
Finance	1,348,123	1,376,645	1,379,645	(3,000)
Economic Development	192,262	241,714	234,105	7,609
Community Enhancement	381,665	381,665	392,622	(10,957)
Central Services	781,979	782,501	572,531	209,970
Building Maintenance	578,739	543,329	501,172	42,157
Subtotal	4,771,878	4,823,228	4,484,323	338,905
Public Safety:				
Police	8,108,319	8,561,896	9,038,192	(476,296)
Animal Control	360,048	351,596	268,136	83,460
Fire	3,543,862	3,530,000	2,960,126	569,874
Dispatch	910,469	910,318	1,015,760	(105,442)
Subtotal	12,922,698	13,353,810	13,282,214	71,596
Community Development:				
TV Government Access	115,745	284,973	327,623	(42,650)
Building Safety	786,818	1,020,593	977,158	43,435
Code Enforcement	403,886	405,568	403,963	1,605
Planning	778,335	1,035,443	1,144,722	(109,279)
Engineering	861,743	2,129,749	1,173,721	956,028
Community Enhancement	46,850	46,850	41,543	5,307
Subtotal	2,993,377	4,923,176	4,068,730	854,446
Culture and Leisure:				
Parks	640,311	730,536	686,674	43,862
Recreation	541,592	530,842	488,788	42,054
Aquatics	159,639	169,193	115,179	54,014
Senior Center	102,505	104,116	81,888	22,228
Subtotal	1,444,047	1,534,687	1,372,529	162,158
Debt Service:				
Principal Retirement	212,869	212,869	212,276	593
Interest and Fiscal Charges	3,991	3,991	3,936	55
Transfers Out	340,175	1,525,551	1,599,606	(74,055)
Subtotal	557,035	1,742,411	1,815,818	(73,407)
Total Charges to Appropriations	22,689,035	26,377,312	25,023,614	1,353,698
Budgetary Fund Balance - End of Year	\$ -	\$ 8,329,403	\$ 9,959,949	\$ 1,630,546

See accompanying Note to Required Supplementary Information.

**CITY OF BANNING**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**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 U.S. GAAP.

**Excess Expenditures Over Appropriations**

<u>General Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Government:			
City Manager	\$ 494,828	\$ 435,959	\$ 58,869
Personnel	262,220	245,709	16,511
Finance	1,379,645	1,376,645	3,000
Community Enhancement	392,622	381,665	10,957
Public Safety:			
Police	9,038,192	8,561,896	476,296
Dispatch	1,015,760	910,318	105,442
Community Development:			
TV Government Access	327,623	284,973	42,650
Planning	1,144,722	1,035,443	109,279
Transfers	1,599,606	1,525,551	74,055



**CITY OF BANNING, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds		
	Gas Tax Street	Measure A	Community Development Block Grant
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 114,225	\$ 1,233,125	\$ 120,521
Receivables:			
Accounts, Net	1,434	-	-
Loans	113	-	-
Interest	6	587	-
Due from Other Governments	199	223,820	19,739
Restricted Assets:			
Cash and Investments With Fiscal Agents	-	-	-
 Total Assets	<u>\$ 115,977</u>	<u>\$ 1,457,532</u>	<u>\$ 140,260</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 26,626	\$ 39,725	\$ -
Accrued Liabilities	28,038	-	-
Unearned Revenues	-	-	-
Deposits Payable	95,961	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>150,625</u>	<u>39,725</u>	<u>-</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	-	19,739
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>19,739</u>
 <b>FUND BALANCES</b>			
Restricted:			
Community Development Projects	-	-	120,521
Public Safety	-	-	-
Culture and Leisure	-	-	-
Transportation	-	1,417,807	-
Capital Projects	-	-	-
Assigned:			
Capital Projects	-	-	-
Unassigned	(34,648)	-	-
Total Fund Balances	<u>(34,648)</u>	<u>1,417,807</u>	<u>120,521</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 115,977</u>	<u>\$ 1,457,532</u>	<u>\$ 140,260</u>

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Funds			
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 222,322	\$ 242,224	\$ 7,240	\$ 155,677
Receivables:				
Accounts, Net	28	-	-	-
Loans	-	-	-	-
Interest	87	93	42	60
Due from Other Governments	-	10,334	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 222,437</u>	<u>\$ 252,651</u>	<u>\$ 7,282</u>	<u>\$ 155,737</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 23,648	\$ -	\$ -	\$ 12,765
Accrued Liabilities	1,608	-	-	-
Unearned Revenues	-	-	-	129,799
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>25,256</u>	<u>-</u>	<u>-</u>	<u>142,564</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted:				
Community Development Projects	-	252,651	-	-
Public Safety	-	-	7,282	13,173
Culture and Leisure	-	-	-	-
Transportation	197,181	-	-	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>197,181</u>	<u>252,651</u>	<u>7,282</u>	<u>13,173</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 222,437</u>	<u>\$ 252,651</u>	<u>\$ 7,282</u>	<u>\$ 155,737</u>

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Funds	
	Special Donations	Senior Center Activities
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 50,087	\$ 49,777
Receivables:		
Accounts, Net	-	-
Loans	-	-
Interest	-	20
Due from Other Governments	-	-
Restricted Assets:		
Cash and Investments With Fiscal Agents	-	-
Total Assets	<u>\$ 50,087</u>	<u>\$ 49,797</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 18
Accrued Liabilities	-	-
Unearned Revenues	-	-
Deposits Payable	7,525	-
Due to Other Funds	-	-
Total Liabilities	<u>7,525</u>	<u>18</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenues	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>		
Restricted:		
Community Development Projects	42,562	-
Public Safety		
Culture and Leisure	-	49,779
Transportation	-	-
Capital Projects	-	-
Assigned:		
Capital Projects	-	-
Unassigned	-	-
Total Fund Balances	<u>42,562</u>	<u>49,779</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 50,087</u>	<u>\$ 49,797</u>

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Funds		
	Police Volunteer	Wilson Median Improvement	Banning Housing Authority
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 3,269	\$ 400,093	\$ 2,241,177
Receivables:			
Accounts, Net	-	-	-
Loans	-	-	759,937
Interest	1	160	898
Due from Other Governments	-	-	-
Restricted Assets:			
Cash and Investments With Fiscal Agents	-	-	-
 Total Assets	 \$ 3,270	 \$ 400,253	 \$ 3,002,012
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 10,000
Accrued Liabilities	-	-	-
Unearned Revenues	-	-	-
Deposits Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	10,000
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	-	759,937
Total Deferred Inflows of Resources	-	-	759,937
 <b>FUND BALANCES</b>			
Restricted:			
Community Development Projects	-	-	2,232,075
Public Safety	3,270	-	-
Culture and Leisure	-	-	-
Transportation	-	400,253	-
Capital Projects	-	-	-
Assigned:			
Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances	3,270	400,253	2,232,075
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 3,270	 \$ 400,253	 \$ 3,002,012

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Funds		Capital Projects Funds		
	SB1	American Rescue Plan Act	Police Facilities Development	Fire Facilities Development	Traffic Control Facilities
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 752,371	\$ -	\$ 220,845	\$ 1,295,683	\$ 2,152,165
Receivables:					
Accounts, Net	-	291,082	-	-	-
Loans	-	-	-	-	-
Interest	-	-	62	482	582
Due from Other Governments	105,148	-	-	-	-
Restricted Assets:					
Cash and Investments With Fiscal Agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 857,519</b>	<b>\$ 291,082</b>	<b>\$ 220,907</b>	<b>\$ 1,296,165</b>	<b>\$ 2,152,747</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 18,107	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Funds	-	291,082	-	-	-
<b>Total Liabilities</b>	<b>18,107</b>	<b>291,082</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Transportation	839,412	-	-	-	-
Capital Projects	-	-	-	-	-
Assigned:					
Capital Projects	-	-	220,907	1,296,165	2,152,747
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>839,412</b>	<b>-</b>	<b>220,907</b>	<b>1,296,165</b>	<b>2,152,747</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 857,519</b>	<b>\$ 291,082</b>	<b>\$ 220,907</b>	<b>\$ 1,296,165</b>	<b>\$ 2,152,747</b>

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Capital Projects Funds			
	General Facilities	Park Development	Capital Improvement	Sunset Grade Separation
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 525,502	\$ 170,935	\$ -	\$ -
Receivables:				
Accounts, Net	-	-	-	-
Loans	-	-	-	-
Interest	173	68	-	-
Due from Other Governments	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	681,561	-
<b>Total Assets</b>	<b>\$ 525,675</b>	<b>\$ 171,003</b>	<b>\$ 681,561</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	47,639	251,998
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>47,639</b>	<b>251,998</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Culture and Leisure	-	-	-	-
Transportation	-	-	-	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	525,675	171,003	633,922	-
Unassigned	-	-	-	(251,998)
<b>Total Fund Balances</b>	<b>525,675</b>	<b>171,003</b>	<b>633,922</b>	<b>(251,998)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 525,675</b>	<b>\$ 171,003</b>	<b>\$ 681,561</b>	<b>\$ -</b>

**CITY OF BANNING**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Capital Projects Funds		Total
	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	Governmental Funds
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 545,943	\$ -	\$ 10,503,181
Receivables:			
Accounts, Net	-	176	292,720
Loans	-	-	760,050
Interest	-	-	3,321
Due from Other Governments	-	-	359,240
Restricted Assets:			
Cash and Investments With Fiscal Agents	-	7,686,253	8,367,814
<b>Total Assets</b>	<b>\$ 545,943</b>	<b>\$ 7,686,429</b>	<b>\$ 20,286,326</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 78,768	\$ 209,657
Accrued Liabilities	-	-	29,646
Unearned Revenues	-	-	129,799
Deposits Payable	-	-	103,486
Due to Other Funds	-	2,245,681	2,836,400
<b>Total Liabilities</b>	<b>-</b>	<b>2,324,449</b>	<b>3,308,988</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	-	779,676
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>779,676</b>
<b>FUND BALANCES</b>			
Restricted:			
Community Development Projects	-	-	2,647,809
Public Safety	-	-	23,725
Culture and Leisure	-	-	49,779
Transportation	-	-	2,854,653
Capital Projects	545,943	5,361,980	5,907,923
Assigned:			
Capital Projects	-	-	5,000,419
Unassigned	-	-	(286,646)
<b>Total Fund Balances</b>	<b>545,943</b>	<b>5,361,980</b>	<b>16,197,662</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 545,943</b>	<b>\$ 7,686,429</b>	<b>\$ 20,286,326</b>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds		
	Gas Tax Street	Measure A	Community Development Block Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ 775,860	\$ -
Intergovernmental	708,820	-	272,596
Use of Money and Property	-	91	-
Contributions	-	-	-
Miscellaneous	22,081	144,716	-
Total Revenues	<u>730,901</u>	<u>920,667</u>	<u>272,596</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Community Development	-	-	40,439
Culture and Leisure	-	-	-
Transportation	1,649,959	15,716	-
Capital Outlay	-	994,407	70,390
Total Expenditures	<u>1,649,959</u>	<u>1,010,123</u>	<u>110,829</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(919,058)</u>	<u>(89,456)</u>	<u>161,767</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,374,441	-	-
Transfers Out	-	(125,000)	-
Total Other Financing Sources (Uses)	<u>1,374,441</u>	<u>(125,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	455,383	(214,456)	161,767
Fund Balances - Beginning of Year	<u>(490,031)</u>	<u>1,632,263</u>	<u>(41,246)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ (34,648)</u></u>	<u><u>\$ 1,417,807</u></u>	<u><u>\$ 120,521</u></u>



**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement
<b>REVENUES</b>				
Taxes	\$ 138,055	\$ -	\$ -	\$ -
Intergovernmental	-	40,642	-	280,753
Use of Money and Property	(174)	109	(263)	(167)
Contributions	-	-	-	-
Miscellaneous	-	16,691	5,471	107
Total Revenues	<u>137,881</u>	<u>57,442</u>	<u>5,208</u>	<u>280,693</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	-	280,753
Community Development	-	3,000	-	-
Culture and Leisure	-	-	-	-
Transportation	212,137	198	-	-
Capital Outlay	-	-	124,644	-
Total Expenditures	<u>212,137</u>	<u>3,198</u>	<u>124,644</u>	<u>280,753</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(74,256)</u>	<u>54,244</u>	<u>(119,436)</u>	<u>(60)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(148,077)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(148,077)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(74,256)</u>	<u>54,244</u>	<u>(267,513)</u>	<u>(60)</u>
Fund Balances - Beginning of Year	<u>271,437</u>	<u>198,407</u>	<u>274,795</u>	<u>13,233</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 197,181</u>	<u>\$ 252,651</u>	<u>\$ 7,282</u>	<u>\$ 13,173</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds	
	Special Donations	Senior Center Activities
<b>REVENUES</b>		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Use of Money and Property	-	22
Contributions	5,400	1,100
Miscellaneous	1,492	5,840
Total Revenues	<u>6,892</u>	<u>6,962</u>
<b>EXPENDITURES</b>		
Current:		
Public Safety	-	-
Community Development	-	4,666
Culture and Leisure	-	-
Transportation	-	-
Capital Outlay	-	-
Total Expenditures	<u>-</u>	<u>4,666</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>6,892</u>	<u>2,296</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,892	2,296
Fund Balances - Beginning of Year	<u>35,670</u>	<u>47,483</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 42,562</u>	<u>\$ 49,779</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			
	Police Volunteer	Ramsey/ Highland Home Signal	Wilson Median Improvement	Banning Housing Authority
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of Money and Property	2	-	145	1,929
Contributions	-	-	-	-
Miscellaneous	-	-	-	20,395
Total Revenues	<u>2</u>	<u>-</u>	<u>145</u>	<u>22,324</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	715	-	-	-
Community Development	-	-	-	290,456
Culture and Leisure	-	-	-	-
Transportation	-	-	110	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>715</u>	<u>-</u>	<u>110</u>	<u>290,456</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(713)</u>	<u>-</u>	<u>35</u>	<u>(268,132)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,500	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>787</u>	<u>-</u>	<u>35</u>	<u>(268,132)</u>
Fund Balances - Beginning of Year	<u>2,483</u>	<u>-</u>	<u>400,218</u>	<u>2,500,207</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,270</u>	<u>\$ -</u>	<u>\$ 400,253</u>	<u>\$ 2,232,075</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds		Capital Projects Funds		
	SB1	American Rescue Plan Act	Police Facilities Development	Fire Facilities Development	Traffic Control Facilities
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	577,013	291,082	-	-	-
Use of Money and Property	-	-	18	380	(754)
Contributions	-	-	-	-	-
Miscellaneous	-	-	194,055	262,035	1,967,217
Total Revenues	<u>577,013</u>	<u>291,082</u>	<u>194,073</u>	<u>262,415</u>	<u>1,966,463</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	122	123	-
Community Development	4,298	-	-	-	-
Culture and Leisure	-	-	-	-	-
Transportation	-	-	-	-	1,508
Capital Outlay	<u>376,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,026</u>
Total Expenditures	<u>380,750</u>	<u>-</u>	<u>122</u>	<u>123</u>	<u>248,534</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>196,263</u>	<u>291,082</u>	<u>193,951</u>	<u>262,292</u>	<u>1,717,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	<u>(125,000)</u>	<u>(291,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(291,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	71,263	-	193,951	262,292	1,717,929
Fund Balances - Beginning of Year	<u>768,149</u>	<u>-</u>	<u>26,956</u>	<u>1,033,873</u>	<u>434,818</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 839,412</u>	<u>\$ -</u>	<u>\$ 220,907</u>	<u>\$ 1,296,165</u>	<u>\$ 2,152,747</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Capital Projects Funds			
	General Facilities	Park Development	Capital Improvement	Sunset Grade Separation
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of Money and Property	95	93	37	-
Contributions	-	-	-	-
Miscellaneous	263,490	26,753	-	360,791
Total Revenues	263,585	26,846	37	360,791
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	-	-
Community Development	4,244	-	-	-
Culture and Leisure	-	1,551	-	-
Transportation	-	-	82	45
Capital Outlay	-	729	-	-
Total Expenditures	4,244	2,280	82	45
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	259,341	24,566	(45)	360,746
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	259,341	24,566	(45)	360,746
Fund Balances - Beginning of Year	266,334	146,437	633,967	(612,744)
<b>FUND BALANCES - END OF YEAR</b>	\$ 525,675	\$ 171,003	\$ 633,922	\$ (251,998)

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Capital Projects Funds		Total
	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 913,915
Intergovernmental	-	-	2,170,906
Use of Money and Property	-	512	2,075
Contributions	-	-	6,500
Miscellaneous	-	-	3,291,134
Total Revenues	-	512	6,384,530
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	281,713
Community Development	128	33,286	380,517
Culture and Leisure	-	-	1,551
Transportation	-	-	1,879,755
Capital Outlay	-	1,540,331	3,353,979
Total Expenditures	128	1,573,617	5,897,515
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(128)	(1,573,105)	487,015
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	1,375,941
Transfers Out	-	-	(689,159)
Total Other Financing Sources (Uses)	-	-	686,782
<b>NET CHANGE IN FUND BALANCES</b>	(128)	(1,573,105)	1,173,797
Fund Balances - Beginning of Year	546,071	6,935,085	15,023,865
<b>FUND BALANCES - END OF YEAR</b>	\$ 545,943	\$ 5,361,980	\$ 16,197,662

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**GAS TAX STREET**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	<u>\$ (490,031)</u>	<u>\$ (490,031)</u>	<u>\$ (490,031)</u>	<u>\$ -</u>
Resources (Inflows):				
Intergovernmental	782,635	782,635	708,820	73,815
Use of Money and Property	-	-	-	-
Miscellaneous	13,144	13,144	22,081	8,937
Transfers In	528,674	1,308,604	1,374,441	65,837
Amounts Available for Appropriations	<u>834,422</u>	<u>1,614,352</u>	<u>1,615,311</u>	<u>959</u>
Charges to Appropriations (Outflows):				
Transportation	1,675,663	1,701,715	1,649,959	51,756
Capital Outlay	-	-	-	-
Total Charges to Appropriations	<u>1,675,663</u>	<u>1,701,715</u>	<u>1,649,959</u>	<u>51,756</u>
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u><u>\$ (841,241)</u></u>	<u><u>\$ (87,363)</u></u>	<u><u>\$ (34,648)</u></u>	<u><u>\$ 52,715</u></u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**MEASURE A**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 1,632,263	\$ 1,632,263	\$ 1,632,263	\$ -
Resources (Inflows):				
Taxes	511,754	511,754	775,860	264,106
Use of Money and Property	4,246	4,246	91	(4,155)
Miscellaneous	24,716	24,716	144,716	120,000
Amounts Available for Appropriations	2,172,979	2,172,979	2,552,930	379,951
Charges to Appropriations (Outflows):				
Transportation	15,716	15,716	15,716	-
Capital Outlay	400,000	2,852,691	994,407	1,858,284
Capital Outlay	125,000	125,000	125,000	-
Total Charges to Appropriations	540,716	2,993,407	1,135,123	1,858,284
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 1,632,263</u>	<u>\$ (820,428)</u>	<u>\$ 1,417,807</u>	<u>\$ 2,238,235</u>



**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ (41,246)	\$ (41,246)	\$ (41,246)	\$ -
Resources (Inflows):				
Intergovernmental	195,031	544,113	272,596	(271,517)
Amounts Available for Appropriations	153,785	502,867	231,350	(271,517)
Charges to Appropriations (Outflows):				
Community Development	154,429	170,765	40,439	130,326
Capital Outlay	-	-	70,390	(70,390)
Total Charges to Appropriations	154,429	170,765	110,829	59,936
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ (644)</u>	<u>\$ 332,102</u>	<u>\$ 120,521</u>	<u>\$ (211,581)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**LANDSCAPE MAINTENANCE DISTRICT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 271,437	\$ 271,437	\$ 271,437	\$ -
Resources (Inflows):				
Taxes	137,750	137,750	138,055	305
Use of Money and Property	714	714	(174)	(888)
Miscellaneous	69,974	69,974	-	(69,974)
Amounts Available for Appropriations	479,875	479,875	409,318	(70,557)
Charges to Appropriations (Outflows):				
Transportation	208,437	213,592	212,137	1,455
Total Charges to Appropriations	208,437	213,592	212,137	1,455
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 271,438</u>	<u>\$ 266,283</u>	<u>\$ 197,181</u>	<u>\$ (69,102)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**AQMD AIR POLLUTION PROGRAM**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 198,407	\$ 198,407	\$ 198,407	\$ -
Resources (Inflows):				
Intergovernmental	41,386	41,386	40,642	(744)
Use of Money and Property	293	293	109	(184)
Miscellaneous	-	-	16,691	16,691
Amounts Available for Appropriations	240,086	240,086	255,849	15,763
Charges to Appropriations (Outflows):				
Community Development	3,000	3,000	3,000	-
Transportation	198	198	198	-
Total Charges to Appropriations	3,198	3,198	3,198	-
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 236,888</u>	<u>\$ 236,888</u>	<u>\$ 252,651</u>	<u>\$ 15,763</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**ASSET FORFEITURE**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 274,795	\$ 274,795	\$ 274,795	\$ -
Resources (Inflows):				
Use of Money and Property	-	-	(263)	(263)
Miscellaneous	148,077	148,077	5,471	(142,606)
Amounts Available for Appropriations	422,872	422,872	280,003	(142,869)
Charges to Appropriations (Outflows):				
Capital Outlay	-	-	124,644	(124,644)
Transfers Out	148,077	148,077	148,077	-
Total Charges to Appropriations	148,077	148,077	272,721	(124,644)
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 274,795</u>	<u>\$ 274,795</u>	<u>\$ 7,282</u>	<u>\$ (267,513)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**SUPPLEMENTAL LAW ENFORCEMENT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 6	\$ 13,233	\$ 13,233	\$ -
Resources (Inflows):				
Intergovernmental	100,615	103,619	280,753	177,134
Use of Money and Property	706	706	(167)	(873)
Miscellaneous	-	-	107	107
Amounts Available for Appropriations	101,327	117,558	293,926	176,368
Charges to Appropriations (Outflows):				
Public Safety	101,321	242,313	280,753	(38,440)
Capital Outlay	-	-	-	-
Total Charges to Appropriations	101,321	242,313	280,753	(38,440)
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 6</u>	<u>\$ (124,755)</u>	<u>\$ 13,173</u>	<u>\$ 137,928</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL DONATIONS**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 35,670	\$ 35,670	\$ 35,670	\$ -
Resources (Inflows):				
Contributions	7,633	7,633	5,400	(2,233)
Miscellaneous	2,350	2,350	1,492	(858)
Transfers In	-	-	-	-
Amounts Available for Appropriations	45,653	45,653	42,562	(3,091)
Charges to Appropriations (Outflows):				
Community Development	9,983	10,993	-	10,993
Total Charges to Appropriations	9,983	10,993	-	10,993
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 35,670</u>	<u>\$ 34,660</u>	<u>\$ 42,562</u>	<u>\$ 7,902</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**SENIOR CENTER ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 47,483	\$ 47,483	\$ 47,483	\$ -
Resources (Inflows):				
Use of Money and Property	150	150	22	(128)
Contributions	2,250	2,250	1,100	(1,150)
Miscellaneous	6,604	6,604	5,840	(764)
Amounts Available for Appropriations	56,487	56,487	54,445	(2,042)
Charges to Appropriations (Outflows):				
Community Development	9,004	9,004	4,666	4,338
Total Charges to Appropriations	9,004	9,004	4,666	4,338
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 47,483</u>	<u>\$ 47,483</u>	<u>\$ 49,779</u>	<u>\$ 2,296</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**POLICE VOLUNTEER**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 2,483	\$ 2,483	\$ 2,483	\$ -
Resources (Inflows):				
Use of Money and Property	2	2	2	-
Transfers In	1,500	1,500	1,500	-
Amounts Available for Appropriations	3,985	3,985	3,985	-
Charges to Appropriations (Outflows):				
Public Safety	1,502	1,502	715	787
Total Charges to Appropriations	1,502	1,502	715	787
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 2,483</u>	<u>\$ 2,483</u>	<u>\$ 3,270</u>	<u>\$ 787</u>



**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**WILSON MEDIAN IMPROVEMENT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 400,218	\$ 400,218	\$ 400,218	\$ -
Resources (Inflows):				
Use of Money and Property	774	774	145	(629)
Amounts Available for Appropriations	400,992	400,992	400,363	(629)
Charges to Appropriations (Outflows):				
Transportation	110	110	110	-
Total Charges to Appropriations	110	110	110	-
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 400,882</u>	<u>\$ 400,882</u>	<u>\$ 400,253</u>	<u>\$ (629)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**BANNING HOUSING AUTHORITY**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 2,500,207	\$ 2,500,207	\$ 2,500,207	\$ -
Resources (Inflows):				
Use of Money and Property	3,241	3,241	1,929	(1,312)
Miscellaneous	16,024	16,024	20,395	4,371
Amounts Available for Appropriations	2,519,472	2,519,472	2,522,531	3,059
Charges to Appropriations (Outflows):				
Community Development	19,265	19,729	290,456	(270,727)
Total Charges to Appropriations	19,265	19,729	290,456	(270,727)
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 2,500,207</u>	<u>\$ 2,499,743</u>	<u>\$ 2,232,075</u>	<u>\$ (267,668)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**SB1**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 768,149	\$ 768,149	\$ 768,149	\$ -
Resources (Inflows):				
Intergovernmental	586,323	586,323	577,013	(9,310)
Miscellaneous	127,975	127,975	-	(127,975)
Amounts Available for Appropriations	1,482,447	1,482,447	1,345,162	(137,285)
Charges to Appropriations (Outflows):				
Community Development	4,298	4,298	4,298	-
Capital Outlay	585,000	585,000	376,452	208,548
Transfers out	125,000	125,000	125,000	-
Total Charges to Appropriations	714,298	714,298	505,750	208,548
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 768,149</u>	<u>\$ 768,149</u>	<u>\$ 839,412</u>	<u>\$ 71,263</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**POLICE FACILITIES DEVELOPMENT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 26,956	\$ 26,956	\$ 26,956	\$ -
Resources (Inflows):				
Use of Money and Property	47	47	18	(29)
Miscellaneous	2,469	2,469	194,055	191,586
Amounts Available for Appropriations	29,472	29,472	221,029	191,557
Charges to Appropriations (Outflows):				
Public Safety	122	122	122	-
Total Charges to Appropriations	122	122	122	-
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 29,350</u>	<u>\$ 29,350</u>	<u>\$ 220,907</u>	<u>\$ 191,557</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE FACILITIES DEVELOPMENT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	<u>\$ 1,033,873</u>	<u>\$ 1,033,873</u>	<u>\$ 1,033,873</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	1,994	1,994	380	(1,614)
Miscellaneous	<u>4,005</u>	<u>4,005</u>	<u>262,035</u>	<u>258,030</u>
Amounts Available for Appropriations	<u>1,039,872</u>	<u>1,039,872</u>	<u>1,296,288</u>	<u>256,416</u>
Charges to Appropriations (Outflows):				
Public Safety	<u>123</u>	<u>123</u>	<u>123</u>	<u>-</u>
Total Charges to Appropriations	<u>123</u>	<u>123</u>	<u>123</u>	<u>-</u>
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u><u>\$ 1,039,749</u></u>	<u><u>\$ 1,039,749</u></u>	<u><u>\$ 1,296,165</u></u>	<u><u>\$ 256,416</u></u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**TRAFFIC CONTROL FACILITIES**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 434,818	\$ 434,818	\$ 434,818	\$ -
Resources (Inflows):				
Use of Money and Property	1,098	1,098	(754)	(1,852)
Miscellaneous	100,000	100,000	1,967,217	1,867,217
Amounts Available for Appropriations	535,916	535,916	2,401,281	1,865,365
Charges to Appropriations (Outflows):				
Transportation	1,508	1,508	1,508	-
Capital Outlay	-	-	247,026	247,026
Total Charges to Appropriations	1,508	1,508	248,534	247,026
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 534,408</u>	<u>\$ 534,408</u>	<u>\$ 2,152,747</u>	<u>\$ 2,112,391</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FACILITIES**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 266,334	\$ 266,334	\$ 266,334	\$ -
Resources (Inflows):				
Use of Money and Property	529	529	95	(434)
Miscellaneous	3,715	3,715	263,490	259,775
Amounts Available for Appropriations	270,578	270,578	529,919	259,341
Charges to Appropriations (Outflows):				
Community Development	4,244	4,244	4,244	-
Total Charges to Appropriations	4,244	4,244	4,244	-
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 266,334</u>	<u>\$ 266,334</u>	<u>\$ 525,675</u>	<u>\$ 259,341</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**PARK DEVELOPMENT**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 146,437	\$ 146,437	\$ 146,437	\$ -
Resources (Inflows):				
Intergovernmental	8,992	8,992	-	(8,992)
Use of Money and Property	270	270	93	(177)
Miscellaneous	17,289	17,289	26,753	9,464
Amounts Available for Appropriations	172,988	172,988	173,283	295
Charges to Appropriations (Outflows):				
Culture and Leisure	26,551	26,551	1,551	25,000
Capital Outlay	-	-	729	729
Total Charges to Appropriations	26,551	26,551	2,280	25,729
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 146,437</u>	<u>\$ 146,437</u>	<u>\$ 171,003</u>	<u>\$ 26,024</u>



**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**SUNSET GRADE SEPARATION**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	<u>\$ (612,744)</u>	<u>\$ (612,744)</u>	<u>\$ (612,744)</u>	<u>\$ -</u>
Resources (Inflows):				
Miscellaneous	<u>360,791</u>	<u>360,791</u>	<u>360,791</u>	<u>-</u>
Amounts Available for Appropriations	<u>(251,953)</u>	<u>(251,953)</u>	<u>(251,953)</u>	<u>-</u>
Charges to Appropriations (Outflows):				
Transportation	<u>45</u>	<u>45</u>	<u>45</u>	<u>-</u>
Total Charges to Appropriations	<u>45</u>	<u>45</u>	<u>45</u>	<u>-</u>
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u><u>\$ (251,998)</u></u>	<u><u>\$ (251,998)</u></u>	<u><u>\$ (251,998)</u></u>	<u><u>\$ -</u></u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**BEA LOW/MOD CAPITAL PROJECT FUND**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 546,071	\$ 546,071	\$ 546,071	\$ -
Resources (Inflows):				
Miscellaneous	128	128	-	(128)
Amounts Availalbe for Appropriations	546,199	546,199	546,071	(128)
Charges to Appropriations (Outflows):				
Community Development	128	128	128	-
Total Charges to Appropriations	128	128	128	-
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 546,071</u>	<u>\$ 546,071</u>	<u>\$ 545,943</u>	<u>\$ (128)</u>

**CITY OF BANNING**  
**BUDGETARY COMPARISON SCHEDULE**  
**BEA CAPITAL PROJECT FUND**  
**YEAR ENDED JUNE 30, 2021**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - BEGINNING OF YEAR</b>	\$ 6,935,085	\$ 6,935,085	\$ 6,935,085	\$ -
Resources (Inflows):				
Use of Money and Property	7,500	7,500	512	(6,988)
Miscellaneous	3,962,032	3,962,032	-	(3,962,032)
Amounts Available for Appropriations	10,904,617	10,904,617	6,935,597	(3,969,020)
Charges to Appropriations (Outflows):				
Community Development	33,286	33,286	33,286	-
Capital Outlay	3,936,247	4,657,510	1,540,331	3,117,179
Total Charges to Appropriations	3,969,533	4,690,796	1,573,617	3,117,179
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>	<u>\$ 6,935,084</u>	<u>\$ 6,213,821</u>	<u>\$ 5,361,980</u>	<u>\$ (851,841)</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>ASSETS</b>				
Current:				
Cash and Investments	\$ 281,506	\$ -	\$ 5,936,440	\$ 6,217,946
Receivables:				
Accounts	12,751	41	724,807	737,599
Notes and Loans	-	3,066	-	3,066
Interest	-	-	1,120	1,120
Due from Other Governments	40,660	1,015,069	-	1,055,729
Inventories	30,957	-	-	30,957
Total Current Assets	<u>365,874</u>	<u>1,018,176</u>	<u>6,662,367</u>	<u>8,046,417</u>
Noncurrent:				
Capital Assets, not Depreciated	566,219	-	-	566,219
Capital Assets, Net	1,562,931	311,108	12,732	1,886,771
Total Noncurrent Assets	<u>2,129,150</u>	<u>311,108</u>	<u>12,732</u>	<u>2,452,990</u>
Total Assets	<u>2,495,024</u>	<u>1,329,284</u>	<u>6,675,099</u>	<u>10,499,407</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Items	17,796	257,831	48,297	323,924
Total Deferred Outflows of Resources	<u>17,796</u>	<u>257,831</u>	<u>48,297</u>	<u>323,924</u>
<b>LIABILITIES</b>				
Current:				
Accounts Payable	38,843	6,301	302,281	347,425
Accrued Liabilities	3,363	52,063	11,158	66,584
Unearned Revenues	7,072	139,367	4,800,000	4,946,439
Deposits Payable	22,277	-	78,140	100,417
Due to Other Funds	-	234,937	-	234,937
Compensated Absences	-	-	-	-
Total Current Liabilities	<u>71,555</u>	<u>432,668</u>	<u>5,191,579</u>	<u>5,695,802</u>
Noncurrent:				
Compensated Absences	8,915	70,123	27,533	106,571
Net Pension Liability	133,645	1,936,487	362,751	2,432,883
Total Noncurrent Liabilities	<u>142,560</u>	<u>2,006,610</u>	<u>390,284</u>	<u>2,539,454</u>
Total Liabilities	<u>214,115</u>	<u>2,439,278</u>	<u>5,581,863</u>	<u>8,235,256</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Items	96	1,350	252	1,698
Total Deferred Inflows of Resources	<u>96</u>	<u>1,350</u>	<u>252</u>	<u>1,698</u>
<b>NET POSITION</b>				
Investment in Capital Assets	2,129,150	311,108	12,732	2,452,990
Unrestricted	169,459	(1,164,621)	1,128,549	133,387
Total Net Position	<u>\$ 2,298,609</u>	<u>\$ (853,513)</u>	<u>\$ 1,141,281</u>	<u>\$ 2,586,377</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>OPERATING REVENUES</b>				
Sales and Service Charges	\$ 226,417	\$ 2,096	\$ 4,760,586	\$ 4,989,099
Miscellaneous	61	20,909	7,974	28,944
Total Operating Revenues	<u>226,478</u>	<u>23,005</u>	<u>4,768,560</u>	<u>5,018,043</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	76,011	1,315,044	237,254	1,628,309
Supplies and Services	171,192	740,047	4,549,209	5,460,448
Repairs and Maintenance	9,650	5,169	-	14,819
Bad Debt Expense	-	-	66,704	66,704
Depreciation Expense	169,851	257,325	3,251	430,427
Total Operating Expenses	<u>426,704</u>	<u>2,317,585</u>	<u>4,856,418</u>	<u>7,600,707</u>
<b>OPERATING INCOME (LOSS)</b>	(200,226)	(2,294,580)	(87,858)	(2,582,664)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	98,002	2,496,617	71,779	2,666,398
Interest Revenue and Change in Fair Value of Investments	33	(159)	191	65
Gain (Loss) on Disposal of Capital Assets	-	8,260	-	8,260
Total Nonoperating Revenues (Expenses)	<u>98,035</u>	<u>2,504,718</u>	<u>71,970</u>	<u>2,674,723</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(102,191)	210,138	(15,888)	92,059
Transfers In	<u>314</u>	<u>465,446</u>	<u>315</u>	<u>466,075</u>
<b>CHANGES IN NET POSITION</b>	(101,877)	675,584	(15,573)	558,134
Net Position - Beginning of Year	2,400,486	(1,177,528)	1,156,854	2,379,812
Prior Period Adjustment	<u></u>	<u>(351,569)</u>	<u></u>	<u>(351,569)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,298,609</u>	<u>\$ (853,513)</u>	<u>\$ 1,141,281</u>	<u>\$ 2,586,377</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers and Users	\$ 198,523	\$ 61,447	\$ 9,453,712	\$ 9,713,682
Cash Paid to Suppliers for Goods and Services	(143,277)	(744,114)	(4,543,513)	(5,430,904)
Cash Paid to Employees for Services	(67,452)	(1,240,541)	(222,685)	(1,530,678)
Net Cash Provided (Used) by Operating Activities	(12,206)	(1,923,208)	4,687,514	2,752,100
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Transfers In	314	465,446	315	466,075
Cash Transfers Out	-	(480,037)	-	(480,037)
Intergovernmental	98,002	1,996,024	80,205	2,174,231
Net Cash Provided (Used) by Noncapital Financing Activities	98,316	1,981,433	80,520	2,160,269
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(59,818)	(66,326)	-	(126,144)
Proceeds from Sales of Capital Assets	-	8,260	-	8,260
Net Cash Provided (Used) by Capital and Related Financing Activities	(59,818)	(58,066)	-	(117,884)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received and Change in Fair Value of Investments	33	(159)	1,709	1,583
Net Cash Provided (Used) by Investing Activities	33	(159)	1,709	1,583
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	26,325	-	4,769,743	4,796,068
Cash and Cash Equivalents - Beginning of Year	255,181	-	1,166,697	1,421,878
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 281,506</u>	<u>\$ -</u>	<u>\$ 5,936,440</u>	<u>\$ 6,217,946</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (200,226)	\$ (2,294,580)	\$ (87,858)	\$ (2,582,664)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Operating Assets and Liabilities:				
Depreciation (Expense)	169,851	257,325	3,251	430,427
Bad Debt Expense	-	-	66,704	66,704
(Increase) Decrease in Assets:				
Accounts Receivable	5,754	(4)	(104,127)	(98,377)
Due from Other Governments	(40,660)	-	-	(40,660)
Inventories	317	-	-	317
Deferred Pension Related Items	118	117,713	321	118,152
Increase (Decrease) in Liabilities:				
Accounts Payable	37,248	1,102	5,696	44,046
Accrued Liabilities	1,106	17,583	5,654	24,343
Deposits Payable	1,289	-	(10,721)	(9,432)
Unearned Revenue	5,662	38,446	4,800,000	4,844,108
Net Pension Liability	5,743	83,213	15,588	104,544
Compensated Absences	4,031	7,337	(373)	10,995
Deferred Pension Related Items	(2,439)	(151,343)	(6,621)	(160,403)
Net Cash Provided (Used) by Operating Activities	<u>\$ (12,206)</u>	<u>\$ (1,923,208)</u>	<u>\$ 4,687,514</u>	<u>\$ 2,752,100</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>ASSETS</b>					
Current:					
Pooled Cash and Investments	\$ 1,175,490	\$ 856,286	\$ -	\$ 275,915	\$ 2,307,691
Receivables:					
Accounts	5,880	8,148	-	4,287	18,315
Interest	-	196	-	-	196
Due from Other Governments	-	1,412	-	-	1,412
Inventories	-	92,585	-	-	92,585
Total Current Assets	<u>1,181,370</u>	<u>958,627</u>	<u>-</u>	<u>280,202</u>	<u>2,420,199</u>
Noncurrent:					
Capital assets, not depreciated	-	43,104	-	-	43,104
Capital assets, net	-	222,186	6,103	37,856	266,145
Total Noncurrent Assets	<u>-</u>	<u>265,290</u>	<u>6,103</u>	<u>37,856</u>	<u>309,249</u>
Total Assets	<u>1,181,370</u>	<u>1,223,917</u>	<u>6,103</u>	<u>318,058</u>	<u>2,729,448</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Items	70,088	86,067	100,953	382,754	639,862
Total Deferred Outflows of Resources	<u>70,088</u>	<u>86,067</u>	<u>100,953</u>	<u>382,754</u>	<u>639,862</u>
<b>LIABILITIES</b>					
Current:					
Accounts Payable	108,647	48,387	2,792	10,202	170,028
Accrued Liabilities	8,614	27,627	17,405	56,014	109,660
Due to other funds	-	-	133,077	-	133,077
Compensated Absences	-	-	-	-	-
Claims and Judgments	-	-	-	-	-
Total Current Liabilities	<u>117,261</u>	<u>76,014</u>	<u>153,274</u>	<u>66,216</u>	<u>412,765</u>
Noncurrent:					
Compensated Absences	3,550	48,319	39,698	134,296	225,863
Net Pension Liability	526,398	646,404	758,230	2,874,728	4,805,760
Claims and Judgments	2,039,415	-	-	-	2,039,415
Total Noncurrent Liabilities	<u>2,569,363</u>	<u>694,723</u>	<u>797,928</u>	<u>3,009,024</u>	<u>7,071,038</u>
Total Liabilities	<u>2,686,624</u>	<u>770,737</u>	<u>951,202</u>	<u>3,075,240</u>	<u>7,483,803</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Items	367	451	529	2,003	3,350
Total Deferred Inflows of Resources	<u>367</u>	<u>451</u>	<u>529</u>	<u>2,003</u>	<u>3,350</u>
<b>NET POSITION</b>					
Investment in Capital Assets	-	265,290	6,103	37,856	309,249
Unrestricted	(1,435,533)	273,506	(850,778)	(2,414,287)	(4,427,092)
Total Net Position	<u>\$ (1,435,533)</u>	<u>\$ 538,796</u>	<u>\$ (844,675)</u>	<u>\$ (2,376,431)</u>	<u>\$ (4,117,843)</u>



**CITY OF BANNING**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>OPERATING REVENUES</b>					
Sales and Service Charges	\$ 2,626,360	\$ 1,625,788	\$ 359,573	\$ 2,029,478	\$ 6,641,199
Miscellaneous	45,907	15	3	7	45,932
Total Operating Revenues	<u>2,672,267</u>	<u>1,625,803</u>	<u>359,576</u>	<u>2,029,485</u>	<u>6,687,131</u>
<b>OPERATING EXPENSES</b>					
Salaries and Benefits	163,681	600,907	367,232	1,225,763	2,357,583
Supplies and Services	1,995,893	532,406	40,330	758,067	3,326,696
Repairs and Maintenance	-	200,322	190,045	30,294	420,661
Insurance Premiums	1,529,293	-	-	-	1,529,293
Depreciation Expense	-	14,968	6,894	11,408	33,270
Total Operating Expenses	<u>3,688,867</u>	<u>1,348,603</u>	<u>604,501</u>	<u>2,025,532</u>	<u>7,667,503</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,016,600)</u>	<u>277,200</u>	<u>(244,925)</u>	<u>3,953</u>	<u>(980,372)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Revenue and Change in Fair	14,372	474	-	62	14,908
Gain (Loss) on Disposal of Capital Assets	-	3,333	-	-	3,333
Total Nonoperating Revenues (Expenses)	<u>14,372</u>	<u>3,807</u>	<u>-</u>	<u>62</u>	<u>18,241</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(1,002,228)</u>	<u>281,007</u>	<u>(244,925)</u>	<u>4,015</u>	<u>(962,131)</u>
Transfers In	<u>-</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>104</u>
<b>CHANGES IN NET POSITION</b>	<u>(1,002,228)</u>	<u>281,111</u>	<u>(244,925)</u>	<u>4,015</u>	<u>(962,027)</u>
Net Position - Beginning of Year	<u>(433,305)</u>	<u>257,685</u>	<u>(599,750)</u>	<u>(2,380,446)</u>	<u>(3,155,816)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (1,435,533)</u>	<u>\$ 538,796</u>	<u>\$ (844,675)</u>	<u>\$ (2,376,431)</u>	<u>\$ (4,117,843)</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers and Users	\$ 2,673,970	\$ 1,622,689	\$ 359,576	\$ 2,029,984	\$ 6,686,219
Cash Paid to Suppliers for Goods and Services	(3,091,958)	(783,560)	(223,279)	(780,537)	(4,879,334)
Cash Paid to Employees for Services	(144,609)	(568,333)	(338,766)	(1,302,067)	(2,353,775)
Net Cash Provided (Used) by Operating Activities	(562,597)	270,796	(202,469)	(52,620)	(546,890)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Transfers In	-	104	133,077	-	133,181
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Sales of Capital Assets	-	3,333	-	-	3,333
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	14,372	642	-	62	15,076
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(548,225)	274,875	(69,392)	(52,558)	(395,300)
Cash and Cash Equivalents - Beginning of Year	1,723,715	581,411	69,392	328,473	2,702,991
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,175,490</u>	<u>\$ 856,286</u>	<u>\$ -</u>	<u>\$ 275,915</u>	<u>\$ 2,307,691</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (1,016,600)	\$ 277,200	\$ (244,925)	\$ 3,953	\$ (980,372)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	14,968	6,894	11,408	33,270
(Increase) Decrease in Assets:					
Accounts Receivable	550	(1,757)	-	499	(708)
Due from Other Governments	1,153	(1,357)	-	-	(204)
Inventories	-	(65,906)	-	-	(65,906)
Prepaid Costs	-	-	5,088	-	5,088
Deferred Pension Related Items	465	571	671	(224,389)	(222,682)
Increase (Decrease) in Liabilities:					
Accounts Payable	(67,705)	15,074	2,008	7,824	(42,799)
Accrued Liabilities	5,321	11,793	7,824	7,975	32,913
Net Pension Liability	22,620	27,776	32,582	123,530	206,508
Claims and Judgments	500,933	-	-	-	500,933
Compensated Absences	273	4,231	1,227	69,046	74,777
Deferred Pension Related Items	(9,607)	(11,797)	(13,838)	(52,466)	(87,708)
Net Cash Provided (Used) by Operating Activities	<u>\$ (562,597)</u>	<u>\$ 270,796</u>	<u>\$ (202,469)</u>	<u>\$ (52,620)</u>	<u>\$ (546,890)</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2021**

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2001-1	Cameo Homes	CFD 2020-02	Totals
<b>ASSETS</b>							
Pooled Cash and Investments	\$ 37,120	\$ 76,752	\$ 67,308	\$ 203,814	\$ 48,525	\$ 29,981	\$ 463,500
Receivables:							
Accounts	-	-	-	2,951	-	-	2,951
Interest	15	31	26	-	19	-	91
Restricted Assets:							
Cash and Investments with Fiscal Agents	-	-	-	186,063	-	-	186,063
Total Assets	<u>37,135</u>	<u>76,783</u>	<u>67,334</u>	<u>392,828</u>	<u>48,544</u>	<u>29,981</u>	<u>652,605</u>
<b>LIABILITIES</b>							
Accounts Payable	-	-	2,089	-	-	-	2,089
Deposits Payable	<u>-</u>	<u>19,958</u>	<u>-</u>	<u>17,656</u>	<u>40,000</u>	<u>-</u>	<u>77,614</u>
	<u>-</u>	<u>19,958</u>	<u>2,089</u>	<u>17,656</u>	<u>40,000</u>	<u>-</u>	<u>79,703</u>
<b>NET POSITION</b>							
Held in Trust for Other Organizations	<u>\$ 37,135</u>	<u>\$ 56,825</u>	<u>\$ 65,245</u>	<u>\$ 375,172</u>	<u>\$ 8,544</u>	<u>\$ 29,981</u>	<u>\$ 572,902</u>

**CITY OF BANNING**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2001-1	Cameo Homes	CFD 2020-02	Totals
<b>ADDITIONS</b>							
Taxes	\$ -	\$ -	\$ -	\$ 197,229	\$ -	\$ -	\$ 197,229
Interest and Change in Fair Value of Investments	14	29	24	9	17	-	93
Miscellaneous	-	-	49,765	-	-	29,981	79,746
Total Additions	<u>14</u>	<u>29</u>	<u>49,789</u>	<u>197,238</u>	<u>17</u>	<u>29,981</u>	<u>277,068</u>
<b>DEDUCTIONS</b>							
Administrative Expenses	-	-	38,442	6,634	-	-	45,076
Principal Payment	-	-	-	85,000	-	-	85,000
Interest Expense	-	-	-	101,083	-	-	101,083
Total Deductions	<u>-</u>	<u>-</u>	<u>38,442</u>	<u>192,717</u>	<u>-</u>	<u>-</u>	<u>231,159</u>
<b>CHANGE IN NET POSITION</b>	14	29	11,347	4,521	17	29,981	45,909
Net Position - Beginning of Year As Restated	<u>37,121</u>	<u>56,796</u>	<u>53,898</u>	<u>370,651</u>	<u>8,527</u>	<u>-</u>	<u>526,993</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 37,135</u>	<u>\$ 56,825</u>	<u>\$ 65,245</u>	<u>\$ 375,172</u>	<u>\$ 8,544</u>	<u>\$ 29,981</u>	<u>\$ 572,902</u>

## **STATISTICAL SECTION**

**STATISTICAL SECTION  
DESCRIPTION OF SCHEDULES  
JUNE 30, 2021**

This section of the City of Banning's Annual Comprehensive 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.

**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.

**CITY OF BANNING**

Table 1 - Net Position by Component

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
Net Investment in capital assets	\$ 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	\$ 68,303,650
Restricted	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	11,483,889
Unrestricted	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)	(5,304,091)
<b>Total governmental activities net position</b>	<b>\$ 109,460,523</b>	<b>\$ 105,729,433</b>	<b>\$ 102,938,135</b>	<b>\$ 81,865,144</b>	<b>\$ 91,794,332</b>	<b>\$ 87,766,658</b>	<b>\$ 83,285,574</b>	<b>\$ 78,372,847</b>	<b>\$ 72,607,825</b>	<b>\$ 74,483,448</b>
<b>Business-type activities:</b>										
Net Investment in capital assets	\$ 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	\$ 69,313,149
Restricted	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	7,164,421
Unrestricted	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	56,409,009
<b>Total business-type activities net position</b>	<b>\$ 109,697,686</b>	<b>\$ 109,974,405</b>	<b>\$ 115,452,128</b>	<b>\$ 108,272,586</b>	<b>\$ 111,893,011</b>	<b>\$ 115,941,728</b>	<b>\$ 117,124,192</b>	<b>\$ 122,402,380</b>	<b>\$ 124,070,797</b>	<b>\$ 132,886,579</b>
<b>Primary government:</b>										
Net Investment in capital assets	\$ 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	\$ 137,616,799
Restricted	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	18,648,310
Unrestricted	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	51,104,918
<b>Total primary government activities net position</b>	<b>\$ 219,158,209</b>	<b>\$ 215,703,838</b>	<b>\$ 218,390,263</b>	<b>\$ 190,137,730</b>	<b>\$ 203,687,343</b>	<b>\$ 203,708,386</b>	<b>\$ 200,409,766</b>	<b>\$ 200,775,227</b>	<b>\$ 196,678,622</b>	<b>\$ 207,370,027</b>

Source: City of Banning Finance Department

## CITY OF BANNING

Table 2 - Changes in Net Position  
Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Program Revenue:</b>										
<b>Governmental activities:</b>										
<b>Charges for Services</b>										
General Government	\$ 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	\$ 2,794,965
Public Safety	\$ 217,205	\$ 187,853	\$ 88,698	\$ 167,426	\$ 71,550	\$ 60,673	\$ 75,552	\$ 60,608	\$ 184,204	\$ 253,972
Community Development				\$ 581,449	\$ 826,327	\$ 692,337	\$ 836,137	\$ 1,074,183	\$ 3,417,110	\$ 3,800,759
Culture and Leisure	\$ 74,475	\$ 66,265	\$ 69,554	\$ 78,191	\$ 95,455	\$ 136,740	\$ 154,452	\$ 107,551	\$ 68,347	\$ 105,523
Public Works/Transportation	\$ 619,606	\$ 619,077	\$ 590,975	\$ 75,897	\$ 92,545	\$ 52,830	\$ 42,264	\$ 162,294	\$ 236,781	\$ 268,726
<b>Operating Contributions and Grants</b>	\$ 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	\$ 4,170,619
<b>Capital Contributions and Grants</b>	\$ 981,952	\$ 1,795,367	\$ 422,492	\$ 888,241	\$ 392,728	\$ 160,156	\$ 555,374	\$ 195,760	\$ 563,818	\$ 4,768,356
<b>Total governmental activities program revenues</b>	\$ 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	\$ 16,162,920
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Airport	\$ 238,187	\$ 195,007	\$ 172,656	\$ 147,965	\$ 136,789	\$ 162,731	\$ 232,734	\$ 199,253	\$ 169,821	\$ 226,477
Transit	\$ 132,349	\$ 155,314	\$ 163,257	\$ 153,211	\$ 138,753	\$ 130,112	\$ 117,872	\$ 111,068	\$ 91,376	\$ 23,005
Electric Utility	\$ 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	\$ 29,855,208
BUA Water	\$ 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	\$ 12,406,181
BUA Wastewater	\$ 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	\$ 3,728,441
Refuse	\$ 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	\$ 4,840,340
<b>Operating Contributions and Grants</b>	\$ 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	\$ 3,123,766
<b>Capital Contributions and Grants</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,557,041
<b>Total business-type activities program revenues</b>	\$ 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	\$ 58,760,459
<b>Total primary government program revenues</b>	\$ 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	\$ 74,923,379
<b>Expenses:</b>										
<b>Governmental activities:</b>										
<b>Charges for Services</b>										
General Government	\$ 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	\$ 5,248,275
Public Safety	\$ 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	\$ 15,220,931
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	\$ 4,732,112
Culture and Leisure	\$ 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	\$ 1,850,782
Public Works/Transportation	\$ 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	\$ 4,223,640
<b>Interest on long-term debt</b>	\$ 1,256,285	\$ 112,467	\$ 101,479	\$ 88,096	\$ 86,124	\$ 76,005	\$ 55,195	\$ 36,109	\$ 16,562	\$ 2,606
<b>Total governmental activities program expenses</b>	\$ 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	\$ 31,278,346
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Airport	447,969	391,467	382,611	382,510	209,930	351,599	391,245	353,205	319,358	432,421
Transit	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	2,312,227
Electric Utility	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	30,352,036
BUA Water	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	8,143,196
BUA Wastewater	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	3,440,848
Refuse	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	4,863,174
<b>Total business-type activities program expenses</b>	\$ 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	\$ 49,543,902
<b>Total primary government program expenses</b>	\$ 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	\$ 80,822,248
<b>Net revenues (expenses)</b>										
<b>Governmental activities:</b>	\$ (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)	\$ (15,115,426)
<b>Business-type activities:</b>	\$ 19,102	\$ 2,393,466	\$ 5,639,909	\$ 4,189,109	\$ 3,868,878	\$ 4,265,074	\$ 858,868	\$ 1,511,692	\$ 659,575	\$ 9,216,557
<b>Total net revenues (expenses)</b>	\$ (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)	\$ (5,898,869)



## CITY OF BANNING

Table 2 - Changes in Net Position  
Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
<b>Taxes:</b>										
Property taxes, general purpose	\$ 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	\$ 6,004,043
Transient occupancy taxes	\$ 586,083	\$ 626,255	\$ 712,135	\$ 722,434	\$ 789,994	\$ 861,221	\$ 854,928	\$ 895,887	\$ 804,389	\$ 1,119,765
Sales taxes	\$ 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	\$ 4,630,683
Franchise taxes	\$ 819,203	\$ 813,682	\$ 861,155	\$ 871,284	\$ 860,923	\$ 839,395	\$ 871,107	\$ 895,534	\$ 919,373	\$ 922,932
Business licenses taxes	\$ 156,161	\$ 159,828	\$ 157,242	\$ 155,025	\$ 156,268	\$ 168,831	\$ 179,109	\$ 170,560	\$ 171,592	\$ 179,228
Other taxes	\$ 214,993	\$ 231,303	\$ 261,305	\$ 684,734	\$ 734,954	\$ 373,310	\$ 542,857	\$ 1,197,131	\$ 1,163,462	\$ 574,645
<b>Motor vehicle in lieu - unrestricted</b>	\$ 75,220	\$ 28,160		\$ 12,427	\$ 12,303	\$ 13,813	\$ 16,354	\$ 15,016	\$ 24,570	\$ 22,828
<b>Uses of money and property (investment income)</b>	\$ 571,715	\$ 473,031	\$ 582,558	\$ 519,940	\$ 628,752	\$ 646,221	\$ 737,464	\$ 1,128,236	\$ 967,914	\$ 37,985
<b>Other/miscellaneous</b>	\$ 697,915	\$ 880,339	\$ 469,656	\$ 774,987	\$ 397,009	\$ 534,441	\$ 506,692	\$ 554,860	\$ 436,266	\$ 3,266,109
<b>Gain on sale of capital asset</b>		\$ 576	\$ 1,039		\$ 8,801,033			\$ 3,133	\$ 3,600	\$ 25,392
<b>Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)</b>	\$ 2,828,520									
<b>Transfers</b>	\$ 287,171	\$ 727,352	\$ 724,000	\$ 720,432	\$ 652,157	\$ 724,000	\$ 724,000	\$ 638,759	\$ 699,653	\$ 177,439
<b>Total governmental activities</b>	\$ 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	\$ 16,961,049
<b>Business-type activities:</b>										
Property taxes, general purpose										
<b>Uses of money and property (investment income)</b>	\$ 232,120	\$ 68,834	\$ 272,796	\$ 164,885	\$ 218,902	\$ 252,397	\$ 642,496	\$ 1,593,722	\$ 1,009,209	\$ 19,460
<b>Other/miscellaneous</b>	\$ 2,073,661	\$ 304,023	\$ 288,557	\$ 178,290	\$ 184,802	\$ 252,581	\$ 405,100	\$ 272,773	\$ 692,150	\$ 3
<b>Gain on sale of capital asset</b>	\$ 9	\$ 12,767	\$ 461			\$ 2,665		\$ 835	\$ 7,136	\$ 108,777
<b>Transfers</b>	\$ (287,171)	\$ (727,352)	\$ (724,000)	\$ (720,432)	\$ (652,157)	\$ (724,000)	\$ (724,000)	\$ (638,759)	\$ (699,653)	\$ (177,439)
<b>Total business-like activities</b>	\$ 2,018,619	\$ (341,728)	\$ (162,186)	\$ (377,257)	\$ (248,453)	\$ (216,357)	\$ 323,596	\$ 1,228,571	\$ 1,008,842	\$ (49,199)
<b>Total general revenues</b>	\$ 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	\$ 16,911,850
<b>Changes in net position</b>										
<b>Governmental activities:</b>	\$ (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)	\$ 1,845,623
<b>Business-type activities:</b>	\$ 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	\$ 9,167,358
<b>Total primary government</b>	\$ (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)	\$ 11,012,981

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund:</b>										
Non-Spendable	\$ 35,398	\$ 29,324	\$ 27,950	\$ 5,100	\$ 43,923	\$ 63,225	\$ 61,372	\$ 54,552	\$ 28,434	\$ 26,315
Restricted										
Committed	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	1,500,000
Assigned	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	3,404,019
Unassigned			753,115	3,267,395	3,536,735	4,742,954	2,739,006	3,269,500	3,044,388	5,029,615
<b>Total general fund</b>	<b>\$ 3,528,382</b>	<b>\$ 5,437,570</b>	<b>\$ 6,601,549</b>	<b>\$ 9,801,596</b>	<b>\$ 12,243,467</b>	<b>\$ 13,318,352</b>	<b>\$ 12,239,567</b>	<b>\$ 13,107,599</b>	<b>\$ 11,783,872</b>	<b>\$ 9,959,949</b>
<b>All Other Governmental Funds</b>										
Non-Spendable	831	1,120,946								
Restricted										
Reported in:										
Special revenue funds	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	5,575,966
Capital project funds	379,072	322,711	325,116	14,051	8,753,956	9,367,817	8,300,217	8,163,390	7,481,156	5,907,923
Debt Service funds										
Committed										
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	5,000,419
Unassigned	(776,594)	(2,286,485)	(2,485,462)	(2,061,740)	(1,547,898)	(1,113,773)	(633,728)	(699,152)	(1,144,021)	(286,646)
<b>Total all other governmental funds</b>	<b>\$ 9,855,709</b>	<b>\$ 6,411,356</b>	<b>\$ 6,454,795</b>	<b>\$ 6,378,687</b>	<b>\$ 15,334,419</b>	<b>\$ 16,228,629</b>	<b>\$ 16,555,055</b>	<b>\$ 16,891,821</b>	<b>\$ 15,023,865</b>	<b>\$ 16,197,662</b>
<b>Total primary government program revenues</b>	<b>\$ 13,384,091</b>	<b>\$ 11,848,926</b>	<b>\$ 13,056,344</b>	<b>\$ 16,180,283</b>	<b>\$ 27,577,886</b>	<b>\$ 29,546,981</b>	<b>\$ 28,794,622</b>	<b>\$ 29,999,420</b>	<b>\$ 26,807,737</b>	<b>\$ 26,157,611</b>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 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	\$ 13,149,520
Licenses and Permits	137,689	171,406	219,998	542,773	779,554	605,809	799,517	925,340	3,362,718	2,975,991
Intergovernmental	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	4,535,311
Charges for services	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	2,728,036
Use of money and property	536,753	487,723	540,560	519,940	553,390	640,812	730,369	1,006,328	824,149	267,821
Fines and forfeitures	292,192	291,465	291,125	303,308	267,410	252,114	248,336	233,389	169,833	180,425
Contributions		33,115	27,671	15,873	13,724	13,502	26,157	15,448	17,137	12,350
Contributions from Successor Agency				123,840	250,000	103,932	250,000	250,000	250,000	250,000
Miscellaneous	257,406	723,618	538,711	786,454	457,486	567,775	547,331	710,285	669,559	4,394,608
<b>Total Revenues</b>	<b>\$ 17,978,542</b>	<b>\$ 16,986,880</b>	<b>\$ 16,540,404</b>	<b>\$ 18,374,903</b>	<b>\$ 18,472,032</b>	<b>\$ 18,902,285</b>	<b>\$ 18,351,504</b>	<b>\$ 20,940,004</b>	<b>\$ 23,034,448</b>	<b>\$ 28,494,062</b>
<b>Expenditures</b>										
General government	\$ 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	\$ 4,484,323
Public safety	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	13,563,927
Community Development	287,345	136,878		1,320,264	1,547,336	1,447,973	1,595,580	1,931,189	3,247,945	4,449,247
Culture and leisure	658,765	622,959	729,874	727,793	764,076	1,049,253	1,106,051	1,192,937	1,263,614	1,374,080
Public Works/Transportation	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	1,879,755
Capital outlay	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	3,353,979
Debt services:										
Principal retirement	1,255,107	320,963	333,112	345,721	358,806	579,198	460,329	478,835	416,296	212,276
Interest and fiscal charges	1,919,379	114,824	103,141	90,261	76,884	78,338	57,616	38,622	19,170	3,936
<b>Total Expenditures</b>	<b>\$ 22,470,781</b>	<b>\$ 19,249,397</b>	<b>\$ 16,040,698</b>	<b>\$ 16,649,637</b>	<b>\$ 16,527,619</b>	<b>\$ 17,657,190</b>	<b>\$ 19,827,863</b>	<b>\$ 20,373,965</b>	<b>\$ 26,871,137</b>	<b>\$ 29,321,523</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (4,492,239)</b>	<b>\$ (2,262,517)</b>	<b>\$ 499,706</b>	<b>\$ 1,725,266</b>	<b>\$ 1,944,413</b>	<b>\$ 1,245,095</b>	<b>\$ (1,476,359)</b>	<b>\$ 566,039</b>	<b>\$ (3,836,689)</b>	<b>\$ (827,461)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 8,189,735	\$ 971,608	\$ 972,122	\$ 2,001,503	\$ 913,544	\$ 888,325	\$ 1,418,278	\$ 1,051,128	\$ 1,080,404	\$ 2,466,100
Transfers Out	(9,713,344)	(244,256)	(248,122)	(602,830)	(261,387)	(164,325)	(694,278)	(412,369)	(435,398)	(2,288,765)
Refunding debt issued										
Refunding debt issuance costs										
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,523,609)</b>	<b>\$ 727,352</b>	<b>\$ 724,000</b>	<b>\$ 1,398,673</b>	<b>\$ 652,157</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 638,759</b>	<b>\$ 645,006</b>	<b>\$ 177,335</b>
Extraordinary gain/(loss)/Special Items	\$ (21,455,362) <sup>2</sup>				\$ 8,801,033 <sup>5</sup>					
<b>Net Change in Fund Balance</b>	<b>\$ (27,471,210)</b>	<b>\$ (1,535,165)</b>	<b>\$ 1,223,706</b>	<b>\$ 3,123,939</b>	<b>\$ 11,397,603</b>	<b>\$ 1,969,095</b>	<b>\$ (752,359)</b>	<b>\$ 1,204,798</b>	<b>\$ (3,191,683)</b>	<b>\$ (650,126)</b>
Fund Balance, Beginning of Year, as previously reported	\$ 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
Restatements	\$ 7,000,000 <sup>3</sup>		\$ (16,288) <sup>4</sup>							
Fund Balance, Beginning of Year, as restated	\$ 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	\$ 26,807,737
<b>Fund Balance, End of Year</b>	<b>\$ 13,384,091</b>	<b>\$ 11,848,926</b>	<b>\$ 13,056,344</b>	<b>\$ 16,180,283</b>	<b>\$ 27,577,886</b>	<b>\$ 29,546,981</b>	<b>\$ 28,794,622</b>	<b>\$ 29,999,420</b>	<b>\$ 26,807,737</b>	<b>\$ 26,157,611</b>

Source: City of Banning Finance Department

<sup>1</sup> 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

<sup>2</sup> Fiscal Year 2012 Extraordinary loss on dissolution of redevelopment agency (Note 17)

<sup>3</sup> 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)

<sup>4</sup> 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)

<sup>5</sup> 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Number of Customers</b>										
Residential	10,679	10,693	10,768	10,843	10,974	10,954	10,989	10,847	11,122	11,311
Commercial	1,000	999	1,000	1,003	1,012	1,022	1,027	1,044	1,091	1,091
Industrial	5	5	5	6	6	6	6	6	6	6
Other	130	130	121	123	120	120	118	119	120	120
<b>Total Number of Customers</b>	<b>11,814</b>	<b>11,827</b>	<b>11,894</b>	<b>11,975</b>	<b>12,112</b>	<b>12,102</b>	<b>12,140</b>	<b>12,016</b>	<b>12,339</b>	<b>12,528</b>
<b>Mega-Watt Hour Sales<sup>(1)</sup></b>										
Residential	67,302	68,552	66,352	67,692	66,768	72,585	70,204	69,128	69,908	76,089
Commercial	49,370	49,338	49,415	50,269	48,334	48,720	48,170	45,944	45,117	42,179
Industrial	8,555	10,121	13,379	11,638	10,527	10,939	10,722	11,375	12,296	11,213
Other	10,749	10,873	9,780	15,396	14,321	11,485	11,810	11,592	10,529	10,321
<b>Total Mega-Watt Hour Sales</b>	<b>135,976</b>	<b>138,884</b>	<b>138,926</b>	<b>144,995</b>	<b>139,950</b>	<b>143,729</b>	<b>140,906</b>	<b>138,039</b>	<b>137,850</b>	<b>139,802</b>
<b>Revenues from Sales<sup>(1)</sup></b>										
Residential	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	13,991,966
Commercial	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	8,919,933
Industrial	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	1,701,200
Other	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	1,402,497
<b>Total Revenue from Sales</b>	<b>\$ 24,832,283</b>	<b>\$ 25,120,185</b>	<b>\$ 27,203,266</b>	<b>\$ 27,805,322</b>	<b>\$ 27,316,258</b>	<b>\$ 28,678,934</b>	<b>\$ 27,170,238</b>	<b>\$ 26,715,495</b>	<b>\$ 25,723,462</b>	<b>\$ 26,015,596</b>
<b>Peak Demand (MW)</b>	<b>44.3</b>	<b>46.9</b>	<b>40.5</b>	<b>42.4</b>	<b>44.5</b>	<b>46.3</b>	<b>49.1</b>	<b>49.0</b>	<b>44.1</b>	<b>51.2</b>

<sup>(1)</sup> 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average rate in Dollars per Kilowatt Hour										
Residential	0.1815	0.1815	0.1982	0.1960	0.1988	0.2027	0.1962	0.1983	0.1983	0.1839
Commercial	0.1924	0.1929	0.2150	0.2111	0.2146	0.2187	0.2130	0.2117	0.2117	0.2115
Industrial	0.1539	0.1430	0.1593	0.1584	0.1631	0.1570	0.1438	0.1559	0.1559	0.1517
Other	0.1618	0.1574	0.1326	0.1301	0.1363	0.1386	0.1346	0.1299	0.1299	0.1359

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 2021			Rank	Fiscal Year 2012			Rank
Customer	Customer type	% of Retail Sales	Sales	Consumption (kWh)		% of Retail Sales	Sales	Consumption (kWh)	
City of Banning	Government	5.35%	1,393,039	10,914,145	1	9.81%	2,365,400	9,787,841	1
EDA Facilities Management	Government	3.79%	986,125	5,406,510	2	4.64%	1,119,648	6,463,048	2
San Gorgonio Memorial Hospital	Institutional	2.77%	721,817	5,573,365	3	2.45%	590,966	4,398,773	4
Banning Unified School District	School	2.43%	633,026	2,981,678	4	2.98%	719,115	3,950,619	3
Robertson's Ready Mix	Construction	2.16%	563,119	2,312,873	5	2.08%	502,541	2,034,432	5
Sun Lakes Country Club Home Owners Association	Residential	1.88%	489,457	2,239,508	6	1.48%	357,682	1,951,494	6
Sunrise Mobile Home Park	Residential	0.85%	221,757	968,800	7	0.58%	140,231	927,040	10
Frontier California	Commercial	0.73%	189,394	991,104	8				
Albertson's Grocery	Commercial	0.73%	188,788	1,604,640	9	1.25%	301,040	1,837,680	7
Rio Ranch Market	Commercial	0.61%	159,157	789,300	10	0.64%	154,955	921,000	9
Careage of Banning - Closed	Assisted Living					0.66%	160,083	937,680	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Number of Customers</b>										
Residential	9,657	9,673	9,727	9,730	9,793	9,739	9,867	9,732	9,796	9,987
Commercial	677	703	715	711	716	710	730	725	660	823
Industrial	10	10	10	10	10	10	9	10	90	118
Public	49	49	47	47	46	47	44	41	34	36
Irrigation	9	9	9	9	10	10	8	10	9	8
<b>Total Number of Customers</b>	<b>10,402</b>	<b>10,444</b>	<b>10,508</b>	<b>10,507</b>	<b>10,575</b>	<b>10,516</b>	<b>10,658</b>	<b>10,518</b>	<b>10,589</b>	<b>10,972</b>
<b>Consumption Sales</b>										
Residential	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	1,845,893
Commercial	871,611	917,042	936,423	894,408	689,879	792,531	790,882	841,727	847,685	984,318
Industrial	53,633	49,560	48,233	43,681	39,596	43,328	44,476	42,592	41,222	113,290
Public	47,148	46,165	44,664	30,760	22,152	26,695	27,727	20,158	11,349	9,647
Irrigation	467,152	419,593	443,188	399,781	285,798	407,890	372,531	300,097	390,106	357,127
<b>Total Consumption Sales</b>	<b>\$ 3,412,985</b>	<b>\$ 3,380,910</b>	<b>\$ 3,425,512</b>	<b>\$ 3,107,933</b>	<b>\$ 2,402,961</b>	<b>\$ 2,872,222</b>	<b>\$ 2,943,320</b>	<b>\$ 2,720,855</b>	<b>\$ 2,929,381</b>	<b>3,310,275</b>
<b>Revenues from Sales<sup>(1)</sup></b>										
Residential	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	7,032,581
Commercial	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	3,114,179
Industrial	93,539	91,926	96,816	90,751	83,109	90,057	92,809	91,131	91,298	193,813
Public	27,346	26,776	25,905	17,841	12,848	15,483	16,082	11,959	7,019	6,072
Irrigation	929,745	936,894	1,054,230	976,946	718,469	998,708	915,149	735,148	1,011,087	935,774
<b>Total Revenue from Sales</b>	<b>\$ 8,893,895</b>	<b>\$ 9,676,777</b>	<b>\$ 10,236,157</b>	<b>\$ 9,942,734</b>	<b>\$ 8,269,801</b>	<b>\$ 9,370,281</b>	<b>\$ 9,572,460</b>	<b>\$ 9,258,098</b>	<b>\$ 10,159,791</b>	<b>\$ 11,282,419</b>

<sup>(1)</sup> Metered Sales

Source: City of Banning Finance Department & Water Department

**CITY OF BANNING**  
 Table 9 - Water Rates  
 Last Ten Fiscal Years

Water Fund		Fiscal Year											
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Rates													
Monthly Water Charges													
Meter size													
5/8 inch		\$ 18.29	\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88		
3/4 inch		\$ 18.29	\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88		
1 inch		\$ 27.73	\$ 29.67	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 32.70	\$ 33.68	\$ 34.69		
1 1/2 inch		\$ 51.31	\$ 54.90	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 60.50	\$ 62.32	\$ 64.19		
2 inch		\$ 79.61	\$ 85.18	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 93.87	\$ 96.69	\$ 99.59		
3 inch		\$ 145.66	\$ 155.86	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 171.77	\$ 176.93	\$ 182.23		
4 inch		\$ 240.05	\$ 256.85	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 283.07	\$ 291.57	\$ 300.31		
6 inch		\$ 475.84	\$ 509.15	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 561.13	\$ 577.97	\$ 595.31		
8 inch		\$ 758.87	\$ 811.99	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 894.89	\$ 921.74	\$ 949.39		
Commodity Charge (per HCF)													
Tier 1	0-12	\$ 1.61	\$ 1.72	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.90	\$ 1.95	\$ 2.01		
Tier 2	13-25	\$ 2.05	\$ 2.19	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.41	\$ 2.48	\$ 2.56		
Tier 3	26+	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.72	\$ 2.80	\$ 2.88		
Municipal (City/Parks)				\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.63		

Source: City of Banning Water Utility



CITY OF BANNING

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

Water Fund		Fiscal Year 2021				Fiscal Year 2012			
Customer	Customer type	% of Retail Sales	Sales	Consumption	Rank	% of Retail Sales	Sales	Consumption	Rank
Sun Lakes Country Club HOA	Commercial	10.32%	1,260,893	1020.95	1	10.88%	981,844	918.6	1
Banning Unified School District	School	3.13%	382,775	283.20	2	2.59%	234,202	246.7	2
EDA Facilities Management	Institutional	2.21%	269,432	181.00	3	2.50%	225,279	209.9	3
Robertson's Ready Mix	Construction	0.97%	118,768	94.00	4	1.00%	90,027	111.5	5
High Valley Water District	Utility	0.96%	117,625	83.60	5	1.09%	98,539	78.4	4
City Of Banning	Government	0.90%	110,277	188.70	6	0.58%	52,308	207.0	7
Peppertree Apartments	Residential	0.40%	48,961	36.11	7	0.48%	43,721	43.3	9
Mountain Springs Mobile Home Park	Residential	0.40%	48,449	35.28	8	0.61%	55,218	49.8	6
HK Realty - Windscape Village Apartments	Residential	0.40%	48,381	36.18	9	0.45%	40,942	37.8	10
San Gorgonio Memorial Hospital	Institutional	0.38%	46,844	22.81	10	0.50%	44,839	39.7	8

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of Customers										
Residential/Commercial	10,750	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815	11,151
Total Number of Customers	10,750	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815	11,151
Revenues from Sales <sup>(1)</sup>										
Residential/Commercial	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	3,770,460
Total Revenue from Sales	\$ 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	\$ 3,770,460

<sup>(1)</sup> User Fees

Source: City of Banning Finance Department & Water Department

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

		Fiscal Year									
Wastewater Fund Rates		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Residential/Commercial	15.84	17.11	18.48	18.48	18.48	18.48	18.48	19.03	19.61	20.19
	Tertiary Surcharge	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.06	2.12	2.19
	Total Charge	17.84	19.11	20.48	20.48	20.48	20.48	20.48	21.09	21.73	22.38

Source: City of Banning Water Utility

**CITY OF BANNING**  
 Table 13 - Ten Largest Wastewater Customers  
 Current Year and Nine Years Ago

Water Fund		Fiscal Year 2021			Fiscal Year 2012		
Customer	Customer type	% of Retail Sales	Sales	Rank	% of Retail Sales	Sales	Rank
EDA Facilities Management	Institutional	9.61%	362,405	1	5.50%	148,294	1
Deutsch Company Closed in 2013	Manufacturing				5.49%	147,972	2
Sunrise Mobile Home Park	Residential	1.51%	56,758	2	1.53%	41,215	3
Twin View Mobile Home Park	Residential	1.10%	41,464	3	1.20%	32,426	4
HK Realty - Windscape Village Apartments	Residential	0.92%	34,850	4	1.01%	27,268	7
Mountain Air Mobile Home Park	Residential	0.88%	33,190	5	1.05%	28,398	5
Banning Unified School District	School	0.65%	24,582	6	1.04%	28,090	6
Peppertree Apartments	Residential	0.63%	23,843	7	0.69%	18,641	8
San Gorgonio Memorial Hospital	Institutional	0.51%	19,326	8	0.56%	15,182	9
Sun Lakes Country Club & HOA	Commercial	0.14%	5,314	9	0.14%	3,744	10
Albertson's Grocery Store	Commercial	0.07%	2,953	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									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Residential	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	1,879,909,686
Commercial	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	275,530,356
Industrial	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	56,428,204
Agricultural									1,269,688	27,094,871
Government Owned	656,099	669,220	41,769	-	-	19,600	19,992	20,391	20,800	21,216
Institutional	689,725	867,488	914,450	911,496	1,304,236	897,253	1,207,192	3,446,035	2,298,468	1,843,481
Miscellaneous	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	4,824,395
Recreational	444,832	453,727	462,799	464,897	474,181	481,408	491,035	500,854	510,868	521,084
Vacant	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	114,178,565
SBE Nonunitary	123,968	71,000	71,000	71,000	71,000	71,000	71,000	56,250	56,250	56,250
Cross Reference	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	19,986,636
Unsecured	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	57,534,510
Exempt	(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	2,999,398
<b>Totals</b>	<b>1,623,891,105</b>	<b>1,634,784,338</b>	<b>1,709,771,183</b>	<b>1,716,816,750</b>	<b>1,921,056,525</b>	<b>1,999,446,686</b>	<b>2,124,037,009</b>	<b>2,237,713,052</b>	<b>2,341,595,032</b>	<b>2,440,928,652</b>
Total Direct Rate	0.36123	0.32063	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715	0.14723

**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 2011/12 - 2020/21 Combined Tax Rolls**

Provided by HDL Coren & Cone

**CITY OF BANNING**

**Table 15 - Property Tax Rates**

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

Last Ten Fiscal Years

Agency	Fiscal Year									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Basic Levy<sup>1</sup></b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>
Banning Unified School District	0.10207	0.10207	0.11284	0.10956	0.10826	0.10573	0.14473	0.14278	0.14526	0.14526
Beaumont Unified School District	0.07841	0.08486	0.09000	0.08169	0.07106	0.07193	0.07677	0.07432	0.07438	0.07431
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320
San Geronio Pass Memorial Hospital Dist	0.10365	0.11572	0.11896	0.11296	0.08143	0.08357	0.09052	0.08692	0.06990	0.06716
San Geronio Pass Wager Agency	0.18500	0.18500	0.18500	0.18500	0.18500	0.18500	0.18250	0.18250	0.17750	0.17500
<b>Total Direct &amp; Overlapping Tax<sup>2</sup> Rates</b>	<b>1.46913</b>	<b>1.48765</b>	<b>1.50680</b>	<b>1.48921</b>	<b>1.45969</b>	<b>1.45943</b>	<b>1.50772</b>	<b>1.49972</b>	<b>1.48024</b>	<b>1.47493</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228
<b>Voter Approved City Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>	1.18500									
<b>Total Direct Rate<sup>5</sup></b>	<b>0.36123</b>	<b>0.32063</b>	<b>0.14885</b>	<b>0.14821</b>	<b>0.14800</b>	<b>0.14786</b>	<b>0.14756</b>	<b>0.14747</b>	<b>0.14715</b>	<b>0.14723</b>

**Notes:**

<sup>1</sup>In 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 payments of any vote approved bonds.

<sup>2</sup>Overlapping 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.

<sup>3</sup>City'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.

<sup>4</sup>Redevelopment 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.

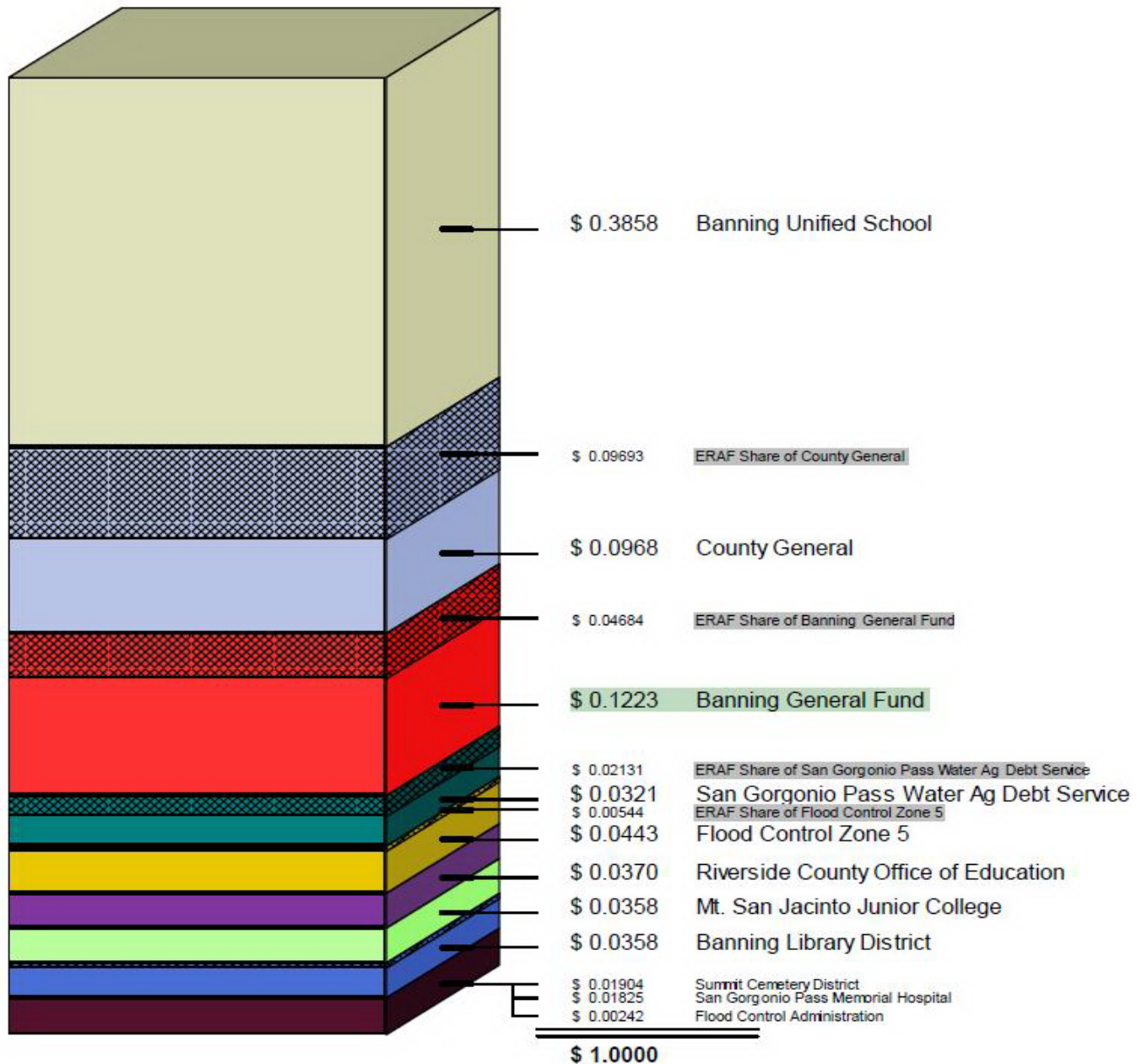
<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment 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 2011/12 - 2020/21 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**

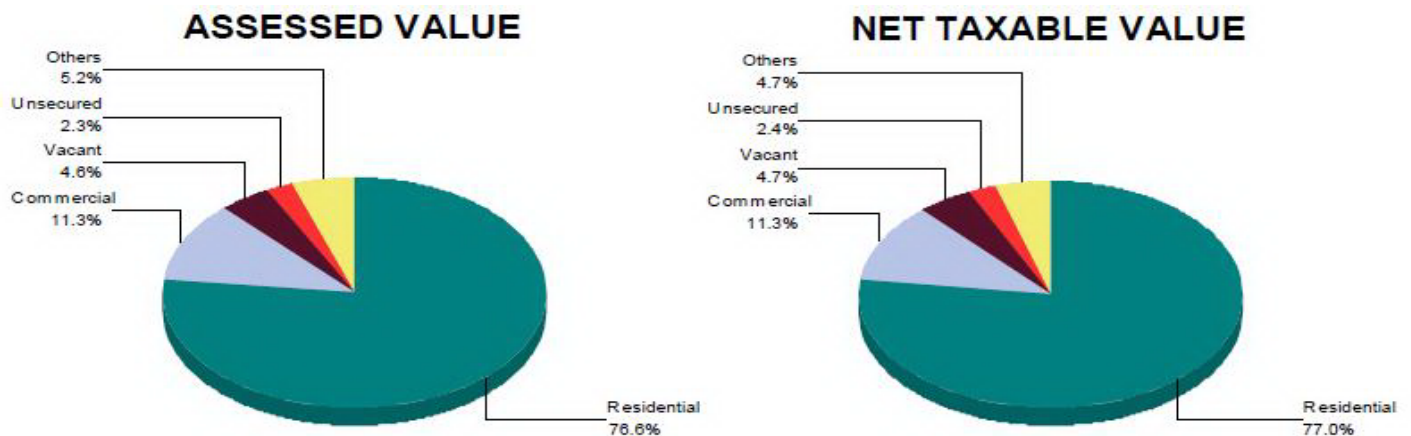
**Data Source:** Riverside County Assessor 2020/21 Annual Tax Increment Tables

Provided by HDL Coren & Cone

**CITY OF BANNING**

Table 17 - Use Category Summary and Roll Summary Fiscal Year 2020-21

Use Category Summary Category	Basic Property Value Table				
	Parcels	Assessed Value	%	Net Taxable Value	%
Residential	9,946	\$ 1,914,940,050.00	76.6%	\$ 1,879,909,686.00	77.0%
Commercial	307	\$ 283,316,723.00	11.3%	\$ 275,530,356.00	11.3%
Industrial	59	\$ 56,428,204.00	2.3%	\$ 56,428,204.00	2.3%
Agricultural	479	\$ 27,094,871.00	1.1%	\$ 27,094,871.00	1.1%
Government Owned	1	\$ 566,318.00	0.0%	\$ 21,216.00	0.0%
Institutional	47	\$ 16,091,715.00	0.6%	\$ 1,843,481.00	0.1%
Miscellaneous	19	\$ 4,824,395.00	0.2%	\$ 4,824,395.00	0.2%
Recreational	2	\$ 521,084.00	0.0%	\$ 521,084.00	0.0%
Vacant	1,268	\$ 114,448,774.00	4.6%	\$ 114,178,565.00	4.7%
SBE Nonunitary	(1)	\$ 56,250.00	0.0%	\$ 56,250.00	0.0%
Cross Reference	(523)	\$ 20,135,516.00	0.8%	\$ 19,986,636.00	0.8%
Unsecured	(424)	\$ 57,637,378.00	2.3%	\$ 57,534,510.00	2.4%
Exempt	566	\$ -	0.0%	\$ -	0.0%
Unknown	55	\$ 2,999,398.00	0.1%	\$ 2,999,398.00	0.1%
<b>Totals</b>	<b>12,749</b>	<b>\$ 2,421,231,532.00</b>		<b>\$ 2,363,351,256.00</b>	



**Data Source:** Riverside County Assessor 2020/21 Combined Tax Rolls

Provided by HDL Coren & Cone



**CITY OF BANNING**

Table 17 - Use Category Summary and Roll Summary Fiscal Year 2020-21

Roll Summary	Taxable Property Values		
	Secured	Nonunitary Utilities	Unsecured
Parcels	12,183	1	424
TRAs	17	1	11
<b>VALUES</b>			
Land	682,787,661	56,250	23,704
Improvements	1,752,996,444	-	695,438
Personal Property	3,756,700	-	28,257,805
Fixtures	1,826,243	-	26,540,431
Aircraft	-	-	2,120,000
<b>Total Value</b>	<b>\$ 2,441,367,048</b>	<b>\$ 56,250</b>	<b>\$ 55,517,378</b>
<b>EXEMPTIONS</b>			
Real Estate	57,792,247	-	-
Personal Property	229,687	-	668
Fixtures	7,222	-	-
Aircraft	-	-	102,200
Homeowners*	35,396,604	-	-
<b>Total Exemptions*</b>	<b>\$ 58,029,156</b>	<b>\$ -</b>	<b>\$ 668</b>
<b>Total Net Value</b>	<b>\$ 2,383,337,892</b>	<b>\$ 56,250</b>	<b>\$ 55,516,710</b>

Combined Values	Total
Total Values	\$ 2,496,940,676
Total Exemptions	\$ 58,029,824
Net Total Values	\$ 2,438,910,852
Net Aircraft Values	\$ 2,017,800

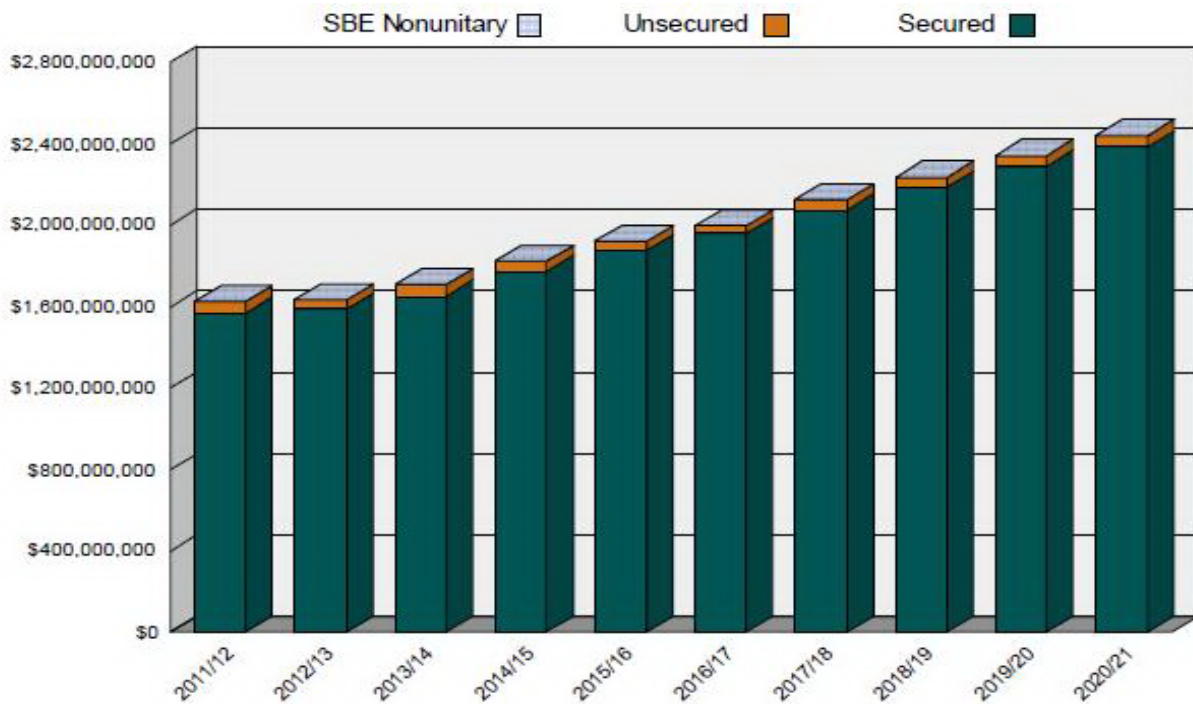
**Notes:** \*Homeowner Exemptions are not included in Total Exemptions  
Totals do not include Aircraft Values or Exemptions

**Data Source:** Riverside County Assessor 2020/21 Combined Tax Rolls  
Provided by HDL Coren & Cone

**CITY OF BANNING**

Table 18 - Net Taxable Assessed Value History  
Last Ten Years

Taxable Property Values					
Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2011/12	\$ 1,569,177,454	\$ 54,589,683	\$ 123,968	\$ 1,623,891,105	
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%
2020/21	\$ 2,383,337,892	\$ 57,534,510	\$ 56,250	\$ 2,440,928,652	4.24%
				Average % Change	5.12%



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

Data Source: Riverside County Assessor 2020/21 Combined Tax Rolls

Provided by HDL Coren & Cone

**CITY OF BANNING**

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

Fiscal Year 2020/2021		Secured			Unsecured			Combined		Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1	MLD Banning Investment	2	\$ 21,765,778	0.91%				\$ 21,765,778	0.89%	Commercial
2	Pardee Homes	304	\$ 18,075,096	0.76%	1	\$ 317,632	0.55%	\$ 18,392,728	0.75%	Banning General Fund Vacant
3	Marinita Sage Rancho (Pending Appeals on Parcels)	1	\$ 13,943,103	0.59%				\$ 13,943,103	0.57%	Banning General Fund Commercial
4	Sunrise TFFLP	1	\$ 13,918,336	0.58%				\$ 13,918,336	0.57%	Banning General Fund Residential
5	Sun Lakes Investment LLC	4	\$ 11,674,142	0.49%				\$ 11,674,142	0.48%	Banning General Fund Commercial
6	Thrifty Payless Inc	2	\$ 9,986,974	0.42%	1	\$ 249,254	0.43%	\$ 10,236,228	0.42%	Banning General Fund Commercial
7	JRC Holdings LLC (Pending Appeals on Parcels)	1	\$ 9,339,793	0.39%				\$ 9,339,793	0.38%	Successor Agency Commercial
8	RRM Properties Limited	27	\$ 6,090,106	0.26%	1	\$ 2,796,121	4.86%	\$ 8,886,227	0.36%	Successor Agency Miscellaneous
9	Sarodia Suncity	1	\$ 8,167,140	0.34%	1	\$ 500,000	0.87%	\$ 8,667,140	0.36%	Banning General Fund Commercial
10	OSI Partnership 1	4	\$ 8,535,542	0.36%				\$ 8,535,542	0.35%	Successor Agency Vacant
<b>Top Ten Total</b>		347	\$ 121,496,010	5.10%	4	\$ 3,863,007	6.71%	\$ 125,359,017	5.14%	Successor Agency
<b>City Total</b>			\$ 2,383,394,142			\$ 57,534,510		\$ 2,440,928,652		

Top Owners using sales through 6/30/2021

**Data Source:** Riverside County Assessor 2019/20 Combined Tax Rolls 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 2011/2012		Secured			Unsecured			Combined		Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
2	MLD Banning Investment	2	\$ 18,579,834	1.18%				\$ 18,579,834	1.14%	Commercial
1	Deutsch Company Electronic Components	6	\$ 2,310,568	0.15%	3	\$ 10,620,931	19.46%	\$ 12,931,499	0.80%	Banning General Fund Unsecured
4	Sun Lakes Investment LLC	4	\$ 9,772,220	0.62%				\$ 9,772,220	0.60%	Successor Agency Commercial
5	MG Banning	3	\$ 9,693,355	0.62%				\$ 9,693,355	0.60%	Banning General Fund Vacant
6	Beaver Kirkmulon (Pending Appeals on Parcels)	1	\$ 8,986,647	0.57%				\$ 8,986,647	0.55%	Successor Agency Commercial
8	Semain Brothers Partnership	7	\$ 7,478,136	0.48%				\$ 7,478,136	0.46%	Successor Agency Residential
7	Dexter Tuttle	4	\$ 7,368,441	0.47%				\$ 7,368,441	0.45%	Banning General Fund Industrial
9	OSI Partnership 1	4	\$ 7,286,172	0.46%				\$ 7,286,172	0.45%	Successor Agency Vacant
10	Pardee Homes	26	\$ 7,268,543	0.46%				\$ 7,268,543	0.45%	Successor Agency Vacant
3	Albertsons Inc	1	\$ 5,999,983	0.38%	1	\$ 1,122,429	2.06%	\$ 7,122,412	0.44%	Successor Agency Vacant
<b>Top Ten Total</b>		58	\$ 84,743,899	5.40%	4	\$ 11,743,360	21.52%	\$ 96,487,259	5.94%	Successor Agency
<b>City Total</b>			\$ 1,569,301,422			\$ 54,589,683		\$ 1,623,891,105		

Top Owners using sales through 6/30/2012

**Data Source:** Riverside County Assessor 2010/11 Combined Tax Rolls 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			
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%
2021	2,820,588	2,722,228	96.51%	-	2,722,228	96.51%

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Major Business Group</b>										
Autos and Transportation	374,375	396,081	421,344	507,338	607,279	642,783	761,037	785,604	830,122	1,125,093
Building and Construction	70,324	89,592	97,873	88,266	106,345	111,590	119,694	88,340	146,626	85,005
Business and Industry	50,654	50,033	64,436	57,275	51,601	76,463	58,231	224,798	105,216	111,339
Food and Drugs	193,620	195,716	202,928	217,538	225,680	227,999	225,762	259,357	249,480	313,934
Fuel and Service Stations	453,031	455,182	477,641	416,109	376,501	391,555	417,517	497,109	398,008	423,646
General Consumer Goods	159,717	185,984	205,372	130,643	114,365	226,089	275,627	274,043	254,450	359,749
Restaurants and Hotels	343,778	349,568	354,938	376,903	394,093	412,271	445,318	478,995	426,049	462,645
Transfers & Unidentified	-	-	-	218	-	(3,036)	-	(1,166)	(5,087)	86
<b>Total Major Business Groups</b>	<b>1,645,499</b>	<b>1,722,156</b>	<b>1,824,532</b>	<b>1,794,290</b>	<b>1,875,864</b>	<b>2,085,714</b>	<b>2,303,186</b>	<b>2,607,080</b>	<b>2,404,864</b>	<b>2,881,497</b>
<b>Gross Sales Tax Allocations</b>										
Major Business Groups	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	2,881,497
Allocations from County Pool	191,774	178,124	197,907	191,099	221,983	247,355	299,013	400,864	369,781	576,162
Allocations from State Pool	1,261	772	1,250	1,166	897	1,143	1,292	1,311	1,207	2,027
<b>Total Gross Sales Tax Allocations</b>	<b>1,838,534</b>	<b>1,901,052</b>	<b>2,023,689</b>	<b>1,986,555</b>	<b>2,098,744</b>	<b>2,334,212</b>	<b>2,603,491</b>	<b>3,009,255</b>	<b>2,775,852</b>	<b>3,459,686</b>

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

**CITY OF BANNING**

Table 22 - Top 25 Sales Tax Producers

Current Year and Nine Years Ago

Fiscal Year	
2011-12	
Business Name*	Business Category
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
Banning Shell	Service Stations
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
Mobil	Service Stations
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 = 71.11%**

Period: July 2011 Thru June 2012

\*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	
2020-21	
Business Name*	Business Category
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
Big 5 Sporting Goods	Sporting Goods/Bike Stores
Carl's Jr	Quick-Serve Restaurants
Chevron	Service Stations
Chipotle	Fast-Casual Restaurants
Del Taco	Quick-Serve Restaurants
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
Smart & Final	Grocery Stores
Walgreens	Drug Stores
Wausau Tile	Contractors
Western Hydro	Contractors

**Percent of Fiscal Year Total Paid by Top 25 Accounts = 70.68%**

Period: July 2020 Thru March 2021

**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	
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
2021	32,429,837	28,767,977	3,661,860	1,210,000	1,214,044	2,424,044	1.51

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 SCPPA'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	
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
2021	12,406,180	5,929,023	6,477,157	1,020,000	939,063	1,959,063	3.31

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					
				Revenue Bond		CA Water Resource Control Board Loan			
				Principal	Interest	Principal	Interest	Total	Coverage
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
2021	3,825,768	2,768,148	1,057,620	220,000	70,380	296,578	7,711	594,669	1.78

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

Notes: Pursuant to the Wastewater Indenture, 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.

Water Resource Control Board loan paid off in Oct 2020

**CITY OF BANNING**

Table 23 - Pledged Revenue Coverage  
Last Ten Fiscal Years

TAX ALLOCATION BONDS - SUCCESSOR AGENCY									
Fiscal Year	Tax Increment	Debt Service Requirements							
		2003 Tax Allocation Bonds		2007 Tax Allocation Bonds		2016 Refunding Tax Allocation Bond		Total	Coverage
Principal	Interest	Principal	Interest	Principal	Interest				
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	2,719,347					1,220,000	971,404	2,191,404	1.24
2021	2,411,372					1,240,000	949,712	2,189,712	1.10

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

Notes: Fiscal Year 2012 -Note 17 Successor 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 Successor 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 Successor 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 Successor 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 Successor 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 Successor 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 Successor Agency Trust for Assets of Former Redevelopment Agency (d) 2016 Tax Allocation Refunding Bonds, Pledged Revenue  
Fiscal Year 2019 -Note 17 Successor Agency Trust for Assets of Former Redevelopment Agency (e) 2016 Tax Allocation Refunding Bonds, (g) Pledged Revenue  
Fiscal Year 2020 -Note 17 Successor Agency Trust for Assets of Former Redevelopment Agency (g) 2016 Tax Allocation Refunding Bonds, (g) Pledged Revenue  
Fiscal Year 2021 -Note 17 Successor 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

Governmental Activities								
Fiscal Year	2003 Tax Allocation Bonds	2007 Tax Allocation Bonds	Loans Payable	2011 Refunding Lease	Glick Note Payable	Ford Motor Credit Vehicle Lease	Total Governmental Activities	
2011	11,425,000	29,355,000	1,133,602	3,455,000			45,368,602	
2012	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	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	- <sup>4</sup>	151,569	1,567,736	
2018	-	-	-	1,029,684	-	77,723	1,107,407	
2019	-	-	-	628,572	-	-	628,572	
2020	-	-	-	212,726	-	-	212,726	
2021	-	-	-	-	-	-	-	
Business Type Activities								
Fiscal Year	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
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	- <sup>2</sup>	5,100,000	- <sup>3</sup>	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	-	- <sup>5</sup>	-	26,100,000	21,520,011	4,020,000	51,936,589
2021	- <sup>6</sup>	-	-	-	24,890,000	20,500,011	3,800,000	49,190,011

**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
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
2021	- <sup>7</sup>	49,190,011	49,190,011	711,049,000	6.92%	32,233	1,526

**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 27 Demographic and Economic Statistics

<sup>1</sup> 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

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

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

<sup>4</sup> 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.

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

<sup>6</sup> 2011 Refunding lease agreement was paid off in fiscal year 2021

<sup>7</sup> Loan Payable - California Water Resource Control Board was paid off in fiscal year 2021

**CITY OF BANNING**

Table 25 - Direct and Overlapping Governmental Activities Debt  
As of June 30, 2021

	Total Debt 6/30/2021	Percentage Applicable to Banning (1)	City's Share of Debt 6/30/2021
<b>2020-21 Assessed Value \$2,440,653,328</b>			
<b>Overlapping Tax and Assessment Debt:</b>			
Mount San Jacinto Community College District	\$ 262,750,000	2.390%	\$ 6,279,725
Banning Unified School District	\$ 58,833,143	70.340%	\$ 41,383,233
Beaumont Unified School District	\$ 100,172,486	2.590%	\$ 2,594,467
San Geronio Memorial Healthcare District	\$ 102,730,000	23.297%	\$ 23,933,008
City of Banning 1915 Act Bonds	\$ 1,890,000	100.000%	\$ 1,890,000
California Statewide Community Development Authority 1915 Act Bonds	\$ 18,790,000	100.000%	\$ 18,790,000
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 94,870,433</b>
<b>Direct and Overlapping General Fund Debt</b>			
Riverside County General Fund Obligations	\$ 717,525,698	0.779%	\$ 5,589,525
Riverside County Pension Obligations	\$ 881,575,000	0.779%	\$ 6,867,469
Banning Unified School District Certificates of Participation	\$ 9,050,000	70.340%	\$ 6,365,770
Beaumont Unified School District Certificates of Participation	\$ 6,848,295	2.590%	\$ 177,371
<b>City of Banning Certificates of Participation</b>	<b>\$ -</b>	<b>100.000%</b>	<b>\$ -</b>
			<b>\$ 19,000,135</b>
<b>Overlapping Tax Increment Debt (Successor Agency)</b>	<b>\$ 27,515,000</b>	<b>100.000%</b>	<b>\$ 27,515,000</b>
<b>Total Direct Debt</b>			<b>\$ -</b>
<b>Total Overlapping Debt</b>			<b>\$ 141,385,568</b>
<b>Combined Debt</b>			<b>\$ 141,385,568 (2)</b>

**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 2020-21 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	3.89%
<b>Total Direct Debt (\$0)</b>	<b>0.00%</b>
Combined Total Debt	5.79%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$519,719,976)**

Total Overlapping Tax Incremental Debt	5.29%
--	-------

KD:(\$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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	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	2,440,653,328
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	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	366,097,999
Total Net Debt Applicable to the Limit General Obligation Bonds										
Legal Debt Margin	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	366,097,999
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.

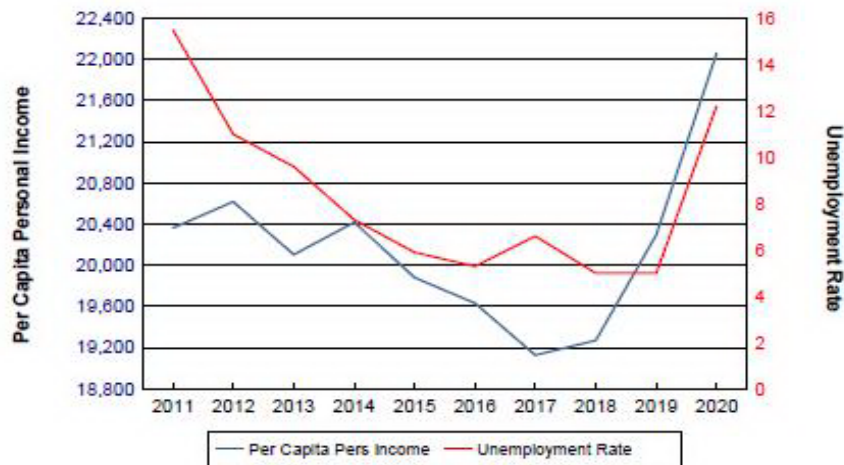
# CITY OF BANNING

Table 27 - Demographics and Economic Statistics

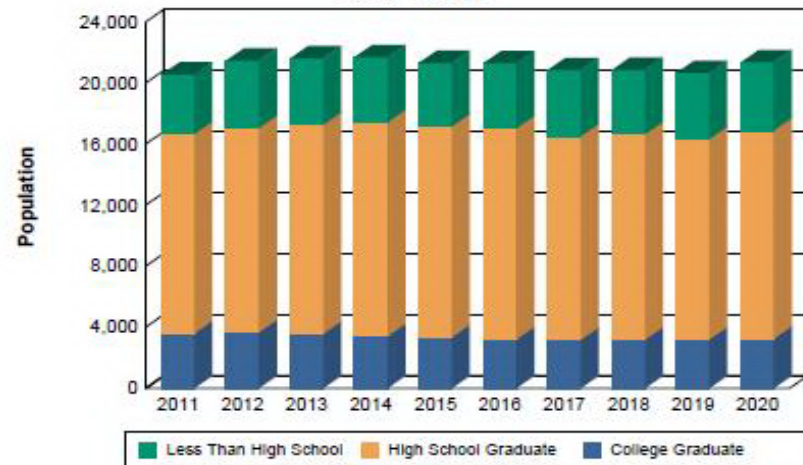
Last Ten Fiscal Years

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
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%
2020	32,233	\$ 711,049	\$ 22,059	12.2%	41.5	79.1%	15.3%

## 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>City Manager</b>										
Administration	0.68	1.69	1.37	1.57	1.57	1.09	1.09	0.85	0.85	2.00
Economic Development <sup>1</sup>	0.53	1.00	1.00	1.00	1.00	1.24	1.24	1.00	1.00	1.00
City Clerk <sup>2</sup>	1.75	2.83	1.83	1.83	1.83	1.70	1.70	1.50	1.50	2.00
<b>Administrative Services</b>										
Fiscal Services	4.95	4.95	5.45	5.45	6.45	5.45	5.45	6.35	6.85	9.50
Purchasing	1.00	1.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00
Human Resources	1.02	1.05	1.15	0.95	1.06	1.07	1.07	1.20	1.20	1.60
Risk Management	1.56	1.56	1.56	1.56	1.90	1.82	1.82	1.65	1.65	1.40
Information Technology	2.40	2.40	2.40	2.40	2.40	3.45	3.45	2.00	2.00	2.00
Media	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Utility Billing	8.65	9.15	9.63	9.63	9.63	11.31	11.31	10.20	10.70	9.00
Meter Reading	4.20	4.20	4.20	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Public Works</b>								0.13	0.13	
Engineering	0.92	0.92	0.92	0.92	0.92	0.92	0.92	1.11	1.11	1.31
Building Maintenance	1.28	1.28	1.28	1.28	1.78	1.31	1.31	1.48	1.58	1.63
Streets	4.85	4.85	4.85	4.85	4.85	5.05	5.05	6.05	6.40	6.25
Landscape Maintenance District										0.28
Airport	1.55	1.55	1.55	1.20	0.30	0.80	0.80	0.83	0.88	0.98
Transit										
Fixed Route	9.83	9.83	10.77	12.67	13.30	13.13	13.13	13.65	15.65	13.43
Dial-A-Ride	2.04	2.04	2.04	2.04	1.54	1.39	1.39	1.00	1.00	0.63
Water	15.07	15.10	15.17	15.20	15.25	15.59	16.59	16.70	16.95	16.49
Wastewater	5.22	5.25	5.32	5.26	5.31	5.52	5.52	6.09	6.34	5.86
Refuse	0.69	0.69	0.69	0.69	0.69	1.14	1.14	0.82	1.82	1.80
Fleet Maintenance	3.50	3.50	3.50	3.50	3.50	4.05	4.05	4.42	4.42	4.73
<b>Electric</b>										
Operations	18.55	19.58	19.65	23.73	24.73	25.20	25.20	28.18	31.18	29.63
Generation	0.85	0.85	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Benefits <sup>3</sup>	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Sworn Police officers & Non Sworn Personnel	35.15	35.15	31.75	31.90	34.90	35.90	36.90	37.90	37.90	34.90
Dispatch	8.10	8.10	8.10	8.10	8.10	8.10	9.10	9.10	9.10	8.10
Fire <sup>4</sup>	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	3.00
<b>Planning</b>	1.88	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
<b>Building Safety</b>	0.42	0.60	0.60	1.60	1.60	1.60	1.60	1.60	2.60	1.60
<b>Parks &amp; Recreation</b>										
Parks	4.28	4.28	4.28	4.28	4.28	4.30	4.30	2.25	2.70	2.70
Recreation	2.63	2.63	3.07	3.28	5.33	6.05	6.05	3.32	4.17	6.18
Aquatics	2.16	2.16	2.09	2.11	2.11	2.06	2.06	3.32	3.32	2.76
Day Care <sup>5</sup>	-	-	-	-	-	-	-	0.61	0.61	-
Senior Center	0.63	0.63	0.58	0.58	0.58	0.75	0.75	1.57	1.57	1.17
<b>Total Full-time Equivalent Employees</b>	<b>151.34</b>	<b>156.22</b>	<b>154.05</b>	<b>161.43</b>	<b>169.31</b>	<b>174.39</b>	<b>179.39</b>	<b>179.28</b>	<b>191.58</b>	<b>184.33</b>

**Notes:**

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

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

<sup>3</sup> Starting in Fiscal year 2019 these employees were moved to Electric Operations

<sup>4</sup> 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

<sup>5</sup> 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

		Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program											
Police											
Physical Arrests		2,389	2,401	1,876	1,622	1,759	1,876	1,720	1,139	1,189	1,091
Parking violations		2	-	-	66	311	399	456	1,007	343	191
Traffic violations		1,319	744	257	161	230	249	455	189	262	172
Calls for service		42,525	41,496	37,910	39,307	40,390	42,322	37,817	34,603	36,457	37,316
Fire											
Emergency Response	1	3,998	3,987	4,179	4,559	4848	4800	4549	4680	4,686	4,976
Fire Extinguished	1	120	127	148	127	126	158	136	129	188	214
Fire Inspections		123	142	131	92	136	121	107	115	611	691
Public Works											
Street resurfacing (miles)		-	-	2.10	-	0.75	3.55	0.50	1.47	6.07	3.21
Street reconstructing (miles)		-	-	-	-	-	-	-	-		
Potholes repaired (square feet per year)		52	96	96	99	66	122	24	100	107	120
Traffic signs repaired/replaced		1	92	92	160	123	75	51	130	81	294
Parks & Recreation											
Number of facility rentals	2							314	415	397	758
Number of recreation classes	2							135	217	254	94
Building & Safety											
Building Permits issues		601	694	713	742	864	922	989	934	3,262	2,009
Building Inspections	3	-	-	-	233	200	181	264	420	6,020	8,500
Code Enforcement											
Citations issued	4	-	-	-	7	64	48	27	26	38	11
Calls for Service	4	-	-	-	136	984	1,070	1,305	1,493	1,832	1,974
Transit											
Total route miles		349,489	365,858	499,407	776,698	785,685	808,420	401,790	455,214	147,813	444,954
Passengers		147,747	156,052	144,978	137,594	133,185	126,793	116,748	112,960	30,148	87,624

**CITY OF BANNING**

Table 30 - Operations Indicators by Function/Program  
Last Ten Fiscal Years

		Fiscal Year									
Function/Program		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Water</b>											
New Connections	<sup>5</sup>	-	-	-	-	1.00	1.00	-	-	1.00	366.00
Number of service connections	<sup>6</sup>	10,610	10,614	10,615	10,650	10,647	10,661	10,675	10,680	10,682	10,972
Service Breaks		311	74	93	86	45	71	75	75	80	86
Water Main Breaks		41	31	48	50	64	28	50	50	80	32
Average Daily Consumption (thousands of gallons)		3,166,168	6,928,550	7,019,953	6,369,134	4,924,424	5,886,088	6,031,790	5,575,889	6,003,225	7,879
Peak daily consumption (thousands of gallons)		13,649,400	13,537,000	12,766,000	9,779,000	11,085,000	11,201,000	11,970,000	12,202,000	14,107,000	14,107
Water purchased (AF)	<sup>7</sup>	1,200	1,200	608	694	1,477	1,350	500	250	250	250
Water Sold (AF)		7,841	7,761	7,867	7,134	5,517	6,593	6,756	6,246	6,724	7,599
<b>Wastewater</b>											
Number of service connections		10,755	10,735	10,745	10,786	10,750	10,657	10,698	10,687	10,771	10,972
Average Daily swage treatment (thousands of gallons)		2,109	2,104	2,005	1,970	1,940	1,978	2,016	1,995	1,955	1,945
<b>Electric</b>											
Number of service connections		11,814	11,827	12,426	11,974	12,111	12,101	12,139	12,015	12,345	12,534
Average daily consumption (MWH)		378.02	380.50	380.62	397.24	383.43	393.78	386.04	378.19	377.67	383.02
Electricity purchased (MWH)		144,769	150,390	146,193	148,697	147,176	148,500	146,510	148,973	144,803	153,421
Electricity sold -Retail (MWH)		137,977	138,884	138,926	144,994	139,951	143,729	140,906	138,040	137,850	139,802
Peak Demand (MW)		44.3	46.9	40.5	42.4	44.5	46.3	49.1	49.0	44.1	51.2
<b>Airport</b>											
Number of flights		8091	7824	4668	4631	3287	3071	3049	3126	3423	5959
Number of Gallons of Fuel Sold		26135	18139	14150	7395	9353	12691	23545	13902	9954	26956
<b>Community Development</b>											
Planning applications completed	<sup>9</sup>	80.00	110.00	110.00	100.00	110.00	270.00	250.00	390.00	710.00	920.00
<b>Business Licenses</b>											
Number of licenses issued		2,159	2,123	1,964	1,929	1,949	1,968	2,031	1,949	1,945	1,966

**CITY OF BANNING**

Table 30 - Operations Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Refuse</b>										
<b>Number of Customers</b>										
Commercial/Multi-Family	581	525	518	506	510	510	516	512	494	520
Residential	11,208	11,258	11,022	11,070	11,266	11,317	11,280	11,280	11,340	11,356
Roll-off Service	8		35	34	35	38	38	44	41	59
<b>Tonnage Collected by Service</b>										
Commercial/Multi-Family	6514	6447	6675	6455	6097	12424	7534	8175	7702	6830
Residential	14454	14659	14538	15127	16412	15187	15769	16533	17059	19833
Roll-off Service	3689	4616	4817	3599	2919	3458	3906	4066	3978	5067
<b>Total Tonnage Collected by Service</b>	<b>24656</b>	<b>25722</b>	<b>26030</b>	<b>25181</b>	<b>25428</b>	<b>31069</b>	<b>27209</b>	<b>28774</b>	<b>28740</b>	<b>31730</b>
<b>Tonnage Type Collected (All Services)</b>										
Trash	17947	18522	18389	18491	18777	24780	20489	20517	21084	24226
Recycle	2480	2827	3326	2715	2868	4141	3557	3295	2479	3070
Green Waste	4229	4374	4316	3975	3782	2052	2967	4742	5010	4529
Organics	0	0	0	0	0	96	197	219	166	70
<b>Total Tons Collected</b>	<b>24656</b>	<b>25722</b>	<b>26030</b>	<b>25181</b>	<b>25428</b>	<b>31069</b>	<b>27209</b>	<b>28774</b>	<b>28740</b>	<b>31895</b>
<b>Total Tons Diverted</b>	<b>6709</b>	<b>7201</b>	<b>7641</b>	<b>6689</b>	<b>6650</b>	<b>6290</b>	<b>6720</b>	<b>8257</b>	<b>7656</b>	<b>7669</b>
<b>Diversion % All Services</b>	<b>27.21%</b>	<b>27.99%</b>	<b>29.36%</b>	<b>26.57%</b>	<b>26.15%</b>	<b>20.24%</b>	<b>24.70%</b>	<b>28.69%</b>	<b>26.64%</b>	<b>24.04%</b>

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

Notes:

<sup>1</sup> Fire Statistics provided by Riverside County Fire Department / CAL Fire

<sup>2</sup> Parks and recreation programs were not tracked until Fiscal Year 2015, no data available for prior years. Class count low in FY21 due to COVID-19, but outside rentals higher for facilities

<sup>3</sup> For Building & Safety, there is no data available for tracking building inspection prior to Fiscal year 2015, FY21 increase in development and inspections with clean up of expired permits

<sup>4</sup> Code Enforcement items were not tracked until Fiscal Year 2015, no data available for prior years, FY21 numbers low due to COVID-19 and not issuing citations

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

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

<sup>7</sup> Water Purchased is the amount of imported water purchased

<sup>8</sup> Refuse roll off services was not tracked until Fiscal Year 2014

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

**CITY OF BANNING**

Table 31 - Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

		Fiscal Year									
Function/Program		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police											
Police Station		1	1	1	1	1	1	1	1	1	1
Patrol Units	<sup>1</sup>	13	13	13	11	11	11	15	18	24	24
Fire											
Stations	<sup>2</sup>	1	1	1	1	1	1	1	1	1	1
Fire Engines	<sup>2</sup>	2	2	2	2	2	2	2	2	2	2
Public Works											
Streets (miles)		118	118	118	118	118	118	118	118	122	125
Traffic signals		7	7	7	7	7	7	7	7	7	7
Storm catch basin	<sup>3</sup>	98	98	98	98	98	98	126	126	150	174
Parks & Recreation											
Parks		7	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	59.23
Community Center		2	2	2	2	2	2	2	2	2	2
Aquatics center		1	1	1	1	1	1	1	1	1	1
Skate Park		1	1	1	1	1	1	1	1	1	1
Baseball/Softball Diamonds		5	5	5	5	5	5	5	5	5	5
Transit											
Buses		10	10	11	13	12	12	15	10	10	10
Water											
Water Mains (miles)		166.19	166.19	166.19	166.19	166.19	166.19	167.56	169.05	174.18	170.25
Fire hydrants		1,421	1,423	1,424	1,425	1,425	1,428	1,437	1,455	1,539	1,555
Storage capacity (MGD)	<sup>4</sup>	19.98	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Wastewater</b>										
Sanitary Sewers (miles)	111.67	111.67	111.67	111.67	112.20	112.20	112.20	113.96	118.00	115.89
Treatment Plant capacity (MGD)	<sup>5</sup> 3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
<b>Electric</b>										
Number of electric meters	11,814	11,827	12,426	11,974	12,111	12,101	12,139	12,015	12,339	12,528
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
<b>Airport</b>										
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:

- <sup>1</sup> Patrol Units with lights, sirens, lightbar on top and does not include detective cars
- <sup>2</sup> 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
- <sup>3</sup> Represents the number of basins/inlets
- <sup>4</sup> MGD = Millions Gallons per Day
- <sup>5</sup> MGD = Millions Gallons per Day