



ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2022
City of Banning, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

CITY OF BANNING, CALIFORNIA

For the Fiscal Year ended
JUNE 30, 2022

Prepared By:

Fiscal Services / Finance Department

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INTRODUCTORY SECTION



City of Banning

February 28, 2023

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, 2022 (FY 2021-22), 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 report 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.

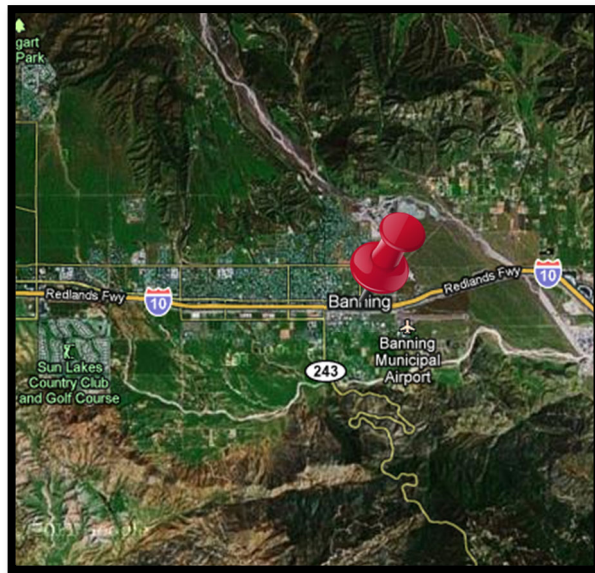
The City's financial statements have been audited by CliftonLarsonAllen LLP (CLA). CLA is an independent public accounting firm fully licensed and qualified to perform audits of public agencies within the State of California.

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, 2022, 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, 2022, is fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the City of Banning

The City of Banning is strategically located in Riverside County along the route of U.S. Interstate 10 approximately 25 miles northwest of Palm Springs and 82 miles east of Los Angeles. Beautifully located in the San 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 23.24 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. The Mayor is appointed by the City Council annually. 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

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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

Banning is the fastest growing city in the State of California, with 31,273 highly skilled residents – and still growing. Tri-Pointe Homes (previously known as Pardee) broke ground in 2018, kicking off the Atwell Community (Tri-Point Project), 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. The Atwell Homes Project features over 4,850 homes, two new schools, 3 commercial zoning areas, and community centers. We have 10,000 new homes permitted in the City of Banning that are projected to be built within the next 7-10 years. There is a population of 2.5 million within a 30-mile radius. The city offers 23.24 square miles of Endless Opportunities with affordable land with potential for future expansion needs. According to the Riverside County Assessor 2022 Annual Report, Banning saw its assessed home value increase by 16.60 percent from 2021 to 2022.

Banning is home to many small and large companies, including Fortune 500 companies, which include Skechers USA, Harbor Freight Tools, Lawrence Equipment, Serta Mattress Firm, Walgreens, Albertsons Grocery Store, Smart & Final, Cardenas Markets, T-Mobile, Hobby Lobby, Marshalls, O'Reilly Automotive, Big 5 Sporting Good, Leslie's Pool Supplies, and Diamond Chevrolet Buick GMC, Holiday Inn Express & Suites, Hampton Inn & Suites and more.

Banning is centrally located in Riverside County, with a large Opportunity Zone, and in the fast-growing Inland Empire region of Southern California, with proximity to Los Angeles, Orange, San Bernardino, and San Diego Counties. We are served by major transportation highways (I-10, SR-60, I-215, SR-79, and SR-91.) Our excellent location allows easy access on and off the highway and to the Port of Long Beach, with air transportation served by Banning Municipal Airport, Palm Springs International Airport, and Ontario International Airport. In addition, we are a designated Foreign Trade Zone.

The City of Banning is ready to accommodate business development needs with fast-track permit application processes for development and an ample Opportunity Zone. In addition, the City of Banning owns and operates our municipal utilities, which is helping to achieve the community's long-term goals. Local control means matching local resources to local needs and offering special programs (energy efficiency & conservation, economic development incentives, etc.) to benefit citizens. The primary mission of providing the least-cost and most reliable service over maximizing profit ensures that these goals are always in sight.

The City of Banning experienced a net taxable value increase of 5.1% for the Fiscal Year 2021-22 tax roll, that was slightly less than the increase experienced countywide at 5.4%. The assessed value increase year-over-year was \$126 million. The change attributed to the 1.036% Proposition 13 inflation

adjustment was \$20.6 million, which accounted for 16% of all City growth experienced. The City's share of the 1.00% Property Tax totaled \$3.0 million in Fiscal Year 2021-22; a 5.5% increase from the prior year. In 2021, the population decreased by 4.2% to 30,877. This is expected to be an anomaly considering the new developments in the city, this is expected to trend upward in future years. Per capita personal income increased 11.88% from \$22,059 to \$24,679. The enduring effects of the pandemic (COVID-19) can be seen in the persistent unemployment rate which decreased substantially from 12.2% in 2020 to 9.5% in 2021 but remains 3%-5% above full employment. 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 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 the needs and priorities of each, 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: **100% R.E.A.D.Y.:**

Respectful – Interactions with co-workers and customers will be conducted in a manner that is kind, courteous, non-confrontational and professional.

Enthusiastic – Approaches work with a positive attitude, active engagement and effort that reflects positively on the entire organization.

Accountable – Openly shares information with others, understands that public service requires transparency, and conducts City-related business with integrity. Uses time at work for the purpose of conducting the business of the public.

Dedicated – Understands and supports the mission, vision, and values of the organization. Pursues organization and team goals ahead of personal goals.

Yes-Minded - Looks for solutions to problems and actively engages with co-workers, customers, and management to enhance the organization through innovation and collaboration.

Based on established budgetary policies, prior to July 1st of even numbered years, the City Manager, the Finance Director, and the Budget & Financial Analyst, working with the directors of the various city departments present a biennial budget to the City Council for approval. 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 upon Council approval.

- 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 (COA) to the City of Banning for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. That was the first year the City received this recognition. This was the first year that the government has achieved this prestigious award. 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. Our Fiscal Year 2020-21 ACFR also received the COA Award, making this the City's second consecutive recognition. 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 COA Award.

The City's Annual Comprehensive Financial Report and successful conclusion of Fiscal Year 2021-22 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



Lincoln Bogard
Administrative Services 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, 2021

Christopher P. Morill

Executive Director/CEO



Elected Officials

City Council
Fiscal Year 21-22



Kyle Pingree
Mayor
District 2



Colleen Wallace
Mayor Pro Tem
District 5



David Happe
Council Member
District 4



Mary Hamlin
Council Member
District 3



Alberto Sanchez
Council Member
District 1

City Treasurer



Alejandro Geronimo

City Clerk



Marie A. Calderon



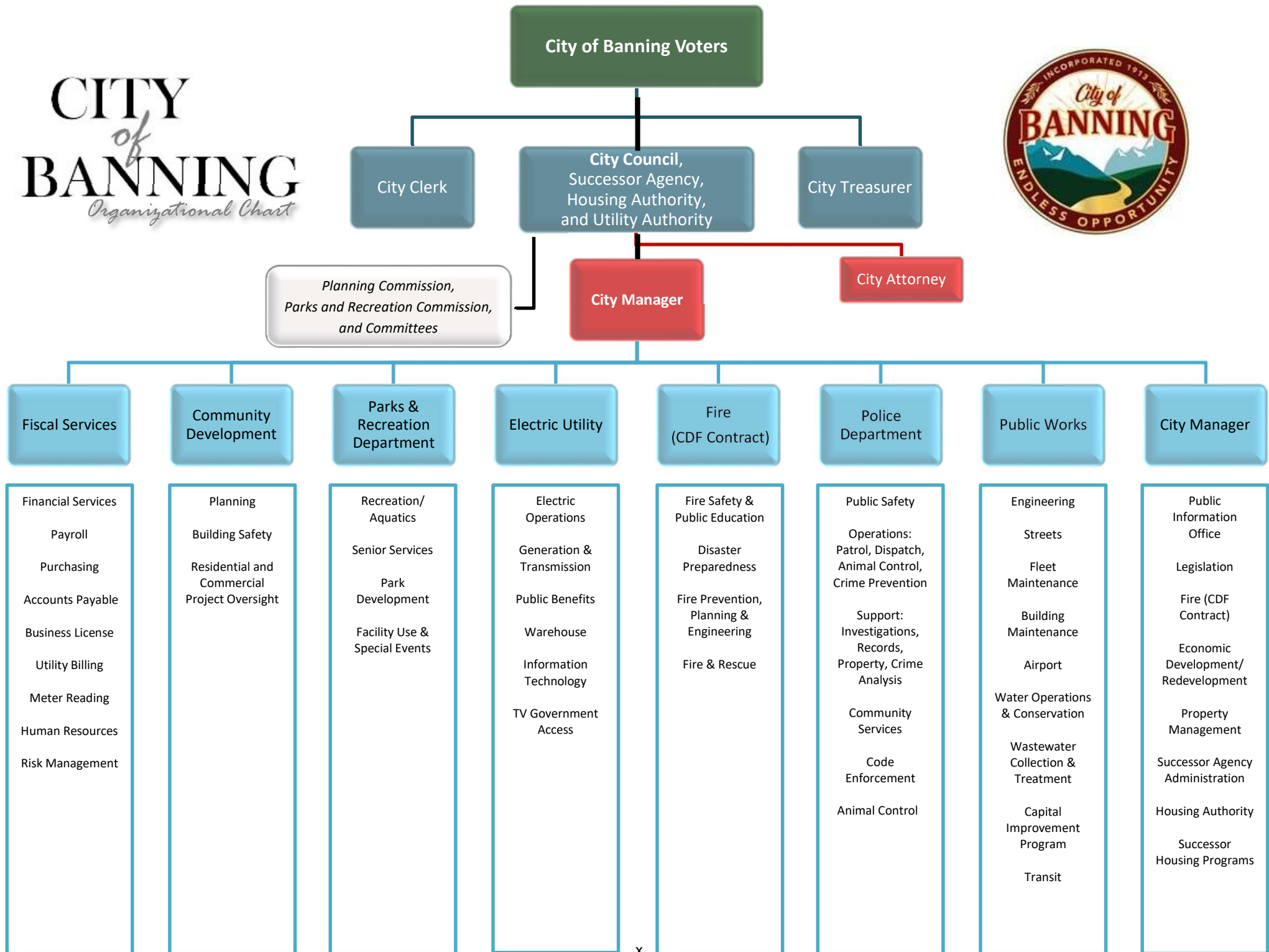
Executive Staff

Douglas Schulze
City Manager

Lincoln Bogard 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, each major fund and the aggregate remaining fund information of the City of Banning, California (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As described in Note 1.e to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Banning's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Banning's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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) and the schedule of changes in total OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

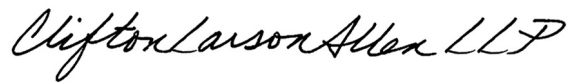
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
March 14, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Banning (City) presents this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2022 (FY 2021-22). This discussion is intended to introduce the City's basic financial statements, as well as a financial comparison with the fiscal year ended June 30, 2021 (FY 2020-21).

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 Nonmajor Governmental Funds, Nonmajor Enterprise Funds, and Internal Service Funds.**

Although the Combining Statements provide details about Nonmajor Governmental Funds, Nonmajor Enterprise Funds, and Internal Service Funds. The totals of nonmajor 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 Nonmajor Governmental Funds.

FOCUS OF MANAGEMENT DISCUSSION AND ANALYSIS

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

The Basic Financial Statements present operation and fiscal accountability measurements in the presentation order for Government-wide and Funds as required by Governmental Accounting Standards Board 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 modified accrual basis of accounting uses the current financial resources measurement focus and measures whether the financial resources obtained during the accounting period are sufficient to cover claims against the fund during that

period. The differences of the reporting requirements illustrate short- versus long-term stability and helps to highlight areas of importance.

FRAMEWORK OF GASB STATEMENT 34 REPORTING MODEL

GASB 34 required all local and state governments in the United States to implement the new reporting model by June 15, 2003. GASB 34 requires that governments present top level, or Government-wide, financial statements using full accrual accounting, similar to business enterprises, for all City activities. GASB recognized the importance of traditional Fund statements by requiring both 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
- Nonmajor Funds are reported in Combining Statements
- Fiduciary Funds are not reported in Government-wide Financial Statements

NOTES TO FINANCIAL STATEMENTS

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

In Note 1 of the Notes to Financial Statements, Organization and Summary of Significant Accounting Policies, there is further discussion as to the source of authoritative reporting requirements, the

significance of those policies on the City's financial statements and provide additional supporting information as to the basis for the presentation formats of the Basic financial statements.

PROCESSING THE FINANCIAL STATEMENTS

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

Funds are classified as either major or nonmajor funds based on criteria established by GASB. Major funds are individually reported in the Funds Financial Statements. The nonmajor 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. The 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 nonmajor funds; the nonmajor funds are sub-totaled in columns entitled "Other Governmental Funds" and "Other Enterprise Funds".

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

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

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

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

The Government-Wide Financial Statements accomplish the GASB 34 model by reporting designated "Governmental Activities" and "Business-Type Activities" in a two column format resulting in

Government-wide totals (City-wide). Governmental Activities are Governmental Fund totals and the reconciliation to full accrual. Similarly, the Business-Type Activities are the Proprietary Fund totals and their applicable reconciling items. The totals of these two types of City activities are the Government-wide totals.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

REPORTING THE CITY AS A WHOLE

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

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

As noted earlier, in this presentation, City operations are designated as either "Governmental Activities" or "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, 2022, 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 \$214.89 million, an increase of \$7.52 million over June 30, 2021.
- ❖ 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 \$41.62 million, a decrease of \$9.49 million over the prior fiscal year. The Net Investment in Capital Assets, another component of Net Position, was \$156.65 an increase of \$19.03 million over June 30, 2021. The Restricted portion of the Net Position amounted to \$16.63 million, a decrease of \$2.01 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, 2022, the total Net Pension Liability for the City of Banning, government-wide, was \$30.52 million, a decrease of \$14.57 million over the prior fiscal year.
- ❖ GASB Statement No. 75 (Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)) requires that the Total OPEB Liability be presented on the face of the financial statements, unless an OPEB trust exists. The City determined that an implicit subsidy exists this fiscal year and we performed an actuarial study to determine the Total OPEB Liability. At June 30, 2022, the Total OPEB Liability for the City of Banning, government-wide, was \$1.07 million. This liability is new this 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 its financial health is improving or deteriorating.

Again, the City's Net Position, net expenses over revenues, increased by \$7.52 million to \$214.89 million from the prior fiscal year.

The City's Net Position from Governmental Activities is \$69.01 million, a decrease of \$5.47 million, which was mainly due to the overall revenue increase of 6 percent, falling far short of expenditure growth of 26 percent for the fiscal year. Increases in Public Safety revenues almost completely offset expenditure increases. However, Transportation and Community Development revenues decreased thirty three and ten percent, respectively, while expenditures increased by 42 percent and 9 percent due to the timing difference of revenues and expenditures for the Ramsey-Hathaway Improvement Project for Transportation and timing of receipts and disbursements for permits for Atwell homes and reimbursement-based grants for Community Development. Culture & Leisure revenues increased by two-thirds (to a total of \$206,262) but are far outweighed by the 20 percent expenditure growth of almost \$364 thousand due to reinstating programming that had been suspended due to the Coronavirus pandemic. General Government related expenditures grew the slowest of any category at 13 percent. This was closer to the annual inflation rate as of June 30, 2022. The result is that discretionary non-designated revenues provided more support for services than last fiscal year and required additional use of governmental fund balances to cover the shortfalls.

The City's Net Position from Business-Type Activities is \$145.88 million, an increase of \$12.99 million. Revenues for all Business-Type Funds combined remained flat with an increased of 1 percent. Expenses decreased by 8 percent. Rate increases have been approved to alleviate those shortfalls and to construct infrastructure needs in the coming years for those funds and the BUA Wastewater Utility. Refuse Utility services are now moving to a contracted service with Waste Management and expenses fell by three quarters year-over-year.

ASSETS AND DEFERRED OUTFLOWS

The City's Total Assets increased \$3.55 million to \$320.02 million primarily due to increases in inventory (\$1.85 million) and non-depreciable and depreciable capital assets net of accumulated depreciation (\$14.72 million), offset by decreases in cash and investments (\$9.73 million), receivables (\$2.21 million), and amounts due from other governments (\$1.29 million). Deferred outflows decreased \$0.33 million to \$10.18 million with no major changes. Total Assets and Deferred outflows are \$330.20 million.

LIABILITIES AND DEFERRED INFLOWS

The City's Total Liabilities decreased \$17.30 million to \$101.71 million due primarily to a decrease in accounts payable (\$0.92 million) and unearned revenue year-over year (\$1.81 million), and a large decrease in the net pension liability due to the high rates of returns obtained from investments (20.36 million). This is partially offset by the new Total OPEB Liability reported this fiscal year (\$1.07 million). Deferred inflows increased \$13.27 million to \$13.62 million due to the future benefits of the pension investment returns (\$13.28 million). Total Liabilities and Deferred inflows are \$115.33 million.

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. Corresponding analysis of changes and causes are reflected in the following paragraphs.

The *Net investment in Capital Assets* of \$156.65 million represents 72.89 percent 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 fiscal year 2021-22.

The portion of the City's Net Position subject to *external restrictions* in how they may be used is \$16.63 million (7.74 percent 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 \$41.62 million (19.37 percent of the Total Net Position) may be used to meet the government's ongoing obligations to citizens and creditors within program areas. The negative unrestricted net position in the Governmental Activities (\$10.58 million) is mainly the result of the implementation of GASB Statements No. 68 – Pensions, 71 – Pension Contributions Subsequent to The Measurement Date, and No. 75 – Other Post-Employment Benefits. Net Pension Liability for Governmental and Business Type Activities were \$20.07 million and \$10.45 million respectively. The newly added Total OPEB Liability, also respectively, was \$0.48 million and \$0.59 million. Additional information can be found in the Notes to Financial Statements.

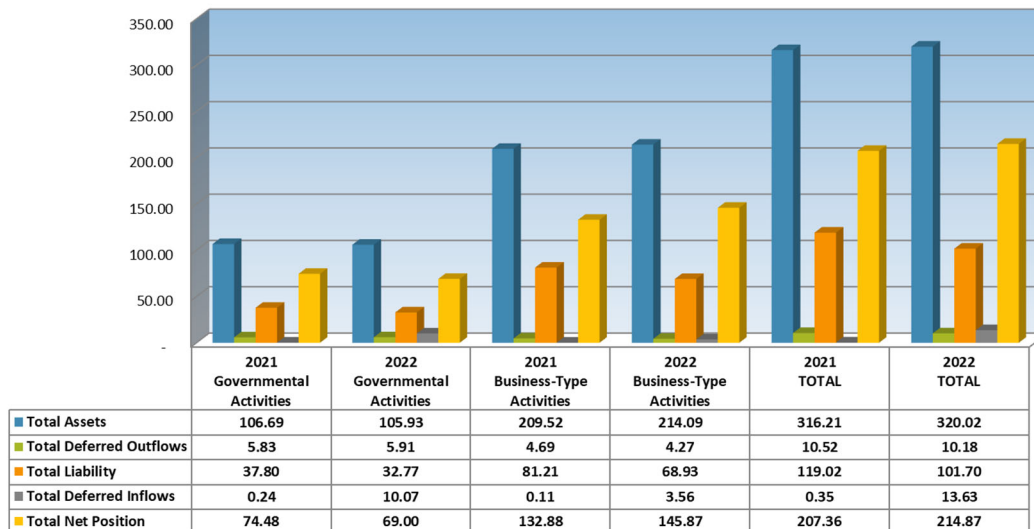
Table 1 summarizes the Statement of Net Position of the City and provides a comparison.

Table 1 - Summary of Net Position (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals		
	2021	2022	2021	2022	2021	2022	% CHG
Assets:							
Current and other assets	38.39	35.25	86.75	79.00	125.14	114.25	8.7%
Capital assets	68.30	70.68	122.77	135.09	191.07	205.77	7.7%
TOTAL ASSETS	\$ 106.69	\$ 105.93	\$ 209.52	\$ 214.09	\$ 316.22	\$ 320.02	1.2%
Deferred outflows on refunding	-	-	2.59	2.42	2.59	2.42	6.6%
Deferred pension related items	5.83	5.90	2.10	1.83	7.92	7.73	2.4%
Deferred OBEF related items	-	0.01	-	0.02	-	0.03	100.0%
TOTAL DEFERRED OUTFLOWS	\$ 5.83	\$ 5.91	\$ 4.69	\$ 4.27	\$ 10.51	\$ 10.18	3.1%
Liabilities:							
Current and other liabilities	5.58	10.00	13.76	9.24	19.35	19.25	0.5%
Long-term liabilities*	32.22	22.77	67.45	59.69	99.66	82.46	17.3%
TOTAL LIABILITIES	\$ 37.80	\$ 32.77	\$ 81.21	\$ 68.93	\$ 119.01	\$ 101.71	14.5%
Deferred inflows on refunding	-	-	0.10	0.09	0.10	0.09	10.0%
Deferred pension related items	0.24	10.07	0.01	3.47	0.25	13.53	5312.0%
Deferred OPEB related items	-	-	-	-	-	-	0.0%
TOTAL DEFERRED INFLOWS	\$ 0.24	\$ 10.07	\$ 0.11	\$ 3.56	\$ 0.35	\$ 13.62	3791.4%
Net Position:							
Net investment in capital assets	68.30	70.29	69.31	86.36	137.62	156.65	13.8%
Restricted for:							
Community Development Projects	2.65	2.58	-	-	2.65	2.58	2.6%
Public Safety	0.02	0.02	-	-	0.02	0.02	0.0%
Culture and Leisure	0.05	0.07	-	-	0.05	0.07	40.0%
Transportation	2.85	2.29	-	-	2.85	2.29	19.6%
Capital Projects	5.91	4.24	3.42	3.53	9.32	7.77	16.6%
Debt Service	-	-	-	-	-	-	0.0%
SCPPA Projects	-	-	0.85	0.98	0.85	0.98	15.3%
SCPPA Project Stabilization Fund	-	-	2.90	2.91	2.90	2.91	0.3%
Unrestricted	(5.30)	(10.48)	56.41	52.10	51.11	41.62	18.6%
TOTAL NET POSITION	\$ 74.48	\$ 69.01	\$ 132.89	\$ 145.88	\$ 207.37	\$ 214.89	3.6%

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	
	2021	2022	2021	2022	2021	2022
Revenues						
Program Revenues:						
Charges for Services	7.22	7.33	51.08	50.58	58.30	57.91
Operating Contributions and Grants	4.17	4.99	3.12	3.90	7.29	8.88
Capital Contributions and Grants	4.80	2.82	4.56	4.92	9.36	7.75
Subtotal Program Revenues	16.19	15.14	58.76	59.40	74.95	74.54
General Revenues:						
Property Taxes	6.00	6.54	-	-	6.00	6.55
Sales Taxes	4.63	6.80	-	-	4.63	6.80
Business Licenses Taxes	0.18	0.18	-	-	0.18	0.18
Franchise Taxes	0.92	0.54	-	-	0.92	0.54
Transient Occupancy Taxes	1.12	1.29	-	-	1.12	1.29
Other Taxes	0.57	0.67	-	-	0.57	0.67
Motor Vehicle In-Lieu	0.02	0.03	-	-	0.02	0.04
Use of Money and Property	0.04	(0.16)	0.02	(0.45)	0.06	(0.61)
Other	3.27	0.01	-	-	3.27	0.01
Gain on sale of capital asset	0.03	-	0.11	0.03	0.13	0.04
Subtotal General Revenues	16.78	15.90	0.13	(0.42)	16.90	15.52
TOTAL REVENUES	32.97	31.04	58.89	58.98	91.85	90.06
Expenses						
General Government	5.25	5.94	-	-	5.25	5.94
Public Safety	15.22	17.67	-	-	15.22	17.67
Community Development	4.73	5.21	-	-	4.73	5.21
Culture and Leisure	1.85	2.21	-	-	1.85	2.21
Transportation	4.22	6.08	-	-	4.22	6.08
Interest on Long-term debt	-	0.01	-	-	-	0.01
Airport	-	-	0.43	0.47	0.43	0.47
Transit	-	-	2.31	1.77	2.31	1.77
Electric Utility	-	-	30.35	30.46	30.35	30.47
BUA Water	-	-	8.14	8.12	8.14	8.12
BUA Wastewater	-	-	3.44	3.51	3.44	3.51
Refuse	-	-	4.87	1.04	4.86	1.05
TOTAL EXPENSES	31.27	37.12	49.54	45.37	80.80	82.51
Increase/(Decrease) in Net Position Before Transfers and Special Items	1.69	(6.08)	9.35	13.60	11.04	7.52
Transfers	0.18	0.61	(0.18)	(0.61)	-	-
Increase/(Decrease) in Net Position	1.87	(5.47)	9.17	12.99	11.04	7.52
Net Position at Beginning of Year	72.61	74.48	124.07	132.89	196.68	207.37
Restatement of Net Position	-	-	(0.35)	-	(0.35)	-
Net Position at End of Year	74.48	69.01	132.89	145.88	200.77	214.89

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 increased the City's Net Position by \$8.41 million before restatements.

The total Government-Wide revenues for fiscal year 2021-22 were \$90.06 million, \$31.04 million from Governmental Activities, and \$58.98 million from Business-Type Activities. City-wide total revenues decreased by \$1.74 million, or 1.89 percent from the prior year.

Total Government-Wide expenses for fiscal year 2021-22 are \$81.65 million, an increase of \$.85 million or 1.05 percent year-over-year. City-wide total expenses supporting Governmental Activities was \$36.84 million or 45.12 percent, and Business-Type Activities, \$44.81 million, or 54.88 percent.

GOVERNMENTAL ACTIVITIES

Net Position for Governmental Activities is \$68.91 million, a decrease of \$5.57 million or 7.48 percent from the previous year.

REVENUES

Total Revenues for Governmental Activities were \$31.06 million.

Charges for Services amounted to \$7.33 million for the current year which represents approximately 23.60 percent of the total revenues in the Governmental Activities category. This is relatively unchanged from last fiscal year. Grants and contributions also remained relatively unchanged at \$7.81 million.

Revenues from overall tax sources totaled \$16.03 million, which is an increase of 19.45 percent year-over-year. The two largest taxes sources were Property Taxes and Sales Taxes, \$6.55 million and \$6.80 million, respectively. In comparison to prior fiscal year levels, Property Taxes moderately increased 9.17 percent from \$6.00 million, which can be attributed to an increase in assessed property values of 5.10 percent, assessed value increases from changes of ownership during 2020, and Proposition 8 Recaptures. Compared to last year, Sales Taxes increased 46.87 percent from \$4.63 million due primarily to a 9.00 percent increase of overall major business groups with businesses continuing to open back up, a 27.28 percent increase in Proposition 172 Public Safety Sales Tax, and 5.2 percent increase in receipts from the County pool, which can be attributed to on-line sales.

Other General Revenues fell from \$3.27 million in fiscal year 2020-21 to only \$10 thousand for this fiscal year. This is due to the impact of the American Rescue Plan Act funding received last fiscal year.

EXPENSES

Total Expenses for Governmental Activities were \$37.12 million.

Governmental Activities expenses increased by 18.71 percent or \$5.85 million over last year. The breakdown by governmental activity follows; General Government expenses increased 13.2 percent or \$0.69 million due to cost-of-living adjustments to salaries as well as the addition of four new positions; two animal control officers to provide services previously contracted out, one Budget & Financial Analyst, and one Management Analyst in Engineering. Public Safety increased 16.1 percent or \$2.45 million due to significant overtime pay due to staffing shortages, plus increases in salaries to retain employees and vehicle purchases. Community Development increased 10.1 percent or \$0.48 million due to continued development of residential homes in the Atwell project as well as various other development projects. Culture and Leisure increased 19.4 percent or \$0.36 million due to resumption of services that had been discontinued during the Coronavirus pandemic. Public

Works/Transportation expenses increased 44.0 percent or \$1.85 million due primarily to the Ramsey-Hathaway Improvement Project. Interest on long-term debt remained immaterial at \$5 thousand dollars.

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 each of the governmental activities, program expenses exceed revenues, which results in subsidies from 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)		
	2021	2022	% Chg	2021	2022	% Chg	2021	2022	% Chg
General Government	2,895,491	2,860,666	1%	5,248,275	5,938,773	13%	(2,352,784)	(3,078,107)	31%
Public Safety	1,508,347	3,247,702	115%	15,220,931	17,674,930	16%	(13,712,584)	(14,427,228)	5%
Community Development	4,340,989	3,895,060	10%	4,732,112	5,214,463	10%	(391,123)	(1,319,403)	237%
Culture & Leisure	123,830	206,262	67%	1,850,782	2,214,493	20%	(1,726,952)	(2,008,231)	16%
Transportation	7,324,263	4,933,155	33%	4,223,640	6,080,185	44%	3,100,623	(1,147,030)	137%
Interest on long-term debt	-	-	-	2,606	5,170	98%	(2,606)	(5,170)	98%
Government Subtotal	16,192,920	15,142,845	6%	29,528,217	37,128,014	26%	(15,085,426)	(21,985,169)	46%
General Revenues*	16,783,610	15,907,333	5%	-	-	-	16,783,610	15,907,333	5%
Transfers	177,439	607,820	243%	-	-	100%	177,439	607,820	243%
TOTAL	33,153,969	31,657,998	5%	29,528,217	37,128,014	26%	1,875,623	(5,470,016)	392%

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

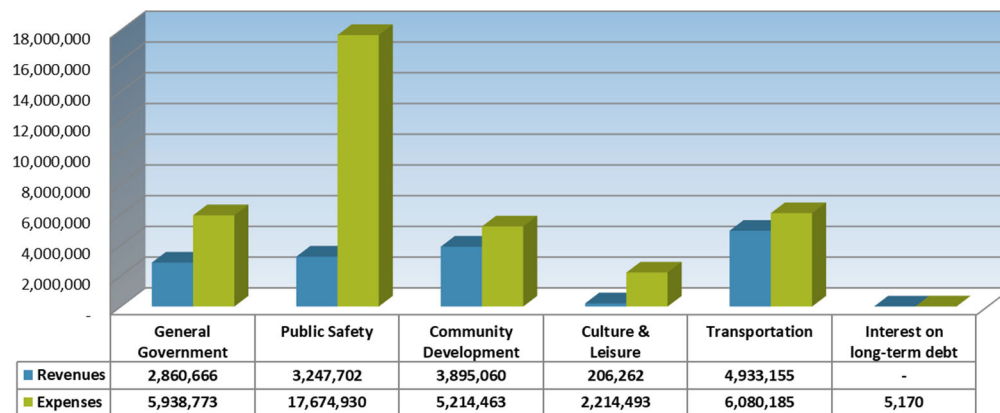


Chart 3: Details can be found in the "Statement of Activities"

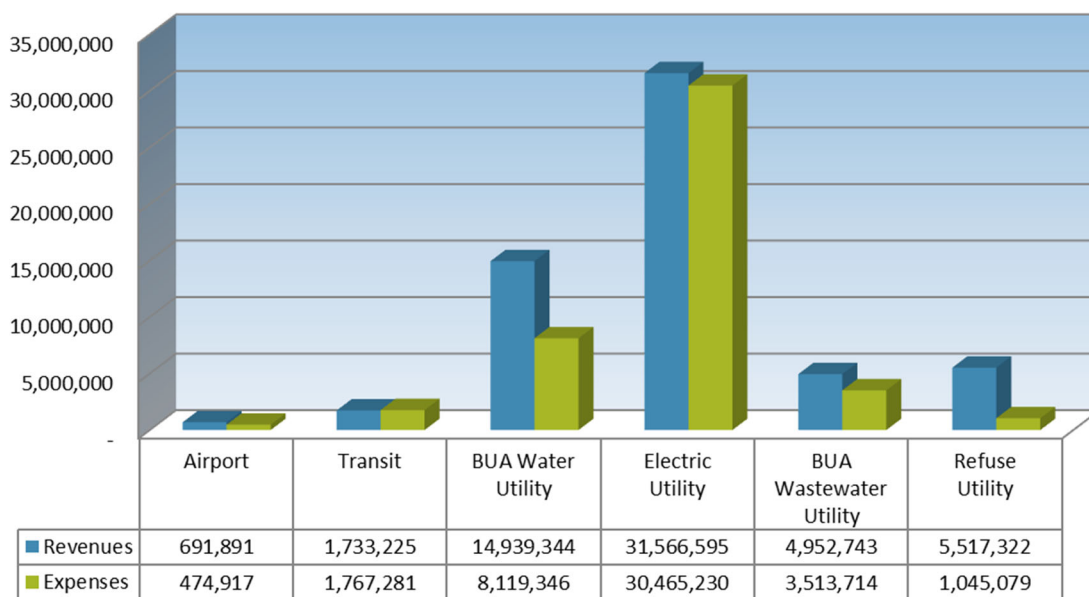
BUSINESS-TYPE ACTIVITIES

Table 4 and chart 4 focuses 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)		
	2021	2022	% Chg	2021	2022	% Chg	2021	2022	% Chg
Airport	324,479	691,891	113%	432,421	474,917	10%	(107,942)	216,974	301%
Transit	2,519,622	1,733,225	31%	2,312,227	1,767,281	24%	207,395	(34,056)	116%
BUA Water Utility	14,807,955	14,939,344	1%	8,143,196	8,119,346	0%	6,664,759	6,819,998	2%
Electric Utility	32,442,297	31,566,595	3%	30,352,036	30,465,230	0%	2,090,261	1,101,365	47%
BUA Wastewater Utility	3,825,766	4,952,743	29%	3,440,848	3,513,714	2%	384,918	1,439,029	274%
Refuse Utility	4,840,340	5,517,322	14%	4,863,174	1,045,079	79%	(22,834)	4,472,243	19686%
Business Subtotal	58,760,459	59,401,120	1%	49,543,902	45,385,567	8%	9,216,557	14,015,553	52%
General Revenues	128,240	(416,291)	425%	-	-	0%	128,240	(416,291)	425%
SUBTOTAL	58,888,699	58,984,829	0%	49,543,902	45,385,567	8%	9,344,797	13,599,262	46%
Transfers	-	-	0%	177,439	607,820	243%	(177,439)	(607,820)	243%
TOTAL	58,888,699	58,984,829	0%	49,721,341	45,993,387	7%	9,167,358	12,991,442	42%

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 \$145.98 million (see Table 2).
- Business-type activities increased Net Position by \$12.99 (see Table 2).
- All Business-type activities contributed to the Increase in Net. The fiscal year 2021-22 results of Net Revenues (Expenses) were \$13 million as shown in Table 4.

- Business-Type activities are run similar to private companies except without the profit motive. The purpose is to provide services without any city governmental funds support including all necessary infrastructure needs. Most Business-Type activities are primarily funded through rates, charges, and fees for services provided. Airport and Transit operations are heavily funded through dedicated federal and state programs.

FUNDS FINANCIAL STATEMENTS

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

Funds Financial Statements of the report tie 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 as well as special revenue, capital project, and debt service 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, charges for services, and other revenues fund these activities. The General Fund is reported as a major fund; all other Governmental funds are nonmajor.
- **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 proprietary funds that are reported with Governmental activities.
- **Fiduciary funds statements** provide information about the financial relationships in which the City acts solely as a custodian, 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 this fund type. These funds require the use of full accrual accounting.

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 law or 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, Debt Service Funds (currently none), Permanent Funds (currently none), and Internal Service Funds. Proprietary and Fiduciary activities are also accounted for in funds or fund groups. 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, Debt Service Funds, and Permanent 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 (current resources measurement focus), 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 nonmajor 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 Nonmajor 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 \$22.92 million, a decrease of \$3.2 million or 12.39 percent 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, \$4.88 million of the \$9.82 million fund balance is Unassigned, meaning those funds do not have restrictions on use. However, the remaining \$4.94 million is in the categories of Non-spendable, Restricted, Committed or Assigned. The remaining \$13.23 million in Governmental Funds’ fund balance are restricted for specific purposes reported by governmental category plus a separate capital projects category. Negative restricted funds’ fund balances are reported as unassigned (\$133 thousand).

GOVERNMENTAL REVENUES

Table 5 below presents a summary of Governmental Fund Revenues by Revenue category for fiscal year 2021-22, with comparative amounts from the prior year. Revenues were \$29.72 million, which is an increase of \$1.23 million or 4.32 percent compared to the previous fiscal year.

Table 5 - Comparison of Governmental Revenues

	2021	% of Total Revenues	2022	% of Total Revenues	\$ Increase / (Decrease)	% Change
Taxes	13,149,520	46.15%	15,587,711	52.44%	2,438,191	18.54%
Licenses & Permits	2,975,991	10.44%	3,096,461	10.42%	120,470	4.05%
Intergovernmental	4,535,311	15.92%	5,627,324	18.93%	1,092,013	24.08%
Charges for Services	2,728,036	9.57%	2,986,735	10.05%	258,699	9.48%
Use of Money & Property	267,821	0.94%	(106,464)	0.36%	(374,285)	139.75%
Fines and Forfeitures	180,425	0.63%	114,948	0.39%	(65,477)	36.29%
Contributions	12,350	0.04%	10,042	0.03%	(2,308)	18.69%
Successor Agency Admin	250,000	0.88%	250,000	0.84%	-	0.00%
Miscellaneous	4,394,609	15.42%	2,157,877	7.26%	(2,236,732)	50.90%
TOTAL	28,494,063	100.00%	29,724,634	100.00%	1,230,571	4.32%

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 fiscal year 2021-22, with comparative amounts from prior year. Expenditures were \$33.63 million, which is an increase of \$4.31 million or 14.69 percent over fiscal year 2020-21.

Table 6 - Comparison of Governmental Expenditures

	2021	% of Total Expenditures	2022	% of Total Expenditures	\$ Increase / (Decrease)	% Change
General Government	4,484,323	15.29%	4,843,512	14.40%	359,189	8.01%
Public Safety	13,563,927	46.26%	15,814,927	47.03%	2,251,000	16.60%
Community Development	4,449,247	15.17%	4,732,304	14.07%	283,057	6.36%
Parks and Recreation	1,374,080	4.69%	1,596,510	4.75%	222,430	16.19%
Public Works/Transportation	1,879,755	6.41%	1,788,191	5.32%	(91,564)	-4.87%
Operating Expenditures	25,751,332	87.82%	28,775,444	85.57%	3,024,112	11.74%
Capital Outlay	3,353,979	11.44%	4,734,064	14.08%	1,380,085	41.15%
Debt Service	216,212	0.74%	120,363	0.36%	(95,849)	-44.33%
TOTAL	29,321,523	100.00%	33,629,871	100.00%	4,308,348	14.69%

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

BALANCE SHEETS OF GOVERNMENTAL FUNDS

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

FIDUCIARY FUNDS

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

The Fiduciary Funds now include all of the funds related to the Successor Agency of the Former Redevelopment Agency, which was formed upon dissolution of the Banning Community

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

As a result of AB 1X 26, a law enacted by the State in 2012 dissolving the Redevelopment Agencies, Successor Agency Trust Fund receives trust revenues based on ROP's approved by CA Department of Finance. In fiscal year 2021-22, the Successor Agency received \$2.40 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 public 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 and provide both long-term and short-term financial information everywhere they are presented. 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 nonmajor 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 \$149.06 million. The major funds, the total of City Utilities make up \$141.74 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 change in net position was \$6.14 million, Electric's was \$1.17 million, and Wastewater's was \$1.15 million.

GENERAL FUND HIGHLIGHTS

The General Fund has a total fund balance of \$9.82 million, of which \$4.88 million is Unassigned, meaning those funds do not have restrictions on use. However, the remaining \$4.94 million is in the categories of Non-spendable, Restricted, Committed or Assigned. The city has committed \$1.50 million for emergency needs with a target of 25.00 percent of the total operating budget, plus assigned fund balances of \$1.50 million for capital replacement, another \$1.28 million for future compensated absences, \$0.13 million litigation contingency, and \$0.50 million for CalPERS liability, plus \$29 thousand that is non-spendable in nature from prepaid costs and employee loans. The terminology and presentation of fund balances align with of GASB 54 requirements.

GENERAL FUND – REVENUES

Table 7 below provides more information of the General Fund Revenues by category for the fiscal years 2019-20, 2020-21, and 2021-22.

Table 7 - General Fund Revenues

	2019-20	2020-21	2021-22	% of Total	\$ Increase / (Decrease) to Last Year	% Change
Property Tax	5,383,240	5,584,212	6,082,624	24.58%	498,412	8.93%
Sales Tax	3,672,949	3,854,823	5,857,884	23.68%	2,003,061	51.96%
Transient Occupancy Tax	804,389	1,119,765	1,290,574	5.22%	170,809	15.25%
Franchise	919,373	922,932	535,461	2.16%	(387,471)	-41.98%
Other Taxes	659,301	753,873	846,914	3.42%	93,041	12.34%
License & Permits	3,362,718	2,975,991	3,096,461	12.51%	120,470	4.05%
Intergovernmental	197,054	2,364,405	1,413,937	5.71%	(950,468)	-40.20%
Charges for Services	2,422,355	2,728,036	2,986,735	12.07%	258,699	9.48%
Use of Money & Property	705,142	265,746	(43,924)	0.18%	(309,670)	-116.53%
Fines & Forfeitures	169,833	180,425	114,948	0.46%	(65,477)	-36.29%
Transfers In	651,980	1,090,159	905,947	3.66%	(184,212)	-16.90%
Contributions	256,759	255,850	255,363	1.03%	(487)	-0.19%
Lease Proceeds	-	-	56,146	0.23%	56,146	100.00%
Miscellaneous	603,466	1,103,474	1,343,653	5.43%	240,179	21.77%
TOTALS	19,808,559	23,199,691	24,742,723	100.00%	1,543,032	6.65%

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

For fiscal year 2021-22, General Fund revenues were \$23.20 million, an increase of \$1.54 million or 6.65 percent over fiscal year 2020-21. Key elements of this year's activity versus last fiscal year are as follows:

- Property Tax Revenues increase 8.93 percent to \$6.08 million due to increased property values and continued increases in home sales from new developments.

- Sales Tax Revenues increased significantly to \$5.86 million or 51.96 percent due to increased consumer spending and large growth in the Proposition 172 Public Safety Sales Tax.
- Transient Occupancy Tax continued its recovery to pre-pandemic levels increasing by 15.25 percent to \$1.29 million.
- Licenses & Permits experienced a slight increase of 4.05 percent to \$3.10 million because of increased development activity.
- Intergovernmental Revenue had a substantial decrease of \$1.4 million to \$2.36 million due to one-time money for COVID-19 relief and a settlement that had been received in the prior fiscal year.
- Charges for Services increased 9.48 percent to \$2.99 million due to increased plan check review services and reimbursements for police services.

GENERAL FUND – EXPENDITURES

Table 8 below summarizes the General Fund Expenditures for the fiscal years 2019-20, 2020-21, and 2021-22.

Table 8 - General Fund Expenditures

	2019-20	2020-21	2021-22	% of Total	\$ Increase / (Decrease) to Last Year	% Change
General Government	2,972,421	4,484,323	4,510,023	18.13%	25,700	0.57%
Public Safety	12,898,273	13,282,214	13,795,628	55.44%	513,414	3.87%
Community Development	3,207,789	4,068,730	4,447,305	17.87%	378,575	9.30%
Culture & Leisure	1,263,614	1,372,529	1,527,287	6.14%	154,758	11.28%
Capital Outlay	-	-	56,146	0.23%	56,146	0.00%
Debt Service	435,466	216,212	74,480	0.30%	(141,732)	65.55%
Transfers Out	354,723	1,599,606	471,589	1.90%	(1,128,017)	70.52%
TOTALS	21,132,286	25,023,614	24,882,458	100.00%	(141,156)	0.56%

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

Total General Fund expenditures were \$24.88 million, which is a .56 percent increase over the previous year. The largest changes occurred in the following areas:

- Public Safety expenditures increased 3.87 percent or \$.51 million to \$13.8 million primarily due to wage increases to maintain employees and the purchase of new vehicles.
- Community Development expenditures of \$4.44 million increased by \$0.38 million or 9.3 percent, which is due primarily to the increased development activity of the Atwell project.
- Transfers Out decreased to \$1.13 million, a reduction of 70.52 percent, which resulted due to prior year one-time funds subsidizing the streets and transit funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original fiscal year 2021-22 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 \$24.74 million were \$2.05 million more than the final budgeted revenues of \$22.69 million (please refer to Budgetary Comparison Schedule-General Fund). This is mainly due to increases in property, sales, and other taxes, as well as support services revenues transferred in that were above budgeted levels.

The General Fund actual ending expenditures of \$24.88 million were \$3.97 million lower than the final budget of \$28.85 million. Most of the difference is accounted for by cost savings measures implemented during the year and salary savings due to vacancies in several departments. Overall, the City’s General Fund showed a net decrease in fund balance of \$140 thousand because of expenditures exceeding revenues, which is far better than the \$6.16 million budgeted loss that was previously expected for the year.

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, 2022, is \$205.77 million (net of accumulated depreciation), an increase of 8.00 percent from the previous fiscal year. 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		
	2021	2022	% Chg	2021	2022	% Chg	2021	2022	% Chg
Land	4,561,753	4,763,064	4%	5,217,688	5,615,491	8%	9,779,441	10,378,555	6%
Construction in Progress	794,068	4,470,154	463%	11,550,859	16,166,975	40%	12,344,927	20,637,129	67%
Building and Structures*	7,386,502	6,842,131	7%	92,407	83,618	10%	7,478,909	6,925,749	7%
Land Improvements*	3,321,332	3,418,528	3%	1,506,140	1,859,363	23%	4,827,472	5,277,891	9%
Machinery and Equipment*	744,278	740,009	1%	3,373,869	3,147,740	7%	4,118,147	3,887,749	6%
Vehicles*	576,830	365,562	37%	-	-	0%	576,830	365,562	37%
Utility Plant	-	-	0%	101,024,669	107,729,144	7%	101,024,669	107,729,144	7%
Infrastructure*	50,918,887	49,664,481	2%	-	-	0%	50,918,887	49,664,481	2%
Leased Assets	-	415,175	0%	-	490,257	0%	-	905,432	0%
TOTAL	68,303,650	70,679,104	3%	122,765,632	135,092,588	10%	191,069,282	205,771,692	8%

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, 2022, including the Net Pension Liability required by GASB No. 68 and 71, the Total Other Post-Employment Benefits Liability required by GASB 75, and Lease Liabilities required by GASB 87. City-wide long-term debt was \$87.95 million as of fiscal year end, which is a decrease of 16.00 percent from the prior year. The borrowing entities received no changes in debt ratings during the fiscal year.

As of June 30, 2022, the City's Governmental Activities had long term debt in the amount of \$24.95 million including Net Pension Liability of \$20.07 million. The 26.00 reduction in long-term debt is primarily due to the 32.00 percent reduction in net pension liability that was the result of 20 plus percent returns on the pension investment portfolio, offset by the newly added Total OPEB Liability and the implementation of GASB Statement No. 87 for Leases. 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 \$63.00 million including Net Pension Liability of \$10.45 million. The 11.00 reduction in long-term debt is primarily due to the 34.00 percent reduction in net pension liability that was the result of 20 plus percent returns on the pension investment portfolio, offset by the newly added Total OPEB Liability and the implementation of GASB Statement No. 87 for Leases. 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

Table 10 - Long Term Debt/Liability Recap

	Governmental Activities			Business-Type Activities			Totals		
	2021	2022	% Chg	2021	2022	% Chg	2021	2022	% Chg
Compensated Absences	1,450,694	1,454,829	0%	843,618	891,542	6%	2,294,312	2,346,371	2%
Refunding Lease	212,276	-	100%	-	-	0%	212,276	-	100%
Vehicle Lease	-	-	0%	-	-	0%	-	-	0%
Revenue Bonds	-	-	0%	49,190,011	46,620,000	5%	49,190,011	46,620,000	5%
Claims & Judgements	2,039,415	2,556,226	25%	-	-	0%	2,039,415	2,556,226	25%
Loans	-	-	0%	-	-	0%	-	-	0%
Leases	471,287	389,729	17%	565,103	457,987	19%	1,036,390	847,716	18%
SUBTOTAL	4,173,672	4,400,784	5%	50,598,732	47,969,529	5%	54,772,404	52,370,313	4%
Less:									
Unamortized original issue premium				4,262,472	3,984,316	7%	4,262,472	3,984,316	7%
Unamortized original issue discount						0%	-	-	0%
Net Business-Type Activities				54,861,204	51,953,845	5%	59,034,876	56,354,629	5%
Net Pension Liability	29,371,861	20,070,019	32%	15,721,007	10,452,228	34%	45,092,868	30,522,247	32%
Total OPEB Liability	-	479,093	100%	-	589,230	100%	-	1,068,323	100%
TOTAL	33,545,533	24,949,896	26%	70,582,211	62,995,303	11%	104,127,744	87,945,199	16%

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF BANNING
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 18,415,772	\$ 58,328,892	\$ 76,744,664
Receivables:			
Accounts	2,790,929	8,251,666	11,042,595
Loans	760,280	7,947	768,227
Interest	38,363	98,908	137,271
Grants	293,279	32,545	325,824
Internal Balances	2,790,736	(2,790,736)	-
Prepaid Costs	9,088	977,547	986,635
Deposits	-	115,569	115,569
Due from Other Governments	1,628,596	1,645	1,630,241
Inventories	161,149	5,259,859	5,421,008
Restricted Assets:			
Cash and Investments	-	2,279,429	2,279,429
Cash with Fiscal Agent	8,368,307	3,530,774	11,899,081
Investment in SCPPA Project Stabilization Fund	-	2,905,249	2,905,249
Capital Assets, Not Being Depreciated	9,233,218	21,782,466	31,015,684
Capital Assets, Net of Depreciation	61,445,886	113,310,122	174,756,008
Total Assets	<u>105,935,603</u>	<u>214,091,882</u>	<u>320,027,485</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	2,425,341	2,425,341
Deferred Pension Related Items	5,902,206	1,832,199	7,734,405
Deferred OPEB Related Items	15,180	18,670	33,850
Total Deferred Outflows of Resources	<u>5,917,386</u>	<u>4,276,210</u>	<u>10,193,596</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

	Primary Government		
	Governmental	Business- Type	
	Activities	Activities	Total
LIABILITIES			
Accounts Payable	\$ 2,928,799	\$ 3,838,867	\$ 6,767,666
Accrued Liabilities	678,207	145,501	823,708
Accrued Interest	-	244,858	244,858
Unearned Revenue	3,146,160	197,815	3,343,975
Deposits Payable	1,067,594	1,510,936	2,578,530
Compensated Absences - Due in One Year	940,937	459,714	1,400,651
Claims Payable - Due in One Year	1,102,567	-	1,102,567
Long Term Liabilities - Due in One Year	140,192	2,845,092	2,985,284
Noncurrent Liabilities:	-	-	-
Compensated Absences - Due in More Than One Year	513,892	431,828	945,720
Claims Payable - Due in More Than One Year	1,453,659	-	1,453,659
Long Term Liabilities - Due in More Than One Year	249,537	48,217,211	48,466,748
Net Pension Liability - Due in More than One Year	20,070,019	10,452,228	30,522,247
Total OPEB Liability - Due in More than One Year	479,093	589,230	1,068,323
Total Liabilities	<u>32,770,656</u>	<u>68,933,280</u>	<u>101,703,936</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding	-	91,391	91,391
Deferred Pension Related Items	10,068,901	3,465,400	13,534,301
Total Deferred Inflows of Resources	<u>10,068,901</u>	<u>3,556,791</u>	<u>13,625,692</u>
NET POSITION			
Net Investment in Capital Assets	70,289,375	86,364,235	156,653,610
Restricted for:			
Community Development Projects	2,579,906	-	2,579,906
Public Safety	16,903	-	16,903
Culture and Leisure	79,818	-	79,818
Transportation	2,292,516	-	2,292,516
Capital Projects	4,239,910	3,530,774	7,770,684
SCPPA Projects	-	977,547	977,547
SCPPA Stabilization Fund	-	2,905,249	2,905,249
Unrestricted	(10,484,996)	52,100,216	41,615,220
Total Net Position	<u>\$ 69,013,432</u>	<u>\$ 145,878,021</u>	<u>\$ 214,891,453</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ 5,938,773	\$ 2,806,494	\$ 54,172	\$ -
Public Safety	17,674,930	540,423	2,707,279	-
Community Development	5,214,463	3,751,763	143,297	-
Culture and Leisure	2,214,493	191,458	14,804	-
Transportation	6,080,185	40,745	2,067,879	2,824,531
Interest expense	5,170	-	-	-
Total Governmental Activities	<u>37,128,014</u>	<u>7,330,883</u>	<u>4,987,431</u>	<u>2,824,531</u>
Business-Type Activities:				
Airport	474,917	227,757	464,134	-
Transit	1,767,281	62,297	1,669,283	1,645
Banning Utility Authority Water	8,119,346	11,866,868	1,746,859	1,325,617
Electric Utility	30,465,230	28,959,728	5,035	2,601,832
Banning Utility Authority Wastewater	3,513,714	3,956,883	-	995,860
Refuse Utility	1,045,079	5,507,292	10,030	-
Total Business-Type Activities	<u>45,385,567</u>	<u>50,580,825</u>	<u>3,895,341</u>	<u>4,924,954</u>
Total Primary Government	<u>\$ 82,513,581</u>	<u>\$ 57,911,708</u>	<u>\$ 8,882,772</u>	<u>\$ 7,749,485</u>

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

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (3,078,107)	\$ -	\$ (3,078,107)
(14,427,228)	-	(14,427,228)
(1,319,403)	-	(1,319,403)
(2,008,231)	-	(2,008,231)
(1,147,030)	-	(1,147,030)
(5,170)	-	(5,170)
<u>(21,985,169)</u>	<u>-</u>	<u>(21,985,169)</u>
-	216,974	216,974
-	(34,056)	(34,056)
-	6,819,998	6,819,998
-	1,101,365	1,101,365
-	1,439,029	1,439,029
-	4,472,243	4,472,243
<u>-</u>	<u>14,015,553</u>	<u>14,015,553</u>
(21,985,169)	14,015,553	(7,969,616)
6,546,613	-	6,546,613
1,290,574	-	1,290,574
6,797,082	-	6,797,082
535,461	-	535,461
179,862	-	179,862
667,052	-	667,052
37,237	-	37,237
(159,044)	(450,259)	(609,303)
10,028	-	10,028
2,468	33,968	36,436
<u>15,907,333</u>	<u>(416,291)</u>	<u>15,491,042</u>
<u>607,820</u>	<u>(607,820)</u>	<u>-</u>
<u>16,515,153</u>	<u>(1,024,111)</u>	<u>15,491,042</u>
(5,470,016)	12,991,442	7,521,426
<u>74,483,448</u>	<u>132,886,579</u>	<u>207,370,027</u>
<u>\$ 69,013,432</u>	<u>\$ 145,878,021</u>	<u>\$ 214,891,453</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 6,828,300	\$ 10,535,518	\$ 17,363,818
Receivables:			
Accounts, Net	2,711,565	21,175	2,732,740
Loans	20,343	739,937	760,280
Interest	23,912	13,667	37,579
Grants	281,293	11,986	293,279
Prepaid Costs	9,088	-	9,088
Due from Other Governments	1,215,175	413,024	1,628,199
Due from Other Funds	4,393,187	-	4,393,187
Restricted Assets:			
Cash and Investments With Fiscal Agents	-	8,368,307	8,368,307
Total Assets	<u>\$ 15,482,863</u>	<u>\$ 20,103,614</u>	<u>\$ 35,586,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,379,567	\$ 1,285,035	\$ 2,664,602
Accrued Liabilities	632,790	9,191	641,981
Unearned Revenues	2,010,773	1,135,387	3,146,160
Deposits Payable	964,108	103,486	1,067,594
Due to Other Funds	-	3,722,515	3,722,515
Advances from Other Funds	394,118	-	394,118
Total Liabilities	<u>5,381,356</u>	<u>6,255,614</u>	<u>11,636,970</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	<u>281,293</u>	<u>751,923</u>	<u>1,033,216</u>
Total Deferred Inflows of Resources	<u>281,293</u>	<u>751,923</u>	<u>1,033,216</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Prepaid Costs	\$ 9,088	\$ -	\$ 9,088
Employee Loans	20,343	-	20,343
Restricted:			
Community Development Projects	-	1,835,265	1,835,265
Public Safety		16,903	16,903
Culture and Leisure	-	79,818	79,818
Transportation		2,292,516	2,292,516
Capital Projects	-	4,239,910	4,239,910
Committed:			
Emergency Contingency	1,500,000	-	1,500,000
Assigned:			
Capital Replacement	1,500,000	4,764,434	6,264,434
Future Compensated Absences	1,283,816	-	1,283,816
Litigation Contingency	127,849	-	127,849
CalPERS Liability	500,000	-	500,000
Unassigned	4,879,118	(132,769)	4,746,349
Total Fund Balances	<u>9,820,214</u>	<u>13,096,077</u>	<u>22,916,291</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 15,482,863</u>	 <u>\$ 20,103,614</u>	 <u>\$ 35,586,477</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, 2022

Fund Balances - Total Governmental Funds \$ 22,916,291

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

Capital and right to use assets net of depreciation and amortization have not been included as financial resources in governmental fund activity. 70,334,262

Pension related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred Outflows of Resources	\$ 5,448,377	
Deferred Inflows of Resources	(9,210,534)	
Pension Liability	<u>(17,481,040)</u>	(21,243,197)

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Compensated Absences	(1,283,817)	
Lease liability	<u>(332,507)</u>	(1,616,324)

OPEB related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred Outflows of Resources	10,555	
OPEB Liability	<u>(333,143)</u>	(322,588)

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.

1,033,216

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.

(2,088,228)

Net Position of Governmental Activities **\$ 69,013,432**

CITY OF BANNING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 14,613,457	\$ 974,254	\$ 15,587,711
Licenses and Permits	3,096,461	-	3,096,461
Intergovernmental	1,413,937	4,193,387	5,607,324
Charges for Services	2,986,735	-	2,986,735
Use of Money and Property	(43,924)	(62,540)	(106,464)
Fines and Forfeitures	114,948	-	114,948
Contributions	5,363	4,679	10,042
Contribution from Successor Agency	250,000	-	250,000
Miscellaneous	1,343,653	834,224	2,177,877
Total Revenues	<u>23,780,630</u>	<u>5,944,004</u>	<u>29,724,634</u>
EXPENDITURES			
Current:			
General Government	4,510,023	333,489	4,843,512
Public Safety	13,795,628	2,019,299	15,814,927
Community Development	4,447,305	284,999	4,732,304
Culture and Leisure	1,527,287	69,223	1,596,510
Transportation	-	1,788,191	1,788,191
Capital Outlay	56,146	4,677,918	4,734,064
Debt Service:			
Principal Retirement	71,459	43,734	115,193
Interest and Fiscal Charges	3,021	2,149	5,170
Total Expenditures	<u>24,410,869</u>	<u>9,219,002</u>	<u>33,629,871</u>
EXCESS OF REVENUES OVER EXPENDITURES	(630,239)	(3,274,998)	(3,905,237)
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	56,146	-	56,146
Transfers In	905,947	853,555	1,759,502
Transfers Out	(471,589)	(680,142)	(1,151,731)
Total Other Financing Sources (Uses)	<u>490,504</u>	<u>173,413</u>	<u>663,917</u>
NET CHANGE IN FUND BALANCES	(139,735)	(3,101,585)	(3,241,320)
Fund Balances - Beginning of Year	<u>9,959,949</u>	<u>16,197,662</u>	<u>26,157,611</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,820,214</u>	<u>\$ 13,096,077</u>	<u>\$ 22,916,291</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (3,241,320)

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	\$ 4,802,520	
Capital Contributions	2,824,531	
Disposals	(17,000)	
Depreciation	<u>(5,717,891)</u>	1,892,160

Repayment of 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>115,193</u>	115,193
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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.

(58,986)

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

(1,904,499)

OPEB Expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.

(50,134)

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.

(1,268,895)

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.

(953,535)

Change in Net Position of Governmental Activities **\$ (5,470,016)**

CITY OF BANNING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
ASSETS		
Current:		
Pooled Cash and Investments	\$ 27,373,479	\$ 4,274,307
Receivables:		
Accounts, Net	2,098,501	5,523,505
Loans	-	3,151
Interest	41,562	14,660
Grants	19,555	-
Prepaid Costs	-	977,547
Deposits	-	115,569
Due from Other Governments	-	-
Inventories	922,205	4,303,248
Restricted:		
Cash and Investments	-	2,279,429
Cash with Fiscal Agent	120,389	682,901
Investment in SCPPA Project Stabilization Fund	-	2,905,249
Total Current Assets	<u>30,575,691</u>	<u>21,079,566</u>
Noncurrent:		
Advances to Other Funds	-	394,118
Capital Assets not Being Depreciated	6,666,620	13,741,369
Capital Assets - Net of Accumulated Depreciation	46,297,060	52,840,923
Total Noncurrent Assets	<u>52,963,680</u>	<u>66,976,410</u>
Total Assets	<u>83,539,371</u>	<u>88,055,976</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	660,933	1,764,408
Deferred Pension Related Items	372,982	1,025,360
Deferred OPEB Related Items	3,801	10,448
Total Deferred Outflows of Resources	<u>1,037,716</u>	<u>2,800,216</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2022

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 19,642,244	\$ 7,038,862	\$ 58,328,892	\$ 1,051,954
	-		
595,944	33,716	8,251,666	58,189
-	4,796	7,947	-
31,707	10,979	98,908	784
-	12,990	32,545	-
-	-	977,547	-
-	-	115,569	-
-	1,645	1,645	397
-	34,406	5,259,859	161,149
-	-	2,279,429	-
2,727,484	-	3,530,774	-
-	-	2,905,249	-
<u>22,997,379</u>	<u>7,137,394</u>	<u>81,790,030</u>	<u>1,272,473</u>
-	-	394,118	-
850,296	524,181	21,782,466	43,104
<u>12,124,742</u>	<u>2,047,397</u>	<u>113,310,122</u>	<u>301,738</u>
<u>12,975,038</u>	<u>2,571,578</u>	<u>135,486,706</u>	<u>344,842</u>
<u>35,972,417</u>	<u>9,708,972</u>	<u>217,276,736</u>	<u>1,617,315</u>
-	-	2,425,341	-
155,063	278,794	1,832,199	453,829
<u>1,580</u>	<u>2,841</u>	<u>18,670</u>	<u>4,625</u>
<u>156,643</u>	<u>281,635</u>	<u>4,276,210</u>	<u>458,454</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
LIABILITIES		
Current:		
Accounts Payable	\$ 573,424	\$ 3,149,322
Accrued Liabilities	32,245	83,485
Accrued Interest	143,302	90,816
Unearned Revenues	-	-
Deposits Payable	215,537	1,148,821
Due to Other Funds	-	-
Compensated Absences	100,893	327,458
Claims and Judgments	-	-
Bonds, Notes, and Leases	1,226,836	1,393,256
Total Current Liabilities	<u>2,292,237</u>	<u>6,193,158</u>
Noncurrent:		
Net Pension Liability	2,127,769	5,849,417
Total OPEB Liability	119,950	329,752
Compensated Absences	119,365	156,025
Claims and Judgments	-	-
Bonds, Notes, and Leases	20,181,906	24,680,305
Total Noncurrent Liabilities	<u>22,548,990</u>	<u>31,015,499</u>
Total Liabilities	<u>24,841,227</u>	<u>37,208,657</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding	-	-
Deferred Pension Related Items	705,455	1,939,354
Total Deferred Inflows of Resources	<u>705,455</u>	<u>1,939,354</u>
NET POSITION		
Net Investment in Capital Assets	32,215,871	42,273,139
Restricted for Capital Projects	120,389	682,901
Restricted for SCPPA Projects	-	977,547
Restricted for SCPPA Stabilization Fund	-	2,905,249
Unrestricted	26,694,145	4,869,345
Total Net Position	<u>\$ 59,030,405</u>	<u>\$ 51,708,181</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2022

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 61,295	\$ 54,826	\$ 3,838,867	\$ 264,197
11,983	17,788	145,501	36,226
10,740	-	244,858	-
-	197,815	197,815	-
58,351	88,227	1,510,936	-
-	-	-	670,672
4,601	26,762	459,714	76,422
-	-	-	1,102,567
225,000	-	2,845,092	22,814
<u>371,970</u>	<u>385,418</u>	<u>9,242,783</u>	<u>2,172,898</u>
884,593	1,590,449	10,452,228	2,588,979
49,868	89,660	589,230	145,950
79,545	76,893	431,828	94,590
-	-	-	1,453,659
3,355,000	-	48,217,211	34,408
<u>4,369,006</u>	<u>1,757,002</u>	<u>59,690,497</u>	<u>4,317,586</u>
<u>4,740,976</u>	<u>2,142,420</u>	<u>68,933,280</u>	<u>6,490,484</u>
91,391	-	91,391	-
293,284	527,307	3,465,400	858,367
<u>384,675</u>	<u>527,307</u>	<u>3,556,791</u>	<u>858,367</u>
9,303,647	2,571,578	86,364,235	287,620
2,727,484	-	3,530,774	-
-	-	977,547	-
-	-	2,905,249	-
<u>18,972,278</u>	<u>4,749,302</u>	<u>55,285,070</u>	<u>(5,560,702)</u>
<u>\$ 31,003,409</u>	<u>\$ 7,320,880</u>	<u>\$ 149,062,875</u>	<u>\$ (5,273,082)</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, 2022

Net Position per Statement of Net Position - Proprietary Funds	\$ 149,062,875
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds.	(2,983,181)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds.	<u>(201,673)</u>
Net Position per Statement of Net Position	<u><u>\$ 145,878,021</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
OPERATING REVENUES		
Sales and Service Charges	\$ 11,550,208	\$ 28,901,057
Miscellaneous	316,660	58,671
Total Operating Revenues	<u>11,866,868</u>	<u>28,959,728</u>
OPERATING EXPENSES		
Salaries and Benefits	1,983,283	3,671,685
Supplies and Services	3,875,813	3,442,281
Repairs and Maintenance	63,387	86,642
Street Lighting Costs	-	156,311
Power Purchased	-	19,853,742
Insurance Premiums	-	-
Depreciation Expense	1,424,172	2,005,845
Total Operating Expenses	<u>7,346,655</u>	<u>29,216,506</u>
OPERATING INCOME (LOSS)	<u>4,520,213</u>	<u>(256,778)</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	1,746,859	5,035
Interest Revenue and Change in Fair Value of Investments	(195,465)	(54,684)
Interest Expense	(808,309)	(1,117,570)
Gain (Loss) on Disposal of Capital Assets	16,264	17,704
Total Nonoperating Revenues (Expenses)	<u>759,349</u>	<u>(1,149,515)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	5,279,562	(1,406,293)
Capital Contributions	1,325,617	2,601,832
Transfers In	2,230	-
Transfers Out	<u>(470,000)</u>	<u>(20,767)</u>
CHANGES IN NET POSITION	6,137,409	1,174,772
Net Position - Beginning of Year	<u>52,892,996</u>	<u>50,533,409</u>
NET POSITION - END OF YEAR	<u>\$ 59,030,405</u>	<u>\$ 51,708,181</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, 2022

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 3,859,358	\$ 5,771,961	\$ 50,082,584	\$ 6,800,172
97,524	25,384	498,239	38,342
<u>3,956,882</u>	<u>5,797,345</u>	<u>50,580,823</u>	<u>6,838,514</u>
661,484	1,273,494	7,589,946	1,473,187
2,086,090	1,579,201	10,983,385	3,619,449
48,409	12,097	210,535	602,607
-	-	156,311	-
-	-	19,853,742	-
-	-	-	2,134,882
622,577	350,013	4,402,607	44,141
<u>3,418,560</u>	<u>3,214,805</u>	<u>43,196,526</u>	<u>7,874,266</u>
<u>538,322</u>	<u>2,582,540</u>	<u>7,384,297</u>	<u>(1,035,752)</u>
-	2,145,092	3,896,986	-
(146,693)	(53,412)	(450,254)	(118,630)
(61,492)	-	(1,987,371)	(906)
-	-	33,968	-
<u>(208,185)</u>	<u>2,091,680</u>	<u>1,493,329</u>	<u>(119,536)</u>
330,137	4,674,220	8,877,626	(1,155,288)
995,860	-	4,923,309	-
1,434	60,283	63,947	49
<u>(181,000)</u>	<u>-</u>	<u>(671,767)</u>	<u>-</u>
1,146,431	4,734,503	13,193,115	(1,155,239)
<u>29,856,978</u>	<u>2,586,377</u>	<u>135,869,760</u>	<u>(4,117,843)</u>
<u>\$ 31,003,409</u>	<u>\$ 7,320,880</u>	<u>\$ 149,062,875</u>	<u>\$ (5,273,082)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF BANNING
RECONCILIATION OF CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ 13,193,115
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds.	<u>(201,673)</u>
Changes in Net Position of Business-Type Activities per Statement of Activities	<u><u>\$ 12,991,442</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Users	\$ 12,024,186	\$ 30,415,802
Cash Paid to Suppliers for Goods and Services	(4,351,811)	(25,341,549)
Cash Paid to Employees for Services	(2,125,357)	(4,713,020)
Net Cash Provided (Used) by Operating Activities	<u>5,547,018</u>	<u>361,233</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Transfers In	2,230	-
Cash Transfers Out	(470,000)	(20,767)
Intergovernmental	1,746,859	5,035
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,279,089</u>	<u>(15,732)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(3,428,087)	(10,789,044)
Capital contributions	1,325,617	2,601,832
Principal Paid on Capital Debt	(1,170,556)	(1,327,873)
Interest Paid on Capital Debt	(893,648)	(1,158,073)
Proceeds from Sales of Capital Assets	16,264	17,704
Net Cash Used by Capital and Related Financing Activities	<u>(4,150,410)</u>	<u>(10,655,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Collections of Repayment on Loan Receivables	-	(1,803)
Issuance of Notes and Loans Receivable	761	-
Payments Made to SCPPA Project Stabilization Fund	-	(2,867)
Interest Received	(227,582)	(62,182)
Net Cash Used by Investing Activities	<u>(226,821)</u>	<u>(66,852)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,448,876	(10,376,805)
Cash and Cash Equivalents - Beginning of Year	<u>24,946,895</u>	<u>17,343,764</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 27,395,771</u></u>	<u><u>\$ 6,966,959</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 4,018,977	\$ 1,718,516	\$ 48,177,481	\$ 6,799,655
(2,267,900)	(1,887,346)	(33,848,606)	(5,814,522)
(885,376)	(1,583,406)	(9,307,159)	(2,755,238)
<u>865,701</u>	<u>(1,752,236)</u>	<u>5,021,716</u>	<u>(1,770,105)</u>
1,434	60,283	63,947	537,644
(181,000)	(234,937)	(906,704)	-
-	3,158,516	4,910,410	-
<u>(179,566)</u>	<u>2,983,862</u>	<u>4,067,653</u>	<u>537,644</u>
(1,437,426)	(468,601)	(16,123,158)	-
995,860	-	4,923,309	-
(220,000)	-	(2,718,429)	(22,511)
(68,922)	-	(2,120,643)	(906)
<u>-</u>	<u>-</u>	<u>33,968</u>	<u>-</u>
<u>(730,488)</u>	<u>(468,601)</u>	<u>(16,004,953)</u>	<u>(23,417)</u>
-	-	(1,803)	-
-	(1,730)	(969)	-
-	-	(2,867)	-
(170,340)	(63,271)	(523,375)	(119,219)
<u>(170,340)</u>	<u>(65,001)</u>	<u>(529,014)</u>	<u>(119,219)</u>
(214,693)	698,024	(7,444,598)	(1,375,097)
<u>22,543,638</u>	<u>6,217,946</u>	<u>71,052,243</u>	<u>2,307,691</u>
<u>\$ 22,328,945</u>	<u>\$ 6,915,970</u>	<u>\$ 63,607,645</u>	<u>\$ 932,594</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 4,520,213	\$ (256,778)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Changes in Operating Assets and Liabilities:		
Depreciation (Expense)	1,424,172	2,005,845
(Increase) Decrease in Assets and Deferred Outflow of Resources:		
Accounts Receivable	191,765	873,849
Deposits Receivable	-	(109)
Grants Receivable	(19,555)	
Due from Other Governments	-	-
Prepaid Expense	-	(130,666)
Inventories	(346,203)	(1,433,126)
Deferred Pension Related Items	21,392	160,306
Deferred OPEB Related Items	(481)	(1,321)
Increase (Decrease) in Liabilities:		
Accounts Payable	(66,408)	(238,672)
Accrued Liabilities	(65,363)	(164,155)
Deposits Payable	18,212	582,225
Unearned Revenue	(33,104)	-
Net Pension Liability	(834,240)	(3,055,697)
Total OPEB Liability	18,533	50,947
Claims and Judgments	-	-
Compensated Absences	14,692	35,436
Deferred Pension Related Items	703,393	1,933,149
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,547,018</u>	<u>\$ 361,233</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITY		
Amortization of Unamortized Premiums/Discounts	<u>\$ 125,339</u>	<u>\$ 152,817</u>
Amortization of Gain/Loss on Defeasance	<u>\$ (48,958)</u>	<u>\$ (117,627)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

Business-Type Activities Enterprise Funds			Governmental Activities
Banning Utility Authority Wastewater	Other Enterprise Funds	Totals	Internal Service Fund
\$ 538,322	\$ 2,582,540	\$ 7,384,297	\$ (1,035,752)
622,577	350,013	4,402,607	44,141
74,767	703,883	1,844,264	(39,874)
-	-	(109)	-
-	(12,990)	(32,545)	-
-	40,660	40,660	1,015
-	-	(130,666)	-
-	(3,449)	(1,782,778)	(68,564)
34,136	45,130	260,964	186,033
(200)	(359)	(2,361)	(585)
(133,401)	(292,599)	(731,080)	94,169
(22,161)	(48,796)	(300,475)	(73,434)
(12,672)	(12,190)	575,575	-
-	(4,798,192)	(4,831,296)	-
(536,408)	(842,434)	(5,268,779)	(2,216,781)
7,705	13,854	91,039	22,550
-	-	-	516,811
712	(2,916)	47,924	(54,851)
292,324	525,609	3,454,475	855,017
<u>\$ 865,701</u>	<u>\$ (1,752,236)</u>	<u>\$ 5,021,716</u>	<u>\$ (1,770,105)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,770</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, 2022

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	\$ 425,379	\$ 90,987
Receivables:		
Accounts	2,951	10,000
Notes and Loans	-	250,155
Interest	304	-
Prepaid Costs	-	198,579
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	-	6,775,155
Total Assets	<u>614,697</u>	<u>12,000,432</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	<u>-</u>	<u>559,582</u>
LIABILITIES		
Accounts Payable	197	-
Accrued Interest	-	303,905
Deposits Payable	77,614	-
Long-Term Liabilities:		
Bonds and Loans Payable Due in One Year	-	1,290,000
Bonds and Loans Payable Due in More Than One Year	-	24,960,000
Total Liabilities	<u>77,811</u>	<u>26,553,905</u>
NET POSITION		
Net Investement in Capital Assets	-	6,775,155
Restricted for Other Organizations	536,886	
Restricted for Successor Agency	-	(20,769,046)
Total Net Position	<u>\$ 536,886</u>	<u>\$ (13,993,891)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS		
Taxes	\$ 192,861	\$ 2,261,732
Interest and Change in Fair Value of Investments	(1,372)	-
Miscellaneous	-	-
Total Additions	<u>191,489</u>	<u>2,261,732</u>
DEDUCTIONS		
Administrative Expenses	40,667	253,764
Community Development	-	600,000
Principal Payment	90,000	-
Interest Expense	96,838	931,803
Amortization Expense	-	74,611
Depreciation Expense	-	380,604
Total Deductions	<u>227,505</u>	<u>2,240,782</u>
CHANGE IN NET POSITION	(36,016)	20,950
Net Position - Beginning of Year	<u>572,902</u>	<u>(14,014,841)</u>
NET POSITION - END OF YEAR	<u><u>\$ 536,886</u></u>	<u><u>\$ (13,993,891)</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 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 operating the the utility system. Separate financial statements can be obtained at City Hall.

In December 2005, the Authority entered into an agreement with the City for the operation of the City's water and wastewater systems. The agreement was formed for the sole purpose for arranging for the Authority to carry out all aspects of operations and maintenance of the City's water and wastewater enterprise pursuant to and in accordance with the provisions of the Authority agreement. The City continues to own the water and wastewater enterprise. The Authority has been afforded long-term nonexclusive access and use of the facilities to perform the services required under the agreement. As part of the agreement, 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 ended June 30, 2022

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Description of the Reporting Entity (Continued)

Blended Component Units (Continued)

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 City of Banning Housing Authority was established on January 10, 2012 to accept the assets of the former Redevelopment Agency. The Housing Authority is designed to protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare and ensure decent, safe, sanitary and affordable housing accommodations to persons of low income. 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. The housing assets and functions are reported in the Banning Housing Authority, a special revenue fund of the City. Separate financial statements can be obtained at City Hall.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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, 2022

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, 2022

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, 2022

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, 2022

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 and Right to Use 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. Right to Use assets, which include equipment and vehicles, follow the same capitalization thresholds as capital assets. Right to Use assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term.

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, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets and Right to Use 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

Right to Use assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

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 assets 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 three items that qualify for reporting in this category.

The first item is the deferred charge on refunding reported in the statement 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 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.

The third are deferred outflows relating to the OPEB 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 change in assumption which is amortized over the expected average remaining service life.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 assets 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 statement 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 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 the results of differences between expected and actual experiences, difference between actual contributions made and the proportionate share of the risk pool's total contributions and adjustments due to change in proportions which are 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, 2022

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

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

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

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

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

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 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.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

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

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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)

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.

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.

Lease Payable

Lease payable represents the City's obligation to make lease payments arising from the lease. Lease payable is recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Obligations (Continued)

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. Pension liabilities are liquidated from the related employees' home programs, with majority funded out of General Fund and Enterprise Funds. See Note 12 for more information.

Other Post-Employment Benefit Liability

The City's defined benefit OPEB plan allows employees at retirement to continue participating in City medical plans with payment of the full premium until age 65. The Plan is a single-employer defined benefit OPEB plan administered by the City and governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The General Fund and Enterprise Funds are generally used to liquidate the OPEB liability. See Note 13 for more information.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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)

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	\$ 83,395
Community Development Block Grant - Special Revenue	49,374
Transit Fund	783,638
Self Insurance	2,835,329
Information Services	1,033,189
Utility Billing Services	2,030,058

e. New Accounting Pronouncements

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Entity adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 26,784,079
Business-Type Activities	67,044,344
Fiduciary Funds	702,429
Total Cash and Investments	<u>\$ 94,530,852</u>
Petty Cash	\$ 4,055
Deposits with Financial Institutes	16,075,617
Investments	75,545,931
Investment in SCPPA Rate Stabilization Fund	2,905,249
Total Cash and Investments	<u>\$ 94,530,852</u>

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, 2022, the carrying amount of the City's deposits was \$16,075,617 and the bank balance was \$14,539,721. The \$1,535,896 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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

GASB Statement No. 31

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

Investment in SCPPA Project Stabilization Fund

The City has investments held with the Southern California Public Power Authority, a Joint Powers Authority, in a Project Stabilization Fund for future joint projects. At June 30, 2022, the balance held by SCPPA in the Project Stabilization Fund was \$2,905,249.

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, 2022, the City's investments in Federal Agency Securities consisted of investments Federal Home Loan Mortgage Corporation Notes. At June 30, 2022, 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, 2022, the City's investments in external investment pools are unrated.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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, 2022, 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, 2022, none of the City's investments exceeded more than 5% of the total investment value with a single issuer.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2022, 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	\$ -	\$ 2,981,220	\$ 11,659,020	\$ 2,919,210	\$ 17,559,450
Local Agency Investment Fund	36,349,537	-	-	-	36,349,537
Money Market	9,551,802	-	-	-	9,551,802
Cash with Fiscal Agents:					
Money Market	12,085,142	-	-	-	12,085,142
Total Investments	<u>\$ 57,986,481</u>	<u>\$ 2,981,220</u>	<u>\$ 11,659,020</u>	<u>\$ 2,919,210</u>	<u>\$ 75,545,931</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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Totals	Uncategorized	Level 1	Level 2	Level 3
Federal Agency Securities	\$ 17,559,450	\$ -	\$ -	\$ 17,559,450	\$ -
Local Agency Investment Fund	36,349,537	36,349,537	-	-	-
Money Market Funds	9,551,802	9,551,802	-	-	-
Held by Fiscal Agent:					
Money Market Mutual Funds	12,085,142	12,085,142	-	-	-
Total Investments	<u>\$ 75,545,931</u>	<u>\$ 57,986,481</u>	<u>\$ -</u>	<u>\$ 17,559,450</u>	<u>\$ -</u>

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, 2022, is as follows:

Due To/From Other Funds

Funds	Due to Other Funds			Total
	Nonmajor Governmental Funds	Other Enterprise Funds	Internal Service Funds	
Due from Other Funds:				
General Fund	\$ 3,722,515	\$ -	\$ 670,672	\$ 4,393,187
Total	<u>\$ 3,722,515</u>	<u>\$ -</u>	<u>\$ 670,672</u>	<u>\$ 4,393,187</u>

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

Advances To/From Other Funds

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

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, 2022, principal owed on those loans was \$394,118.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

Funds	Transfers Out					Totals
	General Fund	BUA Water Fund	BUA Electric Fund	BUA Wastewater Fund	Nonmajor Governmental Funds	
Transfers In:						
General Fund	\$ -	\$ 470,000	\$ -	\$ 181,000	\$ 254,947	\$ 905,947
BUA Water Fund	2,230	-	-	-	-	2,230
BUA Wastewater Fund	1,434	-	-	-	-	1,434
Other Enterprise Funds	60,283	-	-	-	-	60,283
Internal Service Funds	-	-	-	-	49	49
Nonmajor Governmental Funds	407,642	-	20,767	-	425,146	853,555
Totals	<u>\$ 471,589</u>	<u>\$ 470,000</u>	<u>\$ 20,767</u>	<u>\$ 181,000</u>	<u>\$ 680,142</u>	<u>\$ 1,823,498</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). Transfers out of Nonmajor Governmental Funds to General fund and Electric Fund were for payment of eligible grant expenditures

NOTE 4 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 4,561,753	\$ 201,311	\$ -	\$ -	\$ 4,763,064
Construction in Progress	794,068	3,739,186	-	(63,100)	4,470,154
Total Capital Assets Not Being Depreciated	<u>5,355,821</u>	<u>3,940,497</u>	<u>-</u>	<u>(63,100)</u>	<u>9,233,218</u>
Capital Assets Being Depreciated:					
Buildings and Structures	26,930,710	372,561	(613,374)	22,000	26,711,897
Land Improvements	8,949,620	361,476	-	-	9,311,096
Machinery and Equipment	7,083,936	118,985	(315,825)	-	6,887,096
Vehicles	3,938,685	9,000	(34,973)	-	3,912,712
Infrastructure	130,805,884	2,824,532	-	41,100	133,671,516
Right to use assets	471,287	56,146	-	-	527,433
Total Capital Assets Being Depreciated	<u>178,180,122</u>	<u>3,742,700</u>	<u>(964,172)</u>	<u>63,100</u>	<u>181,021,750</u>
Less Accumulated Depreciation:					
Buildings and Structures	19,544,208	875,810	(613,373)	63,120	19,869,765
Land Improvements	5,628,288	337,178	-	(72,897)	5,892,569
Machinery and Equipment	6,339,658	95,658	(274,073)	(14,156)	6,147,087
Vehicles	3,361,855	200,211	(34,973)	20,057	3,547,150
Infrastructure	79,886,997	4,120,038	-	-	84,007,035
Less Accumulated Amortization:					
Right to use assets	-	112,258	-	-	112,258
Total Accumulated Depreciation	<u>114,761,006</u>	<u>5,741,153</u>	<u>(922,419)</u>	<u>(3,876)</u>	<u>119,575,864</u>
Total Capital Assets Being Depreciated, Net	<u>63,419,116</u>	<u>(1,998,453)</u>	<u>(41,753)</u>	<u>66,976</u>	<u>61,445,886</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,774,937</u>	<u>\$ 1,942,044</u>	<u>\$ (41,753)</u>	<u>\$ 3,876</u>	<u>\$ 70,679,104</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 123,076
Public Safety	918,401
Community Development	199,496
Transportation	4,121,241
Culture and Leisure	334,798
Internal Service Fund	44,141
Total Depreciation Expense - Governmental Activities	<u>\$ 5,741,153</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 5,217,688	\$ 397,803	\$ -	\$ -	\$ 5,615,491
Construction in Progress	11,550,859	7,579,693	-	(2,963,577)	16,166,975
Total Capital Assets Not Being Depreciated	16,768,547	7,977,496	-	(2,963,577)	21,782,466
Capital Assets Being Depreciated:					
Airport Master Plan	38,875	-	(38,875)	-	-
Buildings and Structures	546,084	-	-	-	546,084
Land Improvements	4,562,917	477,725	-	59,817	5,100,459
Machinery and Equipment	3,406,499	677,887	-	-	4,084,386
Utility Plant	188,516,196	6,990,959	-	2,903,760	198,410,915
Right to Use assets	565,103	41,301	-	-	606,404
Total Capital Assets Being Depreciated	197,635,674	8,187,872	(38,875)	2,963,577	208,748,248
Less Accumulated Depreciation:					
Airport Master Plan	38,875	-	(38,875)	-	-
Buildings and Structures	453,677	8,458	-	331	462,466
Land Improvements	3,057,252	183,844	-	-	3,241,096
Machinery and Equipment	77,031	723,136	-	136,479	936,646
Utility Plant	87,446,651	3,371,022	-	(135,902)	90,681,771
Less Accumulated Amortization:					
Right to Use Asset	-	116,147	-	-	116,147
Total Accumulated Depreciation	91,073,486	4,402,607	(38,875)	908	95,438,126
Total Capital Assets Being Depreciated, Net	106,562,188	3,785,265	-	2,962,669	113,310,122
Business-Type Activities Capital Assets, Net	<u>\$ 123,330,735</u>	<u>\$ 11,762,761</u>	<u>\$ -</u>	<u>\$ (908)</u>	<u>\$ 135,092,588</u>

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

Banning Utility Authority Water	\$ 1,424,172
Electric Utility	2,005,845
Banning Utility Authority Wastewater	622,577
Airport	189,987
Transit	155,279
Refuse Utility	4,747
Total Depreciation Expense - Business-Type Activities	<u>\$ 4,402,607</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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	\$ 2,819,843	\$ (108,278)	\$ 2,711,565
Nonmajor Governmental	21,175	-	21,175
Internal Service Funds	58,189	-	58,189
Water	2,643,911	(545,410)	2,098,501
Electric	6,667,052	(1,143,547)	5,523,505
Wastewater	770,791	(174,847)	595,944
Nonmajor Proprietary	82,604	(48,888)	33,716
Total	<u>\$ 13,063,565</u>	<u>\$ (2,020,970)</u>	<u>\$ 11,042,595</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, 2022:

	Balance at June 30, 2022
Owners Participation Loans	\$ 500,000
First Time Home Buyer Down Payment Assistance Loans	220,000
Rehabilitation Loans	19,937
Employee Loans	28,290
Total Loans Available	<u>\$ 768,227</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, 2022, amounted to \$2,279,429.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Incurred	Retired	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Direct Borrowing:					
Lease Liability	\$ 471,287	\$ 56,146	\$ 137,704	\$ 389,729	\$ 140,192
Total	<u>\$ 471,287</u>	<u>\$ 56,146</u>	<u>\$ 137,704</u>	<u>\$ 389,729</u>	<u>\$ 140,192</u>
Business-Type Activities					
Direct Borrowing:					
Lease Liability	\$ 565,103	\$ 41,301	\$ 148,417	\$ 457,987	\$ 155,092
Bonds Payable:					
2015 Electric Refunding Bond	24,890,000	-	1,275,000	23,615,000	1,335,000
2015 Water Revenue Bond	20,500,011	-	1,075,011	19,425,000	1,130,000
2019 Wastewater Refunding Bond	3,800,000	-	220,000	3,580,000	225,000
Premium	4,262,472	-	278,156	3,984,316	-
Total	<u>\$ 54,017,586</u>	<u>\$ 41,301</u>	<u>\$ 2,996,584</u>	<u>\$ 51,062,303</u>	<u>\$ 2,845,092</u>

Governmental Activities

Lease Liability

The City leases vehicle and equipment for various lease terms under long-term, noncancelable lease agreements. The lease expire at various dates through 2026. This liability, amounting to \$389,729 at June 30, 2022, will be paid in future years.

The annual requirements to amortize the lease liabilities as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 140,192	\$ 4,208	\$ 144,400
2024	127,760	2,367	130,127
2025	84,739	994	85,733
2026	36,076	156	36,232
2027	962	-	962
Total	<u>\$ 389,729</u>	<u>\$ 7,725</u>	<u>\$ 397,454</u>

Business-Type Activities

Lease Liability

The City leases vehicle and equipment for various lease terms under long-term, noncancelable lease agreements. The lease expire at various dates through 2027. This liability, amounting to \$457,987 at June 30, 2022, will be paid in future years.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Lease Liability (Continued)

The annual requirements to amortize the lease liabilities as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 155,092	\$ 5,001	\$ 160,093
2024	143,700	2,992	146,692
2025	102,695	1,316	104,011
2026	48,719	301	49,020
2027	7,781	44	7,825
Total	<u>\$ 457,987</u>	<u>\$ 9,654</u>	<u>\$ 467,641</u>

2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects

On August 19, 2015, the Banning Utility Authority issued \$25,365,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The proceeds of the bonds, together with other money being made available by the Authority, will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series, currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2005 Water Revenue Bonds, which have been removed from long-term debt. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,370,000	582,563	1,952,563
2028 to 2032	7,765,000	2,017,869	9,782,869
2033 to 2035	5,430,000	401,700	5,831,700
Total	<u>\$ 19,425,000</u>	<u>\$ 5,969,884</u>	<u>\$ 25,394,884</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 \$8,802,212.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

2015 Electric Revenue Refunding Bonds

On August 19, 2015, the Banning Financing Authority issued \$31,755,000 in Refunding Revenue Bonds (Electric System Project). The proceeds of the bond, together with other money being made available by the Authority, will be used to (i) refund the Authority's \$45,790,000 Revenue Bonds (Electric System Project) Series 2007, currently outstanding in the amount of \$34,270,000; (ii) finance certain improvements (the Facilities) to the electric system of the City of Banning; (iii) pay the insurance premium for the Bonds; (iv) purchase a reserve surety bond for the Bonds; and (v) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2007 Electric Revenue Bonds, which have been removed from long-term debt. The 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 annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,620,000	802,294	2,422,294
2028 to 2032	8,890,000	3,014,781	11,904,781
2033 to 2037	7,355,000	1,139,500	8,494,500
Total	<u>\$ 23,615,000</u>	<u>\$ 8,902,001</u>	<u>\$ 32,517,001</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 \$2,424,794.

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.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM DEBT (CONTINUED)

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. The 2019 Wastewater Enterprise Refunding Revenue Bonds bear interest of 1.80%. Interest is payable semi-annually on May 1 and November 1, commencing May 1, 2020. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	245,000	45,495	290,495
2028 to 2032	1,290,000	159,030	1,449,030
2033 to 2036	1,115,000	40,455	1,155,455
Total	<u>\$ 3,580,000</u>	<u>\$ 469,710</u>	<u>\$ 4,049,710</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, 2022, was \$1,454,829 which includes \$171,012 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 \$891,542.

	<u>Balance</u>				<u>Amounts</u>	<u>Amounts Due</u>
	<u>July 01, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>	<u>Due Within</u>	<u>In More Than</u>
					<u>One Year</u>	<u>One Year</u>
Governmental Activities	<u>\$ 1,450,694</u>	<u>\$ 945,945</u>	<u>\$ 941,810</u>	<u>\$ 1,454,829</u>	<u>\$ 940,937</u>	<u>\$ 513,892</u>
Business-Type Activities	<u>\$ 843,618</u>	<u>\$ 876,110</u>	<u>\$ 828,186</u>	<u>\$ 891,542</u>	<u>\$ 459,714</u>	<u>\$ 431,828</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022
AD 2004-1	\$ 2,898,000	\$ 1,785,000

NOTE 11 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, 2022

NOTE 11 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, 2022, 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	9.66%	7.21%
Payment of Unfunded Liability	\$ 2,042,596	\$ -

* Closed to new entrants not previously in CalPERS

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	25.59%	19.88%	13.98%
Payment of Unfunded Liability	\$ 1,643,837	\$ 3,277	\$ 10,517

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 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, 2022, 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, 2022, City contributions was \$5,411,198.

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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 and the June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 2022

NOTE 11 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, 2022

NOTE 11 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: June 30, 2021 (Reporting Date) (1)	\$ 82,469,833	\$ 55,195,363	\$ 27,274,470
Changes Recognized for the Measurement Period:			
Service Cost	1,716,925	-	1,716,925
Interest on the Total Pension Liability	5,835,395	-	5,835,395
Change of Assumptions	-	-	-
Difference between Expected and Actual Experience	398,058	-	398,058
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	2,971,273	(2,971,273)
Contributions from Employees	-	803,793	(803,793)
Net Investment Income (2)	-	12,554,124	(12,554,124)
Benefit Payments including Refunds of Employee Contributions	(4,224,859)	(4,224,859)	-
Administrative Expense	-	(55,137)	55,137
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During 2021-22	3,725,519	12,049,194	(8,323,675)
Balance at: June 30, 2022 (Reporting Date) (1)	\$ 86,195,352	\$ 67,244,557	\$ 18,950,795

(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, 2022, the City reported a \$11,571,452 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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2021 and 2022 was as follows:

Safety Plan	
Proportion - June 30, 2021	0.26745%
Proportion - June 30, 2022	0.32972%
Change - Increase (Decrease)	0.06227%

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 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	\$ 29,850,416	\$ 18,950,795	\$ 9,881,765
Safety Plan's Net Pension Liability	\$ 19,584,914	\$ 11,571,452	\$ 4,989,382

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,476,763 for Miscellaneous Plan and \$2,896,335 for Safety Plan, for a total of \$4,373,098. As of June 30, 2022, 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	\$ 3,066,042	\$ -	\$ 2,345,157	\$ -
Change of Assumptions	-	-	-	-
Difference between Expected and Actual Experience	255,894	8,449	1,976,973	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,274,623		6,887,238
Adjustments Due to Difference in Proportions	-	-	-	211,817
Difference in Actual Contribution and Proportionate Share of Contribution Calculation	-	-	90,339	152,174
Total	<u>\$ 3,321,936</u>	<u>\$ 6,283,072</u>	<u>\$ 4,412,469</u>	<u>\$ 7,251,229</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)

The Miscellaneous Plan reported \$3,066,042 and the Safety Plan reported \$2,345,157 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, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
2023	\$ (1,458,213)	\$ (793,473)
2024	(1,340,016)	(1,038,532)
2025	(1,502,474)	(1,456,640)
2026	(1,726,475)	(1,895,272)
2027	-	-
Thereafter	-	-
Total	<u>\$ (6,027,178)</u>	<u>\$ (5,183,917)</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 \$12,879 (7.5% of covered payroll). Total payroll for employees covered under this plan for the year was \$171,714.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The city provides other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan. The plan, which is administered by the city, allows employees at retirement to continue participating in City medical plans with payment of the full premium until age 65. Premiums are the same for actives and retirees, resulting in an implicit subsidy to retirees. Employees who waive coverage at retirement are not eligible to reenroll. The authority to do so is included annually in the memorandum of understanding between the city and each of its employee groups and ultimately passed by city council action. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75. The plan does not issue a separate report.

Employees Covered

As of the June 30, 2021, measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Active Employees	<u>168</u>
Total	<u><u>170</u></u>

Total OPEB Liability

The City's OPEB liability of \$1,068,323 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2022, rolled backwards to June 30, 2021 using standard update procedures.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of measurement period June 30, 2021, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.16%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
Healthcare Cost Trend Rates	8.5% decreasing to 3.45% by 2076
Pre-retirement Turnover	Derived from CalPERS pension plan
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Discount Rate

There are no assets accumulated in a trust, therefore, the discount rate is the average of three rate indices: S&P General Obligation Municipal Bond 20-Year High Grade Index, the Fidelity Municipal Bond AA 20-Year Maturity Yield and the Bond Buyer General Obligation 20-Bond Municipal Bond index. The use of this index results to discount rate of 2.16% at measurement date June 30, 2021.

Change in Assumption

Discount rate was changed from 2.21% to 2.16%.

Changes in Total OPEB Liability

The change in total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2020 (Measurement Date)	\$ 903,266
Changes in the Year:	
Service Cost	167,505
Interest on the Total OPEB Liability	23,337
Changes in Assumptions	3,786
Benefit Payments	<u>(29,571)</u>
Net Changes	<u>165,057</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 1,068,323</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB Liability	\$ 1,145,042	\$ 1,068,323	\$ 993,927

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Total OPEB Liability	\$ 947,123	\$ 1,068,323	\$ 1,210,903

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$191,236. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 30,458	\$ -
Change in Assumptions	3,392	-
Total	<u>\$ 33,850</u>	<u>\$ -</u>

An amount of \$30,458 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 394
2024	394
2025	394
2026	394
2027	394
Thereafter	1,422

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the amount of these liabilities was \$2,556,226. The amount represents an estimate of \$1,469,531 for reported claims through June 30, 2022, and \$1086,695 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, 2022

NOTE 14 INSURANCE PROGRAMS (CONTINUED)

Changes in the reported liability since June 30, 2022, 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
2021	\$ 1,538,482	\$ 970,929	\$ 469,996	\$ 2,039,415
2022	2,039,415	1,396,464	879,653	2,556,226

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, 2022

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

d. Construction Contracts

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2022	Remaining Commitments
Design - Well C8	\$ 884,683	\$ 211,939	\$ 672,744
Wastewater Treatment Plant Maintenance and Operations	1,633,135	1,083,092	550,043
Materials Inventory	2,850,000	1,506,663	1,343,337
Metal-Clad Switchgear Building	1,244,776	421,554	823,222
Shelters, Insulated, Fabricated			-
San Gorgonio Substation	3,629,128	2,525,907	1,103,221
Street Hwy Repairs Wide Street Improvements	-	-	-
Ramsey Street and Hathaway Street			
Transit Bus Replacements	1,109,371	17,779	1,091,592
Total	<u>\$ 11,351,093</u>	<u>\$ 5,766,934</u>	<u>\$ 5,584,159</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, 2022, the Electric Utility Fund made payments totaling \$7,440,176 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 or can be obtained by written request at 225 South Lake Avenue, Suite 1250, Pasadena, California 91101.

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (CONTINUED)

For the year ended June 30, 2022, 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, 2022

NOTE 16 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (CONTINUED)

e. Hoover Upgrading Project

On March 1, 1986, SCPA 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 SCPA in return for SCPA's agreement to make advance payments to the USBR on behalf of such participants. SCPA 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.

Power Purchase Agreements

The City entered into power sales agreements with SCPA 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, 2022

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, 2022

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	\$ 90,987
Total	<u>\$ 90,987</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, 2022:

	Balance at June 30, 2022
Owners Participation Loans	<u>\$ 250,155</u>
Total Loans Receivable	<u>\$ 250,155</u>

During the fiscal year ending June 30, 2022, 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, 2022, follows:

	Balance June 30, 2021	Transfers	Additions	Deletions	Balance June 30, 2022
Nondepreciable Assets:					
Construction in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total Nondepreciable Assets	-	-	-	-	-
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	3,711,923	-	-	-	3,711,923
Total Depreciable Assets	10,289,825	-	-	-	10,289,825
Less Accumulated Depreciation:					
Land Improvements	1,614,859	-	247,848	-	1,862,707
Building and Structures	298,662	22,206	26,078	-	346,946
Machinery and Equipment	50,584	(22,206)	-	-	28,378
Infrastructure	1,169,962	-	106,677	-	1,276,639
Total Accumulated Depreciation	3,134,067	-	380,603	-	3,514,670
Total Depreciable Assets, Net	7,155,758	-	(380,603)	-	6,775,155
Capital Assets	<u>\$ 7,155,758</u>	<u>\$ -</u>	<u>\$ (380,603)</u>	<u>\$ -</u>	<u>\$ 6,775,155</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, follows:

	Balance June 30, 2021	Additions	Repayments	Balance June 30, 2022	Due Within One Year
Fiduciary Funds:					
2016 Tax Allocation Refunding Bonds	\$ 27,515,000	\$ -	\$ 1,265,000	\$ 26,250,000	\$ 1,290,000
Total Fiduciary Funds	<u>\$ 27,515,000</u>	<u>\$ -</u>	<u>\$ 1,265,000</u>	<u>\$ 26,250,000</u>	<u>\$ 1,290,000</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%.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,430,000	752,792	2,182,792
2028 to 2032	7,890,000	2,987,845	10,877,845
2033 to 2037	9,455,000	1,375,774	10,830,774
2038	2,120,000	41,711	2,161,711
Total	<u>\$ 26,250,000</u>	<u>\$ 8,543,426</u>	<u>\$ 34,793,426</u>

CITY OF BANNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

f. 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 \$34,796,426 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 \$2,201,704 and the debt service obligation on the bonds was \$2,189,838.

g. 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 15.

h. Commitments and Contingencies

At June 30, 2022, 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.

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	2022
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	\$ 1,716,925
Interest	4,417,332	4,647,945	4,783,405	4,880,944	5,086,725	5,383,175	5,587,964	5,835,395
Difference in Expected and Actual Experiences	-	(48,685)	(1,098,175)	(1,096,153)	733,536	1,456,383	(29,569)	398,058
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)	(4,224,859)
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	3,725,519
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	82,469,833
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	86,195,352
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	2,971,273
Contribution – Employee	608,478	566,122	445,598	674,451	670,531	721,618	734,736	803,793
Net Investment Income	-	1,020,136	221,312	4,904,903	4,077,253	3,354,860	2,657,597	12,554,124
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)	(4,224,859)
Administrative Expense	(2,569,019)	(50,336)	(27,249)	(64,709)	(75,132)	(36,340)	(75,213)	(55,137)
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	12,049,194
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	55,195,363
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	67,244,557
Plan Net Pension Liability (Asset) (a) – (b)	<u>\$ 18,236,672</u>	<u>\$ 19,932,249</u>	<u>\$ 22,466,695</u>	<u>\$ 24,027,519</u>	<u>\$ 24,127,804</u>	<u>\$ 26,102,458</u>	<u>\$ 27,274,470</u>	<u>\$ 18,950,795</u>
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 %	78.01 %
Covered Payroll	\$ 7,427,270	\$ 6,992,494	\$ 7,149,518	\$ 5,903,926	\$ 8,719,354	\$ 9,781,645	\$ 8,912,142	\$ 9,790,189
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 %	193.57 %

* 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	2022
Proportion of the Net Pension Liability	0.23259 %	0.01734 %	0.16650 %	0.16191 %	0.16713 %	0.26886 %	0.26745 %	0.32972 %
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	\$ 11,571,452
Covered Payroll	\$ 2,399,596	\$ 2,184,008	\$ 2,205,720	\$ 1,581,595	\$ 2,439,376	\$ 2,608,731	\$ 3,538,340	\$ 3,141,440
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%	368.35%
Plan Fiduciary Net Position	\$ 33,631,871	\$ 32,989,395	\$ 32,521,518	\$ 35,284,479	\$ 37,103,510	\$ 38,589,307	\$ 39,295,336	\$ 47,960,112
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82 %	78.40 %	72.69 %	71.74 %	73.39 %	73.37 %	68.80 %	80.56 %

* 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, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,349,103	\$ 1,483,525	\$ 1,829,173	\$ 1,862,651	\$ 2,153,041	\$ 2,491,669	\$ 2,810,447	\$ 3,066,042
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)	(3,066,042)
Contribution Deficiency (Excess)	<u>\$ -</u>	<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	\$ 9,790,189	\$ 10,501,315
Contributions as a Percentage of Covered Payroll	19.29%	20.75%	30.98%	21.36%	22.01%	27.96%	28.71%	29.20%

* 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 www.calpers.ca.gov under Forms and Publications.

Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% 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, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,034,818	\$ 1,329,187	\$ 1,481,661	\$ 1,599,794	\$ 1,830,085	\$ 2,163,458	\$ 2,353,753	\$ 2,345,157
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)	(2,345,157)
Contribution Deficiency (Excess)	<u>\$ -</u>	<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	\$ 3,141,440	\$ 3,871,832
Contributions as a Percentage of Covered Payroll	47.38%	60.26%	93.68%	65.58%	70.15%	61.14%	74.93%	60.57%

* 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%
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Investment Rate of Return	7.00%, Net of Administrative Expenses
Retirement Age	All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% 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 CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	<u>2022</u>
Total OPEB Liability:	
Service Cost	\$ 167,505
Interest	23,337
Difference in Expected and Actual Experiences	-
Changes of Assumptions	3,786
Benefit Payments, Including Refunds of Employee Contributions	<u>(29,571)</u>
Net Change in Total OPEB Liability	165,057
Total OPEB Liability – Beginning	<u>903,266</u>
Total OPEB Liability – Ending (a)	<u>1,068,323</u>
 Covered Payroll	 \$ 17,724,658
 Plan Net OPEB Liability (Asset) as a Percentage of Covered Payroll	 6.03 %

* 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75

Notes:

Benefit Changes - There were no changes to benefit terms.

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 9,959,949	\$ 9,959,949	\$ 9,959,949	\$ -
Resources (Inflows):				
Taxes:				
Sales and Use	4,223,038	5,383,125	5,857,884	474,759
Property	5,352,421	5,910,552	6,082,624	172,072
Franchise	895,534	895,534	535,461	(360,073)
Transient Occupancy	940,680	940,680	1,290,574	349,894
Other	641,925	641,925	846,914	204,989
Subtotal	12,053,598	13,771,816	14,613,457	841,641
Licenses and Permits:				
Building Permits	460,000	565,000	516,441	(48,559)
Other Permits	1,559,580	2,028,700	2,580,020	551,320
Subtotal	2,019,580	2,593,700	3,096,461	502,761
Intergovernmental:				
State Mother Vehicle In-Lieu Fees	15,016	15,016	37,237	22,221
Other Intergovernmental Revenues	96,132	1,370,616	1,376,700	6,084
Subtotal	111,148	1,385,632	1,413,937	28,305
Charges for Services:				
Engineering, Police, Fire, and Other Fees	536,092	569,961	434,704	(135,257)
Recreation Fees	172,715	173,425	133,522	(39,903)
Interfund Charges	2,420,774	2,420,774	2,418,509	(2,265)
Subtotal	3,129,581	3,164,160	2,986,735	(177,425)
Use of Money and Property:				
Interest and Rents	77,485	85,558	(43,924)	(129,482)
Subtotal	77,485	85,558	(43,924)	(129,482)
Fines and Forfeitures:				
Parking Fines	38,385	38,385	7,260	(31,125)
Court Fines and Other Fines	195,004	155,004	107,688	(47,316)
Subtotal	233,389	193,389	114,948	(78,441)
Contributions	7,900	7,900	5,363	(2,537)
Contributing from Successor Agency	250,000	250,000	250,000	-
Miscellaneous	4,013,553	581,909	1,343,653	761,744
Lease Proceeds	-	-	56,146	56,146
Transfers In	651,000	658,800	905,947	247,147
Subtotal	4,922,453	1,498,609	2,561,109	1,062,500
Total Resources (Inflows)	22,547,234	22,692,864	24,742,723	2,049,859
Amounts Available for Appropriations	32,507,183	32,652,813	34,702,672	2,049,859

See accompanying Note to Required Supplementary Information.

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Changes to Appropriations (Outflow):				
General Government:				
City Council	\$ 115,723	\$ 124,792	\$ 105,818	\$ 18,974
City Manager	428,324	830,948	671,957	158,991
Personnel	273,943	489,903	418,100	71,803
City Clerk	157,183	149,149	156,949	(7,800)
City Attorney	509,067	375,567	374,450	1,117
Finance	1,360,144	1,258,559	1,204,895	53,664
Economic Development	200,002	368,146	262,605	105,541
Community Enhancement	388,190	418,140	445,864	(27,724)
Central Services	649,462	705,189	431,813	273,376
Building Maintenance	439,254	718,172	437,572	280,600
Subtotal	4,521,292	5,438,565	4,510,023	928,542
Public Safety:				
Police	8,172,637	9,283,274	9,146,366	136,908
Animal Control	360,048	424,995	375,205	49,790
Fire	3,648,313	3,711,835	3,262,839	448,996
Dispatch	917,931	1,042,078	1,011,218	30,860
Subtotal	13,098,929	14,462,182	13,795,628	666,554
Community Development:				
TV Government Access	66,656	86,585	134,439	(47,854)
Building Safety	845,122	2,817,294	1,056,141	1,761,153
Code Enforcement	409,753	502,958	392,785	110,173
Planning	787,719	1,326,428	1,049,417	277,011
Engineering	866,125	2,025,676	1,726,863	298,813
Community Enhancement	50,900	101,400	87,660	13,740
Subtotal	3,026,275	6,860,341	4,447,305	2,413,036
Culture and Leisure:				
Parks	618,835	794,493	677,145	117,348
Recreation	539,977	713,173	587,815	125,358
Aquatics	167,971	220,495	166,086	54,409
Senior Center	107,463	137,912	96,241	41,671
Subtotal	1,434,246	1,866,073	1,527,287	338,786
Capital Outlay	-	-	56,146	(56,146)
Subtotal	-	-	56,146	(56,146)
Debt Service:				
Principal Retirement	-	-	71,459	(71,459)
Interest and Fiscal Charges	-	-	3,021	(3,021)
Transfers Out	225,826	225,826	471,589	(245,763)
Subtotal	225,826	225,826	546,069	(320,243)
Total Charges to Appropriations	22,306,568	28,852,987	24,882,458	3,970,529
Budgetary Fund Balance - End of Year	\$ -	\$ 3,799,826	\$ 9,820,214	\$ 6,020,388

See accompanying Note to Required Supplementary Information.

CITY OF BANNING
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 Clerk	\$ 156,949	\$ 149,149	\$ 7,800
Community Enhancement	445,864	418,140	27,724
Community Development:			
TV Government Access	134,439	86,585	47,854
Debt Service:			
Principal Retirement	71,459	-	71,459
Interest and Fiscal Charges	3,021	-	3,021
Transfers Out	471,589	225,826	245,763

**CITY OF BANNING, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Gas Tax Street	Measure A	Community Development Block Grant	Landscape Maintenance District
ASSETS				
Pooled Cash and Investments	\$ -	\$ 819,417	\$ -	\$ 93,520
Receivables:				
Accounts, Net	100	-	-	28
Loans	-	-	-	-
Interest	275	1,309	-	154
Grants	-	-	7,282	-
Due from Other Governments	58,548	237,674	-	(394)
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 58,923</u>	<u>\$ 1,058,400</u>	<u>\$ 7,282</u>	<u>\$ 93,308</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 33,649	\$ 444,563	\$ 84	\$ 12,738
Accrued Liabilities	8,853	-	-	338
Unearned Revenues	-	-	-	-
Deposits Payable	95,961	-	-	-
Due to Other Funds	3,855	-	49,290	-
Total Liabilities	<u>142,318</u>	<u>444,563</u>	<u>49,374</u>	<u>13,076</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	7,282	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>7,282</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Culture and Leisure	-	-	-	-
Transportation	-	613,837	-	80,232
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	-	-	-	-
Unassigned	(83,395)	-	(49,374)	-
Total Fund Balances	<u>(83,395)</u>	<u>613,837</u>	<u>(49,374)</u>	<u>80,232</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,923</u>	<u>\$ 1,058,400</u>	<u>\$ 7,282</u>	<u>\$ 93,308</u>

CITY OF BANNING
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement	Special Donations
ASSETS				
Pooled Cash and Investments	\$ 429,137	\$ 1,849	\$ 274,722	\$ 38,931
Receivables:				
Accounts, Net	-	-	-	-
Loans	-	-	-	-
Interest	680	3	436	-
Grants	-	-	-	-
Due from Other Governments	10,601	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 440,418</u>	<u>\$ 1,852</u>	<u>\$ 275,158</u>	<u>\$ 38,931</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	264,131	-
Deposits Payable	-	-	-	7,525
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>264,131</u>	<u>7,525</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	1,852	11,027	-
Culture and Leisure	-	-	-	31,406
Transportation	440,418	-	-	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>440,418</u>	<u>1,852</u>	<u>11,027</u>	<u>31,406</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 440,418</u>	<u>\$ 1,852</u>	<u>\$ 275,158</u>	<u>\$ 38,931</u>

CITY OF BANNING
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Senior Center Activities	Police Volunteer	Wilson Median Improvement	Banning Housing Authority
ASSETS				
Pooled Cash and Investments	\$ 48,352	\$ 4,017	\$ 396,606	\$ 2,227,855
Receivables:				
Accounts, Net	-	-	-	-
Loans	-	-	-	739,937
Interest	78	7	629	3,554
Grants	-	-	-	4,704
Due from Other Governments	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 48,430</u>	<u>\$ 4,024</u>	<u>\$ 397,235</u>	<u>\$ 2,976,050</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 18	\$ -	\$ -	\$ 396,144
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>18</u>	<u>-</u>	<u>-</u>	<u>396,144</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	744,641
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>744,641</u>
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	1,835,265
Public Safety	-	4,024	-	-
Culture and Leisure	48,412	-	-	-
Transportation	-	-	397,235	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>48,412</u>	<u>4,024</u>	<u>397,235</u>	<u>1,835,265</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,430</u>	<u>\$ 4,024</u>	<u>\$ 397,235</u>	<u>\$ 2,976,050</u>

CITY OF BANNING
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds	
		American Rescue Plan Act	Police Facilities Development	Fire Facilities Development
	SB1			
ASSETS				
Pooled Cash and Investments	\$ 660,123	\$ 871,256	\$ 227,120	\$ 1,289,711
Receivables:				
Accounts, Net	-	-	-	-
Loans	-	-	-	-
Interest	-	-	360	2,045
Grants	-	-	-	-
Due from Other Governments	106,589	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 766,712</u>	<u>\$ 871,256</u>	<u>\$ 227,480</u>	<u>\$ 1,291,756</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 5,918	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	871,256	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>5,918</u>	<u>871,256</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Culture and Leisure	-	-	-	-
Transportation	760,794	-	-	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	-	-	227,480	1,291,756
Unassigned	-	-	-	-
Total Fund Balances	<u>760,794</u>	<u>-</u>	<u>227,480</u>	<u>1,291,756</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 766,712</u>	<u>\$ 871,256</u>	<u>\$ 227,480</u>	<u>\$ 1,291,756</u>

CITY OF BANNING
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds			
	Traffic Control Facilities	General Facilities	Park Development	Capital Improvement
ASSETS				
Pooled Cash and Investments	\$ 1,893,123	\$ 520,383	\$ 193,581	\$ -
Receivables:				
Accounts, Net	-	-	-	-
Loans	-	-	-	-
Interest	3,002	827	308	-
Grants	-	-	-	-
Due from Other Governments	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	681,695
Total Assets	<u>\$ 1,896,125</u>	<u>\$ 521,210</u>	<u>\$ 193,889</u>	<u>\$ 681,695</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	47,721
Total Liabilities	-	-	-	47,721
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Culture and Leisure	-	-	-	-
Transportation	-	-	-	-
Capital Projects	-	-	-	-
Assigned:				
Capital Projects	1,896,125	521,210	193,889	633,974
Unassigned	-	-	-	-
Total Fund Balances	<u>1,896,125</u>	<u>521,210</u>	<u>193,889</u>	<u>633,974</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,896,125</u>	<u>\$ 521,210</u>	<u>\$ 193,889</u>	<u>\$ 681,695</u>

CITY OF BANNING
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds			Total
	Sunset Grade Separation	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	Governmental Funds
ASSETS				
Pooled Cash and Investments	\$ -	\$ 545,815	\$ -	\$ 10,535,518
Receivables:				
Accounts, Net	-	-	21,047	21,175
Loans	-	-	-	739,937
Interest	-	-	-	13,667
Grants	-	-	-	11,986
Due from Other Governments	-	-	6	413,024
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	7,686,612	8,368,307
Total Assets	\$ -	\$ 545,815	\$ 7,707,665	\$ 20,103,614
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 391,921	\$ 1,285,035
Accrued Liabilities	-	-	-	9,191
Unearned Revenues	-	-	-	1,135,387
Deposits Payable	-	-	-	103,486
Due to Other Funds	-	-	3,621,649	3,722,515
Total Liabilities	-	-	4,013,570	6,255,614
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	751,923
Total Deferred Inflows of Resources	-	-	-	751,923
FUND BALANCES				
Restricted:				
Community Development Projects	-	-	-	1,835,265
Public Safety	-	-	-	16,903
Culture and Leisure	-	-	-	79,818
Transportation	-	-	-	2,292,516
Capital Projects	-	545,815	3,694,095	4,239,910
Assigned:				
Capital Projects	-	-	-	4,764,434
Unassigned	-	-	-	(132,769)
Total Fund Balances	-	545,815	3,694,095	13,096,077
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 545,815	\$ 7,707,665	\$ 20,103,614

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Gas Tax Street	Measure A	Community Development Block Grant	Landscape Maintenance District
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ 939,198	\$ -	\$ 35,056
Use of Money and Property	765,703	-	146,571	-
Contributions	(1,439)	(5,669)	-	(609)
Miscellaneous	-	-	-	-
Total Revenues	317,724	276,915	7	3
	1,081,988	1,210,444	146,578	34,450
EXPENDITURES				
Current:				
General Government				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Culture and Leisure	-	-	152,632	-
Transportation	-	-	-	-
Capital Outlay	1,497,216	15,716	-	151,399
Debt Service:	-	1,873,698	1,024	-
Principal				
Interest	43,734	-	-	-
Total Expenditures	2,149	-	-	-
	1,543,099	1,889,414	153,656	151,399
EXCESS OF REVENUES OVER EXPENDITURES				
	(461,111)	(678,970)	(7,078)	(116,949)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	414,419	-	-	-
Total Other Financing Sources (Uses)	(2,055)	(125,000)	(162,817)	-
	412,364	(125,000)	(162,817)	-
NET CHANGE IN FUND BALANCES				
	(48,747)	(803,970)	(169,895)	(116,949)
Fund Balances - Beginning of Year				
	(34,648)	1,417,807	120,521	197,181
FUND BALANCES - END OF YEAR				
	\$ (83,395)	\$ 613,837	\$ (49,374)	\$ 80,232

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	AQMD Air Pollution Program	Asset Forfeiture	Supplemental Law Enforcement	Special Donations
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	41,276	-	26,953	-
Contributions	(3,308)	42	(2,146)	-
Miscellaneous	-	-	-	4,035
Total Revenues	152,998	-	-	1,559
	190,966	42	24,807	5,594
EXPENDITURES				
Current:				
General Government				
Public Safety	-	-	-	-
Community Development	-	-	26,953	-
Culture and Leisure	3,000	-	-	8,950
Transportation	-	-	-	-
Capital Outlay	199	-	-	-
Debt Service:	-	-	-	-
Principal				
Interest	-	-	-	-
Total Expenditures	-	-	-	-
	3,199	-	26,953	8,950
EXCESS OF REVENUES OVER EXPENDITURES				
	187,767	42	(2,146)	(3,356)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	(5,472)	-	(7,800)
	-	(5,472)	-	(7,800)
NET CHANGE IN FUND BALANCES				
	187,767	(5,430)	(2,146)	(11,156)
Fund Balances - Beginning of Year	252,651	7,282	13,173	42,562
FUND BALANCES - END OF YEAR				
	\$ 440,418	\$ 1,852	\$ 11,027	\$ 31,406

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Senior Center Activities	Police Volunteer	Wilson Median Improvement	Banning Housing Authority
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	-	-	-
Contributions	(359)	(31)	(2,908)	(16,402)
Miscellaneous	644	-	-	-
Total Revenues	3,973	-	-	20,000
	4,258	(31)	(2,908)	3,598
EXPENDITURES				
Current:				
General Government				
Public Safety	-	-	-	-
Community Development	-	715	-	-
Culture and Leisure	5,625	-	-	9,019
Transportation	-	-	-	-
Capital Outlay	-	-	110	-
Debt Service:	-	-	-	577,027
Principal				
Interest	-	-	-	-
Total Expenditures	-	-	-	-
	5,625	715	110	586,046
EXCESS OF REVENUES OVER EXPENDITURES				
	(1,367)	(746)	(3,018)	(582,448)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	-	1,500	-	185,638
Total Other Financing Sources (Uses)	-	-	-	-
	-	1,500	-	185,638
NET CHANGE IN FUND BALANCES				
	(1,367)	754	(3,018)	(396,810)
Fund Balances - Beginning of Year				
	49,779	3,270	400,253	2,232,075
FUND BALANCES - END OF YEAR				
	\$ 48,412	\$ 4,024	\$ 397,235	\$ 1,835,265

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds	
	SB1	American Rescue Plan Act	Police Facilities Development	Fire Facilities Development
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	640,858	2,572,026	-	-
Contributions	-	-	(1,704)	(9,508)
Miscellaneous	-	-	-	-
Total Revenues	-	-	8,400	5,222
	<u>640,858</u>	<u>2,572,026</u>	<u>6,696</u>	<u>(4,286)</u>
EXPENDITURES				
Current:				
General Government				
Public Safety	-	333,489	-	-
Community Development	-	1,991,385	123	123
Culture and Leisure	-	68,115	-	-
Transportation	-	67,672	-	-
Capital Outlay	4,298	111,365	-	-
Debt Service:	590,178	-	-	-
Principal				
Interest	-	-	-	-
Total Expenditures	-	-	-	-
	<u>594,476</u>	<u>2,572,026</u>	<u>123</u>	<u>123</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>46,382</u>	<u>-</u>	<u>6,573</u>	<u>(4,409)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	<u>(78,618)</u>	<u>-</u>	<u>6,573</u>	<u>(4,409)</u>
Fund Balances - Beginning of Year				
	<u>839,412</u>	<u>-</u>	<u>220,907</u>	<u>1,296,165</u>
FUND BALANCES - END OF YEAR				
	<u>\$ 760,794</u>	<u>\$ -</u>	<u>\$ 227,480</u>	<u>\$ 1,291,756</u>

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds			
	Traffic Control Facilities	General Facilities	Park Development	Capital Improvement
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	-	-	-
Contributions	(13,860)	(3,868)	(1,437)	134
Miscellaneous	-	-	-	-
Total Revenues	17,042	3,647	26,734	-
	3,182	(221)	25,297	134
EXPENDITURES				
Current:				
General Government				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Culture and Leisure	-	4,244	-	-
Transportation	-	-	1,551	-
Capital Outlay	7,806	-	-	82
Debt Service:	-	-	860	-
Principal				
Interest	-	-	-	-
Total Expenditures	-	-	-	-
	7,806	4,244	2,411	82
EXCESS OF REVENUES OVER EXPENDITURES				
	(4,624)	(4,465)	22,886	52
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	(251,998)	-	-	-
	(251,998)	-	-	-
NET CHANGE IN FUND BALANCES				
	(256,622)	(4,465)	22,886	52
Fund Balances - Beginning of Year	2,152,747	525,675	171,003	633,922
FUND BALANCES - END OF YEAR				
	\$ 1,896,125	\$ 521,210	\$ 193,889	\$ 633,974

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds			Total
	Sunset Grade Separation	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	Governmental Funds
REVENUES				
Taxes				
Intergovernmental	\$ -	\$ -	\$ -	\$ 974,254
Use of Money and Property	-	-	-	4,193,387
Contributions	-	-	532	(62,540)
Miscellaneous	-	-	-	4,679
Total Revenues	-	-	-	834,224
	-	-	532	5,944,004
EXPENDITURES				
Current:				
General Government				
Public Safety	-	-	-	333,489
Community Development	-	-	-	2,019,299
Culture and Leisure	-	128	33,286	284,999
Transportation	-	-	-	69,223
Capital Outlay	-	-	-	1,788,191
Debt Service:	-	-	1,635,131	4,677,918
Principal				
Interest	-	-	-	43,734
Total Expenditures	-	-	-	2,149
	-	128	1,668,417	9,219,002
EXCESS OF REVENUES OVER EXPENDITURES				
	-	(128)	(1,667,885)	(3,274,998)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	251,998	-	-	853,555
Total Other Financing Sources (Uses)	-	-	-	(680,142)
	251,998	-	-	173,413
NET CHANGE IN FUND BALANCES				
	251,998	(128)	(1,667,885)	(3,101,585)
Fund Balances - Beginning of Year	(251,998)	545,943	5,361,980	16,197,662
FUND BALANCES - END OF YEAR				
	\$ -	\$ 545,815	\$ 3,694,095	\$ 13,096,077

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
GAS TAX STREET
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ (34,648)	\$ (34,648)	\$ (34,648)	\$ -
Resources (Inflows):				
Intergovernmental	798,287	798,287	765,703	32,584
Use of Money and Property	-	-	(1,439)	(1,439)
Miscellaneous	13,408	13,408	317,724	304,316
Transfers In	414,325	814,325	414,419	(399,906)
Amounts Available for Appropriations	<u>1,191,372</u>	<u>1,591,372</u>	<u>1,461,759</u>	<u>129,613</u>
Charges to Appropriations (Outflows):				
Transportation	1,689,895	1,733,688	1,497,216	236,472
Debt Service				
Principal	-	-	43,734	(43,734)
Interest	-	-	2,149	(2,149)
Transfers Out	-	2,055	2,055	-
Total Charges to Appropriations	<u>1,689,895</u>	<u>1,735,743</u>	<u>1,545,154</u>	<u>190,589</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ (498,523)</u>	<u>\$ (144,371)</u>	<u>\$ (83,395)</u>	<u>\$ 320,202</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
MEASURE A
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,417,807	\$ 1,417,807	\$ 1,417,807	\$ -
Resources (Inflows):				
Taxes	516,754	516,754	939,198	422,444
Use of Money and Property	4,246	4,246	(5,669)	(9,915)
Miscellaneous	334,716	738,000	276,915	(461,085)
Amounts Available for Appropriations	<u>2,273,523</u>	<u>2,676,807</u>	<u>2,628,251</u>	<u>(48,556)</u>
Charges to Appropriations (Outflows):				
Transportation	15,716	15,716	15,716	-
Capital Outlay	715,000	2,489,713	1,873,698	616,015
Transfers Out	125,000	125,000	125,000	-
Total Charges to Appropriations	<u>855,716</u>	<u>2,630,429</u>	<u>2,014,414</u>	<u>616,015</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,417,807</u>	<u>\$ 46,378</u>	<u>\$ 613,837</u>	<u>\$ 567,459</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 120,521	\$ 120,521	\$ 120,521	\$ -
Resources (Inflows):				
Intergovernmental	195,031	254,447	146,571	(107,876)
Miscellaneous	-	-	7	7
Amounts Available for Appropriations	315,552	374,968	267,099	(107,869)
Charges to Appropriations (Outflows):				
Community Development	4,429	290,504	152,632	137,872
Capital Outlay	150,000	366,600	1,024	365,576
Transfers Out	-	162,816	162,817	(1)
Total Charges to Appropriations	154,429	819,920	316,473	503,447
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 161,123</u>	<u>\$ (444,952)</u>	<u>\$ (49,374)</u>	<u>\$ 395,578</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 197,181	\$ 197,181	\$ 197,181	\$ -
Resources (Inflows):				
Taxes	137,750	137,750	35,056	(102,694)
Use of Money and Property	714	714	(609)	(1,323)
Miscellaneous	70,681	70,681	3	(70,678)
Transfers In	-	(2)	-	2
Amounts Available for Appropriations	406,326	406,324	231,631	(174,695)
Charges to Appropriations (Outflows):				
Transportation	215,861	216,659	151,399	65,260
Total Charges to Appropriations	215,861	216,659	151,399	65,260
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 190,465</u>	<u>\$ 189,665</u>	<u>\$ 80,232</u>	<u>\$ (109,435)</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
AQMD AIR POLLUTION PROGRAM
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 252,651	\$ 252,651	\$ 252,651	\$ -
Resources (Inflows):				
Intergovernmental	42,214	42,214	41,276	(938)
Use of Money and Property	293	293	(3,308)	(3,601)
Miscellaneous	-	-	152,998	152,998
Amounts Available for Appropriations	295,158	295,158	443,617	148,459
Charges to Appropriations (Outflows):				
Community Development	3,000	3,000	3,000	-
Transportation	199	199	199	-
Total Charges to Appropriations	3,199	3,199	3,199	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 291,959</u>	<u>\$ 291,959</u>	<u>\$ 440,418</u>	<u>\$ 148,459</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 7,282	\$ 7,282	\$ 7,282	\$ -
Resources (Inflows):				
Use of Money and Property	565	565	42	(523)
Amounts Available for Appropriations	7,847	7,847	7,324	(523)
Charges to Appropriations (Outflows):				
Transfers Out	-	-	5,472	(5,472)
Total Charges to Appropriations	-	-	5,472	(5,472)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 7,847</u>	<u>\$ 7,847</u>	<u>\$ 1,852</u>	<u>\$ (5,995)</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 13,173	\$ 13,173	\$ 13,173	\$ -
Resources (Inflows):				
Intergovernmental	100,615	100,615	26,953	(73,662)
Use of Money and Property	706	706	(2,146)	(2,852)
Amounts Available for Appropriations	<u>114,494</u>	<u>114,494</u>	<u>37,980</u>	<u>(76,514)</u>
Charges to Appropriations (Outflows):				
Public Safety	51,321	76,321	26,953	49,368
Capital Outlay	50,000	50,000	-	50,000
Total Charges to Appropriations	<u>101,321</u>	<u>126,321</u>	<u>26,953</u>	<u>99,368</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 13,173</u>	<u>\$ (11,827)</u>	<u>\$ 11,027</u>	<u>\$ 22,854</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
SPECIAL DONATIONS
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 42,562	\$ 42,562	\$ 42,562	\$ -
Resources (Inflows):				
Contributions	7,633	13,633	4,035	(9,598)
Miscellaneous	2,350	2,350	1,559	(791)
Amounts Available for Appropriations	52,545	58,545	48,156	(10,389)
Charges to Appropriations (Outflows):				
Community Development	9,984	15,984	8,950	7,034
Transfers Out	-	7,800	7,800	-
Total Charges to Appropriations	9,984	23,784	16,750	7,034
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 42,561</u>	<u>\$ 34,761</u>	<u>\$ 31,406</u>	<u>\$ (3,355)</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
SENIOR CENTER ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	<u>\$ 49,779</u>	<u>\$ 49,779</u>	<u>\$ 49,779</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	80	80	(359)	(439)
Contributions	2,000	2,000	644	(1,356)
Miscellaneous	6,304	6,304	3,973	(2,331)
Amounts Available for Appropriations	<u>58,163</u>	<u>58,163</u>	<u>54,037</u>	<u>(4,126)</u>
Charges to Appropriations (Outflows):				
Community Development	<u>9,082</u>	<u>9,082</u>	<u>5,625</u>	<u>3,457</u>
Total Charges to Appropriations	<u>9,082</u>	<u>9,082</u>	<u>5,625</u>	<u>3,457</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 49,081</u></u>	<u><u>\$ 49,081</u></u>	<u><u>\$ 48,412</u></u>	<u><u>\$ (669)</u></u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
POLICE VOLUNTEER
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,270	\$ 3,270	\$ 3,270	\$ -
Resources (Inflows):				
Use of Money and Property	2	2	(31)	(33)
Transfers In	1,500	1,500	1,500	-
Amounts Available for Appropriations	4,772	4,772	4,739	(33)
Charges to Appropriations (Outflows):				
Public Safety	1,502	1,502	715	787
Total Charges to Appropriations	1,502	1,502	715	787
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 3,270</u>	<u>\$ 3,270</u>	<u>\$ 4,024</u>	<u>\$ 754</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
WILSON MEDIAN IMPROVEMENT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 400,253	\$ 400,253	\$ 400,253	\$ -
Resources (Inflows):				
Use of Money and Property	774	774	(2,908)	(3,682)
Amounts Available for Appropriations	401,027	401,027	397,345	(3,682)
Charges to Appropriations (Outflows):				
Transportation	110	110	110	-
Total Charges to Appropriations	110	110	110	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 400,917</u>	<u>\$ 400,917</u>	<u>\$ 397,235</u>	<u>\$ (3,682)</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
BANNING HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,232,075	\$ 2,232,075	\$ 2,232,075	\$ -
Resources (Inflows):				
Use of Money and Property	3,241	3,241	(16,402)	(19,643)
Miscellaneous	16,024	16,524	20,000	3,476
Transfers In	-	185,638	185,638	-
Amounts Available for Appropriations	2,251,340	2,437,478	2,421,311	(16,167)
Charges to Appropriations (Outflows):				
Community Development	19,265	19,765	9,019	10,746
Capital Outlay	-	1,274,184	577,027	697,157
Total Charges to Appropriations	19,265	1,293,949	586,046	707,903
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,232,075</u>	<u>\$ 1,143,529</u>	<u>\$ 1,835,265</u>	<u>\$ 691,736</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
SB1
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 839,412	\$ 839,412	\$ 839,412	\$ -
Resources (Inflows):				
Intergovernmental	588,673	588,673	640,858	52,185
Miscellaneous	141,024	141,024	-	(141,024)
Amounts Available for Appropriations	1,569,109	1,569,109	1,480,270	(88,839)
Charges to Appropriations (Outflows):				
Transportation	4,298	4,298	4,298	-
Capital Outlay	598,049	1,563,136	590,178	972,958
Transfers out	125,000	125,000	125,000	-
Total Charges to Appropriations	727,347	1,692,434	719,476	972,958
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 841,762</u>	<u>\$ (123,325)</u>	<u>\$ 760,794</u>	<u>\$ 884,119</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
POLICE FACILITIES DEVELOPMENT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 220,907	\$ 220,907	\$ 220,907	\$ -
Resources (Inflows):				
Use of Money and Property	47	47	(1,704)	(1,751)
Miscellaneous	2,469	2,469	8,400	5,931
Amounts Available for Appropriations	223,423	223,423	227,603	4,180
Charges to Appropriations (Outflows):				
Public Safety	123	123	123	-
Total Charges to Appropriations	123	123	123	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 223,300</u>	<u>\$ 223,300</u>	<u>\$ 227,480</u>	<u>\$ 4,180</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
FIRE FACILITIES DEVELOPMENT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	<u>\$ 1,296,165</u>	<u>\$ 1,296,165</u>	<u>\$ 1,296,165</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	1,994	1,994	(9,508)	(11,502)
Miscellaneous	<u>4,005</u>	<u>4,005</u>	<u>5,222</u>	<u>1,217</u>
Amounts Available for Appropriations	<u>1,302,164</u>	<u>1,302,164</u>	<u>1,291,879</u>	<u>(10,285)</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>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 1,302,041</u></u>	<u><u>\$ 1,302,041</u></u>	<u><u>\$ 1,291,756</u></u>	<u><u>\$ (10,285)</u></u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONTROL FACILITIES
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	<u>\$ 2,152,747</u>	<u>\$ 2,152,747</u>	<u>\$ 2,152,747</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	1,098	1,098	(13,860)	(14,958)
Miscellaneous	<u>105,000</u>	<u>620,000</u>	<u>17,042</u>	<u>(602,958)</u>
Amounts Available for Appropriations	<u>2,258,845</u>	<u>2,773,845</u>	<u>2,155,929</u>	<u>(617,916)</u>
Charges to Appropriations (Outflows):				
Transportation	1,508	526,508	7,806	518,702
Transfers Out	<u>-</u>	<u>-</u>	<u>251,998</u>	<u>(251,998)</u>
Total Charges to Appropriations	<u>1,508</u>	<u>526,508</u>	<u>259,804</u>	<u>266,704</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 2,257,337</u></u>	<u><u>\$ 2,247,337</u></u>	<u><u>\$ 1,896,125</u></u>	<u><u>\$ (351,212)</u></u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
GENERAL FACILITIES
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	<u>\$ 525,675</u>	<u>\$ 525,675</u>	<u>\$ 525,675</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	529	529	(3,868)	(4,397)
Miscellaneous	<u>3,715</u>	<u>3,715</u>	<u>3,647</u>	<u>(68)</u>
Amounts Available for Appropriations	<u>529,919</u>	<u>529,919</u>	<u>525,454</u>	<u>(4,465)</u>
Charges to Appropriations (Outflows):				
Community Development	<u>4,244</u>	<u>4,244</u>	<u>4,244</u>	<u>-</u>
Total Charges to Appropriations	<u>4,244</u>	<u>4,244</u>	<u>4,244</u>	<u>-</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 525,675</u></u>	<u><u>\$ 525,675</u></u>	<u><u>\$ 521,210</u></u>	<u><u>\$ (4,465)</u></u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 171,003	\$ 171,003	\$ 171,003	\$ -
Resources (Inflows):				
Intergovernmental	8,992	8,992	-	(8,992)
Use of Money and Property	270	270	(1,437)	(1,707)
Miscellaneous	17,289	17,289	26,734	9,445
Amounts Available for Appropriations	197,554	197,554	196,300	(1,254)
Charges to Appropriations (Outflows):				
Culture and Leisure	26,551	26,551	1,551	25,000
Capital Outlay	-	270,000	860	269,140
Total Charges to Appropriations	26,551	296,551	2,411	294,140
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 171,003</u>	<u>\$ (98,997)</u>	<u>\$ 193,889</u>	<u>\$ 292,886</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
SUNSET GRADE SEPARATION
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ (251,998)	\$ (251,998)	\$ (251,998)	\$ -
Resources (Inflows):				
Transfers in	-	-	251,998	251,998
Amounts Available for Appropriations	(251,998)	(251,998)	-	251,998
Charges to Appropriations (Outflows):				
Transportation	-	-	-	-
Total Charges to Appropriations	-	-	-	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ (251,998)</u>	<u>\$ (251,998)</u>	<u>\$ -</u>	<u>\$ 251,998</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
BEA LOW/MOD CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 545,943	\$ 545,943	\$ 545,943	\$ -
Resources (Inflows):				
Miscellaneous	128	128	-	(128)
Amounts Available for Appropriations	546,071	546,071	545,943	(128)
Charges to Appropriations (Outflows):				
Community Development	128	128	128	-
Total Charges to Appropriations	128	128	128	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 545,943</u>	<u>\$ 545,943</u>	<u>\$ 545,815</u>	<u>\$ (128)</u>

CITY OF BANNING
BUDGETARY COMPARISON SCHEDULE
BEA CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	<u>\$ 5,361,980</u>	<u>\$ 5,361,980</u>	<u>\$ 5,361,980</u>	<u>\$ -</u>
Resources (Inflows):				
Use of Money and Property	7,500	7,500	532	(6,968)
Miscellaneous	<u>25,786</u>	<u>25,786</u>	<u>-</u>	<u>(25,786)</u>
Amounts Available for Appropriations	<u>5,395,266</u>	<u>5,395,266</u>	<u>5,362,512</u>	<u>(32,754)</u>
Charges to Appropriations (Outflows):				
Community Development	33,286	33,286	33,286	-
Capital Outlay	<u>-</u>	<u>1,590,945</u>	<u>1,635,131</u>	<u>44,186</u>
Total Charges to Appropriations	<u>33,286</u>	<u>1,624,231</u>	<u>1,668,417</u>	<u>44,186</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 5,361,980</u></u>	<u><u>\$ 3,771,035</u></u>	<u><u>\$ 3,694,095</u></u>	<u><u>\$ 11,432</u></u>

CITY OF BANNING
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
ASSETS				
Current:				
Cash and Investments	\$ 313,766	\$ 696,781	\$ 6,028,315	\$ 7,038,862
Receivables:				
Accounts	21,745	215	11,756	33,716
Notes and Loans	-	4,796	-	4,796
Interest	-	1,383	9,596	10,979
Grants	12,990	-	-	12,990
Due from Other Governments	-	1,645	-	1,645
Inventories	34,406	-	-	34,406
Total Current Assets	<u>382,907</u>	<u>704,820</u>	<u>6,049,667</u>	<u>7,137,394</u>
Noncurrent:				
Capital Assets, not Depreciated	506,402	17,779	-	524,181
Capital Assets, Net	1,865,626	155,829	25,942	2,047,397
Total Noncurrent Assets	<u>2,372,028</u>	<u>173,608</u>	<u>25,942</u>	<u>2,571,578</u>
Total Assets	<u>2,754,935</u>	<u>878,428</u>	<u>6,075,609</u>	<u>9,708,972</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	21,744	207,014	50,036	278,794
OPEB Related Items	222	2,109	510	2,841
Total Deferred Outflows of Resources	<u>21,966</u>	<u>209,123</u>	<u>50,546</u>	<u>278,794</u>
LIABILITIES				
Current:				
Accounts Payable	36,527	691	17,608	54,826
Accrued Liabilities	1,418	13,966	2,404	17,788
Unearned Revenues	4,298	157,091	36,426	197,815
Deposits Payable	22,514	-	65,713	88,227
Due to Other Funds	-	-	-	-
Compensated Absences	5,927	18,821	2,014	26,762
Total Current Liabilities	<u>70,684</u>	<u>190,569</u>	<u>124,165</u>	<u>385,418</u>
Noncurrent:				
Compensated Absences	6,715	41,542	28,636	76,893
Net Pension Liability	124,044	1,180,960	285,445	1,590,449
Total OPEB Liability	6,993	66,575	16,092	89,660
Total Noncurrent Liabilities	<u>137,752</u>	<u>1,289,077</u>	<u>330,173</u>	<u>1,757,002</u>
Total Liabilities	<u>208,436</u>	<u>1,479,646</u>	<u>454,338</u>	<u>2,142,420</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	41,126	391,543	94,638	527,307
Total Deferred Inflows of Resources	<u>41,126</u>	<u>391,543</u>	<u>94,638</u>	<u>527,307</u>
NET POSITION				
Investment in Capital Assets	2,372,028	173,608	25,942	2,571,578
Unrestricted	155,311	(957,246)	5,551,237	4,749,302
Total Net Position	<u>\$ 2,527,339</u>	<u>\$ (783,638)</u>	<u>\$ 5,577,179</u>	<u>\$ 7,320,880</u>

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
OPERATING REVENUES				
Sales and Service Charges	\$ 227,755	\$ 62,297	\$ 5,481,909	\$ 5,771,961
Miscellaneous	2	-	25,382	25,384
Total Operating Revenues	<u>227,757</u>	<u>62,297</u>	<u>5,507,291</u>	<u>5,797,345</u>
OPERATING EXPENSES				
Salaries and Benefits	127,936	894,233	251,325	1,273,494
Supplies and Services	137,802	662,359	779,040	1,579,201
Repairs and Maintenance	7,525	4,572	-	12,097
Depreciation Expense	189,987	155,279	4,747	350,013
Total Operating Expenses	<u>463,250</u>	<u>1,716,443</u>	<u>1,035,112</u>	<u>3,214,805</u>
OPERATING INCOME (LOSS)	(235,493)	(1,654,146)	4,472,179	2,582,540
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	464,134	1,670,928	10,030	2,145,092
Interest Revenue and Change in Fair Value of Investments	42	(7,001)	(46,453)	(53,412)
Total Nonoperating Revenues (Expenses)	<u>464,176</u>	<u>1,663,927</u>	<u>(36,423)</u>	<u>2,091,680</u>
INCOME (LOSS) BEFORE TRANSFERS	228,683	9,781	4,435,756	4,674,220
Transfers In	<u>47</u>	<u>60,094</u>	<u>142</u>	<u>60,283</u>
CHANGES IN NET POSITION	228,730	69,875	4,435,898	4,734,503
Net Position - Beginning of Year	2,298,609	(853,513)	1,141,281	2,586,377
Prior Period Adjustment				-
NET POSITION - END OF YEAR	<u>\$ 2,527,339</u>	<u>\$ (783,638)</u>	<u>\$ 5,577,179</u>	<u>\$ 7,320,880</u>

CITY OF BANNING
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	\$ 243,896	\$ 30,279	\$ 1,444,341	\$ 1,718,516
Cash Paid to Suppliers for Goods and Services	(151,092)	(672,541)	(1,063,713)	(1,887,346)
Cash Paid to Employees for Services	(97,620)	(1,246,587)	(239,199)	(1,583,406)
Net Cash Provided (Used) by Operating Activities	(4,816)	(1,888,849)	141,429	(1,752,236)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers In	47	60,094	142	60,283
Cash Transfers Out	-	(234,937)	-	(234,937)
Intergovernmental	464,134	2,684,352	10,030	3,158,516
Net Cash Provided by Noncapital Financing Activities	464,181	2,509,509	10,172	2,983,862
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(432,865)	(17,779)	(17,957)	(468,601)
Net Cash Used by Capital and Related Financing Activities	(432,865)	(17,779)	(17,957)	(468,601)
CASH FLOWS FROM INVESTING ACTIVITIES				
Issuance of Notes and Loans Receivable	-	(1,730)		(1,730)
Interest Received and Change in Fair Value of Investments	42	(8,384)	(54,929)	(63,271)
Net Cash Provided (Used) by Investing Activities	42	(10,114)	(54,929)	(65,001)
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,542	592,767	78,715	698,024
Cash and Cash Equivalents - Beginning of Year	281,506	-	5,936,440	6,217,946
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 308,048</u>	<u>\$ 592,767</u>	<u>\$ 6,015,155</u>	<u>\$ 6,915,970</u>

CITY OF BANNING
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (235,493)	\$ (1,654,146)	\$ 4,472,179	\$ 2,582,540
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Operating Assets and Liabilities:				
Depreciation (Expense)	189,987	155,279	4,747	350,013
(Increase) Decrease in Assets:				
Accounts Receivable	(8,994)	(174)	713,051	703,883
Grants	(12,990)	-	-	(12,990)
Due from Other Governments	40,660	-	-	40,660
Inventories	(3,449)	-	-	(3,449)
Deferred Pension Related Items	(3,948)	50,817	(1,739)	45,130
Deferred OPEB Related Items	(28)	(266)	(65)	(359)
Increase (Decrease) in Liabilities:				
Accounts Payable	(2,316)	(5,610)	(284,673)	(292,599)
Accrued Liabilities	(1,945)	(38,097)	(8,754)	(48,796)
Deposits Payable	237	-	(12,427)	(12,190)
Unearned Revenue	(2,774)	(31,844)	(4,763,574)	(4,798,192)
Net Pension Liability	(9,601)	(755,527)	(77,306)	(842,434)
Total OPEB Liability	1,081	10,286	2,487	13,854
Compensated Absences	3,727	(9,760)	3,117	(2,916)
Deferred Pension Related Items	41,030	390,193	94,386	525,609
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,816)</u>	<u>\$ (1,888,849)</u>	<u>\$ 141,429</u>	<u>\$ (1,752,236)</u>

CITY OF BANNING
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
ASSETS					
Current:					
Pooled Cash and Investments	\$ 80,999	\$ 970,955	\$ -	\$ -	\$ 1,051,954
Receivables:					
Accounts	6,836	29,155	-	22,198	58,189
Interest	-	784	-	-	784
Due from Other Governments	-	397	-	-	397
Inventories	-	161,149	-	-	161,149
Total Current Assets	<u>87,835</u>	<u>1,162,440</u>	<u>-</u>	<u>22,198</u>	<u>1,272,473</u>
Noncurrent:					
Capital assets, not depreciated	-	43,104	-	-	43,104
Capital assets, net	-	244,914	6,103	50,721	301,738
Total Noncurrent Assets	<u>-</u>	<u>288,018</u>	<u>6,103</u>	<u>50,721</u>	<u>344,842</u>
Total Assets	<u>87,835</u>	<u>1,450,458</u>	<u>6,103</u>	<u>72,919</u>	<u>1,617,315</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	30,584	100,154	76,791	246,300	453,829
OPEB Related Items	312	1,021	782	2,510	4,625
Total Deferred Outflows of Resources	<u>30,896</u>	<u>101,175</u>	<u>77,573</u>	<u>248,810</u>	<u>458,454</u>
LIABILITIES					
Current:					
Accounts Payable	154,845	51,906	4,796	52,650	264,197
Accrued Liabilities	834	6,454	6,371	22,567	36,226
Due to other funds	-	-	457,950	212,722	670,672
Compensated Absences	-	9,165	15,603	51,654	76,422
Claims and Judgments	1,102,567	-	-	-	1,102,567
Bonds, Notes, and Leases	-	15,975	-	6,839	22,814
Total Current Liabilities	<u>1,258,246</u>	<u>83,500</u>	<u>484,720</u>	<u>346,432</u>	<u>2,172,898</u>
Noncurrent:					
Compensated Absences	-	31,711	24,132	38,747	94,590
Net Pension Liability	174,473	571,353	438,075	1,405,078	2,588,979
Total OPEB Liability	9,836	32,209	24,696	79,209	145,950
Claims and Judgments	1,453,659	-	-	-	1,453,659
Bonds, Notes, and Leases	-	17,936	-	16,472	34,408
Total Noncurrent Liabilities	<u>1,637,968</u>	<u>653,209</u>	<u>486,903</u>	<u>1,539,506</u>	<u>4,317,586</u>
Total Liabilities	<u>2,896,214</u>	<u>736,709</u>	<u>971,623</u>	<u>1,885,938</u>	<u>6,490,484</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related Items	57,846	189,430	145,242	465,849	858,367
Total Deferred Inflows of Resources	<u>57,846</u>	<u>189,430</u>	<u>145,242</u>	<u>465,849</u>	<u>858,367</u>
NET POSITION					
Investment in Capital Assets	-	254,107	6,103	27,410	287,620
Unrestricted	(2,835,329)	371,387	(1,039,292)	(2,057,468)	(5,560,702)
Total Net Position	<u>\$ (2,835,329)</u>	<u>\$ 625,494</u>	<u>\$ (1,033,189)</u>	<u>\$ (2,030,058)</u>	<u>\$ (5,273,082)</u>

CITY OF BANNING
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
OPERATING REVENUES					
Sales and Service Charges	\$ 2,807,233	\$ 1,711,512	\$ 359,573	\$ 1,921,854	\$ 6,800,172
Miscellaneous	15,384	22,137	821	-	38,342
Total Operating Revenues	<u>2,822,617</u>	<u>1,733,649</u>	<u>360,394</u>	<u>1,921,854</u>	<u>6,838,514</u>
OPERATING EXPENSES					
Salaries and Benefits	(83,226)	595,227	310,943	650,243	1,473,187
Supplies and Services	2,055,765	726,312	12,271	825,101	3,619,449
Repairs and Maintenance	-	294,309	225,694	82,604	602,607
Insurance Premiums	2,134,882	-	-	-	2,134,882
Depreciation Expense	-	26,946	-	17,195	44,141
Total Operating Expenses	<u>4,107,421</u>	<u>1,642,794</u>	<u>548,908</u>	<u>1,575,143</u>	<u>7,874,266</u>
OPERATING INCOME (LOSS)	<u>(1,284,804)</u>	<u>90,855</u>	<u>(188,514)</u>	<u>346,711</u>	<u>(1,035,752)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenue and Change in Fair	(114,992)	(3,652)	-	14	(118,630)
Interest expense	-	(552)	-	(354)	(906)
Total Nonoperating Revenues (Expenses)	<u>(114,992)</u>	<u>(4,204)</u>	<u>-</u>	<u>(340)</u>	<u>(119,536)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(1,399,796)</u>	<u>86,651</u>	<u>(188,514)</u>	<u>346,371</u>	<u>(1,155,288)</u>
Transfers In	-	47	-	2	49
CHANGES IN NET POSITION	<u>(1,399,796)</u>	<u>86,698</u>	<u>(188,514)</u>	<u>346,373</u>	<u>(1,155,239)</u>
Net Position - Beginning of Year	(1,435,533)	538,796	(844,675)	(2,376,431)	(4,117,843)
Prior Period Adjustment	-	-	-	-	-
NET POSITION - END OF YEAR	<u>\$ (2,835,329)</u>	<u>\$ 625,494</u>	<u>\$ (1,033,189)</u>	<u>\$ (2,030,058)</u>	<u>\$ (5,273,082)</u>

CITY OF BANNING
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers and Users	\$ 2,821,661	\$ 1,713,657	\$ 360,394	\$ 1,903,943	\$ 6,799,655
Cash Paid to Suppliers for Goods and Services	(3,627,638)	(1,085,666)	(235,961)	(865,257)	(5,814,522)
Cash Paid to Employees for Services	(181,566)	(519,155)	(469,502)	(1,585,015)	(2,755,238)
Net Cash Provided (Used) by Operating Activities	(987,543)	108,836	(345,069)	(546,329)	(1,770,105)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Transfers In	-	47	324,873	212,724	537,644
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Lease Principal Payments	-	(15,763)	-	(6,748)	(22,511)
Lease Interest Payments	-	(552)	-	(354)	(906)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(16,315)	-	(7,102)	(23,417)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	(114,992)	(4,240)	-	13	(119,219)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,102,535)	88,328	(20,196)	(340,694)	(1,375,097)
Cash and Cash Equivalents - Beginning of Year	1,175,490	856,286	-	275,915	2,307,691
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 72,955</u>	<u>\$ 944,614</u>	<u>\$ (20,196)</u>	<u>\$ (64,779)</u>	<u>\$ 932,594</u>

CITY OF BANNING
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (1,284,804)	\$ 90,855	\$ (188,514)	\$ 346,711	\$ (1,035,752)
Adjustments to Reconcile Operating Income					
(Loss) to Net Cash Provided (Used) by					
Operating Activities:					
Depreciation	-	26,946	-	17,195	44,141
(Increase) Decrease in Assets:					
Accounts Receivable	(956)	(21,007)	-	(17,911)	(39,874)
Due from Other Governments	-	1,015	-	-	1,015
Inventories	-	(68,564)	-	-	(68,564)
Prepaid Costs	-	-	-	-	-
Deferred Pension Related Items	39,504	(14,087)	24,162	136,454	186,033
Deferred OPEB Related Items	(40)	(129)	(98)	(318)	(585)
Increase (Decrease) in Liabilities:					
Accounts Payable	46,198	3,519	2,004	42,448	94,169
Accrued Liabilities	(7,780)	(21,173)	(11,034)	(33,447)	(73,434)
Net Pension Liability	(351,925)	(75,051)	(320,155)	(1,469,650)	(2,216,781)
Total OPEB Liability	1,520	4,976	3,816	12,238	22,550
Claims and Judgments	516,811	-	-	-	516,811
Compensated Absences	(3,550)	(7,443)	37	(43,895)	(54,851)
Deferred Pension Related Items	57,479	188,979	144,713	463,846	855,017
Net Cash Provided (Used) by					
Operating Activities	<u>\$ (987,543)</u>	<u>\$ 108,836</u>	<u>\$ (345,069)</u>	<u>\$ (546,329)</u>	<u>\$ (1,770,105)</u>

CITY OF BANNING
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2001-1	Cameo Homes	CFD 2020-02	Totals
ASSETS							
Pooled Cash and Investments	\$ 36,806	\$ 76,103	\$ 31,144	\$ 203,230	\$ 48,115	\$ 29,981	\$ 425,379
Receivables:							
Accounts	-	-	-	2,951	-	-	2,951
Interest	58	121	49	-	76	-	304
Restricted Assets:							
Cash and Investments with Fiscal Agents	-	-	-	186,063	-	-	186,063
Total Assets	<u>36,864</u>	<u>76,224</u>	<u>31,193</u>	<u>392,244</u>	<u>48,191</u>	<u>29,981</u>	<u>614,697</u>
LIABILITIES							
Accounts Payable	-	-	197	-	-	-	197
Deposits Payable	-	19,958	-	17,656	40,000	-	77,614
Total Liabilities	<u>-</u>	<u>19,958</u>	<u>197</u>	<u>17,656</u>	<u>40,000</u>	<u>-</u>	<u>77,811</u>
NET POSITION							
Held in Trust for Other Organizations	<u>\$ 36,864</u>	<u>\$ 56,266</u>	<u>\$ 30,996</u>	<u>\$ 374,588</u>	<u>\$ 8,191</u>	<u>\$ 29,981</u>	<u>\$ 536,886</u>

CITY OF BANNING
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2001-1	Cameo Homes	CFD 2020-02	Totals
ADDITIONS							
Taxes	\$ -	\$ -	\$ -	\$ 192,861	\$ -	\$ -	\$ 192,861
Interest and Change in Fair Value of Investments	(271)	(559)	(199)	10	(353)	-	(1,372)
Miscellaneous	-	-	-	-	-	-	-
Total Additions	<u>(271)</u>	<u>(559)</u>	<u>(199)</u>	<u>192,871</u>	<u>(353)</u>	<u>-</u>	<u>191,489</u>
DEDUCTIONS							
Administrative Expenses	-	-	34,050	6,617	-	-	40,667
Principal Payment	-	-	-	90,000	-	-	90,000
Interest Expense	-	-	-	96,838	-	-	96,838
Total Deductions	<u>-</u>	<u>-</u>	<u>34,050</u>	<u>193,455</u>	<u>-</u>	<u>-</u>	<u>227,505</u>
CHANGE IN NET POSITION	(271)	(559)	(34,249)	(584)	(353)	-	(36,016)
Net Position - Beginning of Year	<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>
NET POSITION - END OF YEAR	<u>\$ 36,864</u>	<u>\$ 56,266</u>	<u>\$ 30,996</u>	<u>\$ 374,588</u>	<u>\$ 8,191</u>	<u>\$ 29,981</u>	<u>\$ 536,886</u>

STATISTICAL SECTION

**STATISTICAL SECTION
DESCRIPTION OF SCHEDULES
JUNE 30, 2022**

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net Investment in capital assets	\$ 87,922,958	\$ 84,094,506	\$ 79,795,958	\$ 76,155,814	\$ 72,517,050	\$ 70,010,870	\$ 66,686,458	\$ 65,515,669	\$ 68,336,960	\$ 70,289,375
Restricted	4,918,592	6,311,732	5,819,965	14,257,465	14,680,040	14,514,482	15,025,895	13,625,501	11,745,009	9,209,053
Unrestricted	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)	(10,484,996)
Total governmental activities net position	\$ 105,729,433	\$ 102,938,135	\$ 81,865,144	\$ 91,794,332	\$ 87,766,658	\$ 83,285,574	\$ 78,372,847	\$ 72,607,825	\$ 74,777,878	\$ 69,013,432
Business-type activities:										
Net Investment in capital assets	\$ 53,839,905	\$ 50,855,990	\$ 35,025,342	\$ 46,164,187	\$ 49,101,929	\$ 54,651,632	\$ 55,418,755	\$ 58,185,572	\$ 68,242,143	\$ 86,364,235
Restricted	23,697,428	23,726,197	20,852,195	17,086,463	17,237,091	6,870,598	12,900,528	10,242,658	7,182,657	7,413,570
Unrestricted	32,437,072	40,869,941	52,395,049	48,642,361	49,602,708	55,601,962	54,083,097	55,642,567	56,186,413	52,100,216
Total business-type activities net position	\$ 109,974,405	\$ 115,452,128	\$ 108,272,586	\$ 111,893,011	\$ 115,941,728	\$ 117,124,192	\$ 122,402,380	\$ 124,070,797	\$ 131,611,213	\$ 145,878,021
Primary government:										
Net Investment in capital assets	\$ 141,762,863	\$ 134,950,496	\$ 114,821,300	\$ 122,320,001	\$ 121,618,979	\$ 124,662,502	\$ 122,105,213	\$ 123,701,241	\$ 136,579,103	\$ 156,653,610
Restricted	28,616,020	30,037,929	26,672,160	31,343,928	31,917,131	21,385,080	27,926,423	23,868,159	18,927,666	16,622,623
Unrestricted	45,324,955	53,401,838	48,644,270	50,023,414	50,172,276	54,362,184	50,743,591	49,109,222	50,882,322	41,615,220
Total primary government activities net position	\$ 215,703,838	\$ 218,390,263	\$ 190,137,730	\$ 203,687,343	\$ 203,708,386	\$ 200,409,766	\$ 200,775,227	\$ 196,678,622	\$ 206,389,091	\$ 214,891,453

Source: City of Banning Finance Department

CITY OF BANNING

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenue:										
Governmental activities:										
Charges for Services										
General Government	\$ 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	\$ 2,806,494
Public Safety	187,853	88,698	167,426	71,550	60,673	75,552	60,608	184,204	253,972	540,423
Community Development			581,449	826,327	692,337	836,137	1,074,183	3,417,110	3,800,759	3,751,763
Culture and Leisure	66,265	69,554	78,191	95,455	136,740	154,452	107,551	68,347	105,523	191,458
Public Works/Transportation	619,077	590,975	75,897	92,545	52,830	42,264	162,294	236,781	268,726	40,745
Operating Contributions and Grants	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	4,987,431
Capital Contributions and Grants	1,795,367	422,492	888,241	392,728	160,156	555,374	195,760	563,818	4,427,752	2,824,531
Total governmental activities program revenues	<u>7,797,577</u>	<u>6,335,346</u>	<u>6,627,080</u>	<u>6,755,146</u>	<u>5,368,506</u>	<u>5,611,443</u>	<u>6,005,708</u>	<u>8,888,996</u>	<u>15,822,316</u>	<u>15,142,845</u>
Business-type activities:										
Charges for Services										
Airport	195,007	172,656	147,965	136,789	162,731	232,734	199,253	169,821	226,477	227,757
Transit	155,314	163,257	153,211	138,753	130,112	117,872	111,068	91,376	23,005	62,297
Electric Utility	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	28,959,728
BUA Water	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	11,866,868
BUA Wastewater	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	3,956,883
Refuse	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	5,507,292
Operating Contributions and Grants	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	3,895,341
Capital Contributions and Grants	-	-	-	-	-	-	-	-	4,557,041	4,924,954
Total business-type activities program revenues	<u>47,881,104</u>	<u>50,124,174</u>	<u>48,439,312</u>	<u>48,534,819</u>	<u>53,594,218</u>	<u>50,445,796</u>	<u>51,502,755</u>	<u>51,455,229</u>	<u>58,760,459</u>	<u>59,401,120</u>
Total primary government program revenues	<u>\$ 55,678,681</u>	<u>\$ 56,459,520</u>	<u>\$ 55,066,392</u>	<u>\$ 55,289,965</u>	<u>\$ 58,962,724</u>	<u>\$ 56,057,239</u>	<u>\$ 57,508,463</u>	<u>\$ 60,344,225</u>	<u>\$ 74,582,775</u>	<u>\$ 74,543,965</u>
Expenses:										
Governmental activities:										
Charges for Services										
General Government	\$ 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	\$ 5,938,773
Public Safety	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	17,674,930
Community Development	125,508	89,000	1,333,832	1,598,792	1,495,415	1,621,737	2,012,561	3,573,064	4,470,992	5,214,463
Culture and Leisure	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	2,214,493
Public Works/Transportation	6,475,542	6,270,524	5,044,885	4,585,220	4,967,935	4,970,388	5,747,250	6,089,732	3,819,726	6,080,185
Interest on long-term debt	112,467	101,479	88,096	86,124	76,005	55,195	36,109	16,562	2,606	5,170
Total governmental activities program expenses	<u>22,357,047</u>	<u>20,294,033</u>	<u>19,376,080</u>	<u>18,079,848</u>	<u>22,005,217</u>	<u>23,673,424</u>	<u>26,107,871</u>	<u>29,528,217</u>	<u>30,613,312</u>	<u>37,128,014</u>
Business-type activities:										
Charges for Services										
Airport	391,467	382,611	382,510	209,930	351,599	391,245	353,205	319,358	432,421	474,917
Transit	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	1,767,281
Electric Utility	30,038,988	28,819,584	28,253,812	29,505,627	33,351,692	32,726,577	31,020,023	30,813,647	31,627,402	30,465,230
BUA Water	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	8,119,346
BUA Wastewater	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	3,513,714
Refuse	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	1,045,079
Total business-type activities program expenses	<u>45,487,638</u>	<u>44,484,265</u>	<u>44,250,203</u>	<u>44,665,941</u>	<u>49,329,144</u>	<u>49,586,928</u>	<u>49,991,063</u>	<u>50,795,654</u>	<u>50,819,268</u>	<u>45,385,567</u>
Total primary government program expenses	<u>67,844,685</u>	<u>64,778,298</u>	<u>63,626,283</u>	<u>62,745,789</u>	<u>71,334,361</u>	<u>73,260,352</u>	<u>76,098,934</u>	<u>80,323,871</u>	<u>81,432,580</u>	<u>82,513,581</u>
Net revenues (expenses)										
Governmental activities:	(14,559,470)	(13,958,687)	(12,749,000)	(11,324,702)	(16,636,711)	(18,061,981)	(20,102,163)	(20,639,221)	(14,790,996)	(21,985,169)
Business-type activities:	2,393,466	5,639,909	4,189,109	3,868,878	4,265,074	858,868	1,511,692	659,575	7,941,191	14,015,553
Total net revenues (expenses)	<u>(12,166,004)</u>	<u>(8,318,778)</u>	<u>(8,559,891)</u>	<u>(7,455,824)</u>	<u>(12,371,637)</u>	<u>(17,203,113)</u>	<u>(18,590,471)</u>	<u>(19,979,646)</u>	<u>(6,849,805)</u>	<u>(7,969,616)</u>

CITY OF BANNING

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, general purpose	\$ 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	\$ 6,546,613
Transient occupancy taxes	626,255	712,135	722,434	789,994	861,221	854,928	895,887	804,389	1,119,765	1,290,574
Sales taxes	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	6,797,082
Franchise taxes	813,682	861,155	871,284	860,923	839,395	871,107	895,534	919,373	922,932	535,461
Business licenses taxes	159,828	157,242	155,025	156,268	168,831	179,109	170,560	171,592	179,228	179,862
Other taxes	231,303	261,305	684,734	734,954	373,310	542,857	1,197,131	1,163,462	574,645	667,052
Motor vehicle in lieu - unrestricted	28,160		12,427	12,303	13,813	16,354	15,016	24,570	22,828	37,237
Uses of money and property (investment income)	473,031	582,558	519,940	628,752	646,221	737,464	1,128,236	967,914	37,985	(159,044)
Other/miscellaneous	880,339	469,656	774,987	397,009	534,441	506,692	554,860	436,266	3,266,109	10,028
Gain on sale of capital asset	576	1,039		8,801,033			3,133	3,600	25,392	2,468
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)										
Transfers	727,352	724,000	720,432	652,157	724,000	724,000	638,759	699,653	177,439	607,820
Total governmental activities	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	16,515,153
Business-type activities:										
Property taxes, general purpose										
Uses of money and property (investment income)	68,834	272,796	164,885	218,902	252,397	642,496	1,593,722	1,009,209	19,460	(450,249)
Other/miscellaneous	304,023	288,557	178,290	184,802	252,581	405,100	272,773	692,150	3	-
Gain on sale of capital asset	12,767	461			2,665		835	7,136	108,777	33,968
Transfers	(727,352)	(724,000)	(720,432)	(652,157)	(724,000)	(724,000)	(638,759)	(699,653)	(177,439)	(607,820)
Total business-like activities	(341,728)	(162,186)	(377,257)	(248,453)	(216,357)	323,596	1,228,571	1,008,842	(49,199)	(1,024,101)
Total general revenues	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	15,491,052
Changes in net position										
Governmental activities:	(3,656,508)	(2,775,010)	(515,286)	9,665,503	(4,027,674)	(4,481,084)	(4,912,727)	(5,765,022)	2,170,053	(5,470,016)
Business-type activities:	2,051,738	5,477,723	3,811,852	3,620,425	4,048,717	1,182,464	2,740,263	1,668,417	7,891,992	12,991,452
Total primary government	\$ (1,604,770)	\$ 2,702,713	\$ 3,296,566	\$ 13,285,928	\$ 21,043	\$ (3,298,620)	\$ (2,172,464)	\$ (4,096,605)	\$ 10,062,045	\$ 7,521,436

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Non-Spendable	\$ 29,324	\$ 27,950	\$ 5,100	\$ 43,923	\$ 63,225	\$ 61,372	\$ 54,552	\$ 28,434	\$ 26,315	\$ 29,431
Restricted										
Committed	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	1,500,000
Assigned	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	3,411,665
Unassigned		753,115	3,267,395	3,536,735	4,742,954	2,739,006	3,269,500	3,044,388	5,029,615	4,879,118
Total general fund	\$ 5,437,570	\$ 6,601,549	\$ 9,801,596	\$ 12,243,467	\$ 13,318,352	\$ 12,239,567	\$ 13,107,599	\$ 11,783,872	\$ 9,959,949	\$ 9,820,214
All Other Governmental Funds										
Non-Spendable	\$ 1,120,946									
Restricted										
Reported in:										
Special revenue funds	4,595,881	5,986,616	5,805,914	5,503,509	5,312,223	6,214,265	6,862,505	6,144,345	5,837,086	4,224,502
Capital project funds	322,711	325,116	14,051	8,753,956	9,367,817	8,300,217	8,163,390	7,481,156	5,907,923	4,239,910
Debt Service funds										
Committed										
Assigned	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	4,764,434
Unassigned	(2,286,485)	(2,485,462)	(2,061,740)	(1,547,898)	(1,113,773)	(633,728)	(699,152)	(1,144,021)	(286,646)	(132,769)
Total all other governmental funds	\$ 6,411,356	\$ 6,454,795	\$ 6,378,687	\$ 15,334,419	\$ 16,228,629	\$ 16,555,055	\$ 16,891,821	\$ 15,023,865	\$ 16,458,782	\$ 13,096,077
Total primary government program revenues	\$ 11,848,926	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420	\$ 26,807,737	\$ 26,418,731	\$ 22,916,291

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Revenues										
Taxes	\$ 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	171,406	219,998	542,773	779,554	605,809	799,517	925,340	3,362,718	2,975,991	
Intergovernmental	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	3,565,636	3,580,518	3,555,706	3,317,149	3,396,761	1,842,536	3,519,930	2,422,355	309,482	
Use of money and property	487,723	540,560	519,940	553,390	640,812	730,369	1,006,328	824,149	267,820	
Fines and forfeitures	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	723,618	538,711	786,454	457,486	567,775	547,331	710,285	669,559	6,812,371	
Total Revenues	16,986,880	16,540,404	18,374,903	18,472,032	18,902,285	18,351,504	20,940,004	23,034,448	28,493,270	
Expenditures										
General government	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	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	136,878		1,320,264	1,547,336	1,447,973	1,595,580	1,931,189	3,247,945	4,187,335	
Culture and leisure	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	2,389,687	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	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	320,963	333,112	345,721	358,806	579,198	460,329	478,835	416,296	212,276	
Interest and fiscal charges	114,824	103,141	90,261	76,884	78,338	57,616	38,622	19,170	3,936	
Total Expenditures	19,249,397	16,040,698	16,649,637	16,527,619	17,657,190	19,827,863	20,373,965	26,871,137	29,059,611	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,262,517)	499,706	1,725,266	1,944,413	1,245,095	(1,476,359)	566,039	(3,836,689)	(566,341)	
Other Financing Sources (Uses)										
Transfers In	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	(244,256)	(248,122)	(602,830)	(261,387)	(164,325)	(694,278)	(412,369)	(435,398)	(2,288,765)	
Lease Proceeds	-	-	-	-	-	-	-	-	-	
Refunding debt issuance costs										
Total Other Financing Sources (Uses)	727,352	724,000	1,398,673	652,157	724,000	724,000	638,759	645,006	177,335	
Extraordinary gain/(loss)/Special Items	2			8,801,033	5					
Net Change in Fund Balance	(1,535,165)	1,223,706	3,123,939	11,397,603	1,969,095	(752,359)	1,204,798	(3,191,683)	(389,006)	
Fund Balance, Beginning of Year, as previously reported	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	3	(16,288)	4							
Fund Balance, Beginning of Year, as restated	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	
Fund Balance, End of Year	\$ 11,848,926	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420	\$ 26,807,737	\$ 26,418,731	

Source: City of Banning Finance Department

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

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

CITY OF BANNING
Table 5 - Electric by Type of Customer (Revenues and Demand)
Last Ten Fiscal Years

Electric Fund	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Customers										
Residential	10,693	10,768	10,843	10,974	10,954	10,989	10,847	11,122	11,311	11,670
Commercial	999	1,000	1,003	1,012	1,022	1,027	1,044	1,091	1,091	1,107
Industrial	5	5	6	6	6	6	6	6	6	6
Other	130	121	123	120	120	118	119	120	120	120
Total Number of Customers	11,827	11,894	11,975	12,112	12,102	12,140	12,016	12,339	12,528	12,903
Mega-Watt Hour Sales⁽¹⁾										
Residential	68,552	66,352	67,692	66,768	72,585	70,204	69,128	69,908	76,089	76,899
Commercial	49,338	49,415	50,269	48,334	48,720	48,170	45,944	45,117	42,179	48,070
Industrial	10,121	13,379	11,638	10,527	10,939	10,722	11,375	12,296	11,213	10,967
Other	10,873	9,780	15,396	14,321	11,485	11,810	11,592	10,529	10,321	12,306
Total Mega-Watt Hour Sales	138,884	138,926	144,995	139,950	143,729	140,906	138,039	137,850	139,802	148,242
Revenues from Sales⁽¹⁾										
Residential	\$ 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	\$ 13,744,461
Commercial	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	10,036,854
Industrial	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	1,618,564
Other	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	1,690,771
Total Revenue from Sales	\$ 25,120,185	\$ 27,203,266	\$ 27,805,322	\$ 27,316,258	\$ 28,678,934	\$ 27,170,238	\$ 26,715,495	\$ 25,723,462	\$ 26,015,596	\$ 27,090,650
Peak Demand (MW)	46.9	40.5	42.4	44.5	46.3	49.1	49.0	44.1	51.2	49.6

⁽¹⁾ Metered Sales

Source: City of Banning Finance Department & Electric Utility

CITY OF BANNING
 Table 6 - Electricity Rates
 Last Ten Fiscal Years

		Fiscal Year									
Electric Fund		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average rate in Dollars per Kilowatt Hour											
	Residential	0.1815	0.1982	0.1960	0.1988	0.2027	0.1962	0.1983	0.1983	0.1839	0.1787
	Commercial	0.1929	0.2150	0.2111	0.2146	0.2187	0.2130	0.2117	0.2117	0.2115	0.2088
	Industrial	0.1430	0.1593	0.1584	0.1631	0.1570	0.1438	0.1559	0.1559	0.1517	0.1476
	Other	0.1574	0.1326	0.1301	0.1363	0.1386	0.1346	0.1299	0.1299	0.1359	0.1374

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 2022			Rank	Fiscal Year 2013			Rank
Customer	Customer type	% of Retail Sales	Sales	Consumption (kWh)		% of Retail Sales	Sales	Consumption (kWh)	
City of Banning	Government	6.52%	1,696,127	11,241,088	1	6.99%	1,684,987	10,598,645	1
EDA Facilities Management	Government	4.03%	1,047,461	5,222,588	2	4.51%	1,086,902	6,463,048	2
San Gorgonio Memorial Hospital	Institutional	2.92%	760,240	5,626,847	3	2.13%	513,809	4,599,487	4
Banning Unified School District	School	2.46%	639,691	2,344,310	4	3.25%	784,780	4,126,842	3
Sun Lakes Country Club Home Owners Association	Residential	2.05%	533,703	2,499,655	5	1.52%	366,065	1,934,370	6
Robertson's Ready Mix	Construction	1.83%	475,941	1,910,078	6	2.11%	507,774	2,297,311	5
Albertson's Grocery	Commercial	0.91%	237,903	1,669,200	7	1.30%	314,022	1,791,360	7
Sunrise Mobile Home Park	Residential	0.77%	200,414	1,010,560	8	0.64%	155,060	920,000	10
Frontier California	Commercial	0.66%	171,579	915,782	9	0.70%	169,800	974,878	8
Rio Ranch Market	Commercial	0.60%	157,177	788,400	10				
Cherry Valley Healthcare - Closed	Assisted Living					0.68%	163,217	895,440	9

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Customers										
Residential	9,673	9,727	9,730	9,793	9,739	9,867	9,732	9,796	9,987	10,395
Commercial	703	715	711	716	710	730	725	660	823	705
Industrial	10	10	10	10	10	9	10	90	118	12
Public	49	47	47	46	47	44	41	34	36	37
Irrigation	9	9	9	10	10	8	10	9	8	22
Total Number of Customers	10,444	10,508	10,507	10,575	10,516	10,658	10,518	10,589	10,972	11,171
Consumption Sales										
Residential	\$ 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	\$ 1,834,436
Commercial	917,042	936,423	894,408	689,879	792,531	790,882	841,727	847,685	984,318	978,167
Industrial	49,560	48,233	43,681	39,596	43,328	44,476	42,592	41,222	113,290	153,106
Public	46,165	44,664	30,760	22,152	26,695	27,727	20,158	11,349	9,647	11,860
Irrigation	419,593	443,188	399,781	285,798	407,890	372,531	300,097	390,106	357,127	424,309
Total Consumption Sales	\$ 3,380,910	\$ 3,425,512	\$ 3,107,933	\$ 2,402,961	\$ 2,872,222	\$ 2,943,320	\$ 2,720,855	\$ 2,929,381	\$ 3,310,275	\$ 3,401,878
Revenues from Sales⁽¹⁾										
Residential	\$ 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	\$ 7,386,411
Commercial	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	3,353,766
Industrial	91,926	96,816	90,751	83,109	90,057	92,809	91,131	91,298	193,813	377,691
Public	26,776	25,905	17,841	12,848	15,483	16,082	11,959	7,019	6,072	7,688
Irrigation	936,894	1,054,230	976,946	718,469	998,708	915,149	735,148	1,011,087	935,774	1,172,316
Total Revenue from Sales	\$ 9,676,777	\$ 10,236,157	\$ 9,942,734	\$ 8,269,801	\$ 9,370,281	\$ 9,572,460	\$ 9,258,098	\$ 10,159,791	\$ 11,282,419	\$ 12,297,872

⁽¹⁾ 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											
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Rates													
Monthly Water Charges													
Meter size													
5/8 inch		\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88	\$ 23.57		
3/4 inch		\$ 19.57	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88	\$ 23.57		
1 inch		\$ 29.67	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 32.70	\$ 33.68	\$ 34.69	\$ 35.73		
1 1/2 inch		\$ 54.90	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 60.50	\$ 62.32	\$ 64.19	\$ 66.11		
2 inch		\$ 85.18	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 93.87	\$ 96.69	\$ 99.59	\$ 102.58		
3 inch		\$ 155.86	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 171.77	\$ 176.93	\$ 182.23	\$ 187.70		
4 inch		\$ 256.85	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 283.07	\$ 291.57	\$ 300.31	\$ 309.32		
6 inch		\$ 509.15	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 561.13	\$ 577.97	\$ 595.31	\$ 613.17		
8 inch		\$ 811.99	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 894.89	\$ 921.74	\$ 949.39	\$ 977.88		
Commodity Charge (per HCF)													
Tier 1	0-12	\$ 1.72	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.90	\$ 1.95	\$ 2.01	\$ 2.07		
Tier 2	13-25	\$ 2.19	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.41	\$ 2.48	\$ 2.56	\$ 2.63		
Tier 3	26+	\$ 2.47	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.72	\$ 2.80	\$ 2.88	\$ 2.97		
Municipal (City/Parks)			\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65		

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 2022				Fiscal Year 2013			
Customer	Customer type	% of Retail Sales	Sales	Consumption A/F	Rank	% of Retail Sales	Sales	Consumption A/F	Rank
Sun Lakes Country Club HOA	Commercial	10.50%	1,291,457	966.01	1	10.88%	981,844	918.6	1
Banning Unified School District	School	3.69%	454,179	281.61	2	2.59%	234,202	246.7	2
EDA Facilities Management	Institutional	2.26%	278,493	166.66	3	2.50%	225,279	209.9	3
Banning Heights Mutual Water	Public Water System	1.75%	214,920	191.67	4				
Robertson's Ready Mix	Construction	1.26%	155,077	118.95	5	1.00%	90,027	111.5	5
City Of Banning	Government	0.89%	109,719	192.26	6	0.58%	52,308	207.0	7
High Valley Water District	Utility	0.77%	94,608	70.54	7	1.09%	98,539	78.4	4
Mountain Springs Mobile Home Park	Residential	0.45%	54,850	39.46	8	0.61%	55,218	49.8	6
Peppertree Apartments	Residential	0.41%	50,805	36.37	9	0.48%	43,721	43.3	9
San Gorgonio Memorial Hospital	Institutional	0.39%	48,509	22.97	10	0.50%	44,839	39.7	8
HK Realty - Windscape Village Apartments	Residential					0.45%	40,942	37.8	10

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Customers										
Residential/Commercial	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815	11,151	11,679
Total Number of Customers	10,711	10,695	10,678	10,756	10,698	10,702	10,701	10,815	11,151	11,679
Revenues from Sales ⁽¹⁾										
Residential/Commercial	\$ 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	\$ 3,685,173
Total Revenue from Sales	\$ 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	\$ 3,685,173

⁽¹⁾ 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		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Residential/Commercial	17.11	18.48	18.48	18.48	18.48	18.48	19.03	19.61	20.19	20.80
	Tertiary Surcharge	2.00	2.00	2.00	2.00	2.00	2.00	2.06	2.12	2.19	2.25
	Total Charge	19.11	20.48	20.48	20.48	20.48	20.48	21.09	21.73	22.38	23.05

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 2022			Fiscal Year 2013		
Customer	Customer type	% of Retail Sales	Sales	Rank	% of Retail Sales	Sales	Rank
EDA Facilities Management	Institutional	6.31%	232,567	1	5.50%	148,294	1
Sunrise Mobile Home Park	Residential	1.40%	51,528	2	1.53%	41,215	2
Mountain Air Mobile Home Park	Residential	1.09%	40,316	3	1.05%	28,398	4
Twin View Mobile Home Park	Residential	1.07%	39,504	4	1.20%	32,426	3
HK Realty - Windscape Village Apartments	Residential	0.97%	35,708	5	1.01%	27,268	6
Banning Unified School District	School	0.86%	31,649	6	1.04%	28,090	5
Peppertree Apartments	Residential	0.67%	24,556	7	0.69%	18,641	7
San Gorgonio Memorial Hospital	Institutional	0.54%	19,906	8	0.56%	15,182	8
Sun Lakes Country Club & HOA	Commercial	0.15%	5,473	9	0.14%	3,744	9
Albertson's Grocery Store	Commercial	0.10%	3,586	10	0.10%	2,752	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									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Residential	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	2,005,026,310
Commercial	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	282,765,400
Industrial	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	56,416,962
Agricultural								1,269,688	27,094,871	11,670,860
Government Owned	669,220	41,769	-	-	19,600	19,992	20,391	20,800	21,216	21,435
Institutional	867,488	914,450	911,496	1,304,236	897,253	1,207,192	3,446,035	2,298,468	1,843,481	2,402,733
Miscellaneous	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	4,626,592
Recreational	453,727	462,799	464,897	474,181	481,408	491,035	500,854	510,868	521,084	526,481
Vacant	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	126,894,395
SBE Nonunitary	71,000	71,000	71,000	71,000	71,000	71,000	56,250	56,250	56,250	56,250
Cross Reference	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	20,706,438
Unsecured	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	55,051,147
Exempt	(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	312,052
Totals	1,634,784,338	1,709,771,183	1,716,816,750	1,921,056,525	1,999,446,686	2,124,037,009	2,237,713,052	2,341,595,032	2,440,928,652	2,566,477,055
Total Direct Rate	0.32063	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715	0.14723	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 2012/13 - 2021/22 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									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Banning Unified School District	0.10207	0.11284	0.10956	0.10826	0.10573	0.14473	0.14278	0.14526	0.14526	0.14588
Beaumont Unified School District	0.08486	0.09000	0.08169	0.07106	0.07193	0.07677	0.07432	0.07438	0.07431	0.07777
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
San Gogonio Pass Memorial Hospital Dist	0.11572	0.11896	0.11296	0.08143	0.08357	0.09052	0.08692	0.06990	0.06716	0.06281
San Gorgonio Pass Wager Agency	0.18500	0.18500	0.18500	0.18500	0.18500	0.18250	0.18250	0.17750	0.17500	0.17500
Total Direct & Overlapping Tax² Rates	1.48765	1.50680	1.48921	1.45969	1.45943	1.50772	1.49972	1.48024	1.47493	1.47466
City's Share of 1% Levy Per Prop 13³	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228
Voter Approved City Debt Rate										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.32063	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715	0.14723	0.14723

Notes:

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

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

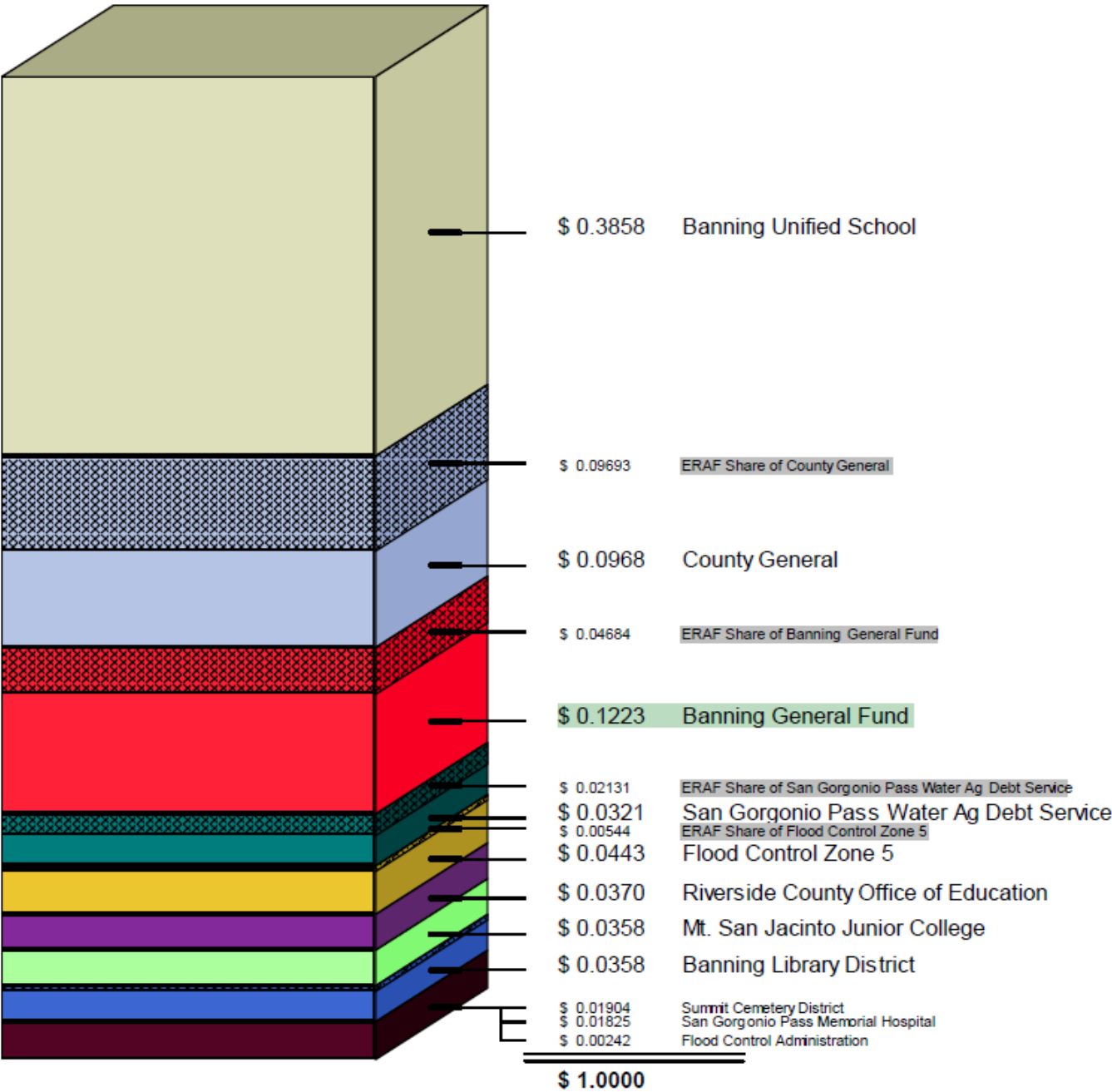
³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

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

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from 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

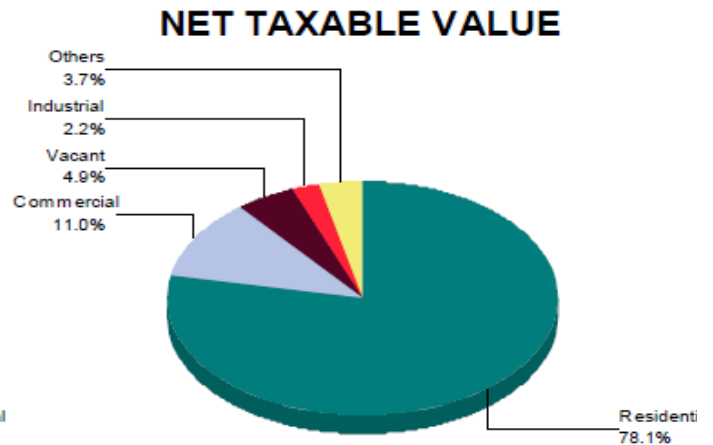
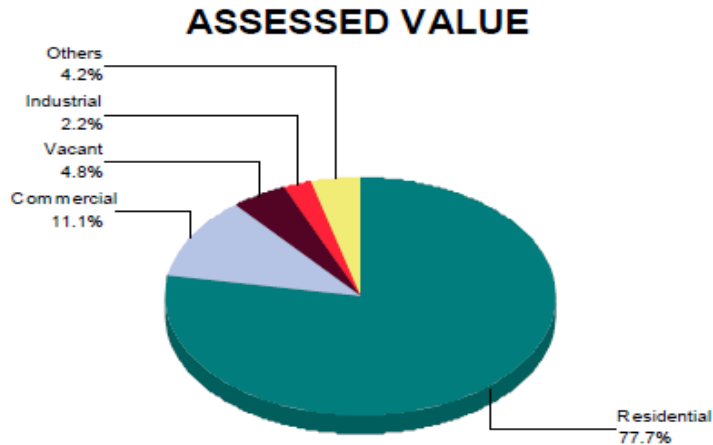


ATI (Annual Tax Increment) Ratios for Tax Rate Area 001-054. Excluding Redevelopment Factors & Additional Debt Service
 Data Source: Riverside County Assessor 2020/21 Annual Tax Increment Tables
 Provided by HDL Coren & Cone

CITY OF BANNING

Table 17 - Use Category Summary & Roll Summary Fiscal Year 2021-22

Use Category Summary Category	Basic Property Value Table				
	Parcels	Assessed Value	%	Net Taxable Value	%
Residential	10,673	\$ 2,039,012,988	77.7%	\$ 2,005,026,310	77.0%
Commercial	310	290,688,504	11.1%	282,765,400	11.3%
Industrial	60	56,416,962	2.2%	56,416,962	2.3%
Agricultural	115	11,670,860	0.4%	11,670,860	1.1%
Government Owned	1	572,185	0.0%	21,435	0.0%
Institutional	47	16,258,385	0.6%	2,402,733	0.1%
Miscellaneous	19	4,626,592	0.2%	4,626,592	0.2%
Recreational	2	526,481	0.0%	526,481	0.0%
Vacant	1,460	127,211,712	4.8%	126,894,395	4.7%
SBE Nonunitary	(1)	-	0.0%	56,250	0.0%
Cross Reference	(524)	56,250	0.8%	20,706,438	0.8%
Unsecured	(425)	20,864,010	2.1%	55,051,147	2.4%
Exempt	591	55,251,343	0.0%	-	0.0%
Unknown	3	312,052	0.0%	312,052	0.1%
Totals	13,281	\$ 2,623,468,324		\$ 2,566,477,055	



Data Source: Riverside County Assessor 2021/22 Combined Tax Rolls

Provided by HDL Coren & Cone

CITY OF BANNING

Table 17 - Use Category Summary & Roll Summary Fiscal Year 2021-22

Roll Summary	Taxable Property Values		
	Secured	Nonunitary Utilities	Unsecured
Parcels	12,690	1	425
TRAs	17	1	12
VALUES			
Land	703,926,543	56,250	23,704
Improvements	1,858,969,922	-	285,035
Personal Property	3,576,606	-	25,936,723
Fixtures	1,687,660	-	26,931,661
Aircraft	-	-	2,074,220
Total Value	\$ 2,568,160,731	\$ 56,250	\$ 53,177,123
EXEMPTIONS			
Real Estate	56,607,917	-	-
Personal Property	146,619	-	20,796
Fixtures	36,537	-	-
Aircraft	-	-	179,400
Homeowners*	34,829,783	-	-
Total Exemptions*	\$ 56,791,073	\$ -	\$ 20,796
Total Net Value	\$ 2,511,369,658	\$ 56,250	\$ 53,156,327

Combined Values	Total
Total Values	\$ 2,621,394,104
Total Exemptions	\$ 56,811,869
Net Total Values	\$ 2,564,582,235
Net Aircraft Values	\$ 1,894,820

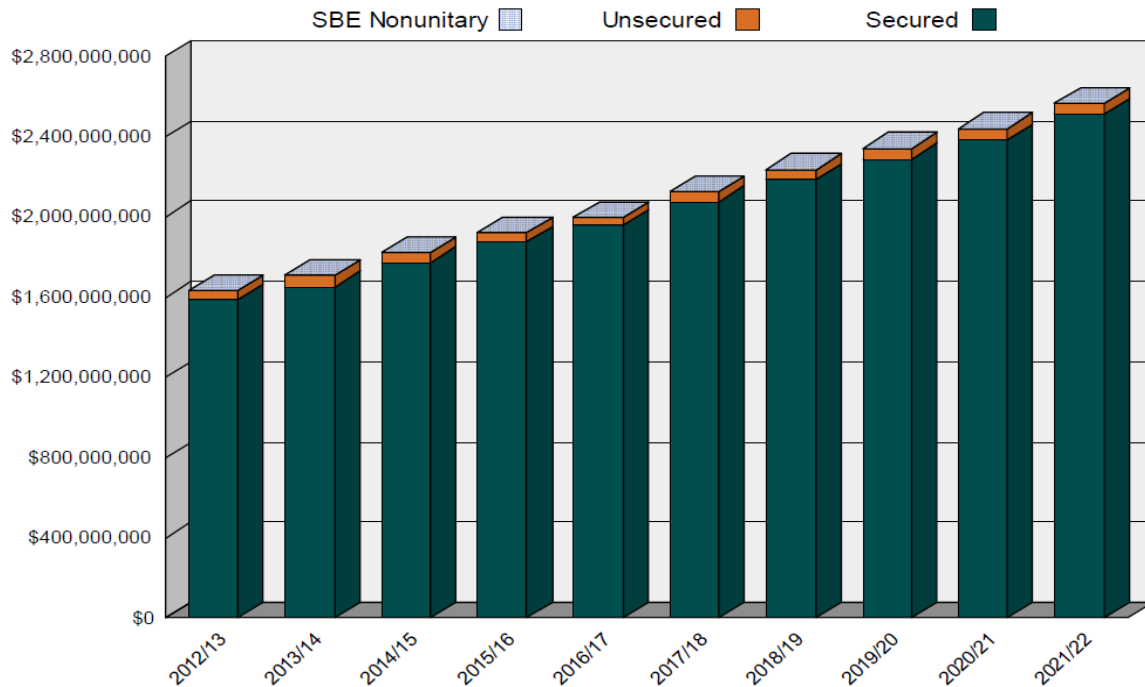
Notes: *Homeowner Exemptions are not included in Total Exemptions
Totals do not include Aircraft Values or Exemptions

Data Source: Riverside County Assessor 2021/22 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
2012/13	\$ 1,587,136,683	\$ 47,576,655	\$ 71,000	\$ 1,634,784,338	
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%
2021/22	\$ 2,511,369,658	\$ 55,051,147	\$ 56,250	\$ 2,566,477,055	5.14%
Average % Change					5.71%



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

Data Source: Riverside County Assessor 2021/22 Combined Tax Rolls

Provided by HDL Coren & Cone

CITY OF BANNING

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

Fiscal Year 2021/2022		Secured			Unsecured			Combined		Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1	Pardee Homes	389	\$ 20,897,291	0.91%	5	\$ 1,547,260	2.81%	\$ 22,444,551	0.89%	Commercial Banning General Fund
2	MLD Banning Investment	2	\$ 21,991,269	0.76%				\$ 21,991,269	0.75%	Vacant Banning General Fund
3	Marinita Sage Rancho (Pending Appeals on Parcels)	1	\$ 14,087,553	0.59%				\$ 14,087,553	0.57%	Commercial Banning General Fund
4	Sun Sunrise Estates LLC	1	\$ 14,063,752	0.58%				\$ 14,063,752	0.57%	Residential Banning General Fund
5	Sun Lakes Investment LLC	4	\$ 11,795,082	0.49%				\$ 11,795,082	0.48%	Commercial Banning General Fund
6	Thrify Payless Inc	2	\$ 10,090,438	0.42%	1	\$ 198,794	0.36%	\$ 10,289,232	0.42%	Commercial Successor Agency
7	JRC Holdings Series E	1	\$ 9,436,552	0.39%				\$ 9,436,552	0.38%	Commercial Successor Agency
8	Sarodia Suncity	1	\$ 8,251,751	0.26%	1	\$ 500,000	0.91%	\$ 8,751,751	0.36%	Miscellaneous Banning General Fund
9	Navid Kefayat	1	\$ 8,565,055	0.34%				\$ 8,565,055	0.36%	Commercial Successor Agency
10	RRM Properties Limited	27	\$ 5,905,411	0.36%	1	\$ 2,593,984	4.71%	\$ 8,499,395	0.35%	Vacant Successor Agency
Top Ten Total		429	\$ 125,084,154	5.10%	8	\$ 4,840,038	8.79%	\$ 129,924,192	5.14%	
City Total			\$ 2,511,425,908			\$ 55,051,147		\$ 2,566,477,055		

Top Owners using sales through 6/30/2022

Data Source: Riverside County Assessor 2021/22 Combined Tax Rolles 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 2012/2013		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	\$ 18,951,429	1.19%				\$ 18,951,429	1.16%	Commercial Banning General Fund
2	Sun Lakes Investment	4	\$ 9,967,661	0.63%				\$ 9,967,661	0.61%	Unsecured Successor Agency
3	MG Banning	3	\$ 9,887,219	0.62%				\$ 9,887,219	0.60%	Commercial Banning General Fund
4	Beaver Kirkmulon	1	\$ 9,166,379	0.58%				\$ 9,166,379	0.56%	Vacant Successor Agency
5	RRM Properties Limited	19	\$ 8,940,396	0.56%	1	\$ 21,451	0.05%	\$ 8,961,847	0.55%	Commercial Successor Agency
6	Semain Brothers Partnership	8	\$ 7,663,256	0.48%				\$ 7,663,256	0.47%	Residential Banning General Fund
7	OSI Partnership 1	4	\$ 7,431,894	0.47%				\$ 7,431,894	0.45%	Industrial Successor Agency
8	Pardee Homes	26	\$ 7,413,902	0.47%				\$ 7,413,902	0.45%	Vacant Successor Agency
9	Wilson Investment	2	\$ 7,245,180	0.46%				\$ 7,245,180	0.44%	Vacant Successor Agency
10	Tine Warner Entertainment	1	\$ 2,122,000	0.13%	4	\$ 4,990,954	10.49%	\$ 7,112,954	0.44%	Vacant Successor Agency
Top Ten Total		70	\$ 88,789,316	5.59%	5	\$ 5,012,405	10.54%	\$ 93,801,721	5.74%	
City Total			\$ 1,587,207,683			\$ 47,576,655		\$ 1,634,784,338		

Top Owners using sales through 6/30/2013

Data Source: Riverside County Assessor 2012/13 Combined Tax Rolles 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%
2022	2,932,779	2,926,208	99.78%	-	2,926,208	99.78%

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								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Major Business Group									
Autos and Transportation	396,081	421,344	507,338	607,279	642,783	761,037	785,604	830,122	1,125,093
Building and Construction	89,592	97,873	88,266	106,345	111,590	119,694	88,340	146,626	85,005
Business and Industry	50,033	64,436	57,275	51,601	76,463	58,231	224,798	105,216	111,339
Food and Drugs	195,716	202,928	217,538	225,680	227,999	225,762	259,357	249,480	313,934
Fuel and Service Stations	455,182	477,641	416,109	376,501	391,555	417,517	497,109	398,008	423,646
General Consumer Goods	185,984	205,372	130,643	114,365	226,089	275,627	274,043	254,450	359,749
Restaurants and Hotels	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
Total Major Business Groups	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
Gross Sales Tax Allocations									
Major Business Groups	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	178,124	197,907	191,099	221,983	247,355	299,013	400,864	369,781	576,162
Allocations from State Pool	772	1,250	1,166	897	1,143	1,292	1,311	1,207	2,027
Total Gross Sales Tax Allocations	1,901,052	2,023,689	1,986,555	2,098,744	2,334,212	2,603,491	3,009,255	2,775,852	3,459,686

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 9 Years Ago

Fiscal Year	
2012-13	
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 Arco	Service Stations
Big Lots	Variety Store
Carls Jr	Quick-Serve Restaurants
Carrows	Casual Dining
Chevron	Service Stations
Coyne Powerports	Boats/Motorcycles
Del Taco	Quick-Serve Restaurants
Diamond Hills Auto Group	Service Stations
Gus Jr	Quick-Serve Restaurants
Highland Springs Mobil	Service Stations
Jack In The Box	Drug Stores
Kmart	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 = 70.57%

Period: July 2012 Thru June 2013

*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	
2021-22	
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
Chevron	Service Stations
Coyne Powersports	Boats/Motorcycles
Culture Cannabis Club	Cannabis Related
Diamond Hills Chevrolet Buick GMC	New Motor Vehicle Dealers
Harbor Freight Tools	Building Materials
Harvest Corner	Cannabis Related
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
Precision Power Source	Heavy Industrial
Rite Aid	Drug Stores
Shell	Service Stations
Sizzler	Casual Dining
Smart & Final	Grocery Stores
Walgreens	Drug Stores
Waestern Hydro	Contractors

Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.61%

Period: July 2021 Thru March 2022

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	
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
2022	31,007,497	26,947,187	4,060,310	1,327,873	1,158,073	2,485,946	1.63

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	
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
2022	12,643,832	4,654,433	7,989,399	1,170,556	893,648	2,064,204	3.87

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	Principal	Interest	Debt Service Requirements		Total	Coverage
						Revenue Bond	CA Water Resource Control Board Loan		
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
2022	4,273,846	2,522,428	1,751,418	220,000	68,922	286,420	10,740	586,082	2.99

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							Coverage
		2003 Tax Allocation Bonds		2007 Tax Allocation Bonds		2016 Refunding Tax Allocation Bond		Total	
		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
2022	2,261,732					1,265,000	924,838	2,189,838	1.03

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	- ¹	- ¹	- ¹	3,147,156			3,147,156	
2013	-	-	-	2,826,192			2,826,192	
2014	-	-	-	2,493,082			2,493,082	
2015	-	-	-	2,147,361			2,147,361	
2016	-	-	-	1,788,555	125,007		1,913,562	
2017	-	-	-	1,416,167	- ⁴	151,569	1,567,736	
2018	-	-	-	1,029,684	-	77,723	1,107,407	
2019	-	-	-	628,572	-	-	628,572	
2020	-	-	-	212,726	-	-	212,726	
2021	-	-	-	-	-	-	-	
2022	-	-	-	-	-	-	-	
	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	- ²	5,100,000	- ³	30,395,000	24,420,000		61,324,613
2017	1,141,974	-	4,935,000	-	29,390,000	23,965,000		59,431,974
2018	867,377	-	4,765,000	-	28,345,000	23,600,000		57,577,377
2019	585,640	-	4,585,000	-	27,250,000	23,227,500 ⁸		55,648,140
2020	296,578	-	- ⁵	-	26,100,000	22,742,500	4,020,000	53,159,078
2021	- ⁶	-	-	-	24,890,000	22,232,500	3,800,000	50,922,500
2022	-	-	-	-	23,615,000	21,695,000	3,580,000	48,890,000

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	57,577,377	58,684,784	598,427,000	9.81%	31,282	1,876
2019	628,572	55,648,140	56,276,712	598,336,000	9.41%	31,044	1,813
2020	212,726	53,159,078	53,371,804	631,804,000	8.45%	31,125	1,715
2021	- ⁷	50,922,500	50,922,500	711,049,000	7.16%	32,233	1,580
2022	-	48,890,000	48,890,000	762,033,000	6.42%	30,877	1,583

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

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

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

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

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

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

⁶ 2011 Refunding lease agreement was paid off in fiscal year 2021

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

⁸ Updated 2015 Water revenue bond Schedule from 2018-2022 to correspond with debt payment schedule

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
2020-21 Assessed Value \$2,440,653,328			
Overlapping Tax and Assessment Debt:			
Mount San Jacinto Community College District	\$ 253,195,000	2.369%	\$ 5,998,190
Banning Unified School District	\$ 57,327,760	70.983%	\$ 40,692,964
Beaumont Unified School District	\$ 114,620,540	2.906%	\$ 3,330,873
San Goronio Memorial Healthcare District	\$ 100,090,000	22.635%	\$ 22,655,372
City of Banning 1915 Act Bonds	\$ 1,785,000	100.000%	\$ 1,785,000
California Statewide Community Development Authority 1915 Act Bonds	\$ 18,790,000	100.000%	\$ 18,790,000
Total Overlapping Tax and Assessment Debt			\$ 93,252,398
Direct and Overlapping General Fund Debt			
Riverside County General Fund Obligations	\$ 720,218,351	0.775%	\$ 5,581,692
Riverside County Pension Obligations	\$ 820,060,000	0.775%	\$ 6,355,465
Banning Unified School District Certificates of Participation	\$ 8,720,000	70.983%	\$ 6,189,718
Beaumont Unified School District Certificates of Participation	\$ 6,109,719	2.906%	\$ 177,548
City of Banning Certificates of Participation	\$ -	100.000%	\$ -
			\$ 18,304,423
Overlapping Tax Increment Debt (Successor Agency)	\$ 26,250,000	100.000%	\$ 26,250,000
Total Direct Debt			\$ -
Total Overlapping Debt			\$ 137,806,821
Combined Debt			\$ 137,806,821 ⁽²⁾

Notes:

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

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

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

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.89%
Total Direct Debt (\$0)	0.00%
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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation	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	2,566,106,499
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	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	384,915,975
Total Net Debt Applicable to the Limit General Obligation Bonds										
Legal Debt Margin	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	384,915,975
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.

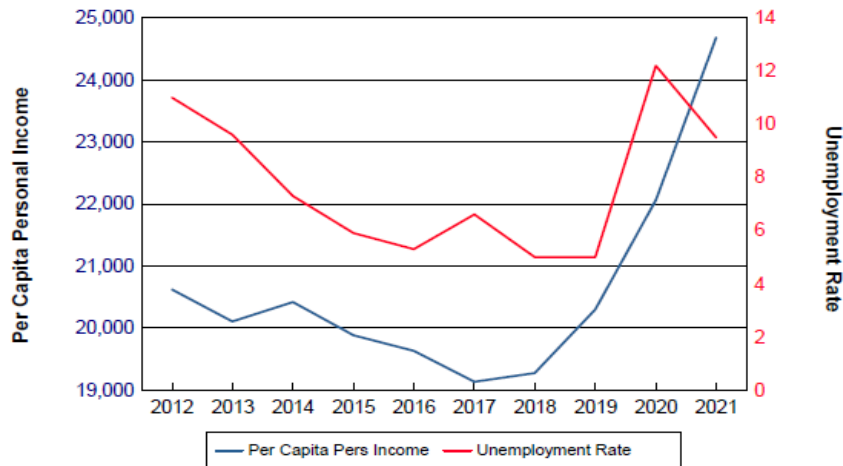
CITY OF BANNING

Table 27 - Demographics and Economic Statistics

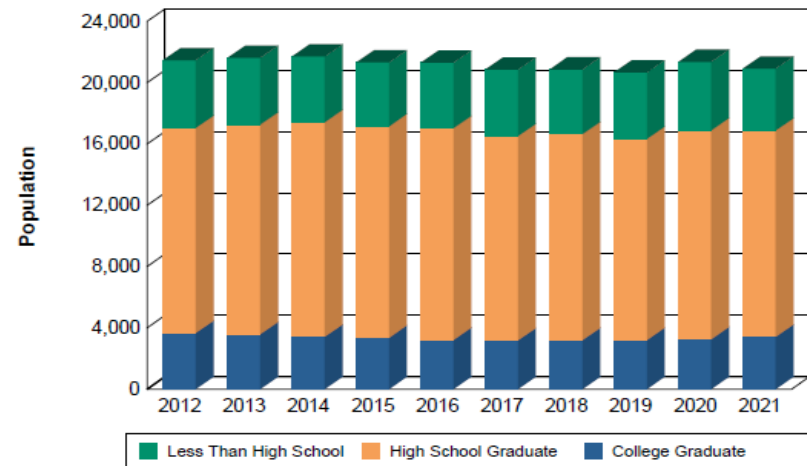
Last Ten Fiscal Years

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
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%
2021	30,877	\$ 762,033	\$ 24,679	9.5%	43.6	80.7%	16.4%

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

2009-2012 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Manager										
Administration	1.69	1.37	1.57	1.57	1.09	1.09	0.85	0.85	2.00	2.00
Economic Development ¹	1.00	1.00	1.00	1.00	1.24	1.24	1.00	1.00	1.00	1.00
City Clerk ²	2.83	1.83	1.83	1.83	1.70	1.70	1.50	1.50	2.00	2.00
Administrative Services										
Fiscal Services	4.95	5.45	5.45	6.45	5.45	5.45	6.35	6.85	9.50	9.50
Purchasing	1.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Human Resources	1.05	1.15	0.95	1.06	1.07	1.07	1.20	1.20	1.60	1.60
Risk Management	1.56	1.56	1.56	1.90	1.82	1.82	1.65	1.65	1.40	1.40
Information Technology	2.40	2.40	2.40	2.40	3.45	3.45	2.00	2.00	2.00	2.00
Media	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Utility Billing	9.15	9.63	9.63	9.63	11.31	11.31	10.20	10.70	9.00	9.00
Meter Reading	4.20	4.20	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Works							0.13	0.13		
Engineering	0.92	0.92	0.92	0.92	0.92	0.92	1.11	1.11	1.31	1.31
Building Maintenance	1.28	1.28	1.28	1.78	1.31	1.31	1.48	1.58	1.63	1.63
Streets	4.85	4.85	4.85	4.85	5.05	5.05	6.05	6.40	6.25	6.25
Landscape Maintenance District									0.28	0.28
Airport	1.55	1.55	1.20	0.30	0.80	0.80	0.83	0.88	0.98	0.98
Transit										
Fixed Route	9.83	10.77	12.67	13.30	13.13	13.13	13.65	15.65	13.43	13.43
Dial-A-Ride	2.04	2.04	2.04	1.54	1.39	1.39	1.00	1.00	0.63	0.63
Water	15.10	15.17	15.20	15.25	15.59	16.59	16.70	16.95	16.49	16.49
Wastewater	5.25	5.32	5.26	5.31	5.52	5.52	6.09	6.34	5.86	5.86
Refuse	0.69	0.69	0.69	0.69	1.14	1.14	0.82	1.82	1.80	1.80
Fleet Maintenance	3.50	3.50	3.50	3.50	4.05	4.05	4.42	4.42	4.73	4.73
Electric										
Operations	19.58	19.65	23.73	24.73	25.20	25.20	28.18	31.18	29.63	29.63
Generation	0.85	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Benefits ³	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-

CITY OF BANNING

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

Last Ten Fiscal Years

Department/Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Sworn Police officers & Non Sworn Personnel	35.15	31.75	31.90	34.90	35.90	36.90	37.90	37.90	34.90	34.90
Dispatch	8.10	8.10	8.10	8.10	8.10	9.10	9.10	9.10	8.10	8.10
Fire ⁴	1.00	1.00	1.00	-	-	-	-	-	-	-
Code Enforcement	2.00	2.00	1.45	2.00	2.00	2.00	2.00	4.00	3.00	3.00
Planning	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Building Safety	0.60	0.60	1.60	1.60	1.60	1.60	1.60	2.60	1.60	1.60
Parks & Recreation										
Parks	4.28	4.28	4.28	4.28	4.30	4.30	2.25	2.70	2.70	2.70
Recreation	2.63	3.07	3.28	5.33	6.05	6.05	3.32	4.17	6.18	6.18
Aquatics	2.16	2.09	2.11	2.11	2.06	2.06	3.32	3.32	2.76	2.76
Day Care ⁵	-	-	-	-	-	-	0.61	0.61	-	-
Senior Center	0.63	0.58	0.58	0.58	0.75	0.75	1.57	1.57	1.17	1.17
Total Full-time Equivalent Employees	156.22	154.05	161.43	169.31	174.39	179.39	179.28	191.58	184.33	184.33

Notes:¹ Economic Development contains FTE of Community Redevelopment Admin/Successor Housing Agency for Fiscal years 2011-2016² City Clerk (Elected) included in figures due to also employed with the City until FY2018, other Elected officials are not included in any figures³ Starting in Fiscal year 2019 these employees were moved to Electric Operations⁴ 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 Contract⁵ Day Care services allocation of personnel were added to Parks & Recreation in Fiscal Year 2019

CITY OF BANNING

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical Arrests	2,401	1,876	1,622	1,759	1,876	1,720	1,139	1,189	1,091	1,091
Parking violations	-	-	66	311	399	456	1,007	343	191	191
Traffic violations	744	257	161	230	249	455	189	262	172	172
Calls for service	41,496	37,910	39,307	40,390	42,322	37,817	34,603	36,457	37,316	37,316
Fire										
Emergency Response	¹ 3,987	4,179	4,559	4848	4800	4549	4680	4,686	4,976	4,976
Fire Extinguished	¹ 127	148	127	126	158	136	129	188	214	130
Fire Inspections	142	131	92	136	121	107	115	611	691	691
Public Works										
Street resurfacing (miles)	-	2.10	-	0.75	3.55	0.50	1.47	6.07	3.21	3.21
Street reconstructing (miles)	-	-	-	-	-	-	-	-	-	-
Potholes repaired (square feet per year)	96	96	99	66	122	24	100	107	120	120
Traffic signs repaired/replaced	92	92	160	123	75	51	130	81	294	294
Parks & Recreation										
Number of facility rentals	²					314	415	397	758	1,178
Number of recreation classes	²					135	217	254	94	343
Building & Safety										
Building Permits issues	694	713	742	864	922	989	934	3,262	2,009	2,009
Building Inspections	³ -	-	233	200	181	264	420	6,020	8,500	8,500
Code Enforcement										
Citations issued	⁴ -	-	7	64	48	27	26	38	11	12
Calls for Service	⁴ -	-	136	984	1,070	1,305	1,493	1,832	1,974	1,264
Transit										
Total route miles	365,858	499,407	776,698	785,685	808,420	401,790	455,214	147,813	444,954	467,639
Passengers	156,052	144,978	137,594	133,185	126,793	116,748	112,960	30,148	87,624	70,721

CITY OF BANNING

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water										
New Connections	⁵ -	-	-	1.00	1.00	-	-	1.00	366.00	366.00
Number of service connections	⁶ 10,614	10,615	10,650	10,647	10,661	10,675	10,680	10,682	10,972	10,972
Service Breaks	74	93	86	45	71	75	75	80	86	86
Water Main Breaks	31	48	50	64	28	50	50	80	32	32
Average Daily Consumption (thousands of gallons)	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	7,879
Peak daily consumption (thousands of gallons)	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	14,107
Water purchased (AF)	⁷ 1,200	608	694	1,477	1,350	500	250	250	250	250
Water Sold (AF)	7,761	7,867	7,134	5,517	6,593	6,756	6,246	6,724	7,599	7,599
Wastewater										
Number of service connections	10,735	10,745	10,786	10,750	10,657	10,698	10,687	10,771	10,972	10,972
Average Daily swage treatment (thousands of gallons)	2,104	2,005	1,970	1,940	1,978	2,016	1,995	1,955	1,945	1,945
Electric										
Number of service connections	11,827	12,426	11,974	12,111	12,101	12,139	12,015	12,345	12,534	12,903
Average daily consumption (MWH)	380.50	380.62	397.24	383.43	393.78	386.04	378.19	377.67	383.02	389.70
Electricity purchased (MWH)	150,390	146,193	148,697	147,176	148,500	146,510	148,973	144,803	153,421	153,457
Electricity sold -Retail (MWH)	138,884	138,926	144,994	139,951	143,729	140,906	138,040	137,850	139,802	142,241
Peak Demand (MW)	46.9	40.5	42.4	44.5	46.3	49.1	49.0	44.1	51.2	50.1
Airport										
Number of flights	7824	4668	4631	3287	3071	3049	3126	3423	5959	3654
Number of Gallons of Fuel Sold	18139	14150	7395	9353	12691	23545	13902	9954	26956	13318
Community Development										
Planning applications completed	⁹ 110.00	110.00	100.00	110.00	270.00	250.00	390.00	710.00	920.00	556.00
Business Licenses										
Number of licenses issued	2,123	1,964	1,929	1,949	1,968	2,031	1,949	1,945	1,966	1,964

CITY OF BANNING

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Refuse										
Number of Customers	⁸									
Commercial/Multi-Family	525	518	506	510	510	516	512	494	520	-
Residential	11,258	11,022	11,070	11,266	11,317	11,280	11,280	11,340	11,356	-
Roll-off Service		35	34	35	38	38	44	41	59	-
Tonnage Collected by Service										
Commercial/Multi-Family	6447	6675	6455	6097	12424	7534	8175	7702	6830	-
Residential	14659	14538	15127	16412	15187	15769	16533	17059	19833	-
Roll-off Service	4616	4817	3599	2919	3458	3906	4066	3978	5067	-
Total Tonnage Collected by Service	25722	26030	25181	25428	31069	27209	28774	28740	31730	
Tonnage Type Collected (All Services)										
Trash	18522	18389	18491	18777	24780	20489	20517	21084	24226	-
Recycle	2827	3326	2715	2868	4141	3557	3295	2479	3070	-
Green Waste	4374	4316	3975	3782	2052	2967	4742	5010	4529	-
Organics	0	0	0	0	96	197	219	166	70	-
Total Tons Collected	25722	26030	25181	25428	31069	27209	28774	28740	31895	-
Total Tons Diverted	7201	7641	6689	6650	6290	6720	8257	7656	7669	-
Diversion % All Services	27.99%	29.36%	26.57%	26.15%	20.24%	24.70%	28.69%	26.64%	24.04%	0.00%

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

Notes:

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

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

³ 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

⁴ 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

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

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

⁷ Water Purchased is the amount of imported water purchased

⁸ Refuse was taken over by Waste Management Effective July 2021.

⁹ 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

Function/Program		Fiscal Year									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police											
Police Station		1	1	1	1	1	1	1	1	1	1
Patrol Units	1	13	13	11	11	11	15	18	24	24	24
Fire											
Stations	2	1	1	1	1	1	1	1	1	1	1
Fire Engines	2	2	2	2	2	2	2	2	2	2	2
Public Works											
Streets (miles)		118	118	118	118	118	118	118	122	125	125
Traffic signals		7	7	7	7	7	7	7	7	7	7
Storm catch basin	3	98	98	98	98	98	126	126	150	174	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	11	13	12	12	15	10	10	10	10
Water											
Water Mains (miles)		166.19	166.19	166.19	166.19	166.19	167.56	169.05	174.18	170.25	170.25
Fire hydrants		1,423	1,424	1,425	1,425	1,428	1,437	1,455	1,539	1,555	1,555
Storage capacity (MGD)	4	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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wastewater										
Sanitary Sewers (miles)	111.67	111.67	111.67	112.20	112.20	112.20	113.96	118.00	115.89	115.89
Treatment Plant capacity (MGD)	⁵ 3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Electric										
Number of electric meters	11,827	12,426	11,974	12,111	12,101	12,139	12,015	12,339	12,528	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
Airport										
Runway Miles	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985

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

Notes:

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

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

³ Represents the number of basins/inlets

⁴ MGD = Millions Gallons per Day

⁵ MGD = Millions Gallons per Day