



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FISCAL YEAR ENDED JUNE 30, 2023**  
**City of Banning, California**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
of the  
**CITY OF BANNING, CALIFORNIA**  
For the Fiscal Year ended  
**JUNE 30, 2023**

*Prepared By:*

*Fiscal Services / Finance Department*

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# City of Banning

July 31, 2024

**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, 2023 (FY 2022-23), 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.

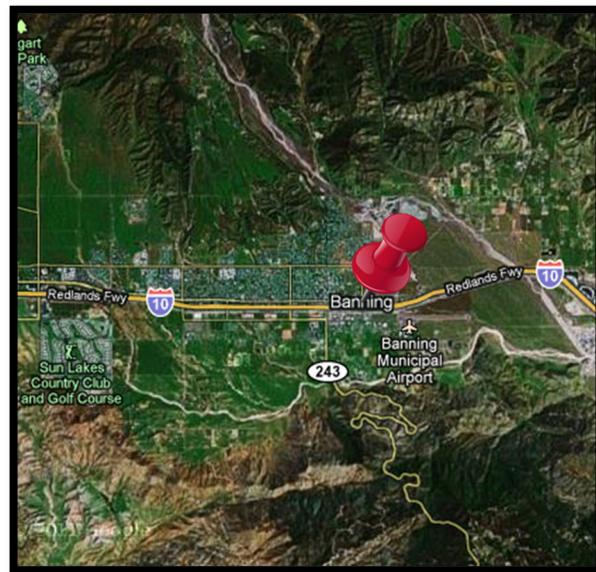
The City's financial statements have been audited by Eide Bailly LLP. Eide Bailly is an independent public accounting firm fully licensed and qualified to perform audits of public agencies within the State of California.

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, 2023, 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 a qualified opinion that City's ACFR for the year ended June 30, 2023, is fairly presented in conformity with GAAP. The qualification related primarily to the fact that the contract with Eide Bailly was executed after fiscal year end and inventory observations as of June 30, 2023, could not be conducted. Staff also asked Eide Bailly to conduct a thorough review of the City in the first year of the contract to ensure as many historical errors as possible could be identified and corrected. The requirements of the upcoming GASB Statement 100 – Accounting Changes and Error Corrections are making the disclosures of historical errors much more costly and staff would like to ensure errors are identified and corrected prior to the implementation of that Standard in Fiscal Year 2023-24. The independent auditor's report is presented as the first component of the financial section of this report.

## **Profile of the City of Banning**

The City of Banning is strategically located in Riverside County along the route of U.S. Interstate 10 approximately 25 miles northwest of Palm Springs and 82 miles east of Los Angeles. Beautifully located in the San Gorgonio Pass between the two highest mountain peaks in Southern California, Banning is only minutes away from many desert and mountain resorts. One of Banning's unique characteristics is that it provides the serenity of a rural setting yet has easy access to major metropolitan areas. Its unique location is at a relatively high altitude (2,350 feet) in the pass which provides a favorable year-round climate and air quality. Its municipal boundaries encompass 23.24 square miles. The City's Sphere of Influence encompasses another 8.5 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, contracted fire protection, municipal bus service, seven parks, a swimming complex, a seasonally operated playhouse bowl, as well as youth and leisure programs. Recreation opportunities are also abundant in nearby areas, which offer golfing, fishing, hiking, and equestrian trails.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

Banning is one of the fastest growing cities in the State of California, with 31,250 highly skilled residents – and still growing, currently at a rate of 1.3 percent annually. Median household income as of 2022 was \$54,083 and per capita personal income increased 17.31 percent from \$24,679 in 2021 to \$28,951. The unemployment rate as of 2022 was 5.1 percent which is considered full employment. Population data from the California State Department of Finance, median and per capita income from US Census Bureau, and unemployment data from the California Employment Development Department. Additional information can be found in the statistical section of the ACFR.

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 700 families of all sizes and has issued nearly 800 building permits for the project. The Atwell Homes Project features over 4,850 homes, two new schools, 3 commercial zoning areas, and community centers. KB Homes has submitted plan reviews for 143 homes. The Banning Duplex project is also in plan review for their 186-unit project. The 35,000 square foot Microtel project is currently at the grading permit process and expects to begin construction by June 2024. There is a population of 2.44 million within Riverside County. The City offers 23.24 square miles of Endless Opportunities with affordable land with potential for future expansion needs. According to the State of California Department of Finance, Banning saw its assessed property value increase by 1.9 percent from 2022 to 2023.

Banning is home to many small and large companies, including Fortune 500 companies, which include Boot Barn, Pet Smart, Skechers USA, So Cal West Coast Electric, Consolidated Electric Distributors, 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, 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.

### **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 maximize 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.:**

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

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

**A**ccountable – 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.

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

**Y**es-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 1<sup>st</sup> of even numbered years, the City Manager, the Administrative Services Director, and the Deputy Finance Director, 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, 2022. That was the third consecutive year the City received this recognition. 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.

The City's Annual Comprehensive Financial Report and successful conclusion of Fiscal Year 2022-23 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 appreciate the ongoing leadership and support of the Mayor and City Council.

Respectfully submitted,



Douglas Schulze, City Manager



Lincoln Bogard, Administrative Services Director & Deputy City Manager



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, 2022

*Christopher P. Morill*

Executive Director/CEO



# Elected Officials

## City Council

Fiscal Year 22-23



Alberto Sanchez

**Mayor**  
District 1



Colleen Wallace

**Mayor Pro Tem**  
District 5



Reuban Gonzales  
**Council Member**  
District 4



Sherri Flynn  
**Council Member**  
District 3



Rick Minjares  
**Council Member**  
District 2

## City Treasurer



Alejandro Geronimo

## City Clerk



Marie A. Calderon



# Executive Staff

Douglas Schulze  
City Manager

Lincoln Bogard ..... Administrative Services 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

## City of Banning Voters



City Clerk

City Council,  
Successor Agency,  
Housing Authority,  
and Utility Authority

City Treasurer

City Manager

Planning Commission,  
Parks and Recreation Commission,  
and Committees

City Attorney

Administrative Services

Community Development

Parks & Recreation

Electric Utility

Fire (CDF Contract)

Police

Public Works

City Manager

Financial Services

Payroll

Purchasing

Accounts Payable

Business License

Utility Billing

Meter Reading

Human Resources

Risk Management

Information Technology

Successor Agency Administration

Planning

Building Safety

Residential and Commercial Project Oversight

Code Enforcement

Recreation/ Aquatics

Senior Services

Park Development

Facility Use & Special Events

Electric Operations

Generation & Transmission

Public Benefits

Warehouse

Fire Safety & Public Education

Disaster Preparedness

Fire Prevention, Planning & Engineering

Fire & Rescue

Public Safety

Operations: Patrol, Dispatch, Animal Control, Crime Prevention

Support: Investigations, Records, Property, Crime Analysis

Community Services

Animal Control

Engineering

Streets

Fleet Maintenance

Building Maintenance

Airport

Water Operations & Conservation

Wastewater Collection & Treatment

Capital Improvement Program

Transit

Public Information Office

Legislation

Fire (CDF Contract)

Economic Development/ Redevelopment

Property Management

Housing Authority

Successor Housing Programs

TV Government Access

## Financial Section



## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Qualified and Unmodified Opinions***

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Qualified Opinions on Banning Utility Authority Water Fund, Electric Utility Fund, and Business-Type Activities***

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Banning Utility Authority water fund, electric utility fund, and business-type activities of the City, as of June 30, 2023, and the 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.

#### ***Unmodified Opinions on Governmental Activities, General Fund, Banning Utility Authority Wastewater Fund, and Aggregate Remaining Fund Information***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, Banning Utility Authority wastewater fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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 Qualified and Unmodified 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's 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 qualified and unmodified audit opinions.

***Matter Giving Rise to Qualified Opinions on Banning Utility Authority Water Fund, Electric Utility Fund, and Business-Type Activities***

We were not engaged as auditors of the City until after June 30, 2023, nor did the City perform a year-end inventory observation as of June 30, 2023. We were unable to satisfy ourselves by performing other auditing procedures concerning the inventory held at June 30, 2023. As the inventory balances are material to the Banning Utility Authority water fund, electric utility fund, and business-type activities, our opinion on each of these opinion units is qualified with respect to this matter.

***Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. There was no effect on beginning net position as a result of implementation. Our opinions are not modified with respect to this matter.

***Correction of Errors***

As discussed in Note 18 to the financial statements, certain errors resulting in a misstatement of amounts previously reported as of June 30, 2022, were discovered during the current year. Accordingly, a restatement has been made to the governmental activities net position, business-type activities net position, general fund balance, Banning Utility Authority water net position, electric utility net position, Banning Utility Authority wastewater net position, refuse utility net position, and private-purpose trust fund (Successor Agency of the Former RDA) net position as of July 1, 2022, to correct the errors. Our opinions are not modified with respect to that 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.

***Auditor's 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 auditor's 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 the City'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 the City'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, schedules of changes in the net pension liability, schedules of pension contributions, and schedule of changes in the total OPEB liability and related ratios as listed in the table of contents, 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 GAAS, 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 budgetary comparison 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison 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 auditor's 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024, 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 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 City's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
July 31, 2024



# 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, 2023 (FY 2022-23). 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, 2022 (FY 2021-22).

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 statements are in adherence to the pronouncements of the Governmental Accounting Standards Board (GASB). This annual report consists of five (5) sections as arranged in the Table of Contents:

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

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

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

## FOCUS OF MANAGEMENT DISCUSSION AND ANALYSIS

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

The Basic Financial Statements present operation and fiscal accountability measurements 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 THE GOVERNMENTAL REPORTING MODEL**

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Generally accepted accounting principles (GAAP) for governmental reporting requires the following:

- ❖ 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 a 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
- ❖ Reconciliation to convert Fund statements to Government-wide statements
  - Converts Governmental Funds to Governmental activities
  - Converts Proprietary Funds to Business-Type Activities
- ❖ Fund Financial Statements report fiscal accountability using the current financial resource flows measurement focus, modified accrual basis of accounting.
  - Types of funds
    - Governmental funds
    - Proprietary funds
  - Non-major Funds are reported in Combining Statements
  - Fiduciary Funds are not reported in Government-wide Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

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

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

## PROCESSING THE FINANCIAL STATEMENTS

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Accounting information is internally processed in traditional City funds categorized as Governmental, Proprietary, or Fiduciary, based on the activity. Fund Financial Statements 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.

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

The traditional Fund Financial Statements focus on funds' accounting of the city government that reflect the City's accounting and budgetary structure. 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 non-major funds; the non-major funds are sub-totaled in columns entitled "Other Governmental Funds" and "Other Enterprise Funds".

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

Reconciliations provide the necessary long-term adjustments to bridge the results of Governmental Funds and to convert them 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 present "Governmental Activities" and "Business-Type Activities" in a two-column format resulting in Government-wide totals (City-wide). Governmental Activities are Governmental Fund totals and the reconciliation to full accrual. Similarly, the Business-Type Activities are the Proprietary Fund totals and their applicable reconciling items. The totals of these two types of City activities are the Government-wide totals.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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### *REPORTING THE CITY AS A WHOLE*

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

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

As noted earlier, in this presentation, City operations are designated as either "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, 2023, 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 \$220.00 million, an increase of \$5.11 million including the impact of prior period adjustments, over June 30, 2022.
- ❖ 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 \$21.45 million, a decrease of \$20.16 million from the prior fiscal year. The Net Investment in Capital Assets, another component of Net Position, was \$184.84 an increase of \$28.19 million over June 30, 2022. The Restricted portion of the Net Position amounted to \$13.71 million, a decrease of \$2.92 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, 2023, the total Net Pension Liability for the City of Banning, government-wide, was \$49.69 million, an increase of \$19.17 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 in FY 2021-22, and we performed an actuarial study to determine the Total OPEB Liability. At June 30, 2023, the Total OPEB Liability for the City of Banning, government-wide, was \$1.11 million, an increase of \$0.05 million over the prior fiscal year.

## **A COMPARATIVE SUMMARY OF CITY'S NET POSITION**

Net Position represents the difference between the City's resources (total assets and deferred outflows of resources) and its obligations (total liabilities and deferred inflows of resources). Over time, Net Position may serve as an indication of a government's financial position. The Statement of Net Position measures the City's Net Position. This is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's Net Position may serve as an indicator of whether its financial health is improving or deteriorating.

All fluctuations are based on 2022 amounts which have not been restated for prior period adjustments. Therefore, all comparisons to the prior year are net of prior period adjustments.

Again, the City's Net Position, net expenses over revenues, increased by \$5.11 million to \$220.00 million from the prior fiscal year.

The City's Net Position from Governmental Activities is \$71.16 million, an increase of \$2.15 million, which was mainly due to charges for services increase of 41 percent, or \$3.00 million. Increases in General Government revenues were primarily from increases in Cost Allocation Plan payments for centralized administration services, partially offset by an increase in salaries and benefits, which reduced the General Government net loss by \$2.21 million to \$0.87 million. Public Safety net loss increased by \$2.03 million to \$16.46 million. This is primarily due to increases in contractual fire services payments of \$0.23 million, police salaries & benefits of \$0.29 million, vehicle purchases of \$0.36 million, and a reduction in Operating Contributions and Grants of \$1.59 million. The timing of receipts and disbursements for permits for Atwell homes and reimbursement-based grants for Community Development resulted in an increased net loss of \$2.88 million to \$4.19 million. Culture & Leisure expenditures increased \$0.47 million due to continued reinstatement of programming that had been suspended due to the Coronavirus pandemic. Transportation Operating and Capital Contributions and Grants decreased by \$0.25 million, and expenditures increased by \$0.79 million primarily due to a transfer to the Gas Tax Street Fund. 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. Beginning balance adjustments improved Net Position by \$10.79 million.

The City's Net Position from Business-Type Activities is \$148.84 million, an increase of \$2.95 million. Due to the City Council's decision to close the airport, Capital and Operating Contributions and Grants decreased by \$0.42 million resulting in a net loss of \$0.21 million, down from a net income of \$0.22 million in FY 2021-22. Transit expenses increased \$0.59 million primarily from salaries and benefits and fleet maintenance costs, with revenues unchanged for a net loss of \$0.51 million. Water net income decreased by \$0.31 million to \$6.51 million, primarily due to a reduction of Capital Contributions and Grants. Electric had a net loss of \$1.20 million, down from a net income of \$1.10 million, primarily due to increases in salaries and benefits (\$1.08 million), supplies and services (\$1.37 million), and purchased power costs (\$2.06 million), offset by an increase in sales and service charges of \$2.38 million. Wastewater's net income was \$1.88 million, up from \$1.40 million in FY 2021-22, which was primarily the result of a rate increase that increased charges for services income. Refuse net income fell \$3.89 million to \$0.58 million primarily due to a one-time revenue in FY 2021-22 upon contract signing for amendment to Waste Management agreement. In FY 2022-23, that \$4.5 million was reclassified as a deposit that will be recognized as revenue over 20 years. Non-operating revenues and transfers improved by \$0.18 million to a net loss of \$0.24 million. Beginning balance adjustments decreased Net Position by \$3.82 million.

## **ASSETS AND DEFERRED OUTFLOWS**

The City's Total Assets increased \$9.87 million to \$329.89 million primarily due to increases in grants receivables (\$2.21 million), inventory (\$1.88 million) and non-depreciable and depreciable capital assets net of accumulated depreciation (\$23.45 million), offset by decreases in cash and investments (\$18.14 million). Deferred outflows increased \$8.75 million to \$18.95 million primarily due to pension related items. Total Assets and Deferred outflows are \$348.84 million.

## **LIABILITIES AND DEFERRED INFLOWS**

The City's Total Liabilities increased \$22.44 million to \$124.14 million due primarily to increases in net pension liability (\$19.17 million), accrued liabilities (\$1.19 million), unearned revenue (\$4.83 million), primarily offset by decreases in deposits payable (\$0.80 million), and long-term liabilities (\$1.50 million). Deferred inflows decreased \$8.92 million to \$4.70 million due to pension related items. Total Liabilities and Deferred inflows are \$128.84 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 \$184.84 million represents 84.02 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 debt service payments and depreciation of the capital assets offset by additional capitalized expenditures for fiscal year 2022-23.

The portion of the City's Net Position subject to *external restrictions* in how they may be used is \$13.71 million (6.23 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 \$21.45 million (9.75 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 (\$18.81 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 \$33.85 million and \$15.84 million respectively. Total OPEB Liability, also respectively, was \$0.72 million and \$0.39 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.

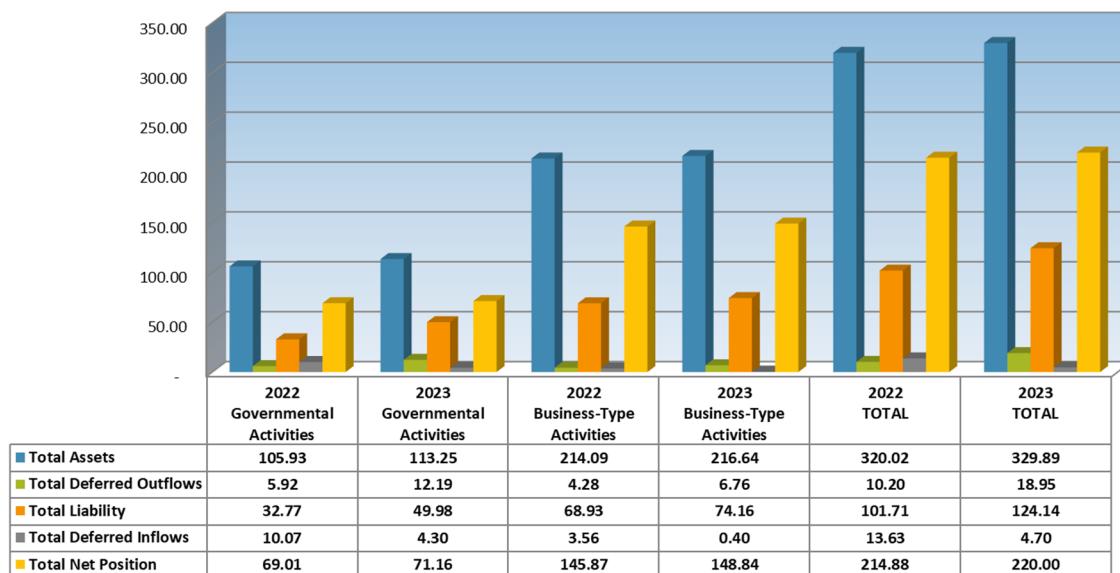
Table 1 - Summary of Net Position (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals		% CHG
	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	
<b>Assets:</b>							
Current and other assets	35.25	31.24	79.00	69.43	114.25	100.67	11.9%
Capital assets	70.68	82.01	135.09	147.21	205.77	229.22	11.4%
<b>TOTAL ASSETS</b>	<b>\$ 105.93</b>	<b>\$ 113.25</b>	<b>\$ 214.09</b>	<b>\$ 216.64</b>	<b>\$ 320.02</b>	<b>\$ 329.89</b>	<b>3.1%</b>
Deferred outflows on refunding	-	-	2.43	2.26	2.43	2.26	7.0%
Deferred pension related items	5.90	12.20	1.83	4.45	7.73	16.65	115.4%
Deferred OBEB related items	0.02	(0.01)	0.02	0.05	0.04	0.04	0.0%
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$ 5.92</b>	<b>\$ 12.19</b>	<b>\$ 4.28</b>	<b>\$ 6.76</b>	<b>\$ 10.20</b>	<b>\$ 18.95</b>	<b>85.8%</b>
<b>Liabilities:</b>							
Current and other liabilities	10.01	9.92	9.24	8.57	19.25	18.49	3.9%
Long-term liabilities*	22.76	40.06	59.69	65.59	82.45	105.65	28.1%
<b>TOTAL LIABILITIES</b>	<b>\$ 32.77</b>	<b>\$ 49.98</b>	<b>\$ 68.93</b>	<b>\$ 74.16</b>	<b>\$ 101.70</b>	<b>\$ 124.14</b>	<b>22.1%</b>
Deferred inflows on refunding	-	-	0.09	0.09	0.09	0.09	0.0%
Deferred pension related items	10.07	4.26	3.47	0.24	13.54	4.50	66.8%
Deferred OPEB related items	-	0.04	-	0.07	-	0.11	0.0%
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 10.07</b>	<b>\$ 4.30</b>	<b>\$ 3.56</b>	<b>\$ 0.40</b>	<b>\$ 13.63</b>	<b>\$ 4.70</b>	<b>65.5%</b>
<b>Net Position:</b>							
Net investment in capital assets	70.29	80.58	86.36	104.26	156.65	184.84	18.0%
<b>Restricted for:</b>							
Community Development Projects	2.58	2.42	-	-	2.58	2.42	6.2%
Public Safety	0.02	0.02	-	-	0.02	0.02	0.0%
Culture and Leisure	0.08	0.09	-	-	0.08	0.09	12.5%
Transportation	2.29	2.82	-	-	2.29	2.82	23.1%
Capital Projects	4.24	4.04	3.53	0.36	7.77	4.40	43.4%
Debt Service	-	-	-	-	-	-	0.0%
SCPPA Projects	-	-	0.98	0.78	0.98	0.78	20.4%
SCPPA Project Stabilization Fund	-	-	2.91	3.18	2.91	3.18	9.3%
Unrestricted	(10.49)	(18.81)	52.10	40.26	41.61	21.45	48.4%
<b>TOTAL NET POSITION</b>	<b>\$ 69.01</b>	<b>\$ 71.16</b>	<b>\$ 145.88</b>	<b>\$ 148.84</b>	<b>\$ 214.89</b>	<b>\$ 220.00</b>	<b>2.4%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

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



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

Amounts reported for 2022 have not been restated.

## 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	
	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	7.33	10.33	50.58	49.74	57.91	60.07
Operating Contributions and Grants	4.99	4.65	3.89	1.71	8.88	6.36
Capital Contributions and Grants	2.82	3.06	4.93	8.74	7.75	11.80
<b>Subtotal Program Revenues</b>	<b>15.14</b>	<b>18.04</b>	<b>59.40</b>	<b>60.19</b>	<b>74.54</b>	<b>78.23</b>
<b>General Revenues:</b>						
Property Taxes	6.55	6.94	-	-	6.55	6.94
Sales Taxes	6.80	5.79	-	-	6.80	5.79
Business Licenses Taxes	0.18	0.18	-	-	0.18	0.18
Franchise Taxes	0.53	0.54	-	-	0.54	0.54
Transient Occupancy Taxes	1.29	1.18	-	-	1.29	1.18
Other Taxes	0.67	0.70	-	-	0.67	0.70
Motor Vehicle In-Lieu	0.04	-	-	-	0.04	-
Use of Money and Property	(0.16)	0.32	(0.45)	0.80	(0.61)	1.11
Other	0.01	1.13	-	0.13	0.01	1.26
Gain on sale of capital asset	-	-	0.03	-	0.03	-
<b>Subtotal General Revenues</b>	<b>15.91</b>	<b>16.78</b>	<b>(0.42)</b>	<b>0.93</b>	<b>15.50</b>	<b>17.70</b>
<b>TOTAL REVENUES</b>	<b>31.05</b>	<b>34.82</b>	<b>58.98</b>	<b>61.12</b>	<b>90.04</b>	<b>95.93</b>
<b>Expenses</b>						
<b>General Government</b>						
General Government	5.94	7.74	-	-	5.94	7.74
Public Safety	17.68	18.53	-	-	17.68	18.53
Community Development	5.21	8.79	-	-	5.21	8.79
Culture and Leisure	2.21	2.64	-	-	2.21	2.64
Transportation	6.08	6.86	-	-	6.08	6.86
Interest on Long-term debt	0.01	0.07	-	-	0.01	0.07
Airport	-	-	0.47	0.44	0.47	0.44
Transit	-	-	1.77	2.36	1.77	2.36
Electric Utility	-	-	30.46	36.03	30.46	36.03
BUA Water	-	-	8.12	9.96	8.12	9.96
BUA Wastewater	-	-	3.51	3.87	3.51	3.87
Refuse	-	-	1.05	0.51	1.05	0.51
<b>TOTAL EXPENSES</b>	<b>37.13</b>	<b>44.63</b>	<b>45.38</b>	<b>53.17</b>	<b>82.51</b>	<b>97.80</b>
<b>Increase/(Decrease) in Net Position</b>						
Before Transfers	(6.08)	(9.81)	13.60	7.95	7.52	(1.87)
Transfers	0.61	1.17	(0.61)	(1.17)	-	-
<b>Increase/(Decrease) in Net Position</b>	<b>(5.47)</b>	<b>(8.64)</b>	<b>12.99</b>	<b>6.78</b>	<b>7.52</b>	<b>(1.87)</b>
Net Position at Beginning of Year	74.48	69.01	132.89	145.88	207.37	214.89
Restatement of Net Position	-	10.79	-	(3.82)	-	6.98
<b>Net Position at End of Year</b>	<b>69.01</b>	<b>71.16</b>	<b>145.88</b>	<b>148.84</b>	<b>214.89</b>	<b>220.00</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

## **GOVERNMENT-WIDE REVENUES AND EXPENSES**

In the following two paragraphs, refer to Table 2 for Government-wide Revenues and Expenses. Net Revenues over Expenses decreased the City's Net Position by \$(1.87) million before restatements.

The total Government-Wide revenues for fiscal year 2022-23 were \$95.93 million, \$34.82 million from Governmental Activities, and \$61.12 million from Business-Type Activities. City-wide total revenues increased by \$5.89 million, or 6.54 percent from the prior year.

Total Government-Wide expenses for fiscal year 2022-23 are \$97.80 million, an increase of \$15.29 million or 18.52 percent year-over-year. City-wide total expenses supporting Governmental Activities were \$44.63 million, a 20.20 percent increase from the prior year, and Business-Type Activities, \$53.17 million, or a 17.14 percent increase year-over-year.

## **GOVERNMENTAL ACTIVITIES**

Net Position for Governmental Activities is \$71.16 million (after restatements), an increase of \$2.15 million or 3.12 percent from the previous year.

### **REVENUES**

Total Revenues for Governmental Activities were \$34.82 million.

Charges for Services amounted to \$10.33 million for the current fiscal year, which represents approximately 29.67 percent of the total revenues in the Governmental Activities category. This is an increase of \$3.00 million from the last fiscal year, which is primarily from increases in Cost Allocation Plan payments for centralized administration services.

Revenues from overall tax sources totaled \$15.33 million, which is a decrease of 4.31 percent year-over-year. The two largest taxes sources were Property Taxes and Sales Taxes, \$6.94 million and \$5.79 million, respectively. In comparison to prior fiscal year levels, Property Taxes moderately increased 5.95 percent from \$6.55 million, which can be attributed to new residential construction and an increase in assessed property values, assessed value increases from changes of ownership during 2022, and Proposition 8 Recaptures. Compared to last year, Sales Taxes decreased 14.85 percent from \$6.80 million due primarily to inflationary pressures that impacted prices and slowed consumer demand for non-essential goods, supplies, and services.

Other General Revenues rose to \$1.26 million this fiscal year from a negative \$0.11 million for the previous fiscal year. This is due to the impact of the American Rescue Plan Act funding received this fiscal year to offset public safety salaries and a positive return on investments due to the higher interest rate environment.

### **EXPENSES**

Total Expenses for Governmental Activities were \$44.63 million.

Governmental Activities expenses increased by 20.20 percent or \$7.50 million over last year. The breakdown by governmental activity follows; General Government expenses increased 30.30 percent or \$1.80 million due to cost-of-living and classification and compensation adjustments to salaries as well as the addition of new positions for the new Opportunity Village (one manager and four staff), plus refilling vacancies such as the Communications Manager position and Human Resources Technician. Public Safety increased 4.81 percent or \$0.85 million due to significant overtime pay due to staffing shortages, plus increases in salaries to retain employees, vehicle purchases, and fire services contract costs. Community Development increased 68.71 percent or \$3.58 million due to

continued development of residential homes in the Atwell project as well as various other development projects, and the addition of a Building Official. Culture and Leisure increased 19.46 percent or \$0.43 million due to the continued resumption of services that had been discontinued during the Coronavirus pandemic and parks improvements. Public Works/Transportation expenses increased 12.83 percent or \$0.78 million due primarily to the Annual Streets Overlay Project, design services contracts, and engineering plan checks and inspections primarily in the Atwell project. Interest on long-term debt remained immaterial at \$70 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)		
	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg
General Government	2,860,666	6,874,850	140%	5,938,773	7,742,422	30%	(3,078,107)	(867,572)	72%
Public Safety	3,247,702	2,068,137	36%	17,674,930	18,528,062	5%	(14,427,228)	(16,459,925)	14%
Community Development	3,895,060	4,593,886	18%	5,214,463	8,789,153	69%	(1,319,403)	(4,195,267)	218%
Culture & Leisure	206,262	161,767	22%	2,214,493	2,641,392	19%	(2,008,231)	(2,479,625)	23%
Transportation	4,933,155	4,343,415	12%	6,080,185	6,865,215	13%	(1,147,030)	(2,521,800)	120%
Interest on long-term debt	-	-	-	5,170	66,519	1187%	(5,170)	(66,519)	1187%
Government Subtotal	15,142,845	18,042,055	19%	37,128,014	44,632,763	20%	(21,985,169)	(26,590,708)	21%
General Revenues*	15,907,333	16,777,175	5%	-	-	-	15,907,333	16,777,175	5%
Transfers	607,820	1,168,771	92%	-	-	100%	607,820	1,168,771	92%
<b>TOTAL</b>	<b>31,657,998</b>	<b>35,988,001</b>	<b>14%</b>	<b>37,128,014</b>	<b>44,632,763</b>	<b>20%</b>	<b>(5,470,016)</b>	<b>(8,644,762)</b>	<b>58%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

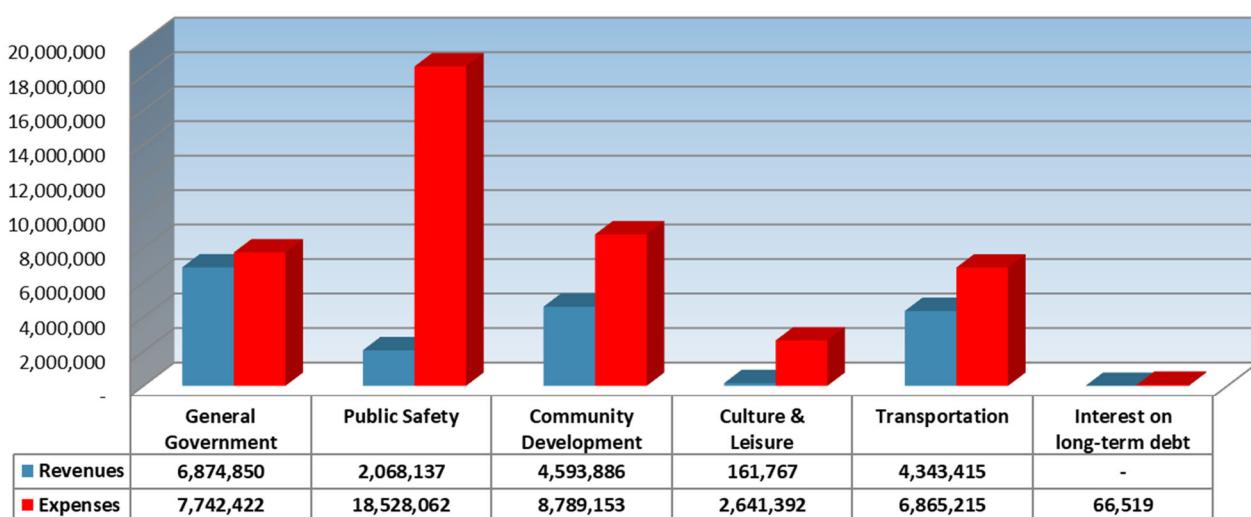


Chart 3: Details can be found in the "Statement of Activities"

## BUSINESS-TYPE ACTIVITIES

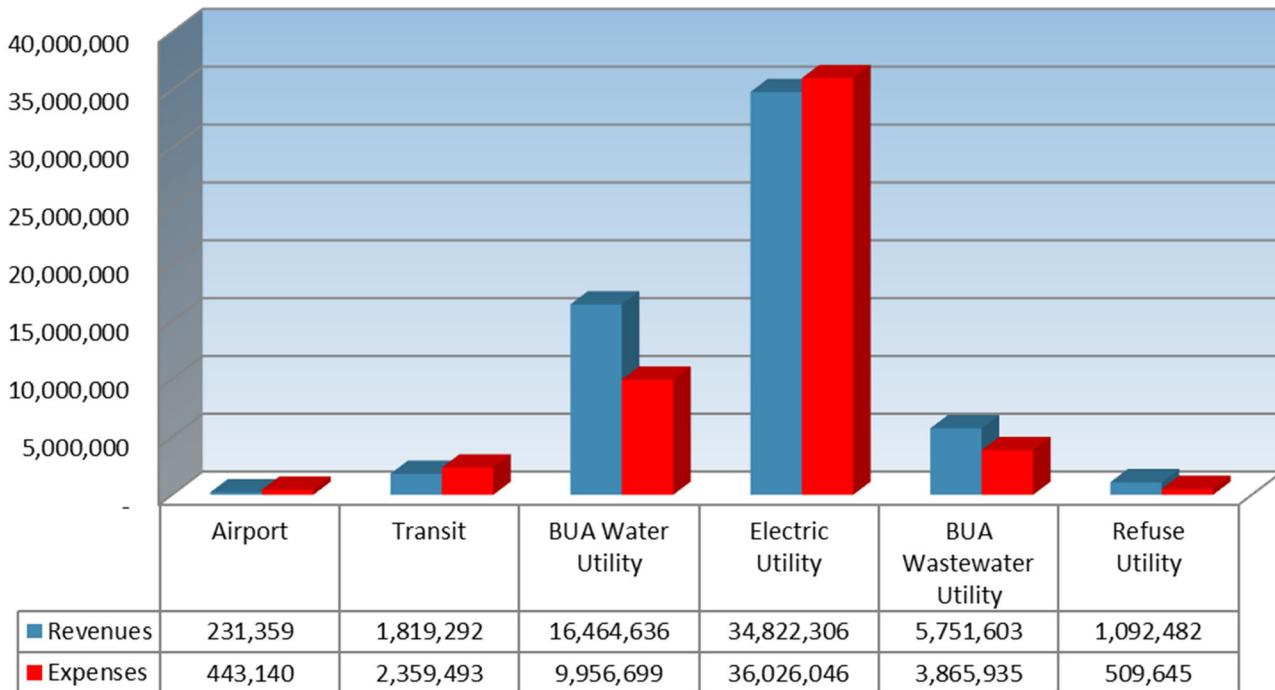
Table 4 and chart 4 focuses on the information on the Statement of Activities that relates to Business-type Activities which are the City's six services funded by customer user fees; Airport, Transit, BUA Water Utility, Electric Utility, BUA Wastewater Utility, and Refuse Utility; revenues, the cost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

Table 4 - Program Net Cost: Business-Type Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg
Airport	691,891	231,359	67%	474,917	443,140	7%	216,974	(211,781)	198%
Transit	1,733,225	1,819,292	5%	1,767,281	2,359,493	34%	(34,056)	(540,201)	1486%
BUA Water Utility	14,939,344	16,464,636	10%	8,119,346	9,956,699	23%	6,819,998	6,507,937	5%
Electric Utility	31,566,595	34,822,306	10%	30,465,230	36,026,046	18%	1,101,365	(1,203,740)	209%
BUA Wastewater Utility	4,952,743	5,751,603	16%	3,513,714	3,865,935	10%	1,439,029	1,885,668	31%
Refuse Utility	5,517,322	1,092,482	80%	1,045,079	509,645	51%	4,472,243	582,837	87%
Business Subtotal	59,401,120	60,181,678	1%	45,385,567	53,160,958	17%	14,015,553	7,020,720	50%
General Revenues	(416,291)	926,517	323%	-	-	0%	(416,291)	926,517	323%
SUBTOTAL	58,984,829	61,108,195	4%	45,385,567	53,160,958	17%	13,599,262	7,947,237	42%
Transfers	-	-	0%	607,820	1,168,771	92%	(607,820)	(1,168,771)	92%
<b>TOTAL</b>	<b>58,984,829</b>	<b>61,108,195</b>	<b>4%</b>	<b>45,993,387</b>	<b>54,329,729</b>	<b>18%</b>	<b>12,991,442</b>	<b>6,778,466</b>	<b>48%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.



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 \$148.84 million after restatements (see Table 2).
- Business-type activities increased Net Position by \$2.96 million after restatements (see Table 2).

- All Business-type activities contributed to the Increase in Net Position except for Airport, Transit, and Electric, all of which fell short of breakeven. The fiscal year 2022-23 results of Net Revenues (Expenses) were \$6.77 million, including non-operating revenue of \$0.93 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**

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

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

The Fund Financial Statements are divided into three fund types:

- **Governmental funds statements** tell how general government services such as police, fire, public works 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 non-major.
- **Proprietary funds statements** offer short-term and long-term financial information of the City's utilities, the major proprietary funds include water, wastewater and electric, with the following funds airport, transit and refuse collection services reported as non-major funds. These funds require the use of full accrual accounting.
- **Internal Service funds statements** are proprietary funds that are reported with Governmental activities. The customers of Internal Service Funds are all internal to the City.
- **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 Proprietary 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 financial 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 non-major governmental funds.

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

All fluctuations are based on 2022 amounts which have not been restated for prior period adjustments. Therefore, all comparisons to the prior year are net of prior period adjustments.

### **GOVERNMENTAL FUNDS HIGHLIGHTS**

- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$17.30 million, a decrease of \$5.61 million or 24.50 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, \$0.75 million of the \$3.96 million fund balance is Unassigned, meaning those funds do not have restrictions on use. However, the remaining \$3.20 million is in the categories of Non-spendable, Restricted, Committed or Assigned. The remaining \$13.35 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 (\$195 thousand).

## GOVERNMENTAL REVENUES

Table 5 below presents a summary of Governmental Fund Revenues by Revenue category for fiscal year 2022-23, with comparative amounts from the prior year. Revenues were \$27.99 million, which is a decrease of \$1.74 million or 5.84 percent compared to the previous fiscal year.

Table 5 - Comparison of Governmental Revenues

	2022 <sup>(1)</sup>	% of Total Revenues	2023	% of Total Revenues	\$ Increase / (Decrease)	% Change
Taxes	15,587,711	52.44%	15,334,725	54.79%	(252,986)	1.62%
Licenses & Permits	3,096,461	10.42%	1,868,894	6.68%	(1,227,567)	39.64%
Intergovernmental	5,607,324	18.86%	4,190,331	14.97%	(1,416,993)	25.27%
Charges for Services	2,986,735	10.05%	4,743,090	16.95%	1,756,355	58.81%
Use of Money & Property	(106,464)	0.36%	289,456	1.03%	395,920	371.88%
Fines and Forfeitures	114,948	0.39%	187,665	0.67%	72,717	63.26%
Contributions	10,042	0.03%	-	0.00%	(10,042)	100.00%
Successor Agency Admin	250,000	0.84%	250,000	0.89%	-	0.00%
Miscellaneous	2,177,877	7.33%	1,124,165	4.02%	(1,053,712)	48.38%
<b>TOTAL</b>	<b>29,724,634</b>	<b>100.00%</b>	<b>27,988,326</b>	<b>100.00%</b>	<b>(1,736,308)</b>	<b>5.84%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

## GOVERNMENTAL EXPENDITURES

Table 6 summarizes the Governmental Fund Expenditures by function for fiscal year 2022-23, with comparative amounts from prior year. Expenditures were \$35.34 million, which is an increase of \$1.71 million or 5.09 percent over fiscal year 2021-22.

Table 6 - Comparison of Governmental Expenditures

	2022 <sup>(1)</sup>	% of Total Expenditures	2023	% of Total Expenditures	\$ Increase / (Decrease)	% Change
General Government	4,843,512	14.40%	6,021,451	17.04%	1,177,939	24.32%
Public Safety	15,814,927	47.03%	15,989,435	45.24%	174,508	1.10%
Community Development	4,732,304	14.07%	5,423,682	15.35%	691,378	14.61%
Parks and Recreation	1,596,510	4.75%	1,919,057	5.43%	322,547	20.20%
Public Works/Transportation	1,788,191	5.32%	1,857,734	5.26%	69,543	3.89%
Operating Expenditures	28,775,444	85.57%	31,211,359	88.32%	2,435,915	8.47%
Capital Outlay	4,734,064	14.08%	3,911,660	11.07%	(822,404)	-17.37%
Debt Service	120,363	0.36%	217,176	0.61%	96,813	80.43%
<b>TOTAL</b>	<b>33,629,871</b>	<b>100.00%</b>	<b>35,340,195</b>	<b>100.00%</b>	<b>1,710,324</b>	<b>5.09%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

## 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 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 2022-23, the Successor Agency received \$2.44 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 on the individual functions for each of the enterprise activities operated by the City. The major proprietary funds are the top three below. In addition, "Other Enterprise Funds" are considered non-major under the GASB criteria.

- Banning Utility Authority-Water
- Electric Utility
- Banning Utility Authority-Wastewater
- Other Enterprise funds:
  - Airport
  - Transit
  - Refuse Utility

❖ **Internal Service Funds** report activities that provide internal services for the City's other programs and activities such as the:

- City's Self Insurance
- Fleet Maintenance
- Information Systems
- Utility Billing Services

### **NET POSITION**

The Total Net Position of Enterprise Funds \$153.54 million. The major funds, the total of City Utilities make up \$151.29 million.

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

## OPERATING INCOME (LOSS)

Two of the three major enterprise funds have positive results of operation; Water's operating income was \$3.23 million, Electric's was negative (\$2.63 million), and Wastewater's was \$1.33 million.

## GENERAL FUND HIGHLIGHTS

The General Fund has a total fund balance of \$3.96 million, of which \$0.75 million is Unassigned, meaning those funds do not have restrictions on use. However, the remaining \$3.20 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, plus \$0.20 million that is non-spendable in nature from prepaid costs and employee loans. The terminology and presentation of fund balances align with GASB 54 requirements.

All fluctuations are based on 2022 amounts which have not been restated for prior period adjustments. Therefore, all comparisons to the prior year are net of prior period adjustments.

### GENERAL FUND – REVENUES

Table 7 below provides more information of the General Fund Revenues by category for the fiscal years 2020-21, 2021-22, and 2022-23.

Table 7 - General Fund Revenues

	2020-21	2021-22 <sup>(1)</sup>	2022-23	% of Total	\$ Increase / (Decrease)	% Change
					to Last Year	
Property Tax	5,584,212	6,082,624	6,939,283	27.97%	856,659	14.08%
Sales Tax	3,854,823	5,857,884	4,875,534	19.65%	(982,350)	-16.77%
Transient Occupancy Tax	1,119,765	1,290,574	1,179,126	4.75%	(111,448)	-8.64%
Franchise	922,932	535,461	543,207	2.19%	7,746	1.45%
Other Taxes	753,873	846,914	737,412	2.97%	(109,502)	-12.93%
License & Permits	2,975,991	3,096,461	1,868,894	7.53%	(1,227,567)	-39.64%
Intergovernmental	2,364,405	1,413,937	1,026,131	4.14%	(387,806)	-27.43%
Charges for Services	2,728,036	2,986,735	4,743,090	19.12%	1,756,355	58.81%
Use of Money & Property	265,746	(43,924)	188,719	0.76%	232,643	-529.65%
Fines & Forfeitures	180,425	114,948	187,665	0.76%	72,717	63.26%
Transfers In	1,090,159	905,947	976,234	3.94%	70,287	7.76%
Contributions	255,850	255,363	250,638	1.01%	(4,725)	-1.85%
Lease Proceeds	-	56,146	361,506	1.46%	305,360	543.87%
Subscriptions	-	-	106,550	0.43%	106,550	100.00%
Miscellaneous	1,103,474	1,343,653	823,244	3.32%	(520,409)	-38.73%
<b>TOTALS</b>	<b>19,808,559</b>	<b>24,742,723</b>	<b>24,807,233</b>	<b>100.00%</b>	<b>64,510</b>	<b>0.26%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

For fiscal year 2022-23, General Fund revenues were \$24.81 million, an increase of \$0.06 million or 0.26 percent over fiscal year 2021-22. Key elements of this year's activity versus last fiscal year are as follows:

- Property Tax Revenues increased 14.08 percent to \$6.94 million due to increased property values and continued increases in home sales from new construction developments.

- Sales Tax Revenues decreased by about \$0.98 million to \$4.88 million or 16.77 percent due to decreased consumer spending on non-essential goods and services during the recent period of higher inflation.
- Transient Occupancy Tax declined 8.64 percent to \$1.18 million. Inflationary pressures were also apparent in the lodging sector due to its discretionary nature.
- Licenses & Permits experienced a significant decrease of 39.64 percent to \$1.87 million. There is a significant increase in fiscal year 2023-24 due to continuing development projects. The timing of receipts and expenditures for these services do not always fall within the same fiscal year.
- Intergovernmental Revenue had a substantial decrease of 27.43 percent to \$1.03 million due to less one-time money for COVID-19 relief.
- Charges for Services increased 58.81 percent to \$4.74 million due primarily to increased interfund charges for administrative services provided to non-General Fund departments.

### **GENERAL FUND - EXPENDITURES**

Table 8 below summarizes the General Fund Expenditures for the fiscal years 2020-21, 2021-22, and 2022-23.

Table 8 - General Fund Expenditures

	2020-21	2021-22 <sup>(1)</sup>	2022-23	% of Total	\$ Increase / (Decrease) to Last Year	% Change
General Government	4,484,323	4,510,023	6,015,150	20.04%	1,505,127	33.37%
Public Safety	13,282,214	13,795,628	15,965,660	53.20%	2,170,032	15.73%
Community Development	4,068,730	4,447,305	4,876,713	16.25%	429,408	9.66%
Culture & Leisure	1,372,529	1,527,287	1,918,080	6.39%	390,793	25.59%
Capital Outlay	-	56,146	737,152	2.46%	681,006	1212.92%
Debt Service	216,212	74,480	217,176	0.72%	142,696	191.59%
Transfers Out	1,599,606	471,589	281,617	0.94%	(189,972)	40.28%
<b>TOTALS</b>	<b>21,132,286</b>	<b>24,882,458</b>	<b>30,011,548</b>	<b>100.00%</b>	<b>5,129,090</b>	<b>20.61%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

Total General Fund expenditures were \$30.01 million, which is a 20.61 percent increase over the previous year. The largest changes occurred in the following areas:

- General Government expenditures increased \$1.51 million to \$6.02 million, a 33.37 percent increase primarily due to classification and compensation and cost of living adjustments, combined with the filling vacancies and the addition of a Communications Officer, and staffing at Opportunity Village (one manager and four staff).
- Public Safety expenditures increased 15.73 percent or \$2.17 million to \$15.97 million primarily due to increased overtime due to staff injuries and wage increases to maintain employees.
- Culture & Leisure expenditures increased \$0.39 million or 25.59 percent due to the continued expansion of services that were previously discontinued due to the pandemic.

- Community Development expenditures of \$4.88 million increased by \$0.43 million or 9.66 percent, which is due primarily to the increased development activity of the Atwell project.
- Capital Outlay expenditures totaled \$0.74 million, which is \$0.68 million higher than the previous fiscal year due to vehicle shortage and doubled purchases in this fiscal year.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original fiscal year 2022-23 budget for the General Fund was a structurally imbalanced budget that projected a \$0.92 million net loss, but included one-time revenues that were not realized for an Exclusive Negotiating Agreement (ENA) totaling \$2.00 million.

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 \$24.81 million were \$3.12 million lower than the final budgeted revenues of \$27.93 million (please refer to Budgetary Comparison Schedule-General Fund). This is primarily due to the loss of the ENA revenue (\$2.00 million).

The General Fund actual ending expenditures of \$30.01 million were \$2.78 million lower than the final budget of \$32.58 million. Most of the difference is accounted for by salary savings due to vacancies in several departments. Overall, the City’s General Fund showed a net decrease in fund balance of \$5.20 million because of expenditures exceeding revenues, which is primarily comprised of the loss of the \$2.00 ENA revenue, a \$1.10 million contract amendment for engineering services, additional police vehicle purchases of \$0.46 million, and increase police staff overtime of \$0.31 million, and the budgeted net loss of \$0.92 million.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

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#### **CAPITAL ASSETS**

The City’s investment in capital assets (Table 9) for its Governmental and Business-Type Activities as of June 30, 2023, is \$229.22 million (net of accumulated depreciation), an increase of 6 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		
	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg
Land	9,438,620	9,438,620	0%	5,615,491	5,867,684	4%	15,054,111	15,306,304	2%
Construction in Progress	4,470,154	1,204,442	73%	16,166,975	19,419,281	20%	20,637,129	20,623,723	0%
Building and Structures*	6,471,796	5,890,724	9%	83,618	126,605	51%	6,555,414	6,017,329	8%
Land Improvements*	6,756,332	6,133,791	9%	1,859,363	2,479,198	33%	8,615,695	8,612,989	0%
Machinery and Equipment*	740,009	686,751	7%	3,147,740	5,752,968	83%	3,887,749	6,439,719	66%
Vehicles*	365,562	1,287,654	252%	-	-	0%	365,562	1,287,654	252%
Utility Plant	1,372,421	1,359,951	1%	107,729,144	113,092,450	5%	109,101,565	114,452,401	5%
Infrastructure*	52,099,746	54,997,851	6%	-	-	0%	52,099,746	54,997,851	6%
Leased Assets	415,175	944,183	127%	490,257	366,715	25%	905,432	1,310,898	45%
Subscription Assets	-	72,078	0%	-	101,035	0%	-	173,113	0%
<b>TOTAL</b>	<b>82,129,815</b>	<b>82,016,045</b>	<b>0%</b>	<b>135,092,588</b>	<b>147,205,936</b>	<b>9%</b>	<b>217,222,403</b>	<b>229,221,981</b>	<b>6%</b>

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

\* Net of accumulated depreciation

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

Details on the capital assets can be found in 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, 2023, 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 \$105.66 million as of fiscal year end, which is an increase of 2 percent from the prior year. The borrowing entities received no changes in debt ratings during the fiscal year. Subsequent to June 30, 2023, the Electric revenue bond was downgraded to AA by S&P Global Ratings and currently is on the negative watchlist.

As of June 30, 2023, the City's Governmental Activities had long term debt in the amount of \$40.07 million including Net Pension Liability of \$33.85 million. The 61 percent increase in long-term debt is primarily due to the 69 percent increase in net pension liability that was the result of negative returns on the pension investment portfolio and a 51 percent increase in Total OPEB Liability, plus implementation of GASB Statement No. 96 for Software Based Information Technology Arrangements. 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 \$65.59 million including Net Pension Liability of \$15.84 million. The 4 percent increase in long-term debt is primarily due to the 52 percent increase in net pension liability that was the result of negative returns on the pension investment portfolio and a 33 percent increase in Total OPEB Liability, plus implementation of GASB Statement No. 96 for Software Based Information Technology Arrangements, partially offset by debt payments and premium amortization. For additional information on long-term debt refer to Note 8 of the Notes to the Financial Statements. For additional information on Net Pension Liability refer to Note 12 of the Notes to the Financial Statements; for Other Post-Employment Benefits (OPEB) refer to Note 13; and for Leases and Software subscriptions refer to Note 8 (reported within Long-Term Debt).

Table 10 - Long Term Debt/Liability Recap

	Governmental Activities			Business-Type Activities			Totals		
	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg	2022 <sup>(1)</sup>	2023	% Chg
Compensated Absences	1,454,829	1,608,129	11%	891,542	1,038,163	16%	2,346,371	2,646,292	13%
Revenue Bonds	-	-	0%	46,620,000	43,930,000	6%	46,620,000	43,930,000	6%
Claims & Judgements	2,556,226	2,445,682	4%	-	-	0%	2,556,226	2,445,682	4%
Loans	-	-	0%	-	-	0%	-	-	0%
Leases	389,729	1,362,926	250%	457,987	302,895	34%	847,716	1,665,821	97%
Software subscriptions	-	77,830	0%	-	-	0%	-	77,830	0%
Financed purchases	-	-	0%	-	381,099	0%	-	381,099	0%
<b>SUBTOTAL</b>	<b>4,400,784</b>	<b>5,494,567</b>	<b>25%</b>	<b>47,969,529</b>	<b>45,652,157</b>	<b>5%</b>	<b>52,370,313</b>	<b>51,146,724</b>	<b>2%</b>
Less:									
Unamortized original issue premium				3,984,316	3,706,161	7%	3,984,316	3,706,161	7%
Unamortized original issue discount						0%			0%
<b>Net Business-Type Activities</b>				<b>51,953,845</b>	<b>49,358,318</b>	<b>5%</b>	<b>56,354,629</b>	<b>54,852,885</b>	<b>3%</b>
Net Pension Liability	20,070,019	33,852,647	69%	10,452,228	15,840,946	52%	30,522,247	49,693,593	63%
Total OPEB Liability	479,093	721,956	51%	589,230	392,822	33%	1,068,323	1,114,778	4%
<b>TOTAL</b>	<b>24,949,896</b>	<b>40,069,170</b>	<b>61%</b>	<b>62,995,303</b>	<b>65,592,086</b>	<b>4%</b>	<b>87,945,199</b>	<b>105,661,256</b>	<b>20%</b>

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

<sup>(1)</sup> Amounts reported for 2022 have not been restated.

## 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, California  
Statement of Net Position  
June 30, 2023

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 8,345,236	\$ 50,255,931	\$ 58,601,167
Receivables			
Accounts	2,252,228	9,772,606	12,024,834
Loans	774,101	1,924	776,025
Interest	55,806	211,647	267,453
Grants	950,573	1,587,058	2,537,631
Internal balances	8,321,851	(8,321,851)	-
Prepaid costs	171,607	787,612	959,219
Due from other governments	1,920,085	-	1,920,085
Inventories	54,297	7,247,696	7,301,993
Restricted assets			
Cash and investments	-	1,156,151	1,156,151
Cash with fiscal agent	8,388,827	3,560,383	11,949,210
Investment in SCPPA Project Stabilization Fund	-	3,176,262	3,176,262
Capital assets			
Capital assets, not being depreciated	10,643,062	25,286,965	35,930,027
Capital assets, net of depreciation	70,356,722	121,451,221	191,807,943
Right to use lease assets, net of accumulated amortization	944,183	366,715	1,310,898
Right to use subscription IT assets, net of accumulated amortization	72,078	101,035	173,113
<b>Total assets</b>	<b><u>113,250,656</u></b>	<b><u>216,641,355</u></b>	<b><u>329,892,011</u></b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	2,258,756	2,258,756
Deferred pension related items	12,204,935	4,446,048	16,650,983
Deferred OPEB related items	<u>(11,445)</u>	<u>48,128</u>	<u>36,683</u>
<b>Total deferred outflows of resources</b>	<b><u>12,193,490</u></b>	<b><u>6,752,932</u></b>	<b><u>18,946,422</u></b>

City of Banning, California  
 Statement of Net Position (Continued)  
 June 30, 2023

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>Liabilities</b>			
Accounts payable	\$ 2,997,589	\$ 3,257,580	\$ 6,255,169
Accrued liabilities	1,804,257	212,685	2,016,942
Accrued interest	-	229,204	229,204
Unearned revenue	4,097,591	4,076,009	8,173,600
Deposits payable	992,382	787,834	1,780,216
Due to other governments	18,281	-	18,281
Noncurrent liabilities			
Due in one year			
Compensated absences	989,219	105,970	1,095,189
Claims payable	530,660	-	530,660
Long term liabilities	682,730	3,077,440	3,760,170
Due in more than one year			
Compensated absences	618,910	932,193	1,551,103
Claims payable	1,915,022	-	1,915,022
Long term liabilities	758,026	45,242,715	46,000,741
Net pension liability	33,852,647	15,840,946	49,693,593
Total OPEB liability	<u>721,956</u>	<u>392,822</u>	<u>1,114,778</u>
Total liabilities	<u>49,979,270</u>	<u>74,155,398</u>	<u>124,134,668</u>
<b>Deferred Inflows of Resources</b>			
Deferred gain in refunding	-	84,621	84,621
Deferred pension related items	<u>4,264,961</u>	<u>243,528</u>	<u>4,508,489</u>
Deferred OPEB related items	<u>40,381</u>	<u>69,858</u>	<u>110,239</u>
Total deferred inflows of resources	<u>4,305,342</u>	<u>398,007</u>	<u>4,703,349</u>
<b>Net Position</b>			
Net investment in capital assets	80,575,289	104,263,839	184,839,128
Restricted for			
Community development projects	2,423,237	-	2,423,237
Public safety	20,247	-	20,247
Culture and leisure	89,821	-	89,821
Transportation	2,816,035	-	2,816,035
Capital projects	<u>4,042,463</u>	<u>356,460</u>	<u>4,398,923</u>
SCPPA projects	-	781,048	781,048
SCPPA stabilization fund	-	3,176,262	3,176,262
Unrestricted	<u>(18,807,558)</u>	<u>40,263,273</u>	<u>21,455,715</u>
Total net position	<u>\$ 71,159,534</u>	<u>\$ 148,840,882</u>	<u>\$ 220,000,416</u>

**City of Banning, California**  
**Statement of Activities**  
**Year Ended June 30, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 7,742,422	\$ 6,336,709	\$ -	\$ 538,141
Public safety	18,528,062	472,520	1,595,617	-
Community development	8,789,153	3,352,881	1,241,005	-
Culture and leisure	2,641,392	161,767	-	-
Transportation	6,865,215	9,432	1,817,540	2,516,443
Interest expense	66,519	-	-	-
<b>Total governmental activities</b>	<b>44,632,763</b>	<b>10,333,309</b>	<b>4,654,162</b>	<b>3,054,584</b>
<b>Business-Type Activities</b>				
Airport	443,140	187,875	20,000	23,484
Transit	2,359,493	52,344	1,669,989	96,959
Banning Utility Authority Water	9,956,699	12,107,023	-	4,357,613
Electric Utility	36,026,046	31,286,002	-	3,536,304
Banning Utility Authority Wastewater	3,865,935	5,029,168	-	722,435
Refuse Utility	509,645	1,076,108	16,374	-
<b>Total business-type activities</b>	<b>53,160,958</b>	<b>49,738,520</b>	<b>1,706,363</b>	<b>8,736,795</b>
<b>Total primary government</b>	<b>\$ 97,793,721</b>	<b>\$ 60,071,829</b>	<b>\$ 6,360,525</b>	<b>\$ 11,791,379</b>
			<b>General Revenues</b>	
			<b>Taxes</b>	
			Property taxes, levied for general purpose	
			Transient occupancy taxes	
			Sales taxes	
			Franchise taxes	
			Business license taxes	
			Other taxes	
			Use of money and property	
			Other	
			<b>Total general revenues</b>	
			<b>Transfers</b>	
			<b>Total general revenues and transfers</b>	
			<b>Change in Net Position</b>	
			<b>Net Position - Beginning of Year</b>	
			Prior Period Adjustment	
			Net Position - Beginning of Year Restated	
			<b>Net Position - End of Year</b>	

City of Banning, California  
 Statement of Activities (Continued)  
 Year Ended June 30, 2023

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (867,572)	\$ -	\$ (867,572)
(16,459,925)	- (16,459,925)	
(4,195,267)	- (4,195,267)	
(2,479,625)	- (2,479,625)	
(2,521,800)	- (2,521,800)	
<u>(66,519)</u>	<u>-</u>	<u>(66,519)</u>
<u>(26,590,708)</u>	<u>-</u>	<u>(26,590,708)</u>
- (211,781)	(211,781)	(211,781)
- (540,201)	(540,201)	(540,201)
- 6,507,937	6,507,937	6,507,937
- (1,203,740)	(1,203,740)	(1,203,740)
- 1,885,668	1,885,668	1,885,668
<u>- 582,837</u>	<u>582,837</u>	<u>582,837</u>
<u>- 7,020,720</u>	<u>7,020,720</u>	<u>7,020,720</u>
<u>(26,590,708)</u>	<u>7,020,720</u>	<u>(19,569,988)</u>
6,939,283	- 6,939,283	6,939,283
1,179,126	- 1,179,126	1,179,126
5,790,112	- 5,790,112	5,790,112
543,207	- 543,207	543,207
184,270	- 184,270	184,270
698,727	- 698,727	698,727
317,399	796,142	1,113,541
<u>1,125,051</u>	<u>130,375</u>	<u>1,255,426</u>
<u>16,777,175</u>	<u>926,517</u>	<u>17,703,692</u>
<u>1,168,771</u>	<u>(1,168,771)</u>	<u>-</u>
<u>17,945,946</u>	<u>(242,254)</u>	<u>17,703,692</u>
(8,644,762)	6,778,466	(1,866,296)
69,013,432	145,878,021	214,891,453
10,790,864	(3,815,605)	6,975,259
<u>79,804,296</u>	<u>142,062,416</u>	<u>221,866,712</u>
<u>\$ 71,159,534</u>	<u>\$ 148,840,882</u>	<u>\$ 220,000,416</u>

## Fund Financial Statements

City of Banning, California  
 Balance Sheet  
 Governmental Funds  
 June 30, 2023

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	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Pooled cash and investments	\$ 1,103,628	\$ 7,239,012	\$ 8,342,640
Receivables			
Accounts, Net	2,090,113	304	2,090,417
Loans	34,164	739,937	774,101
Interest	26,076	28,004	54,080
Grants	503,795	446,778	950,573
Prepaid costs	168,511	-	168,511
Due from other governments	1,556,223	363,862	1,920,085
Due from other funds	3,458,704	6,065,258	9,523,962
Restricted assets			
Cash and investments with fiscal agents	-	8,388,827	8,388,827
<b>Total assets</b>	<b><u>8,941,214</u></b>	<b><u>23,271,982</u></b>	<b><u>32,213,196</u></b>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	2,067,893	637,501	2,705,394
Accrued liabilities	886,590	11,344	897,934
Unearned revenues	29,894	4,067,697	4,097,591
Deposits payable	888,896	103,486	992,382
Due to other funds	-	4,141,316	4,141,316
<b>Total liabilities</b>	<b><u>3,873,273</u></b>	<b><u>8,961,344</u></b>	<b><u>12,834,617</u></b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	<u>1,111,889</u>	<u>963,283</u>	<u>2,075,172</u>
<b>Total deferred inflows of resources</b>	<b><u>1,111,889</u></b>	<b><u>963,283</u></b>	<b><u>2,075,172</u></b>

City of Banning, California  
 Balance Sheet (Continued)  
 Governmental Funds  
 June 30, 2023

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	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Prepaid costs	\$ 168,511	\$ -	\$ 168,511
Employee loans	34,164	-	34,164
<b>Restricted</b>			
Community development projects	-	1,683,300	1,683,300
Public safety	-	20,247	20,247
Culture and leisure	-	89,821	89,821
Transportation	-	2,618,557	2,618,557
Capital projects	-	4,042,463	4,042,463
<b>Committed</b>			
Emergency contingency	1,500,000	-	1,500,000
<b>Assigned</b>			
Capital replacement	1,500,000	5,088,061	6,588,061
<b>Unassigned</b>	<u>753,377</u>	<u>(195,094)</u>	<u>558,283</u>
<b>Total fund balances</b>	<u>3,956,052</u>	<u>13,347,355</u>	<u>17,303,407</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,941,214</u>	<u>\$ 23,271,982</u>	<u>\$ 32,213,196</u>

City of Banning, California  
 Reconciliation of the Balance Sheet to the Statement of Net Position  
 Governmental Funds  
 June 30, 2023

---

Fund Balances - Total Governmental Funds	\$ 17,303,407
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.	81,711,703
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	\$ 11,109,362
Deferred inflows of resources	(4,204,640)
Pension liability	<u>(29,928,901)</u>
	(23,024,179)
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Compensated absences	(1,414,744)
Lease liability	(1,333,487)
Subscription-based IT arrangements (SBITAs)	<u>(77,830)</u>
	(2,826,061)
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	(20,055)
Deferred inflows of resources	(18,570)
OPEB liability	<u>(604,109)</u>
	(642,734)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	2,075,172
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>(3,437,774)</u>
Net Position of Governmental Activities	<u>\$ 71,159,534</u>

**City of Banning, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 14,274,562	\$ 1,060,163	\$ 15,334,725
Licenses and permits	1,868,894	-	1,868,894
Intergovernmental	1,026,131	3,164,200	4,190,331
Charges for services	4,743,090	-	4,743,090
Use of money and property	188,719	100,737	289,456
Fines and forfeitures	187,665	-	187,665
Contribution from Successor Agency	250,000	-	250,000
Miscellaneous	823,882	300,283	1,124,165
 Total revenues	 23,362,943	 4,625,383	 27,988,326
<b>Expenditures</b>			
Current			
General government	6,015,150	6,301	6,021,451
Public safety	15,965,660	23,775	15,989,435
Community development	4,876,713	546,969	5,423,682
Culture and leisure	1,918,080	977	1,919,057
Transportation	-	1,857,734	1,857,734
Capital outlay	737,152	3,174,508	3,911,660
Debt service			
Principal retirement	179,036	-	179,036
Interest and Fiscal Charges	38,140	-	38,140
 Total expenditures	 29,729,931	 5,610,264	 35,340,195
 Excess (Deficiency) of Revenues over Expenditures	 (6,366,988)	 (984,881)	 (7,351,869)
 Other Financing Sources (Uses)			
Subscriptions	106,550	-	106,550
Leases	361,506	762,007	1,123,513
Transfers in	976,234	1,170,868	2,147,102
Transfers out	(281,617)	(696,716)	(978,333)
 Total other financing sources (uses)	 1,162,673	 1,236,159	 2,398,832
 Net Change in Fund Balances	 (5,204,315)	 251,278	 (4,953,037)
 Fund Balances - Beginning of Year	 9,820,214	 13,096,077	 22,916,291
Prior Period Adjustment	(659,847)	-	(659,847)
 Fund Balances - Beginning of Year, As Restated	 9,160,367	 13,096,077	 22,256,444
 Fund Balances - End of Year	 \$ 3,956,052	 \$ 13,347,355	 \$ 17,303,407

City of Banning, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2023

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Net Change in Fund Balances - Total Governmental Funds \$ (4,953,037)

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

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

Capital outlay	\$ 3,911,660
Capital contributions	2,476,459
Gain/(Loss) on Disposal	(22,496)
Depreciation	<u>(6,438,893)</u> (73,270)

Debt proceeds provide current financial resources to governmental funds,  
issuing debt increases long-term liabilities in the statement of net  
position. Repayment of debt principal is an expenditure in the  
governmental funds, but repayment reduces long-term liabilities in the  
statement of net position.

Debt issuance - leases	(1,123,513)
Lease principal payments	122,533
Debt issuance - subscriptions	(106,550)
Subscription IT principal payments	<u>28,720</u> (1,078,810)

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.

Compensated absences	(130,927)
Pension	(1,780,982)
OPEB	(320,146)

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. 1,041,956

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.

(1,349,546)

Change in Net Position of Governmental Activities

\$ (8,644,762)

City of Banning, California  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2023

	Business-Type Activities Enterprise Funds	
	Banning Utility Authority Water	Electric Utility
<b>Assets</b>		
<b>Current</b>		
Pooled Cash and Investments	\$ 28,353,840	\$ 119,474
Receivables		
Accounts, net	2,257,589	6,438,472
Loans	-	1,172
Interest	92,265	25,703
Grants	1,498,240	-
Prepaid costs	2,625	781,048
Due from other funds	-	-
Inventories	802,540	6,411,886
<b>Restricted</b>		
Cash and investments	-	1,156,151
Cash with fiscal agent	126,430	701,200
Investment in SCPA Project Stabilization Fund	-	3,176,262
	<hr/> 33,133,529	<hr/> 18,811,368
<b>Noncurrent</b>		
<b>Capital assets</b>		
Capital assets not being depreciated	5,502,898	18,176,897
Capital assets - net of accumulated depreciation	50,860,126	55,956,415
Right to use lease assets, net of accumulated amortization	228,774	137,941
Right to use subscription IT assets, net of accumulated amortization	-	74,180
	<hr/> 56,591,798	<hr/> 74,345,433
<b>Total assets</b>	<hr/> 89,725,327	<hr/> 93,156,801
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	611,975	1,646,781
Deferred pension related items	912,029	2,520,151
Deferred OPEB related items	21,139	5,652
	<hr/> 1,545,143	<hr/> 4,172,584

City of Banning, California  
 Statement of Net Position (Continued)  
 Proprietary Funds  
 June 30, 2023

Banning Utility Authority Wastewater	Business-Type Activities			Governmental Activities
	Enterprise Funds		Total	
	Other Enterprise Funds			Internal Service Fund
\$ 20,662,343	\$ 1,120,274	\$ 50,255,931	\$ 2,596	
956,879	119,666	9,772,606	161,811	
-	752	1,924	-	
71,156	22,523	211,647	1,726	
-	88,818	1,587,058	-	
1,313	2,626	787,612	3,096	
-	5,075,930	5,075,930	615,506	
-	33,270	7,247,696	54,297	
-	-	1,156,151	-	
2,732,753	-	3,560,383	-	
-	-	3,176,262	-	
<b>24,424,444</b>	<b>6,463,859</b>	<b>82,833,200</b>	<b>839,032</b>	
1,100,768	506,402	25,286,965	-	
12,748,916	1,885,764	121,451,221	264,700	
-	-	366,715	39,642	
-	26,855	101,035	-	
<b>13,849,684</b>	<b>2,419,021</b>	<b>147,205,936</b>	<b>304,342</b>	
<b>38,274,128</b>	<b>8,882,880</b>	<b>230,039,136</b>	<b>1,143,374</b>	
-	-	2,258,756	-	
351,532	662,336	4,446,048	1,095,573	
18,713	2,624	48,128	8,610	
<b>370,245</b>	<b>664,960</b>	<b>6,752,932</b>	<b>1,104,183</b>	

City of Banning, California  
 Statement of Net Position (Continued)  
 Proprietary Funds  
 June 30, 2023

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	Business-Type Activities		
	Enterprise Funds		
	Banning Utility	Authority	Electric
	Water	Utility	Utility
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable	\$ 1,482,164	\$ 1,211,488	
Accrued liabilities	46,542	120,756	
Accrued interest	133,885	85,254	
Unearned revenues	-	-	
Deposits payable	236,770	469,091	
Due to other governments	-	-	
Due to other funds	-	8,694,938	
Compensated absences	14,174	88,351	
Claims and judgments	-	-	
Bonds, notes, and leases	1,278,053	1,475,075	
Total current liabilities	<u>3,191,588</u>	<u>12,144,953</u>	
<b>Noncurrent</b>			
Net pension liability	3,224,756	8,865,125	
Total OPEB liability	107,525	171,756	
Compensated absences	222,995	485,709	
Claims and judgments	-	-	
Bonds, notes, and leases	18,778,514	23,052,414	
Total noncurrent liabilities	<u>22,333,790</u>	<u>32,575,004</u>	
<b>Total liabilities</b>	<u>25,525,378</u>	<u>44,719,957</u>	
<b>Deferred Inflows of Resources</b>			
Deferred gain on refunding	-	-	
Deferred pension related items	49,575	136,287	
Deferred OPEB related items	10,633	17,558	
Total deferred inflows of resources	<u>60,208</u>	<u>153,845</u>	
<b>Net Position</b>			
Net investment in capital assets	37,147,206	52,165,925	
Restricted for capital projects	126,430	-	
Restricted for SCPPA projects	-	781,048	
Restricted for SCPPA Stabilization Fund	-	3,176,262	
Unrestricted	28,411,248	(3,667,652)	
Total net position	<u>\$ 65,684,884</u>	<u>\$ 52,455,583</u>	

City of Banning, California  
 Statement of Net Position (Continued)  
 Proprietary Funds  
 June 30, 2023

Banning Utility Authority Wastewater	Enterprise Funds			Activities	
	Other Enterprise Funds	Total	Internal Service Fund		
\$ 78,818	\$ 485,110	\$ 3,257,580	\$ 292,195		
14,600	30,787	212,685	906,323		
10,065	-	229,204	-		
-	4,076,009	4,076,009	-		
58,489	23,484	787,834	-		
-	-	-	18,281		
-	-	8,694,938	2,379,144		
1,758	1,687	105,970	3,801		
-	-	-	530,660		
324,312	-	3,077,440	26,738		
<u>488,042</u>	<u>4,617,077</u>	<u>20,441,660</u>	<u>4,157,142</u>		
1,340,651	2,410,414	15,840,946	3,923,746		
33,797	79,744	392,822	117,847		
90,378	133,111	932,193	189,584		
-	-	-	1,915,022		
<u>3,411,787</u>	<u>-</u>	<u>45,242,715</u>	<u>2,701</u>		
4,876,613	2,623,269	62,408,676	6,148,900		
<u>5,364,655</u>	<u>7,240,346</u>	<u>82,850,336</u>	<u>10,306,042</u>		
84,621	-	84,621	-		
20,610	37,056	243,528	60,321		
26,533	15,134	69,858	21,811		
<u>131,764</u>	<u>52,190</u>	<u>398,007</u>	<u>82,132</u>		
12,531,687	2,419,021	104,263,839	274,903		
230,030	-	356,460	-		
-	-	781,048	-		
-	-	3,176,262	-		
<u>20,386,237</u>	<u>(163,717)</u>	<u>44,966,116</u>	<u>(8,415,520)</u>		
<u>\$ 33,147,954</u>	<u>\$ 2,255,304</u>	<u>\$ 153,543,725</u>	<u>\$ (8,140,617)</u>		

City of Banning, California  
Reconciliation of Net Position to the Statement of Net Position  
Proprietary Funds  
June 30, 2023

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Net Position per Statement of Net Position - Proprietary Funds	\$ 153,543,725
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds.	(3,184,854)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds.	<u>(1,517,989)</u>
<b>Net Position per Statement of Net Position</b>	<b><u>\$ 148,840,882</u></b>

**City of Banning, California**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

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	<b>Business-Type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Banning Utility</b>	<b>Authority</b>
	<b>Water</b>	<b>Electric</b>
	<b>Utility</b>	
<b>Operating Revenues</b>		
Sales and service charges	\$ 12,107,023	\$ 31,286,002
Miscellaneous	41,664	32,024
<b>Total operating revenues</b>	<b>12,148,687</b>	<b>31,318,026</b>
<b>Operating Expenses</b>		
Salaries and benefits	2,146,615	4,754,296
Supplies and services	5,022,056	4,819,636
Repairs and maintenance	79,192	66,583
Street lighting costs	-	145,275
Power purchased	-	21,914,811
Insurance premiums	-	-
Depreciation expense	1,672,805	2,243,150
<b>Total operating expenses</b>	<b>8,920,668</b>	<b>33,943,751</b>
<b>Operating Income (Loss)</b>	<b>3,228,019</b>	<b>(2,625,725)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Intergovernmental	1,984,405	213,974
Interest revenue and change in fair value of investments	270,365	261,390
Interest expense	(751,722)	(1,053,586)
Gain (loss) on disposal of capital assets	23,213	2,092
<b>Total nonoperating revenues (expenses)</b>	<b>1,526,261</b>	<b>(576,130)</b>
<b>Income (Loss) before Transfers and Capital Contributions</b>	<b>4,754,280</b>	<b>(3,201,855)</b>
<b>Capital Contributions</b>	<b>2,373,208</b>	<b>3,322,330</b>
Transfers In	16,174	339,589
Transfers Out	(470,000)	-
<b>Changes in Net Position</b>	<b>6,673,662</b>	<b>460,064</b>
<b>Net Position - Beginning of Year</b>	<b>59,030,405</b>	<b>51,708,181</b>
<b>Prior Period Adjustment</b>	<b>(19,183)</b>	<b>287,338</b>
<b>Net Position - Beginning of Year</b>	<b>59,011,222</b>	<b>51,995,519</b>
<b>As Restated</b>		
<b>Net Position - End of Year</b>	<b>\$ 65,684,884</b>	<b>\$ 52,455,583</b>

City of Banning, California  
 Statement of Revenues, Expenses and Changes in Fund Net Position (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2023

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Banning Utility Authority Wastewater	Business-Type Activities		
	Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	
\$ 5,029,168 1	\$ 1,316,327 20,290	\$ 49,738,520 93,979	\$ 7,532,531 23,273
<u>5,029,169</u>	<u>1,336,617</u>	<u>49,832,499</u>	<u>7,555,804</u>
872,363	1,714,682	9,487,956	2,695,610
2,040,325	1,205,334	13,087,351	4,410,295
57,784	11,845	215,404	527,899
-	-	145,275	-
-	-	21,914,811	-
-	-	-	2,781,455
<u>727,353</u>	<u>285,836</u>	<u>4,929,144</u>	<u>35,538</u>
<u>3,697,825</u>	<u>3,217,697</u>	<u>49,779,941</u>	<u>10,450,797</u>
<u>1,331,344</u>	<u>(1,881,080)</u>	<u>52,558</u>	<u>(2,894,993)</u>
-	1,826,806	4,025,185	-
193,518	70,869	796,142	27,943
(57,720)	-	(1,863,028)	(596)
-	11,091	36,396	109
<u>135,798</u>	<u>1,908,766</u>	<u>2,994,695</u>	<u>27,456</u>
1,467,142	27,686	3,047,253	(2,867,537)
722,435	-	6,417,973	-
3,693	112,857	472,313	2
(181,000)	(990,084)	(1,641,084)	-
<u>2,012,270</u>	<u>(849,541)</u>	<u>8,296,455</u>	<u>(2,867,535)</u>
<u>31,003,409</u>	<u>7,320,880</u>	<u>149,062,875</u>	<u>(5,273,082)</u>
<u>132,275</u>	<u>(4,216,035)</u>	<u>(3,815,605)</u>	<u>-</u>
<u>31,135,684</u>	<u>3,104,845</u>	<u>145,247,270</u>	<u>(5,273,082)</u>
<u>\$ 33,147,954</u>	<u>\$ 2,255,304</u>	<u>\$ 153,543,725</u>	<u>\$ (8,140,617)</u>

City of Banning, California  
Reconciliation of Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2023

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Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ 8,296,455
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds.	<u>(1,517,989)</u>
Changes in Net Position of Business-Type Activities per Statement of Activities	<u>\$ 6,778,466</u>

**City of Banning, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

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	<b>Business-Type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Banning Utility</b>	<b>Electric Utility</b>
	<b>Authority</b>	<b>Water</b>
<b>Operating Activities</b>		
Cash received from customers and users	\$ 12,087,456	\$ 29,287,945
Cash paid to suppliers for goods and services	(4,156,978)	(29,526,598)
Cash paid to employees for services	(2,246,774)	(5,081,511)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>5,683,704</b>	<b>(5,320,164)</b>
<b>Noncapital Financing Activities</b>		
Cash transfers in	16,174	339,589
Cash transfers out	(470,000)	-
Interfund borrowings	-	8,694,938
Intergovernmental	505,720	213,974
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>51,894</b>	<b>9,248,501</b>
<b>Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(5,300,923)	(10,006,291)
Capital contributions	2,373,208	3,322,330
Principal paid on capital debt	(1,226,836)	(1,393,256)
Interest paid on capital debt	(837,520)	(1,094,337)
Proceeds from sales of capital assets	23,213	2,092
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(4,968,858)</b>	<b>(9,169,462)</b>
<b>Investing Activities</b>		
Collections of repayment on loan receivables	-	13,488
Issuance of notes and loans receivable	-	-
Payments made to SCPPA project stabilization fund	-	(271,013)
Interest received	219,662	238,838
<b>Net Cash Used by Investing Activities</b>	<b>219,662</b>	<b>(18,687)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>986,402</b>	<b>(5,259,812)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>27,493,868</b>	<b>7,236,637</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 28,480,270</b>	<b>\$ 1,976,825</b>
<b>Reconciliation to the Statement of Net Position</b>		
Pooled Cash and Investments	\$ 28,353,840	\$ 119,474
Restricted Cash and investments	-	1,156,151
Restricted Cash with fiscal agent	126,430	701,200
<b>Total Cash and Cash Equivalents</b>	<b>\$ 28,480,270</b>	<b>\$ 1,976,825</b>

City of Banning, California  
 Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2023

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Banning Utility Authority Wastewater	Business-Type Activities		
	Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	
\$ 4,799,196 (2,077,831) (884,129)	\$ 1,308,142 (1,235,445) (1,731,932)	\$ 47,482,739 (36,996,852) (9,944,346)	\$ 7,555,938 (6,932,098) (2,788,537)
<u>1,837,236</u>	<u>(1,659,235)</u>	<u>541,541</u>	<u>(2,164,697)</u>
3,693 (181,000) - - <u>(177,307)</u>	112,857 (990,084) (5,075,930) 1,752,623 <u>(4,200,534)</u>	472,313 (1,641,084) 3,619,008 2,472,317 <u>4,922,554</u>	2 - 1,092,966 18,678 <u>1,111,646</u>
(1,024,950) 722,435 (420,950) (65,165) - <u>(788,630)</u>	(133,279) - - - 11,091 <u>(122,188)</u>	(16,465,443) 6,417,973 (3,041,042) (1,997,022) 36,396 <u>(15,049,138)</u>	- - (22,821) (596) 109 <u>(23,308)</u>
- - - 154,069 154,069 1,025,368 22,369,728 \$ 23,395,096	- 4,044 - 59,325 63,369 (5,918,588) 7,038,862 \$ 1,120,274	13,488 4,044 (271,013) 671,894 418,413 (9,166,630) 64,139,095 \$ 54,972,465	- - - 27,001 - (1,049,358) 1,051,954 \$ 2,596
\$ 20,662,343 - 2,732,753 \$ 23,395,096	\$ 1,120,274 - - \$ 1,120,274	\$ 50,255,931 1,156,151 3,560,383 \$ 54,972,465	\$ 2,596 - - \$ 2,596

City of Banning, California  
 Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2023

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	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)	\$ 3,228,019	\$ (2,625,725)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Changes in Operating Assets and Liabilities		
Depreciation (expense)	1,672,805	2,243,150
(Increase) Decrease in Assets and Deferred Outflow of Resources		
Accounts receivable	(178,271)	(233,511)
Deposits receivable	-	115,569
Prepaid expense	(2,625)	196,499
Inventories	119,665	(2,108,638)
Deferred pension related items	(539,047)	(1,494,791)
Deferred OPEB related items	(17,338)	4,796
Increase (Decrease) in Liabilities		
Accounts payable	908,740	(1,937,834)
Accrued liabilities	14,297	37,271
Deposits payable	21,233	(679,730)
Unearned revenue	-	-
Net pension liability	1,096,987	3,015,708
Total OPEB liability	(12,425)	(157,996)
Claims and judgments	-	-
Compensated absences	16,911	90,577
Deferred pension related items	(655,880)	(1,803,067)
Deferred OPEB related items	10,633	17,558
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,683,704</u>	<u>\$ (5,320,164)</u>
Supplemental Disclosures of Noncash Investing and Financing Activity		
Financed purchase of capital asset with long-term debt	\$ -	\$ -
Amortization of Unamortized Premiums/Discounts	<u>125,339</u>	<u>152,816</u>
Amortization of Gain/Loss on Defeasance	<u>\$ (48,958)</u>	<u>\$ (117,627)</u>

City of Banning, California  
 Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2023

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Banning Utility Authority Wastewater	Business-Type Activities			Governmental Activities
	Enterprise Funds	Other Enterprise Funds	Totals	
\$ 1,331,344	\$ (1,881,080)	\$ 52,558	\$ (2,894,993)	
727,353	285,836	4,929,144	35,538	
(228,660)	(26,985)	(667,427)	(103,622)	
-	-	115,569	-	
(1,313)	(2,626)	189,935	(3,096)	
-	1,136	(1,987,837)	106,852	
(196,469)	(383,542)	(2,613,849)	(641,744)	
(17,133)	217	(29,458)	(3,985)	
17,523	430,284	(581,287)	27,998	
2,617	12,999	67,184	870,097	
138	(64,743)	(723,102)	-	
-	(396,806)	(396,806)	-	
456,058	819,965	5,388,718	1,334,767	
(16,071)	(9,916)	(196,408)	(28,103)	
-	-	-	(110,544)	
7,990	31,143	146,621	22,373	
(272,674)	(490,251)	(3,221,872)	21,811	
26,533	15,134	69,858	(798,046)	
<b>\$ 1,837,236</b>	<b>\$ (1,659,235)</b>	<b>\$ 541,541</b>	<b>\$ (2,164,697)</b>	
\$ 577,049	\$ -	\$ -	\$ -	
-	-	-	-	
<b>\$ 6,770</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

City of Banning, California  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2023

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	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Assets</b>		
Pooled cash and investments	\$ 530,962	\$ 71,660
Receivables		
Accounts	2,951	11,500
Notes and loans	-	250,155
Interest	439	-
Prepaid costs	-	185,340
Due from other governments	2,217	-
Restricted assets		
Cash and investments with fiscal agents	228,564	-
<b>Total assets</b>	<u>765,133</u>	<u>518,655</u>
Deferred Outflows of Resources		
Deferred charge on refunding	-	484,971
<b>Liabilities</b>		
Accounts payable	32	-
Accrued interest	-	293,907
Deposits payable	49,193	-
Long-term liabilities		
Bonds and loans payable due in one year	-	1,320,000
Bonds and loans payable due in more than one year	-	23,640,000
<b>Total liabilities</b>	<u>49,225</u>	<u>25,253,907</u>
<b>Net Position</b>		
Restricted for other organizations	715,908	-
Restricted for successor agency	-	(24,250,281)
<b>Total net position</b>	<u>\$ 715,908</u>	<u>\$ (24,250,281)</u>

City of Banning, California  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year ended June 30, 2023

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	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Additions</b>		
Taxes	\$ 430,754	\$ 2,438,551
Interest and change in fair value of investments	1,757	-
Miscellaneous	-	1,500
<b>Total additions</b>	<b>432,511</b>	<b>2,440,051</b>
<b>Deductions</b>		
Administrative expenses	54,559	15,989
Community development	-	268,410
Principal payment	110,000	-
Interest expense	88,930	961,331
<b>Total deductions</b>	<b>253,489</b>	<b>1,245,730</b>
<b>Change in Net Position</b>	<b>179,022</b>	<b>1,194,321</b>
<b>Net Position - Beginning of Year</b>	<b>536,886</b>	<b>(13,993,891)</b>
Prior Period Adjustment	-	(11,450,711)
<b>Net Position - Beginning of Year, as Restated</b>	<b>536,886</b>	<b>(25,444,602)</b>
<b>Net Position - End of Year</b>	<b>\$ 715,908</b>	<b>\$ (24,250,281)</b>

## Notes to Basic Financial Statements

## **Note 1 - Summary of Significant Accounting Policies**

### **a. Description of the Report 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. The activity is presented as the Banning Utility Authority wastewater fund 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 utility system. See Note 15 for details on the arrangement between the City and the Authority. Separate financial statements can be obtained at City Hall.

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. There was no activity within the Authority for the fiscal year ended June 30, 2023.

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. It does not issue separate financial statements.

**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.

**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.
- 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.
- Nonmajor proprietary funds are used to account for operation and maintenance of airport, transit and refuse services within the City.
- 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.

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.

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 available (collectible within 60 days of year-end). 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.

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 leased assets with an initial, individual cost of more than \$25,000 (\$5,000 in prior years) are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right to use subscription IT assets with an initial, individual cost of more than \$25,000 are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

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

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

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

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

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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 OPEB 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.

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.

#### Unearned Revenue

Governmental funds and governmental activities report unearned revenues on the balance sheet in connection with resources that have been received, but not yet earned. Accordingly, this type of unearned revenue is also reported on the Statement of Net Position. At June 30, 2023, unearned revenue primarily consisted of \$4,067,478 relating to ARPA and \$4,070,052 as refundable franchise retention fees within the refuse utility fund. With regard to the franchise retention fee, the City entered into an agreement in a prior year with Waste Management and received an upfront payment totaling \$4,500,000 that is refundable over a 20-year term and dependent upon compliance with the terms of the agreement. Revenue is recognized straight-line through July 2041.

**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 at the fund level; therefore, the liability for governmental activities is shown only in the government-wide statements. For proprietary funds the liability for compensated absences, if any, is segregated between short-term and long term as indicated above and both portions are reflected in the fund involved. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Sick leave is payable when an employee is unable to work because of illness or upon termination. Compensatory time, personal leave, executive leave and holiday pay are payable at the time leave is taken or upon termination. The vested portion of these compensated absences is accrued in the government-wide statements and is also accrued in proprietary funds at year-end.

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

*Compensatory Time/ Personal Leave/Executive Leave*

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.

The City Manager receives 48 hours and Department Directors receive 98 hours of executive leave annually that may be accrued up to 200 hours.

General and Utility employees have an Irrevocable Comp Time Leave Cash-Out. They may cash out up to 80 hours of compensatory time, or vacation, or any combination. Election must be made by 12/31 for the May and November.

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

Upon separation, service retirement, disability retirement or termination, Management employees shall be eligible to receive a cash payment for accrued sick leave in an amount not to exceed 96 hours. After 10 years of continuous City service, all hours accrued, less the total hours cashed out, shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave. Beginning with the 11th year of service, all Management, Utility, and General employees, as well as Police employees, have the option to convert their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

The City Manager and Department Directors 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. 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 entire bank anytime during the fiscal 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.

#### *Vacation and Holiday Leave*

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 and Department Directors accrual for vacation is 480 hours and have a cap of 480 hours. Upon termination, the City Manager and Department Directors shall be entitled to be paid for the entire amount of holiday time accrued. Upon separation, the employee shall be entitled to 100% of the unused vacation leave bank.

Police Management will accrue vacation leave up to a cap of 320 hours. Upon separation, the employee shall be entitled to 100% of the unused vacation leave. Police Management shall accrue holiday hours up to the cap of 96 hours. Upon separation, the employee shall be entitled to 100% of the unused holiday leave bank.

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. 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.

**Long-Term Obligations**

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

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

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of any lease payments are discounted based on a borrowing rate determined by the City.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the City.

**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 11 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 12 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.

**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 or 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, California  
Notes to the Basic Financial Statements  
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**Fund Balance Deficits**

The following nonmajor funds contained a deficit fund balance:

Fund	Type	Amount
Gas Tax Street	Governmental	\$ 145,385
Community Development Block Grant	Governmental	49,534
State Park Bond Act	Governmental	89
Animal Control Reserve	Governmental	86
Transit Fund	Proprietary	1,121,806
Self Insurance	Proprietary - ISF	5,330,487
Information Services	Proprietary - ISF	1,162,591
Utility Billing Services	Proprietary - ISF	1,803,511
Successor Agency of the Former RDA	Fiduciary	24,250,281

**e. Implementation of GASB Statement No. 96**

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription Based Information Technology (IT) Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. There was no effect on beginning net position as a result of implementation. The additional disclosures required by this standard are included in Notes 4 and 8.

**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, California  
Notes to the Basic Financial Statements  
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**Note 2 - Cash and Investments**

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 16,734,063
Business-Type Activities	58,148,727
Fiduciary Funds	<u>831,186</u>
 Total cash and investments	 <u>\$ 75,713,976</u>
 Petty Cash	 \$ 4,058
Deposits with Financial Institutions	9,903,282
Investments	62,630,374
Investment in SCPPA Rate Stabilization Fund	<u>3,176,262</u>
 Total cash and investments	 <u>75,713,976</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, 2023, the carrying amount of the City's deposits was \$9,903,282, and the bank balance was \$9,942,270. The \$38,988 difference represents outstanding checks, deposits and other reconciling items.

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

City of Banning, California  
 Notes to the Basic Financial Statements  
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Investments

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

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

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, 2023, the balance held by SCPPA in the Project Stabilization Fund was \$3,176,262.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual Standard & Poor's rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of year-end				
			AAA	AA+	A+	A-1	Not Rated
Federal Agency Securities	\$ 14,296,800	N/A	\$ -	\$ 14,296,800	\$ -	\$ -	\$ -
Local Agency Investment Fund	30,977,844	N/A	-	-	-	-	30,977,844
		AAA or highest					
Money Market Mutual Funds	30,487	rating	30,487	-	-	-	-
Commercial Paper	588,960	A or higher	-	-	-	588,960	-
Corporate	1,933,664	A or higher	-	-	1,933,664	-	-
U.S Treasury	2,620,172	N/A	-	2,620,172	-	-	-
Held by Fiscal Agents							
Money Market Mutual Funds	<u>12,182,447</u>	N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,182,447</u>
Total investments	<u>\$ 62,630,374</u>		<u>\$ 30,487</u>	<u>\$ 16,916,972</u>	<u>\$ 1,933,664</u>	<u>\$ 588,960</u>	<u>\$ 43,160,291</u>

City of Banning, California  
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**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, 2023, a total of \$8,292,792 of deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts, but not in the name of the City.

**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 issued or explicitly guaranteed by the US government and investments in mutual money market funds and external investment pools are excluded from this requirement. Reportable investments in any one issuer that represent five percent or more of the City's total investments as of June 30, 2023 are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Security	\$ 11,545,188

**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, 2023, 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	\$ -	\$ 11,499,321	\$ 2,797,479	\$ -	\$ 14,296,800	
Local Agency Investment Fund	30,977,844	-	-	-	-	30,977,844
Money Market Mutual Funds	30,487	-	-	-	-	30,487
Commercial Paper	588,960	-	-	-	-	588,960
Corporate	-	1,933,664	-	-	-	1,933,664
U.S Treasury	2,129,620	490,552	-	-	-	2,620,172
Held by Fiscal Agents						
Money Market Mutual Funds	12,182,447	-	-	-	-	12,182,447
Total investments	\$ 45,909,358	\$ 13,923,537	\$ 2,797,479	\$ -	\$ 62,630,374	

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**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.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of \$1 and not at fair value.

The City has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Totals	Uncategorized	Level 1	Level 2	Level 3
Federal Agency Securities	\$ 14,296,800	\$ -	\$ -	\$ 14,296,800	\$ -
Local Agency Investment Fund	30,977,844	30,977,844	-	-	-
Money Market Mutual Funds	30,487	-	30,487	-	-
Commercial Paper	588,960	-	-	588,960	-
Corporate	1,933,664	-	-	1,933,664	-
U.S Treasury	2,620,172	-	-	2,620,172	-
Held by Fiscal Agent					
Money Market Mutual Funds	12,182,447	-	12,182,447	-	-
Total Investments	\$ 62,630,374	\$ 30,977,844	\$ 12,212,934	\$ 19,439,596	\$ -

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, 2023, is as follows:

**Due To/From Other Funds**

Funds	Due to Other Funds			
	Nonmajor Governmental Funds	Electric Utility	Internal Service Funds	Total
<b>Due from Other Funds</b>				
General Fund	\$ 1,869,623	\$ -	\$ 1,589,081	\$ 3,458,704
Other Governmental Funds	2,271,693	3,793,565	-	6,065,258
Other Enterprise Funds	-	4,901,373	174,557	5,075,930
Internal Service Funds	-	-	615,506	615,506
	<b>\$ 4,141,316</b>	<b>\$ 8,694,938</b>	<b>\$ 2,379,144</b>	<b>\$ 15,215,398</b>

The interfund balances were the results of routine interfund transactions not cleared prior to year-end and short-term negative cash balances.

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Interfund Transfers

Funds	General Fund	BUA Water Fund	BUA Wastewater Fund	Nonmajor Governmental Funds	Other Enterprise Funds	Totals
<b>Transfers In:</b>						
General Fund	\$ -	\$ 470,000	\$ 181,000	\$ 321,650	\$ 3,584	\$ 976,234
BUA Electric Fund	-	-	-	339,589	-	339,589
BUA Water Fund	1,672	-	-	14,502	-	16,174
BUA Wastewater Fund	1,333	-	-	2,360	-	3,693
Other Enterprise Funds	112,231	-	-	626	-	112,857
Internal Service Funds	2	-	-	-	-	2
Nonmajor Governmental Funds	<u>166,379</u>	<u>-</u>	<u>-</u>	<u>17,989</u>	<u>986,500</u>	<u>1,170,868</u>
<b>Totals</b>	<b>\$ 281,617</b>	<b>\$ 470,000</b>	<b>\$ 181,000</b>	<b>\$ 696,716</b>	<b>\$ 990,084</b>	<b>\$ 2,619,417</b>

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 pursuant to an agreement between the City and Authority. See note 15 for additional details regarding the agreement. Transfers out of Nonmajor Governmental Funds to General fund and Electric Fund were for payment of eligible grant expenditures.

**City of Banning, California**  
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**Note 4 - Changes in Capital Assets**

Capital asset activity for the year ended June 30, 2023, is as follows:

Governmental Activities	Beginning Balance, as Restated (Note 18)	Increases	Decreases	Transfers/ Adjustments	Ending Balance
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 9,438,620	\$ -	\$ -	\$ -	\$ 9,438,620
Construction in progress	4,470,154	591,509	-	(3,857,221)	1,204,442
Total capital assets not being depreciated	<u>13,908,774</u>	<u>591,509</u>	<u>-</u>	<u>(3,857,221)</u>	<u>10,643,062</u>
<b>Capital Assets Being Depreciated</b>					
Buildings and structures	26,133,515	181,727	-	-	26,315,242
Land improvements	14,511,589	-	-	-	14,511,589
Machinery and equipment	6,915,474	34,503	(115,814)	132,308	6,966,471
Vehicles	3,912,712	1,080,322	(57,426)	75,967	5,011,575
Utility Plant	1,927,413	-	-	-	1,927,413
Infrastructure	137,383,420	3,598,488	-	3,648,946	144,630,854
Total capital assets being depreciated	<u>190,784,123</u>	<u>4,895,040</u>	<u>(173,240)</u>	<u>3,857,221</u>	<u>199,363,144</u>
<b>Less Accumulated Depreciation</b>					
Buildings and structures	19,661,719	871,480	(108,681)	-	20,424,518
Land improvements	7,755,257	622,541	-	-	8,377,798
Machinery and equipment	6,175,465	104,255	-	-	6,279,720
Vehicles	3,547,150	216,057	(39,286)	-	3,723,921
Utility Plant	554,992	12,470	-	-	567,462
Infrastructure	85,283,674	4,349,329	-	-	89,633,003
Total accumulated depreciation	<u>122,978,257</u>	<u>6,176,132</u>	<u>(147,967)</u>	<u>-</u>	<u>129,006,422</u>
Total capital assets, being depreciated, net	<u>67,805,866</u>	<u>(1,281,092)</u>	<u>(25,273)</u>	<u>3,857,221</u>	<u>70,356,722</u>
<b>Right to Use Lease Assets Being Amortized</b>					
Buildings and structures	-	799,982	-	-	799,982
Machinery and equipment	43,441	-	(14,450)	-	28,991
Vehicles	483,992	-	(17,975)	-	466,017
Total Right to Use Lease Assets being Amortized	<u>527,433</u>	<u>799,982</u>	<u>(32,425)</u>	<u>-</u>	<u>1,294,990</u>
<b>Less Accumulated Amortization for Right to Use Lease Assets</b>					
Right to Use Lease Assets, being amortized	112,258	263,827	(25,278)	-	350,807
Right to Use Lease Assets, being amortized, net	<u>415,175</u>	<u>536,155</u>	<u>(7,147)</u>	<u>-</u>	<u>944,183</u>
<b>Right to Use Subscription IT Assets, Being Amortized</b>					
Right to Use Subscription IT Assets	-	106,550	-	-	106,550
<b>Less Accumulated Amortization for Right to Use Subscription IT Assets</b>					
Right to Use Subscription IT Assets	-	34,472	-	-	34,472
Right to Use Subscription IT, Assets being amortized, net	<u>-</u>	<u>72,078</u>	<u>-</u>	<u>-</u>	<u>72,078</u>
<b>Governmental Activities</b>					
Capital Assets, Net	<u><u>\$ 82,129,815</u></u>	<u><u>\$ (81,350)</u></u>	<u><u>\$ (32,420)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 82,016,045</u></u>

City of Banning, California  
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Depreciation and amortization expense was charged to governmental functions as follows:

General Government	\$ 499,666
Public Safety	944,758
Community Development	315,520
Transportation	4,293,402
Culture and Leisure	385,547
Internal Service Fund	<u>35,538</u>
 Total depreciation/amortization Expense - governmental activities	 <u>\$ 6,474,431</u>

City of Banning, California  
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Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers/Adjustments	Ending Balance
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 5,615,491	\$ 252,193	\$ -	\$ -	\$ 5,867,684
Construction in progress	16,166,975	8,956,972	(1,498,621)	(4,206,045)	19,419,281
Total capital assets not being depreciated	21,782,466	9,209,165	(1,498,621)	(4,206,045)	25,286,965
<b>Capital Assets Being Depreciated</b>					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	546,084	12,751	-	375,428	934,263
Land improvements	5,100,459	-	-	4,221,783	9,322,242
Machinery and equipment	4,084,386	2,465,746	(124,092)	8,740,761	15,166,801
Utility plant	198,410,915	6,752,295	-	(9,103,125)	196,060,085
Total capital assets being depreciated	208,180,719	9,230,792	(124,092)	4,234,847	221,522,266
<b>Less Accumulated Depreciation</b>					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	797,305	10,353	-	-	807,658
Land improvements	6,476,418	366,626	-	-	6,843,044
Machinery and equipment	8,144,756	1,359,257	(118,982)	28,802	9,413,833
Utility plant	79,903,423	3,064,212	-	-	82,967,635
Total accumulated depreciation	95,360,777	4,800,448	(118,982)	28,802	100,071,045
Total capital assets being depreciated, net	112,819,942	4,430,344	(5,110)	4,206,045	121,451,221
<b>Right to Use Lease Assets Being Amortized</b>					
Machinery and equipment	49,679	-	-	-	49,679
Vehicles	555,756	-	-	-	555,756
Total Right to Use Lease Assets being Amortized	605,435	-	-	-	605,435
<b>Less Accumulated Amortization for Right to Use Lease Assets</b>					
for Right to Use Lease Assets	116,147	122,573	-	-	238,720
Right to Use Lease Assets, being amortized, net	489,288	(122,573)	-	-	366,715
<b>Right to Use Subscription IT Assets, Being Amortized</b>					
	-	107,158	-	-	107,158
<b>Less Accumulated Amortization for Right to Use Subscription IT Assets</b>					
for Right to Use Subscription IT Assets	-	6,123	-	-	6,123
Right to Use Subscription IT, Assets being amortized, net	-	101,035	-	-	101,035
<b>Business-Type Activities</b>					
<b>Capital Assets, Net</b>	<b>\$ 135,091,696</b>	<b>\$ 13,617,971</b>	<b>\$ (1,503,731)</b>	<b>\$ -</b>	<b>\$ 147,205,936</b>

City of Banning, California  
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Depreciation and amortization expense was charged to business-type functions as follows:

Banning Utility Authority Water	\$ 1,672,805
Electric Utility	2,243,150
Banning Utility Authority Wastewater	727,353
Airport	196,005
Transit	82,411
Refuse Utility	<u>7,420</u>
 Total depreciation/amortization Expense - business-type activities	 <u>\$ 4,929,144</u>

**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	\$ 2,291,827	\$ (201,714)	\$ 2,090,113
Nonmajor Governmental	304	-	304
Internal Service Funds	161,811	-	161,811
Water	2,787,793	(530,204)	2,257,589
Electric	7,453,021	(1,014,549)	6,438,472
Wastewater	1,151,522	(194,643)	956,879
Nonmajor Proprietary	<u>128,062</u>	<u>(8,396)</u>	<u>119,666</u>
 Total	 <u>\$ 13,974,340</u>	 <u>\$ (1,949,506)</u>	 <u>\$ 12,024,834</u>

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**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 owner's participation agreement was entered into March 2011 for \$500,000, has a term of 55 years, matures March 2066, and is forgivable. The assistance loans consist of first-time homebuyer loans for 30 years that range in maturity from 2038 to 2039 and are forgivable. The following summarizes the loans outstanding at June 30, 2023:

	Balance at June 30, 2023
Owner's Participation Loan	\$ 500,000
Assistance Loans	220,000
Rehabilitation Loans	19,937
Employee Loans	<u>36,088</u>
 Total loans available	 <u>\$ 776,025</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 restricted cash and investments in the Electric Utility fund totaling \$1,151,478 as of June 30, 2023.

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**Note 8 - Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2023:

	Beginning Balance	Incurred	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Direct Borrowing					
Lease Liability	\$ 389,729	\$ 1,123,513	\$ 150,316	\$ 1,362,926	\$ 646,181
SBITA Liability	-	106,550	28,720	77,830	36,549
<b>Total</b>	<b>\$ 389,729</b>	<b>\$ 1,230,063</b>	<b>\$ 179,036</b>	<b>\$ 1,440,756</b>	<b>\$ 682,730</b>
<b>Business-Type Activities</b>					
Direct Borrowing					
Lease Liability	\$ 457,987	\$ -	\$ 155,092	\$ 302,895	\$ 168,128
Financed Purchase	-	577,049	195,950	381,099	94,312
Bonds Payable					
2015 Electric Refunding Bond	23,615,000	-	1,335,000	22,280,000	1,400,000
2015 Water Revenue Bond	19,425,000	-	1,130,000	18,295,000	1,185,000
2019 Wastewater Refunding Bond	3,580,000	-	225,000	3,355,000	230,000
Premium	3,984,316	-	278,155	3,706,161	-
<b>Total</b>	<b>\$ 51,062,303</b>	<b>\$ 577,049</b>	<b>\$ 3,319,197</b>	<b>\$ 48,320,155</b>	<b>\$ 3,077,440</b>

**Governmental Activities**

Lease Liability

The City has entered into various lease agreements for the use of vehicles and equipment. As of June 30, 2023, the value of the lease liabilities were \$1,362,926. The City is required to make principal and interest payments through July 2029 with annual payments ranging from \$1,422 to \$296,926. The lease liability was valued using discount rates between 1.35% and 4.25% which were the City's incremental borrowing rate at the inception of the lease liabilities. The total right to use lease assets, and the related accumulated amortization on the right to use lease assets was \$1,294,990 and \$350,807, as of June 30, 2023, respectively.

The annual requirements to amortize the lease liabilities as of June 30, 2023, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 646,181	\$ 4,459	\$ 650,640
2025	188,252	2,731	190,983
2026	138,927	1,512	140,439
2027	103,496	962	104,458
2028	95,047	625	95,672
2029-2033	191,023	318	191,341
<b>Total</b>	<b>\$ 1,362,926</b>	<b>\$ 10,607</b>	<b>\$ 1,373,533</b>

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**SBITA Liability**

The City has entered into two IT agreements for use of IT software, platforms, and infrastructure. As of June 30, 2023, the value of the IT liabilities were \$77,830. The City is required to make principal and interest payments through August 2025 with annual payments ranging from \$41,138 to \$62,146. The IT liability was valued using discount rates between 5.27% and 6.69% which were the City's incremental borrowing rate at the inception of the IT liabilities. The total right to use IT assets, and the related accumulated amortization on the right to use IT assets was \$106,550 and \$34,472, as of June 30, 2023, respectively.

The annual requirements to amortize the SBITA liabilities as of June 30, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2024	\$ 36,549	\$ 4,589	\$ 41,138
2025	<u>41,281</u>	<u>2,325</u>	<u>43,606</u>
<b>Total</b>	<b><u>\$ 77,830</u></b>	<b><u>\$ 6,914</u></b>	<b><u>\$ 84,744</u></b>

**Business-Type Activities**

**Lease Liability**

The City has entered into various lease agreements for the use of vehicles and equipment. As of June 30, 2023, the value of the lease liabilities were \$302,895. The City is required to make principal and interest payments through February 2026 with annual payments ranging from \$1,987 to \$10,097. The lease liability was valued using discount rate 1.35% which was the City's incremental borrowing rate at the inception of the lease liabilities. The total right to use lease assets, and the related accumulated amortization on the right to use lease assets was \$605,437 and \$238,720, as of June 30, 2023, respectively.

The annual requirements to amortize the lease liabilities as of June 30, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2024	\$ 168,128	\$ 2,614	\$ 170,742
2025	<u>94,427</u>	<u>1,048</u>	<u>95,475</u>
2026	<u>40,340</u>	<u>145</u>	<u>40,485</u>
<b>Total</b>	<b><u>\$ 302,895</u></b>	<b><u>\$ 3,807</u></b>	<b><u>\$ 306,702</u></b>

City of Banning, California  
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Financed Purchase

On September 28, 2022, the Banning Utility Authority entered into a financed purchase agreement to purchase a vactor truck for wastewater operations. The financed purchase bears an interest rate of 4.50%. Interest is payable annually on September 28. The annual requirements to amortize the outstanding financed purchase as of June 30, 2023, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 94,312	\$ 962	\$ 95,274
2025	94,619	656	95,275
2026	94,940	335	95,275
2027	<u>97,228</u>	<u>-</u>	<u>97,228</u>
<b>Total</b>	<b><u>\$ 381,099</u></b>	<b><u>\$ 1,953</u></b>	<b><u>\$ 383,052</u></b>

2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects

On August 19, 2015, the Banning Utility Authority issued \$25,365,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The proceeds of the bonds, together with other money being made available by the Authority, will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series, currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2005 Water Revenue Bonds, which have been removed from long-term debt. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,440,000	526,713	1,966,713
2029 to 2033	8,065,000	1,706,106	9,771,106
2034 to 2035	<u>3,690,000</u>	<u>139,500</u>	<u>3,829,500</u>
<b>Total</b>	<b><u>\$ 18,295,000</u></b>	<b><u>\$ 5,091,071</u></b>	<b><u>\$ 23,386,071</u></b>

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 from the amounts required for operation and maintenance of the water enterprise. For the current year, revenue recognized for the payment of indebtedness incurred was \$6,673,663. Principal and interest paid for the current year were \$1,961,563.

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.

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**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, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	1,705,000	721,294	2,426,294
2029 to 2033	8,515,000	2,661,238	11,176,238
2034 to 2037	6,025,000	771,750	6,796,750
 Total	 \$ 22,280,000	 \$ 7,812,208	 \$ 30,092,208

**Pledged Revenue**

The City pledged, as security for bonds issued, the net electric revenues to the payment of the bonds. This is calculated by deducting gross electric revenues in each fiscal year the amounts required for operation and maintenance of the electric enterprise. For the current year, revenue recognized for the payment of indebtedness incurred was \$3,569,731. Principal and interest paid for the current year were \$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.

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**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, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	250,000	41,040	291,040
2029 to 2033	1,315,000	135,585	1,450,585
2034 to 2036	840,000	22,860	862,860
 Total	 <u>\$ 3,355,000</u>	 <u>\$ 407,295</u>	 <u>\$ 3,762,295</u>

**Pledged Revenue**

The City pledged, as security for bonds issued, all surplus revenues from the fund. For the current year, revenue recognized for the payment of indebtedness incurred was \$2,252,212. Principal and interest paid for the current year were \$287,415.

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.

**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, 2023, was \$1,608,129 which includes \$193,385 recorded in the internal service funds. These amounts are payable from future resources and, therefore, have been recorded in the statement of net position. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used. For enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$1,038,163.

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	Balance July 01, 2022	Additions	Deletions	June 30, 2023	Amounts Due Within One Year	Amounts Due In More Than One Year
Governmental Activities	\$ 1,454,829	<u>\$ 1,048,219</u>	<u>\$ 894,919</u>	<u>\$ 1,608,129</u>	<u>\$ 989,219</u>	<u>\$ 618,910</u>
Business-Type Activities	\$ 891,542	<u>\$ 851,365</u>	<u>\$ 704,744</u>	<u>\$ 1,038,163</u>	<u>\$ 105,970</u>	<u>\$ 932,193</u>

**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, 2023
AD 2004-1	\$ 2,898,000	\$ 1,690,000

**Note 11 - City Employees Retirement Plan (Defined Benefit Pension Plan)**

The City participates in the California Public Employees' Retirement System (CalPERS) with both a miscellaneous and safety plan. A summary of pension amounts for the City's plans at June 30, 2023, is presented below:

	CalPERS Miscellaneous	CalPERS Safety	Total
Deferred outflows	\$ 8,531,816	\$ 8,119,167	\$ 16,650,983
Deferred inflows	462,430	4,046,059	4,508,489
Net pension liability	30,079,956	19,613,637	49,693,593

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.

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**Plan Description – City Safety Plan**

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

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for 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, 2023, are summarized as follows:

Miscellaneous Plan			
Hire Date	Prior to January 1, 2013*	On/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%	1.00% to 2.50%	
Required Employee Contribution Rates	7.460%	7.000%	
Required Employer Contribution Rates			
Normal Cost Rate	9.42%	7.19%	
Payment of Unfunded Liability	\$ 2,291,664	\$ -	

\*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/after January 1, 2013	
Benefit Formula	3% at Age 55	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	25.64%	19.87%	13.66%	
Payment of Unfunded Liability	\$ 1,355,941	\$ 3,477	\$ 11,212	

\*Closed to new entrants not previously in CalPERS

#### 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, 2023, 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, 2023, City contributions were \$3,513,971 for the miscellaneous plan and \$2,150,975 for the safety plan.

#### 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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 and the June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions for both the miscellaneous and safety plans:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived from CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

#### Change in Assumption

For both the miscellaneous and safety plans, for the measurement period ended June 30, 2022, the discount rate was reduced from 7.15 percent to 6.90 percent, the inflation rate was reduced from 2.50 percent to 2.30 percent, and the investment rate of return was reduced from 7.15 percent to 6.90 percent.

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 best-estimate ranges of 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (1)(2)</u>
Global Equity - Cap-Weighted	30.00 %	4.54 %
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	<u>(5.00)</u>	<u>(0.59)</u>
 Total	 <u>100.0 %</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

For both the miscellaneous and safety plans, the discount rate used to measure the total pension liability was 6.90%. 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.

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**Changes in the Net Pension Liability**

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

Miscellaneous Rate Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Assets) (c)=(a)-(b)
Balance at June 30, 2022 (Reporting Date)	\$ 86,195,352	\$ 67,244,557	\$ 18,950,795
<b>Changes Recognized for the Measurement Period</b>			
Service Cost	1,899,321	-	1,899,321
Interest on the Total Pension Liability	6,006,137	-	6,006,137
Changes of Assumptions	2,731,582	-	2,731,582
Difference between Expected and Actual Experience	(693,645)	-	(693,645)
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	3,114,207	(3,114,207)
Contributions from Employees	-	827,315	(827,315)
Net Investment Income	-	(5,085,399)	5,085,399
Benefit Payments including Refunds of Employee Contributions	(4,274,948)	(4,274,948)	-
Administrative Expense	-	(41,889)	41,889
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net Changes During 2022-23</b>	<b>5,668,447</b>	<b>(5,460,714)</b>	<b>11,129,161</b>
Balance at June 30, 2023 (Reporting Date) (1)	<b><u>\$ 91,863,799</u></b>	<b><u>\$ 61,783,843</u></b>	<b><u>\$ 30,079,956</u></b>

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

(2) net of administrative expenses.

As of June 30, 2023, the City reported a \$19,613,637 net pension liability for its proportionate share of the pooled net pension liability for the Safety Cost-Sharing Plan.

For the Safety Cost-Sharing Plan, the City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The 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.

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The City's proportionate share of the net pension liability as of June 30, 2022 and 2023 was as follows:

<u>Safety Plan</u>	
Proportion - June 30, 2022	0.32972%
Proportion - June 30, 2023	0.28543%
Change- Increase (Decrease)	<u>-0.04429%</u>

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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous Plan's Net Pension Liability	\$ 42,019,745	\$ 30,079,956	\$ 20,189,456
Safety Plan's Net Pension Liability	\$ 28,336,702	\$ 19,613,637	\$ 12,484,503

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, 2023, the City recognized pension expense of \$3,660,775 for Miscellaneous Plan and \$153,610 for Safety Plan, for a total of \$3,814,385. As of June 30, 2023, 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
Contributions subsequent to the measurement date	\$ 3,513,971	\$ -	\$ 2,150,975	\$ -
Change of Assumptions	1,821,055	-	1,977,648	-
Difference between Expected and Actual Experience	113,730	462,430	811,737	212,989
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,083,060	-	3,097,267	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	-	81,540	3,725,768
Change in Employer's Proportion	-	-	81,540	107,302
<b>Total</b>	<b>\$ 8,531,816</b>	<b>\$ 462,430</b>	<b>\$ 8,119,167</b>	<b>\$ 4,046,059</b>

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The Miscellaneous Plan reported \$3,114,207 and the Safety Plan reported \$2,150,975 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, 2024. 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>
2024	\$ 1,280,735	\$ (215,770)
2025	1,118,278	70,920
2026	214,964	177,612
2027	1,941,438	1,889,371
2028	-	-
Thereafter	-	-
 Total	 <u>\$ 4,555,415</u>	 <u>\$ 1,922,133</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 \$13,921 (7.5% of covered payroll). Total payroll for employees covered under this plan for the year was \$185,614.

## **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, 2022, measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	5
Active Employees	<u>156</u>
Total	<u><u>161</u></u>

### Total OPEB Liability

The City's OPEB liability of \$1,114,778 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

### Actuarial Assumptions and Other Inputs

The total OPEB liability as of measurement period June 30, 2022, 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	3.54%
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

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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 in a discount rate of 3.54% at measurement date June 30, 2022.

Change in Assumption

Discount rate was changed from 2.16% to 3.54%.

Changes in Total OPEB Liability

The change in total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 1,068,323
Changes in the Year:	
Service Cost	173,445
Interest on the Total OPEB Liability	26,493
Changes in Assumptions	(123,025)
Benefit Payments	(30,458)
Net Changes	<u>46,455</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 1,114,778</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:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 1,202,985	\$ 1,114,778	\$ 1,031,992

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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:

	Healthcare Cost Trent Rates		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 985,718	\$ 1,114,778	\$ 1,267,541

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$187,546. At June 30, 2023, 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	\$ 33,685	\$ -
Change in Assumptions	<u>2,998</u>	<u>110,239</u>
<b>Total</b>	<b><u>\$ 36,683</u></b>	<b><u>\$ 110,239</u></b>

An amount of \$33,685 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, 2024.

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>
2024	\$ (12,392)
2025	(12,392)
2026	(12,392)
2027	(12,392)
2028	(12,392)
Thereafter	<u>(45,281)</u>
<b>Total</b>	<b><u>\$ (107,241)</u></b>

### **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, 2023, the amount of these liabilities was \$2,445,682. The amount represents an estimate of \$1,644,650 for reported claims through June 30, 2023, and \$801,032 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, California  
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Changes in the reported liability since June 30, 2023, resulted from the following:

Year	Liability at Beginning of Fiscal Year	Current Year		Liability at End of Fiscal Year
		Claims in Changes in Estimates	Claim Payments	
2022	\$ 2,039,415	\$ 1,396,464	\$ 879,653	\$ 2,556,226
2023	2,556,226	444,102	554,646	2,445,682

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 requires voter approval before they can be implemented. Proposition 218 is also a protest vote and requires more than 50% of customers for applicable service to vote against the proposed increase to fail. 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, California  
 Notes to the Basic Financial Statements  
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**d. Banning Utility Authority Lease Commitment**

The City created the Authority on July 1, 2005. The Authority leases from the City all of its utility enterprise assets. The Authority has also entered into a management agreement with the City for the operation and maintenance of the utility enterprises. The lease expires on June 30, 2060, after which time, all of the utility enterprise assets and activities revert to the City. The lease does not qualify as a lease under GASB Statement No. 87, *Leases*. The Authority's right to the utility enterprise funds does not meet the description of an exchange or exchange-like transaction because each party does not receive or give up essentially equal value or not quite equal value. In addition, the governing boards of the City and Authority are the same and can modify the terms of the lease at will. No fixed payment amounts from the Authority to the City were identified and payments are only to be made after maintenance and operations costs of the Authority, as well as any outstanding debt service. The amount will then be determined between the City and the Authority. During the fiscal year, the Authority made lease payments of \$651,000 to the City, which are reported within the Transfers Out line item in the Statements of Revenues, Expenses, and Changes in Fund Net Position.

**e. Construction Contracts**

The following material construction commitments existed at June 30, 2023:

PO#	Project Name	Contract Amount	Expenditures to Date as of June 30, 2023		Remaining Commitments
31763	Materials Inventory for Various Projects	\$ 2,517,600	\$ 921,624	\$ 1,595,976	
32037	Advisor Services for the Preliminary Engineering	1,576,430	268,470	1,307,960	
31764	Materials Inventory for Various Projects	3,125,000	2,201,296	923,704	
31985	Design of Well M12A Drilling and Equipping	866,128	206,231	659,897	
31759	Materials Inventory for Various Projects	675,000	138,762	536,238	
31245	Wastewater Treatment Plant Maintenance and Operations	2,525,358.00	1,510,596	1,014,762	-
29243	Design - Well C8	884,683.00	375,252	509,431	
30653	Project No. 2020-01 EL, Ivy and Stagecoach Substation	6,618,664	6,148,907	469,757	
31284	Ivy and Stagecoach Substations	3,629,129	3,466,471	162,658	
31000	Materials Inventory for Various Projects	580,378	492,027	88,351	
30891	Project No. 2016-11 "Ramsey Street and Hathaway Street Improvements"	4,067,319	4,004,590	62,729	
30148	Electric Substation Equipment Maintenance	1,474,982	1,432,635	42,347	
30998	Materials Inventory for Various Projects	731,688	692,585	39,103	
30848	Purchase of One Metal-Clad Switchgear Building	731,688	692,585	39,103	
30996	Materials Inventory for Various Projects	801,334	765,106	36,228	
31215	AMI Meter project (Water)	516,675	490,419	26,256	
31277	Two Transit Bus Replacements	1,812,446	1,794,035	18,411	
30792	Maintenance and Operations Agreement with Suez Water Environmental Services, Inc.	785,490	770,547	14,943	
30404	Pardee Development Project	443,752	430,306	13,446	
31497	Street Rehab at various locations	848,796	843,644	5,152	
30391	Pardee Development Project	398,382	398,368	14	
Total		<u>\$ 35,610,922</u>	<u>\$ 28,044,456</u>	<u>\$ 7,566,466</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, 2023, the Electric Utility Fund made payments totaling \$9,971,987 on these contracts. SCPPA membership consists of eleven Southern California cities and one public irrigation district of the state of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the state of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the state of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint powers agreement has a term expiring in 2030 or such later date as all bonds and notes of SCPPA and the interest thereon have been paid in full or adequate provisions for payments have been made. A copy of SCPPA's audited financial statements can be reviewed on their website at [www.scppa.org](http://www.scppa.org) or can be obtained by written request at 225 South Lake Avenue, Suite 1250, Pasadena, California 91101.

For the year ended June 30, 2023, 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. 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%.

**c. 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%.

**Power Purchase Agreements**

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

**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.

**COSO Geothermal Energy Project** – In January 2021, the City entered into a 20-year power sales agreement for the COSO Geothermal Energy Project for purchase of up to 8 megawatts of the project electric energy. The program began commercial operation in January 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).

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

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

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

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

**a. Cash and Investments**

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

Cash and Investments Pooled with the City	\$ 71,660
Total	<u><u>\$ 71,660</u></u>

**b. Loans Receivable**

The former redevelopment agency had entered into an owner's participation agreement totaling \$250,155 in September 2006 for 55 years, matures September 2061, and is forgivable.

During the fiscal year ending June 30, 2023, no loans were forgiven. In a year in which forgiveness occurs, forgiven loans are reported as forgiven loan expense on the statement of changes in fiduciary net position.

City of Banning, California  
 Notes to the Basic Financial Statements  
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**c. Capital Assets**

A prior period adjustment was recorded to reflect the transfer of all capital assets to governmental activities during the year ended June 30, 2023. See note 18 for details regarding the prior period adjustment.

**d. Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2023, follows:

	Balance June 30, 2022	Additions	Repayments	Balance June 30, 2023	Due Within One Year
Fiduciary Funds					
2016 Tax Allocation Refunding Bonds	\$ 26,250,000	\$ -	\$ 1,290,000	\$ 24,960,000	\$ 1,320,000
Total fiduciary funds	<u>26,250,000</u>	<u>-</u>	<u>1,290,000</u>	<u>24,960,000</u>	<u>1,320,000</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, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,470,000	706,259	2,176,259
2029 to 2033	8,170,000	2,702,631	10,872,631
2034 to 2038	<u>9,825,000</u>	<u>996,440</u>	<u>10,821,440</u>
 Total	 <u>\$ 24,960,000</u>	 <u>\$ 8,543,426</u>	 <u>\$ 32,606,708</u>

**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 \$32,606,708 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 \$886,720 and the debt service obligation on the bonds was \$1,290,000.

**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 14.

**h. Commitments and Contingencies**

At June 30, 2023, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

**Note 18 - Correction of Errors**

A restatement was recorded to the governmental activities, business-type activities, and electric utility fund beginning net position, as well as general fund balance to remove an advance between the funds that should have been reflected as a transfer. The restatement increased governmental activities net position, decreased business-type activities and Electric Utility Fund beginning net position, and increased general fund balance by \$394,118. The restatement increased prior year change in net position for governmental activities, decreased change in net position for business-type activities and the electric utility fund, and increased net change in fund balance for the general fund by \$394,118.

A restatement was recorded to the governmental activities beginning net position and general fund balance to remove an invalid receivable that had been recognized as revenue in prior years totaling \$708,520. An additional restatement was recorded to recognize a refundable developer deposit that had been recognized as revenue in prior years totaling \$41,141. The restatement reduced governmental activities beginning net position and general fund balance by \$749,661. The restatement reduced prior year change in net position for governmental activities and reduced prior year net change in fund balance for the general fund by \$749,661.

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A restatement was recorded to governmental activities beginning net position and general fund balance to increase unearned revenue that had been recognized as revenue in prior years. The restatement reduced governmental activities beginning net position and general fund balance by \$304,304. The restatement reduced prior year change in net position for governmental activities and reduced prior year net change in fund balance for the general fund by \$304,304.

A restatement was recorded to business-type activities and refuse utility beginning net position to increase unearned revenue that had been recognized as revenue in prior years. The restatement reduced prior year change in net position by \$4,275,000.

A restatement was recorded to the governmental activities and private-purpose trust fund successor agency beginning net position to reduce land held for resale under the successor agency and present them as land under governmental activities. The restatement increased governmental activities net position and decreased private-purpose trust fund successor agency beginning net position by \$4,675,556. The restatement increased prior year change in net position for governmental activities and decreased prior year change in net position for the private-purpose trust fund successor agency by \$4,675,556. The assets were transferred by approved Council action in Resolutions 2011-09 and 2021-99.

A restatement was recorded to the governmental activities and private-purpose trust fund successor agency beginning net position to transfer capital assets erroneously recognized as successor agency fund capital assets in prior years. The restatement increased governmental activities net position and decreased private-purpose trust fund successor agency beginning net position by \$6,775,155. The restatement increased prior year change in net position for governmental activities and decreased prior year change in net position for the private-purpose trust fund successor agency by \$6,775,155.

A restatement was recorded to the beginning net position of the business-type activities in the amount of \$853,513, the Banning Utility Authority water fund in the amount of (\$19,183), electric utility fund in the amount of \$681,456, Banning Utility Authority wastewater fund in the amount of \$132,275, and refuse utility fund in the amount of \$58,965 to record receivable balances incurred but not recorded in the prior year. The restatement reduced the prior year change in fund balance by \$19,183 for the Banning Utility Authority water fund and increased the prior year change in net position by \$681,456 for the electric utility fund, by \$132,275 for the Banning Utility Authority wastewater fund and by \$58,965 for the refuse utility fund.

	Governmental Activities	Business-Type Activities	General Fund	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater	Other Enterprise Funds	Private-Purpose Trust Fund
Net Position/Fund Balance at July 1, 2022, as previously reported	\$ 69,013,432	\$ 145,878,021	\$ 9,820,214	\$ 59,030,405	\$ 51,708,181	\$ 31,003,409	\$ 7,320,880	\$ (13,993,891)
Removal of advance	394,118	(394,118)	394,118	-	(394,118)	-	-	-
Unearned revenue	(304,304)	-	(304,304)	-	-	-	-	-
Revenue recognition	(749,661)	-	(749,661)	-	-	-	-	-
Unearned revenue	-	(4,275,000)	-	-	-	-	(4,275,000)	-
Correction of land/land held for resale	4,675,556	-	-	-	-	-	-	(4,675,556)
Capital asset transfer	6,775,155	-	-	-	-	-	-	(6,775,155)
Accounts receivable	-	853,513	-	(19,183)	681,456	132,275	58,965	-
Net Position/Fund Balance, as restated	<u>\$ 79,804,296</u>	<u>\$ 142,062,416</u>	<u>\$ 9,160,367</u>	<u>\$ 59,011,222</u>	<u>\$ 51,995,519</u>	<u>\$ 31,135,684</u>	<u>\$ 3,104,845</u>	<u>\$ (25,444,602)</u>

Required Supplementary Information

June 30, 2023

**City of Banning, California**

City of Banning, California  
 Schedule of Changes in the Net Pension Liability and Related Ratios (Miscellaneous Rate Plan)  
 Last Ten Years As of June 30, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>									
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	\$ 1,899,321
Interest on the total pension liability	4,417,332	4,647,945	4,783,405	4,880,944	5,086,725	5,383,175	5,587,964	5,835,395	6,006,137
Differences between expected and actual experience	-	(48,685)	(1,098,175)	(1,096,153)	733,536	1,456,383	(29,569)	398,058	(693,645)
Changes of assumptions	-	(1,116,894)	-	3,969,912	(653,917)	-	-	-	2,731,582
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)	(4,274,948)
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	5,668,447
<b>Total Pension Liability - Beginning</b>	<b>59,527,669</b>	<b>62,685,187</b>	<b>64,643,225</b>	<b>66,294,695</b>	<b>72,242,384</b>	<b>75,050,729</b>	<b>79,454,394</b>	<b>82,469,833</b>	<b>86,195,352</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 62,685,187</b>	<b>\$ 64,643,225</b>	<b>\$ 66,294,695</b>	<b>\$ 72,242,384</b>	<b>\$ 75,050,729</b>	<b>\$ 79,454,394</b>	<b>\$ 82,469,833</b>	<b>\$ 86,195,352</b>	<b>\$ 91,863,799</b>
<b>Plan Fiduciary Net Position</b>									
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	\$ 3,114,207
Contributions - employee	608,478	566,122	445,598	674,451	670,531	721,618	734,736	803,793	827,315
Net investment income	-	1,020,136	221,312	4,904,903	4,077,253	3,354,860	2,657,597	12,554,124	(5,085,399)
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)	(4,274,948)
Administrative expenses	(2,569,019)	(50,336)	(27,249)	(64,709)	(75,132)	(36,340)	(75,213)	(55,137)	(41,889)
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	(5,460,714)
<b>Plan Fiduciary Net Position - Beginning</b>	<b>38,311,035</b>	<b>44,448,515</b>	<b>44,710,976</b>	<b>43,828,000</b>	<b>48,214,865</b>	<b>50,922,925</b>	<b>53,351,936</b>	<b>55,195,363</b>	<b>55,195,363</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 44,448,515</b>	<b>\$ 44,710,976</b>	<b>\$ 43,828,000</b>	<b>\$ 48,214,865</b>	<b>\$ 50,922,925</b>	<b>\$ 53,351,936</b>	<b>\$ 55,195,363</b>	<b>\$ 67,244,557</b>	<b>\$ 61,783,843</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 18,236,672</b>	<b>\$ 19,932,249</b>	<b>\$ 22,466,695</b>	<b>\$ 24,027,519</b>	<b>\$ 24,127,804</b>	<b>\$ 26,102,458</b>	<b>\$ 27,274,470</b>	<b>\$ 18,950,795</b>	<b>\$ 30,079,956</b>
<b>Plan Fiduciary Net Position as A Percentage Of The Total Pension Liability</b>	70.91%	69.17%	66.11%	66.74%	67.85%	67.15%	66.93%	78.01%	78.19%
<b>Covered Payroll</b>	<b>\$ 7,427,270</b>	<b>\$ 6,992,494</b>	<b>\$ 7,149,518</b>	<b>\$ 5,903,926</b>	<b>\$ 8,719,354</b>	<b>\$ 9,781,645</b>	<b>\$ 8,912,142</b>	<b>\$ 9,790,189</b>	<b>\$ 10,501,315</b>
<b>Plan Net Pension Liability (Asset) as Percentage of Covered Payroll</b>	245.54%	285.05%	314.24%	406.98%	276.72%	266.85%	306.04%	193.57%	286.44%

\* 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 Assumption*

In 2023, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 2021. In 2023, the discount rate reduced from 7.15% to 6.90%. 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.

City of Banning, California  
 Schedule of Proportionate Share of the Net Pension Liability (Safety Rate Plan)  
 Last Ten Years As of June 30, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the Net Pension Liability	0.23259%	0.01734%	0.16650%	0.16191%	0.16713%	0.26886%	0.26745%	0.32972%	0.28543%
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	\$ 19,613,637
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	\$ 3,871,832
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%	506.57%
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	\$ 47,858,980
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%	75.53%

\* 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 2023, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 2021. In 2023, the discount rate reduced from 7.15% to 6.90%. 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.

City of Banning, California  
 Schedule of Plan Contributions (Miscellaneous Rate Plan)  
 Last Ten Years As of June 30, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution Contribution in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	\$ 1,349,103	\$ 1,483,525	\$ 1,829,173	\$ 1,862,651	\$ 2,153,041	\$ 2,491,669	\$ 2,810,447	\$ 3,066,042	\$ 3,513,971
	(1,349,103)	(1,483,525)	(1,829,173)	(1,862,651)	(2,153,041)	(2,491,669)	(2,810,447)	(3,066,042)	(3,513,971)
	<hr/>	<hr/>							
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	\$ 12,321,259
Contributions as a Percentage of Covered Payroll	19.29%	20.75%	30.98%	21.36%	22.01%	27.96%	28.71%	29.20%	28.52%

\* 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, 2021

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

2.30%

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

The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.

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.

City of Banning, California  
 Schedule of Plan Contributions (Safety Rate Plan)  
 Last Ten Years As of June 30, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution Contribution in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	\$ 1,034,818	\$ 1,329,187	\$ 1,481,661	\$ 1,599,794	\$ 1,830,085	\$ 2,163,458	\$ 2,353,753	\$ 2,345,157	\$ 2,150,975
	(1,034,818)	(1,329,187)	(1,481,661)	(1,599,794)	(1,830,085)	(2,163,458)	(2,353,753)	(2,345,157)	(2,150,975)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 4,310,875
Contributions as a Percentage of Covered Payroll	47.38%	60.26%	93.68%	65.58%	70.15%	61.14%	74.93%	60.57%	49.90%

\* 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, 2021

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method  
Amortization Method  
Asset Valuation Method  
Inflation  
Payroll Growth  
Projected Salary Increases  
Investment Rate of Return  
Retirement Age

Entry Age Normal Cost Method  
Level Percentage of Payroll, Closed  
Direct Rate Smoothing  
2.30%  
2.75%  
Varies by Entry Age and Service  
7.00%, Net of Administrative Expenses  
The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.

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.

City of Banning, California  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Last Ten Years As of June 30, 2023

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	2022	2023
<b>Total OPEB Liability</b>		
Service Cost	\$ 167,505	\$ 173,445
Interest	23,337	26,493
Difference in Expected and Actual Experiences	-	-
Changes of Assumptions	3,786	(123,025)
Benefit Payments, Including Refunds of Employee Contributions	(29,571)	(30,458)
Net Change in Total OPEB Liability	<u>165,057</u>	<u>46,455</u>
 <b>Total OPEB Liability - Beginning</b>	 <u>903,266</u>	 <u>1,068,323</u>
 <b>Total OPEB Liability - Ending (a)</b>	 <u>1,068,323</u>	 <u>1,114,778</u>
 Covered Payroll	 \$ 17,724,658	 \$ 22,481,573
 Plan Net OPEB Liability (Asset) as a Percentage of Covered Payroll	 6.03%	 4.96%

\* 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, California  
 Budgetary Comparison Schedule -  
 General Fund  
 Last Ten Years As of June 30, 2023

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	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance - Beginning of Year, as restated	\$ -	\$ 3,799,826	\$ 9,160,367	\$ 5,360,541
Resources (Inflows)				
Taxes				
Sales and use	5,872,144	6,173,883	4,875,534	(1,298,349)
Property	6,720,426	6,957,457	6,939,283	(18,174)
Franchise	674,155	654,378	543,207	(111,171)
Transient occupancy	1,240,681	1,342,200	1,179,126	(163,074)
Other	860,871	857,871	737,412	(120,459)
Subtotal	<u>15,368,277</u>	<u>15,985,789</u>	<u>14,274,562</u>	<u>(1,711,227)</u>
Licenses and Permits				
Building permits	565,000	820,000	1,186,624	366,624
Other permits	1,210,895	706,667	682,270	(24,397)
Subtotal	<u>1,775,895</u>	<u>1,526,667</u>	<u>1,868,894</u>	<u>342,227</u>
Intergovernmental				
State mother vehicle in-lieu fees	15,016	35,016	31,650	(3,366)
Other intergovernmental revenues	453,896	1,077,882	994,481	(83,401)
Subtotal	<u>468,912</u>	<u>1,112,898</u>	<u>1,026,131</u>	<u>(86,767)</u>
Charges for Services				
Engineering, police, fire, and other fees	2,578,454	2,226,260	1,404,928	(821,332)
Recreation fees	222,300	185,800	161,765	(24,035)
Interfund charges	2,580,093	2,840,915	3,176,397	335,482
Subtotal	<u>5,380,847</u>	<u>5,252,975</u>	<u>4,743,090</u>	<u>(509,885)</u>
Use of Money and Property				
Interest and rents	69,349	47,349	188,719	141,370
Subtotal	<u>69,349</u>	<u>47,349</u>	<u>188,719</u>	<u>141,370</u>
Fines and Forfeitures				
Parking fines	38,385	38,385	8,441	(29,944)
Court fines and other fines	176,004	175,004	179,224	4,220
Subtotal	<u>214,389</u>	<u>213,389</u>	<u>187,665</u>	<u>(25,724)</u>
Contributions				
Contributing from successor agency	5,000	5,000	638	(4,362)
Miscellaneous	250,000	250,000	250,000	-
Subscriptions	2,239,824	2,612,103	823,244	(1,788,859)
Leases	-	-	106,550	106,550
Transfers in	651,000	921,384	361,506	361,506
Subtotal	<u>3,145,824</u>	<u>3,788,487</u>	<u>976,234</u>	<u>54,850</u>
Total Resources (Inflows)	<u>26,423,493</u>	<u>27,927,554</u>	<u>24,807,233</u>	<u>(3,120,321)</u>
Amounts Available for Appropriations	<u>26,423,493</u>	<u>31,727,380</u>	<u>33,967,600</u>	<u>2,240,220</u>

**City of Banning, California**  
**Budgetary Comparison Schedule -**  
**General Fund (Continued)**  
**Last Ten Years As of June 30, 2023**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Changes to Appropriations (Outflow)</b>				
General Government				
City council	\$ 123,122	\$ 195,957	\$ 171,922	\$ 24,035
Public Information	-	-	911,420	(911,420)
Grant program management	-	-	463	(463)
City manager	553,515	687,201	422,471	264,730
Personnel	469,387	535,626	411,872	123,754
City clerk	136,823	166,580	163,572	3,008
Elections	44,500	44,500	60,412	(15,912)
City attorney	294,727	329,812	329,812	-
Finance	1,473,837	1,598,189	1,546,548	51,641
Economic development	463,612	344,914	378,012	(33,098)
Community enhancement	305,035	389,829	404,424	(14,595)
Central services	542,842	953,398	825,419	127,979
Building maintenance	666,928	769,267	388,803	380,464
Subtotal	<u>5,074,328</u>	<u>6,015,273</u>	<u>6,015,150</u>	<u>123</u>
Public Safety				
Police	9,722,430	10,612,816	11,004,816	(392,000)
Animal control	286,381	308,056	255,761	52,295
Fire	3,550,223	3,604,423	3,568,164	36,259
Dispatch	1,082,798	982,865	1,136,919	(154,054)
Subtotal	<u>14,641,832</u>	<u>15,508,160</u>	<u>15,965,660</u>	<u>(457,500)</u>
Community Development				
TV government access	141,399	165,051	159,967	5,084
Building safety	914,298	1,712,842	1,128,624	584,218
Code enforcement	412,792	365,329	390,355	(25,026)
Planning	1,104,313	1,589,265	1,031,521	557,744
Engineering	1,173,485	2,496,233	2,068,484	427,749
Community enhancement	102,900	102,900	97,762	5,138
Subtotal	<u>3,849,187</u>	<u>6,431,620</u>	<u>4,876,713</u>	<u>1,554,907</u>
Culture and Leisure				
Parks	826,582	796,711	769,538	27,173
Recreation	816,844	1,084,878	774,075	310,803
Aquatics	248,338	241,463	250,274	(8,811)
Daycare	55,486	58,486	5,346	53,140
Senior center	125,603	139,609	118,847	20,762
Subtotal	<u>2,072,853</u>	<u>2,321,147</u>	<u>1,918,080</u>	<u>403,067</u>
Capital Outlay	<u>1,480,592</u>	<u>2,076,378</u>	<u>737,152</u>	<u>1,339,226</u>
Subtotal	<u>1,480,592</u>	<u>2,076,378</u>	<u>737,152</u>	<u>1,339,226</u>
Debt Service				
Principal retirement	-	-	179,036	(179,036)
Interest and fiscal charges	-	-	38,140	(38,140)
Subtotal	<u>-</u>	<u>-</u>	<u>217,176</u>	<u>(217,176)</u>
Transfers Out	<u>225,825</u>	<u>225,825</u>	<u>281,617</u>	<u>(55,792)</u>
Subtotal	<u>225,825</u>	<u>225,825</u>	<u>281,617</u>	<u>(55,792)</u>
Total Charges to Appropriations	<u>27,344,617</u>	<u>32,578,403</u>	<u>30,011,548</u>	<u>2,784,031</u>
Budgetary Fund Balance - End of Year	<u>\$ (921,124)</u>	<u>\$ (851,023)</u>	<u>\$ 3,956,052</u>	<u>\$ (543,811)</u>

City of Banning, California  
Note to Required Supplementary Information  
June 30, 2023

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**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. 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**

Fund	Actual	Budget	Excess
Gas Tax Street	\$ 2,072,467	\$ 2,063,149	\$ (9,318)
Supplemental Law Enforcement	429,183	100,000	(329,183)
Park Development	762,895	322,814	(440,081)
BEA Capital Project	197,926	195,057	(2,869)

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds  
 June 30, 2023

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	Special Revenue Funds		
	Gas Tax Street	Measure A	Community Development Block Grant
<b>Assets</b>			
Pooled cash and investments	\$ -	\$ 775,577	\$ -
Receivables			
Accounts, net	100	-	-
Loans	-	-	-
Interest	-	3,620	-
Grants	25,260	5,055	608
Due from other governments	70,539	160,703	-
Due from other funds	-	540,217	-
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>95,899</b>	<b>1,485,172</b>	<b>608</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	68,915	147,379	917
Accrued liabilities	10,931	-	-
Unearned revenue	-	-	-
Deposits payable	95,961	-	-
Due to other funds	40,217	-	48,617
<b>Total liabilities</b>	<b>216,024</b>	<b>147,379</b>	<b>49,534</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	25,260	5,055	608
<b>Total deferred inflows of resources</b>	<b>25,260</b>	<b>5,055</b>	<b>608</b>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	-
Public safety	-	-	-
Culture and leisure	-	-	-
Transportation	-	1,332,738	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	-	-
<b>Unassigned</b>			
(145,385)	-	(49,534)	(49,534)
<b>Total fund balances</b>	<b>(145,385)</b>	<b>1,332,738</b>	<b>(49,534)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 95,899</b>	<b>\$ 1,485,172</b>	<b>\$ 608</b>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Special Revenue Funds		
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
<b>Assets</b>			
Pooled cash and investments	\$ 34,729	\$ 375,694	\$ 1,865
Receivables			
Accounts, net	28	-	-
Loans	-	-	-
Interest	245	1,532	6
Grants	-	-	-
Due from other governments	1,572	10,298	-
Due from other funds	48,617	85,080	-
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>85,191</b>	<b>472,604</b>	<b>1,871</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	7,921	188,303	-
Accrued liabilities	413	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>8,334</b>	<b>188,303</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	-
Public safety	-	-	1,871
Culture and leisure	-	-	-
Transportation	76,857	284,301	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	-	-
<b>Unassigned</b>			
<b>Total fund balances</b>	<b>76,857</b>	<b>284,301</b>	<b>1,871</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 85,191</b>	<b>\$ 472,604</b>	<b>\$ 1,871</b>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Special Revenue Funds		
	Supplemental Law Enforcement	Special Donations	Senior Center Activities
<b>Assets</b>			
Pooled cash and investments	\$ 12,001	\$ 14,503	\$ 53,136
Receivables			
Accounts, net	-	-	-
Loans	-	-	-
Interest	1,329	-	178
Grants	-	-	-
Due from other governments	-	-	-
Due from other funds	-	29,547	-
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<u>13,330</u>	<u>44,050</u>	<u>53,314</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	-	18
Accrued liabilities	-	-	-
Unearned revenue	219	-	-
Deposits payable	-	7,525	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<u>219</u>	<u>7,525</u>	<u>18</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	-
Public safety	13,111	-	-
Culture and leisure	-	36,525	53,296
Transportation	-	-	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	-	-
<b>Unassigned</b>			
<b>Total fund balances</b>	<u>13,111</u>	<u>36,525</u>	<u>53,296</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 13,330</u>	<u>\$ 44,050</u>	<u>\$ 53,314</u>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Special Revenue Funds		
	Police Volunteer	Wilson Median Improvement	Banning Housing Authority
<b>Assets</b>			
Pooled cash and investments	\$ 5,162	\$ 399,708	\$ 7,734
Receivables			
Accounts, net	-	-	-
Loans	-	-	739,937
Interest	17	1,350	4,865
Grants	-	-	223,432
Due from other governments	-	-	-
Due from other funds	86	-	1,474,212
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>5,265</b>	<b>401,058</b>	<b>2,450,180</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	-	26,943
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>26,943</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	739,937
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>739,937</b>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	1,683,300
Public safety	5,265	-	-
Culture and leisure	-	-	-
Transportation	-	401,058	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	-	-
<b>Unassigned</b>			
<b>Total fund balances</b>	<b>5,265</b>	<b>401,058</b>	<b>1,683,300</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,265</b>	<b>\$ 401,058</b>	<b>\$ 2,450,180</b>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Special Revenue Funds		
	SB1	American Rescue Plan Act	State Park Bond Act
<b>Assets</b>			
Pooled cash and investments	\$ 402,853	\$ 4,078,246	\$ -
Receivables			
Accounts, net	-	-	-
Loans	-	-	-
Interest	-	-	-
Grants	192,423	-	-
Due from other governments	120,750	-	-
Due from other funds	-	-	-
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>716,026</b>	<b>4,078,246</b>	<b>-</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	10,768	-
Accrued liabilities	-	-	-
Unearned revenue	-	4,067,478	-
Deposits payable	-	-	-
Due to other funds	-	-	89
<b>Total liabilities</b>	<b>-</b>	<b>4,078,246</b>	<b>89</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	192,423	-	-
<b>Total deferred inflows of resources</b>	<b>192,423</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	-
Public safety	-	-	-
Culture and leisure	-	-	-
Transportation	523,603	-	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	-	-
<b>Unassigned</b>			
Total fund balances	523,603	-	(89)
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 716,026</b>	<b>\$ 4,078,246</b>	<b>\$ -</b>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Special Revenue Fund	Capital Project Funds	
		Police Facilities Development	Fire Facilities Development
		Animal Control Reserve	
<b>Assets</b>			
Pooled cash and investments	\$ -	\$ 263,759	\$ 7,419
Receivables			
Accounts, net	-	-	-
Loans	-	-	-
Interest	-	878	4,454
Grants	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	1,313,282
Restricted assets			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>-</b>	<b>264,637</b>	<b>1,325,155</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	86	-	-
<b>Total liabilities</b>	<b>86</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
<b>Restricted for</b>			
Community development projects	-	-	-
Public safety	-	-	-
Culture and leisure	-	-	-
Transportation	-	-	-
Capital projects	-	-	-
<b>Assigned</b>			
Capital projects	-	264,637	1,325,155
<b>Unassigned</b>			
<b>Total fund balances</b>	<b>(86)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 264,637</b>	<b>\$ 1,325,155</b>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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		Capital Project Funds		
		Traffic Control Facilities	General Facilities	Park Development
<b>Assets</b>				
Pooled cash and investments		\$ 11,170	\$ 493,170	\$ 302,286
Receivables				
Accounts, net		-	-	-
Loans		-	-	-
Interest		6,712	1,819	999
Grants		-	-	-
Due from other governments		-	-	-
Due from other funds		1,980,283	48,229	-
Restricted assets				
Cash and investments with fiscal agents		-	-	-
<b>Total assets</b>		<u>1,998,165</u>	<u>543,218</u>	<u>303,285</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable		-	-	-
Accrued liabilities		-	-	-
Unearned revenue		-	-	-
Deposits payable		-	-	-
Due to other funds		-	-	-
<b>Total liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues		<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
<b>Restricted for</b>				
Community development projects		-	-	-
Public safety		-	-	-
Culture and leisure		-	-	-
Transportation		-	-	-
Capital projects		-	-	-
<b>Assigned</b>				
Capital projects		1,998,165	543,218	303,285
<b>Unassigned</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>		<u>1,998,165</u>	<u>543,218</u>	<u>303,285</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>		<u>\$ 1,998,165</u>	<u>\$ 543,218</u>	<u>\$ 303,285</u>

City of Banning, California  
 Combining Balance Sheet –  
 Non-Major Governmental Funds (Continued)  
 June 30, 2023

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	Capital Project Funds				Total Governmental Funds	
	Capital Improvement	BEA Low/Mod				
		Capital Project Fund	BEA Capital Project Fund			
<b>Assets</b>						
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 7,239,012	
Receivables						
Accounts, net	-	-	-	176	304	
Loans	-	-	-	-	739,937	
Interest	-	-	-	-	28,004	
Grants	-	-	-	-	446,778	
Due from other governments	-	-	-	-	363,862	
Due from other funds	-	545,705	-	-	6,065,258	
Restricted assets						
Cash and investments with fiscal agents	701,830	-	7,686,997	-	8,388,827	
<b>Total assets</b>	<b>701,830</b>	<b>545,705</b>	<b>7,687,173</b>	<b>-</b>	<b>23,271,982</b>	
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	-	-	186,337	-	637,501	
Accrued liabilities	-	-	-	-	11,344	
Unearned revenue	-	-	-	-	4,067,697	
Deposits payable	-	-	-	-	103,486	
Due to other funds	48,229	-	4,004,078	-	4,141,316	
<b>Total liabilities</b>	<b>48,229</b>	<b>-</b>	<b>4,190,415</b>	<b>-</b>	<b>8,961,344</b>	
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	-	-	-	-	963,283	
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>963,283</b>	
<b>Fund Balances</b>						
<b>Restricted for</b>						
Community development projects	-	-	-	-	1,683,300	
Public safety	-	-	-	-	20,247	
Culture and leisure	-	-	-	-	89,821	
Transportation	-	-	-	-	2,618,557	
Capital projects	-	545,705	3,496,758	-	4,042,463	
<b>Assigned</b>						
Capital projects	653,601	-	-	-	5,088,061	
<b>Unassigned</b>						
Total fund balances	653,601	545,705	3,496,758	-	13,347,355	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 701,830</b>	<b>\$ 545,705</b>	<b>\$ 7,687,173</b>	<b>\$ 23,271,982</b>		

City of Banning, California  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Special Revenue Funds		
	Gas Tax Street	Measure A	Community Development Block Grant
Revenues			
Taxes	\$ -	\$ 914,578	\$ -
Intergovernmental	825,588	271,204	29,784
Use of money and property	1,699	3,835	-
Miscellaneous	<u>13,822</u>	<u>-</u>	<u>-</u>
Total revenues	<u>841,109</u>	<u>1,189,617</u>	<u>29,784</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Community development	4,958	-	16,918
Culture and leisure	-	-	-
Transportation	1,637,538	42,098	-
Capital Outlay	<u>90,382</u>	<u>428,618</u>	<u>13,026</u>
Total expenditures	<u>1,732,878</u>	<u>470,716</u>	<u>29,944</u>
Excess of Revenues over Expenditures	<u>(891,769)</u>	<u>718,901</u>	<u>(160)</u>
Other Financing Sources (Uses)			
Transfers in	1,169,368	-	-
Transfers out	(339,589)	-	-
Leases	-	-	-
Total other financing sources (uses)	<u>829,779</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(61,990)</u>	<u>718,901</u>	<u>(160)</u>
Fund Balances - Beginning of Year	<u>(83,395)</u>	<u>613,837</u>	<u>(49,374)</u>
Fund Balances - End of Year	<u>\$ (145,385)</u>	<u>\$ 1,332,738</u>	<u>\$ (49,534)</u>

City of Banning, California  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Special Revenue Funds		
	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
Revenues			
Taxes	\$ 145,585	\$ -	\$ -
Intergovernmental	-	31,203	-
Use of money and property	719	4,183	19
Miscellaneous	-	-	-
	146,304	35,386	19
Total revenues	146,304	35,386	19
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Community development	-	3,000	-
Culture and leisure	-	-	-
Transportation	149,679	200	-
Capital Outlay	-	188,303	-
	149,679	191,503	-
Total expenditures	149,679	191,503	-
Excess of Revenues over Expenditures	(3,375)	(156,117)	19
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Leases	-	-	-
	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(3,375)	(156,117)	19
Fund Balances - Beginning of Year	80,232	440,418	1,852
Fund Balances - End of Year	<u>\$ 76,857</u>	<u>\$ 284,301</u>	<u>\$ 1,871</u>

**City of Banning, California**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Special Revenue Funds		
	<u>Supplemental Law Enforcement</u>	<u>Special Donations</u>	<u>Senior Center Activities</u>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	429,182	-	-
Use of money and property	2,085	-	461
Miscellaneous	-	5,405	6,347
 Total revenues	 431,267	 5,405	 6,808
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	23,183	-	-
Community development	-	286	1,924
Culture and leisure	-	-	-
Transportation	-	-	-
Capital Outlay	406,000	-	-
 Total expenditures	 429,183	 286	 1,924
<b>Excess of Revenues over Expenditures</b>	 2,084	 5,119	 4,884
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Leases	-	-	-
 Total other financing sources (uses)	 -	 -	 -
<b>Net Change in Fund Balances</b>	 2,084	 5,119	 4,884
<b>Fund Balances - Beginning of Year</b>	 11,027	 31,406	 48,412
<b>Fund Balances - End of Year</b>	 \$ 13,111	 \$ 36,525	 \$ 53,296

**City of Banning, California**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	<b>Special Revenue Funds</b>		
	<b>Police Volunteer</b>	<b>Wilson Median Improvement</b>	<b>Banning Housing Authority</b>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	350,000
Use of money and property	34	3,950	24,262
Miscellaneous	- -	- -	- -
 Total revenues	 34	 3,950	 374,262
Expenditures			
Current			
General government	- -	- -	- -
Public safety	293	- -	- -
Community development	- -	- -	467,564
Culture and leisure	- -	- -	- -
Transportation	- -	127	- -
Capital Outlay	- -	- -	58,663
 Total expenditures	 293	 127	 526,227
Excess of Revenues over Expenditures	 (259)	 3,823	 (151,965)
Other Financing Sources (Uses)			
Transfers in	1,500	- -	- -
Transfers out	- -	- -	- -
Leases	- -	- -	- -
 Total other financing sources (uses)	 1,500	 - -	 - -
Net Change in Fund Balances	1,241	3,823	(151,965)
Fund Balances - Beginning of Year	 4,024	 397,235	 1,835,265
Fund Balances - End of Year	 \$ 5,265	 \$ 401,058	 \$ 1,683,300

City of Banning, California  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Special Revenue Funds		
	SB1	American Rescue Plan Act	State Park Bond Act
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	689,098	538,141	-
Use of money and property	-	-	-
Miscellaneous	-	-	-
	689,098	538,141	-
Total revenues			
Expenditures			
Current			
General government	-	6,301	-
Public safety	-	-	-
Community development	-	-	-
Culture and leisure	-	-	89
Transportation	19,481	-	-
Capital Outlay	906,808	174,713	-
	926,289	181,014	89
Total expenditures			
Excess of Revenues over Expenditures			
	(237,191)	357,127	(89)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	(357,127)	-
Leases	-	-	-
	-	(357,127)	-
Total other financing sources (uses)			
Net Change in Fund Balances			
	(237,191)	-	(89)
Fund Balances - Beginning of Year	760,794	-	-
Fund Balances - End of Year	<u>\$ 523,603</u>	<u>\$ -</u>	<u>\$ (89)</u>

City of Banning, California  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Special Revenue Fund	Capital Projects Funds	
		Police Facilities Development	Fire Facilities Development
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Use of money and property	-	1,965	12,660
Miscellaneous	-	35,342	20,888
	<hr/>	<hr/>	<hr/>
Total revenues	-	37,307	33,548
Expenditures			
Current			
General government	-	-	-
Public safety	-	150	149
Community development	86	-	-
Culture and leisure	-	-	-
Transportation	-	-	-
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	86	150	149
Excess of Revenues over Expenditures	(86)	37,157	33,399
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Leases	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(86)	37,157	33,399
Fund Balances - Beginning of Year	-	227,480	1,291,756
Fund Balances - End of Year	\$ (86)	\$ 264,637	\$ 1,325,155

City of Banning, California  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
 Non-Major Governmental Funds  
 Year Ended June 30, 2023

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	Capital Projects Funds		
	Traffic Control Facilities	General Facilities	Park Development
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -
Use of money and property	18,077	5,057	1,007
Miscellaneous	<u>92,066</u>	<u>17,136</u>	<u>109,277</u>
Total revenues	<u>110,143</u>	<u>22,193</u>	<u>110,284</u>
Expenditures			
Current			
General government	- -	- -	- -
Public safety	- -	- -	- -
Community development	- -	185	- -
Culture and leisure	- -	- -	888
Transportation	8,103	- -	- -
Capital Outlay	<u>- -</u>	<u>- -</u>	<u>762,007</u>
Total expenditures	<u>8,103</u>	<u>185</u>	<u>762,895</u>
Excess of Revenues over Expenditures	<u>102,040</u>	<u>22,008</u>	<u>(652,611)</u>
Other Financing Sources (Uses)			
Transfers in	- -	- -	- -
Transfers out	- -	- -	- -
Leases	<u>- -</u>	<u>- -</u>	<u>762,007</u>
Total other financing sources (uses)	<u>- -</u>	<u>- -</u>	<u>762,007</u>
Net Change in Fund Balances	102,040	22,008	109,396
Fund Balances - Beginning of Year	<u>1,896,125</u>	<u>521,210</u>	<u>193,889</u>
Fund Balances - End of Year	<u>\$ 1,998,165</u>	<u>\$ 543,218</u>	<u>\$ 303,285</u>

**City of Banning, California**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

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	Capital Project Funds			Total Governmental Funds
	Capital Improvement	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 1,060,163
Intergovernmental	-	-	-	3,164,200
Use of money and property	20,135	-	589	100,737
Miscellaneous	-	-	-	300,283
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<hr/> <b>20,135</b>	<hr/> <b>-</b>	<hr/> <b>589</b>	<hr/> <b>4,625,383</b>
Expenditures				
Current				
General government	-	-	-	6,301
Public safety	-	-	-	23,775
Community development	-	110	51,938	546,969
Culture and leisure	-	-	-	977
Transportation	508	-	-	1,857,734
Capital Outlay	-	-	145,988	3,174,508
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<hr/> <b>508</b>	<hr/> <b>110</b>	<hr/> <b>197,926</b>	<hr/> <b>5,610,264</b>
Excess of Revenues over Expenditures	<hr/> <b>19,627</b>	<hr/> <b>(110)</b>	<hr/> <b>(197,337)</b>	<hr/> <b>(984,881)</b>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,170,868
Transfers out	-	-	-	(696,716)
Leases	-	-	-	762,007
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<hr/> <b>-</b>	<hr/> <b>-</b>	<hr/> <b>-</b>	<hr/> <b>1,236,159</b>
Net Change in Fund Balances	<hr/> <b>19,627</b>	<hr/> <b>(110)</b>	<hr/> <b>(197,337)</b>	<hr/> <b>251,278</b>
Fund Balances - Beginning of Year	<hr/> <b>633,974</b>	<hr/> <b>545,815</b>	<hr/> <b>3,694,095</b>	<hr/> <b>13,096,077</b>
Fund Balances - End of Year	<hr/> <b>\$ 653,601</b>	<hr/> <b>\$ 545,705</b>	<hr/> <b>\$ 3,496,758</b>	<hr/> <b>\$ 13,347,355</b>

City of Banning, California  
 Budgetary Comparison Schedule  
 Gas Tax Street  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ (498,523)	\$ (144,371)	\$ (83,395)	\$ 60,976
Resources (Inflows)				
Intergovernmental	1,245,079	1,245,079	825,588	(419,491)
Investment income	-	-	1,699	1,699
Miscellaneous	13,409	13,409	13,822	413
Transfers in	981,500	981,500	1,169,368	187,868
Amounts available for appropriations	<u>1,741,465</u>	<u>2,095,617</u>	<u>1,927,082</u>	<u>(168,535)</u>
Charges to Appropriations (Outflows)				
Community development	-	4,958	4,958	-
Transportation	1,984,544	2,058,191	1,637,538	420,653
Capital Outlay	-	-	90,382	(90,382)
Transfers out	-	-	339,589	(339,589)
Total charges to appropriations	<u>1,984,544</u>	<u>2,063,149</u>	<u>2,072,467</u>	<u>(9,318)</u>
Budgetary Fund Balance - End of Year	<u>\$ (243,079)</u>	<u>\$ 32,468</u>	<u>\$ (145,385)</u>	<u>\$ (159,217)</u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Measure A  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 1,417,007	\$ 46,378	\$ 613,837	\$ 803,170
Resources (Inflows)				
Taxes	857,000	857,000	914,578	57,578
Intergovernmental	-	-	271,204	271,204
Investment income	1,200	1,200	3,835	2,635
Amounts available for appropriations	<u>2,275,207</u>	<u>904,578</u>	<u>1,803,454</u>	<u>1,134,587</u>
Charges to Appropriations (Outflows)				
Transportation	41,924	41,924	42,098	(174)
Capital outlay	<u>1,350,000</u>	<u>1,733,989</u>	<u>428,618</u>	<u>1,305,371</u>
Total charges to appropriations	<u>1,391,924</u>	<u>1,775,913</u>	<u>470,716</u>	<u>1,305,197</u>
Budgetary Fund Balance - End of Year	<u>\$ 883,283</u>	<u>\$ (871,335)</u>	<u>\$ 1,332,738</u>	<u>\$ (170,610)</u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Community Development Block Grant  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 161,123	\$ (444,952)	\$ (49,374)	\$ 210,497	
Resources (Inflows)					
Intergovernmental	45,031	239,849	29,784	210,065	(210,065)
Subscriptions	-	-	-	-	-
Amounts available for appropriations	<u>206,154</u>	<u>(205,103)</u>	<u>(19,590)</u>		<u>432</u>
Charges to Appropriations (Outflows)					
Community development	6,917	16,917	16,918	16,918	(1)
Capital outlay	<u>348,783</u>	<u>453,601</u>	<u>13,026</u>		<u>440,575</u>
Total charges to appropriations	<u>355,700</u>	<u>470,518</u>	<u>29,944</u>		<u>440,574</u>
Budgetary Fund Balance - End of Year	<u>\$ (149,546)</u>	<u>\$ (675,621)</u>	<u>\$ (49,534)</u>		<u>\$ (440,142)</u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Landscape Maintenance District  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 190,465	\$ 189,665	\$ 80,232	\$ 110,233	
Resources (Inflows)					
Taxes	141,270	141,270	145,585	4,315	
Investment income	200	200	719	519	
Miscellaneous	78,834	78,834	-	(78,834)	
Amounts available for appropriations	410,769	409,969	226,536	36,233	
Charges to Appropriations (Outflows)					
Transportation	219,379	238,577	149,679	88,898	
Total charges to appropriations	219,379	238,577	149,679	88,898	
Budgetary Fund Balance - End of Year	<u>\$ 191,390</u>	<u>\$ 171,392</u>	<u>\$ 76,857</u>	<u>\$ (52,665)</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 AQMD Air Pollution Program  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive (Negative)	
Budgetary Fund Balance - Beginning of Year	\$ 291,959	\$ 291,959	\$ 440,418	\$ (148,459)	
Resources (Inflows)					
Intergovernmental	44,324	44,324	31,203	(13,121)	
Investment income	293	293	4,183	3,890	
Amounts available for appropriations	<u>336,576</u>	<u>336,576</u>	<u>475,804</u>	<u>(157,690)</u>	
Charges to Appropriations (Outflows)					
Community development	3,000	3,000	3,000	-	
Transportation	201	201	200	1	
Capital outlay	<u>90,000</u>	<u>261,358</u>	<u>188,303</u>	<u>73,055</u>	
Total charges to appropriations	<u>93,201</u>	<u>264,559</u>	<u>191,503</u>	<u>73,056</u>	
Budgetary Fund Balance - End of Year	<u>\$ 243,375</u>	<u>\$ 72,017</u>	<u>\$ 284,301</u>	<u>\$ (230,746)</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Asset Forfeiture  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 7,847	\$ 7,847	\$ 1,852	\$ 5,995
Resources (Inflows)				
Investment income	<u>565</u>	<u>565</u>	<u>19</u>	<u>(546)</u>
Amounts available for appropriations	<u>8,412</u>	<u>8,412</u>	<u>1,871</u>	<u>5,449</u>
Budgetary Fund Balance - End of Year	<u><u>\$ 8,412</u></u>	<u><u>\$ 8,412</u></u>	<u><u>\$ 1,871</u></u>	<u><u>\$ 5,449</u></u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Supplemental Law Enforcement  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 13,173	\$ (11,827)	\$ 11,027	\$ 2,146	
Resources (Inflows)					
Intergovernmental	99,294	99,294	429,182	429,182	(329,888)
Investment income	706	706	2,085	2,085	1,379
Amounts available for appropriations	<u>113,173</u>	<u>88,173</u>	<u>442,294</u>	<u>442,294</u>	<u>(326,363)</u>
Charges to Appropriations (Outflows)					
Public safety	100,000	100,000	23,183	23,183	76,817
Capital outlay	-	-	406,000	406,000	(406,000)
Total charges to appropriations	<u>100,000</u>	<u>100,000</u>	<u>429,183</u>	<u>429,183</u>	<u>(329,183)</u>
Budgetary Fund Balance - End of Year	<u>\$ 13,173</u>	<u>\$ (11,827)</u>	<u>\$ 13,111</u>	<u>\$ 2,820</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Special Donations  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 42,561	\$ 34,761	\$ 31,406	\$ 11,155	
Resources (Inflows)					
Miscellaneous	<u>12,983</u>	<u>12,983</u>	<u>5,405</u>	<u>(7,578)</u>	
Amounts available for appropriations	<u>55,544</u>	<u>47,744</u>	<u>36,811</u>	<u>3,577</u>	
Charges to Appropriations (Outflows)					
Community development	<u>10,581</u>	<u>15,426</u>	<u>286</u>	<u>15,140</u>	
Total charges to appropriations	<u>10,581</u>	<u>15,426</u>	<u>286</u>	<u>15,140</u>	
Budgetary Fund Balance - End of Year	<u>\$ 44,963</u>	<u>\$ 32,318</u>	<u>\$ 36,525</u>	<u>\$ (11,563)</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Senior Center Activities  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 49,081	\$ 49,081	\$ 48,412	\$ 669	
Resources (Inflows)					
Investment income	80	80	461	381	
Miscellaneous	11,604	11,604	6,347	(5,257)	
Amounts available for appropriations	<u>60,765</u>	<u>60,765</u>	<u>55,220</u>	<u>(4,207)</u>	
Charges to Appropriations (Outflows)					
Community development	<u>8,243</u>	<u>8,258</u>	<u>1,924</u>	<u>6,334</u>	
Total charges to appropriations	<u>8,243</u>	<u>8,258</u>	<u>1,924</u>	<u>6,334</u>	
Budgetary Fund Balance - End of Year	<u>\$ 52,522</u>	<u>\$ 52,507</u>	<u>\$ 53,296</u>	<u>\$ (10,541)</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Police Volunteer  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 3,270	\$ 3,270	\$ 4,024	\$ 34	\$ (754)
Resources (Inflows)					
Investment income	2	2	34	32	
Transfers in	-	-	1,500	1,500	
Amounts available for appropriations	<u>3,272</u>	<u>3,272</u>	<u>5,558</u>	<u>778</u>	
Charges to Appropriations (Outflows)					
Public safety	1,067	1,067	293	293	
Community development	<u>11</u>	<u>11</u>	<u>-</u>	<u>11</u>	
Total charges to appropriations	<u>1,078</u>	<u>1,078</u>	<u>293</u>	<u>785</u>	
Budgetary Fund Balance - End of Year	<u>\$ 2,194</u>	<u>\$ 2,194</u>	<u>\$ 5,265</u>	<u>\$ (7)</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Wilson Median Improvement  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 400,917	\$ 400,917	\$ 397,235	\$ 3,682	
Resources (Inflows)					
Investment income	775	775	3,950	3,175	
Amounts available for appropriations	401,692	401,692	401,185	6,857	
Charges to Appropriations (Outflows)					
Transportation	127	127	127		-
Total charges to appropriations	127	127	127		-
Budgetary Fund Balance - End of Year	\$ 401,565	\$ 401,565	\$ 401,058	\$ 6,857	

City of Banning, California  
 Budgetary Comparison Schedule  
 Banning Housing Authority  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive (Negative)	
Budgetary Fund Balance - Beginning of Year	\$ 2,232,075	\$ 1,143,529	\$ 1,835,265	\$ 396,810	
Resources (Inflows)					
Intergovernmental	-	-	350,000	350,000	
Investment income	3,241	3,241	24,262	21,021	
Miscellaneous	16,524	16,524	-	(16,524)	
Amounts available for appropriations	<u>2,251,840</u>	<u>1,163,294</u>	<u>2,209,527</u>	<u>751,307</u>	
Charges to Appropriations (Outflows)					
Community development	15,441	15,441	467,564	(452,123)	
Capital outlay	-	982,577	58,663	923,914	
Total charges to appropriations	<u>15,441</u>	<u>998,018</u>	<u>526,227</u>	<u>471,791</u>	
Budgetary Fund Balance - End of Year	<u>\$ 2,236,399</u>	<u>\$ 165,276</u>	<u>\$ 1,683,300</u>	<u>\$ 279,516</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 SB1  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 841,762	\$ (123,325)	\$ 760,794	\$ 80,968
Resources (Inflows)				
Intergovernmental	<u>734,740</u>	<u>1,184,740</u>	<u>689,098</u>	<u>(495,642)</u>
Amounts available for appropriations	<u>1,576,502</u>	<u>1,061,415</u>	<u>1,449,892</u>	<u>(414,674)</u>
Charges to Appropriations (Outflows)				
Transportation	17,482	19,482	19,481	1
Capital outlay	<u>730,000</u>	<u>1,838,623</u>	<u>906,808</u>	<u>931,815</u>
Total charges to appropriations	<u>747,482</u>	<u>1,858,105</u>	<u>926,289</u>	<u>931,816</u>
Budgetary Fund Balance - End of Year	<u>\$ 829,020</u>	<u>\$ (796,690)</u>	<u>\$ 523,603</u>	<u>\$ (1,346,490)</u>

City of Banning, California  
 Budgetary Comparison Schedule  
 American Rescue Plan Act  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)					
Intergovernmental			538,141	538,141	
Amounts available for appropriations			538,141	538,141	
Charges to Appropriations (Outflows)					
General government	-	-	6,301	(6,301)	
Capital outlay	-	432,950	174,713	258,237	
Transfers out	-	398,808	357,127	41,681	
Total charges to appropriations	-	831,758	538,141	293,617	
Budgetary Fund Balance - End of Year	\$ -	\$ (831,758)	\$ -	\$ 244,524	

City of Banning, California  
 Budgetary Comparison Schedule  
 State Park Bond Act  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -
Amounts available for appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charges to Appropriations (Outflows)				
Culture and leisure	<u>-</u>	<u>89</u>	<u>89</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>89</u>	<u>89</u>	<u>-</u>
Budgetary Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ (89)</u></u>	<u><u>\$ (89)</u></u>	<u><u>\$ -</u></u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Animal Control Reserve  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -
Amounts available for appropriations	- -	- -	- -	- -
Charges to Appropriations (Outflows)				
Community development	- -	87	86	1
Total charges to appropriations	- -	87	86	1
Budgetary Fund Balance - End of Year	<u>\$ -</u>	<u>\$ (87)</u>	<u>\$ (86)</u>	<u>\$ (1)</u>

City of Banning, California  
 Budgetary Comparison Schedule  
 Police Facilities Development  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 223,000	\$ 223,000	\$ 227,480	\$ (4,480)	
Resources (Inflows)					
Investment income	47	47	1,965	1,918	
Miscellaneous	2,469	2,469	35,342	32,873	
Amounts available for appropriations	<u>225,516</u>	<u>225,516</u>	<u>264,787</u>	<u>30,311</u>	
Charges to Appropriations (Outflows)					
Public safety	150	150	150		-
Total charges to appropriations	<u>150</u>	<u>150</u>	<u>150</u>	<u>-</u>	
Budgetary Fund Balance - End of Year	<u>\$ 225,366</u>	<u>\$ 225,366</u>	<u>\$ 264,637</u>	<u>\$ 30,311</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Fire Facilities Development  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 1,302,041	\$ 1,302,041	\$ 1,291,756	\$ 10,285	
Resources (Inflows)					
Investment income	1,994	1,994	12,660	10,666	
Miscellaneous	4,005	4,005	20,888	16,883	
Amounts available for appropriations	<u>1,308,040</u>	<u>1,308,040</u>	<u>1,325,304</u>	<u>37,834</u>	
Charges to Appropriations (Outflows)					
Public safety	150	150	149	1	
Total charges to appropriations	<u>150</u>	<u>150</u>	<u>149</u>	<u>1</u>	
Budgetary Fund Balance - End of Year	<u>\$ 1,307,890</u>	<u>\$ 1,307,890</u>	<u>\$ 1,325,155</u>	<u>\$ 37,833</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 Traffic Control Facilities  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 2,257,337	\$ 2,247,337	\$ 1,896,125	\$ 361,212	
Resources (Inflows)					
Investment income	1,098	1,098	18,077	16,979	
Miscellaneous	132,200	132,200	92,066	(40,134)	
Amounts available for appropriations	<u>2,390,635</u>	<u>2,380,635</u>	<u>2,006,268</u>	<u>338,057</u>	
Charges to Appropriations (Outflows)					
Transportation	8,104	9,177	8,103	1,074	
Capital outlay	125,000	125,000	-	125,000	
Total charges to appropriations	<u>133,104</u>	<u>134,177</u>	<u>8,103</u>	<u>126,074</u>	
Budgetary Fund Balance - End of Year	<u>\$ 2,257,531</u>	<u>\$ 2,246,458</u>	<u>\$ 1,998,165</u>	<u>\$ 211,983</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 General Facilities  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 525,675	\$ 525,675	\$ 521,210	\$ 4,465	
Resources (Inflows)					
Investment income	529	529	5,057	4,528	
Miscellaneous	31,215	31,215	17,136	(14,079)	
Amounts available for appropriations	557,419	557,419	543,403	(5,086)	
Charges to Appropriations (Outflows)					
Community development	185	185	185	-	
Capital outlay	125,000	125,000	-	125,000	
Total charges to appropriations	125,185	125,185	185	125,000	
Budgetary Fund Balance - End of Year	\$ 432,234	\$ 432,234	\$ 543,218	\$ (130,086)	

City of Banning, California  
 Budgetary Comparison Schedule  
 Park Development  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget	
				Positive	(Negative)
Budgetary Fund Balance - Beginning of Year	\$ 171,003	\$ (98,997)	\$ 193,889	\$ (22,886)	
Resources (Inflows)					
Intergovernmental	8,992	8,992	-	8,992	
Investment income	270	270	1,007	737	
Miscellaneous	52,289	52,289	109,277	56,988	
Leases	-	-	762,007	762,007	
Amounts available for appropriations	<u>232,554</u>	<u>(37,446)</u>	<u>1,066,180</u>	<u>805,838</u>	
Charges to Appropriations (Outflows)					
Community development	25,000	25,000	-	25,000	
Culture and leisure	881	888	888	-	
Capital outlay	<u>296,926</u>	<u>296,926</u>	<u>762,007</u>	<u>(465,081)</u>	
Total charges to appropriations	<u>322,807</u>	<u>322,814</u>	<u>762,895</u>	<u>(440,081)</u>	
Budgetary Fund Balance - End of Year	<u>\$ (90,253)</u>	<u>\$ (360,260)</u>	<u>\$ 303,285</u>	<u>\$ 1,245,919</u>	

City of Banning, California  
 Budgetary Comparison Schedule  
 BEA Low/Mod Capital Project Fund  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 545,943	\$ 545,943	\$ 545,815	\$ 128
Resources (Inflows)				
Miscellaneous	<u>128</u>	<u>128</u>	-	(128)
Amounts available for appropriations	<u>546,071</u>	<u>546,071</u>	545,815	-
Charges to Appropriations (Outflows)				
Community development	<u>110</u>	<u>110</u>	110	-
Total charges to appropriations	<u>110</u>	<u>110</u>	110	-
Budgetary Fund Balance - End of Year	<u>\$ 545,961</u>	<u>\$ 545,961</u>	<u>\$ 545,705</u>	-

City of Banning, California  
 Budgetary Comparison Schedule  
 BEA Capital Project Fund  
 Year Ended June 30, 2023

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	Original	Final	Actual Amounts	Variance with Final Budget
				Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 5,361,980	\$ 3,771,035	\$ 3,694,095	\$ 1,667,885
Resources (Inflows)				
Investment income	7,500	7,500	589	(6,911)
Miscellaneous	25,786	25,786	-	(25,786)
Amounts available for appropriations	<u>5,395,266</u>	<u>3,804,321</u>	<u>3,694,684</u>	<u>1,635,188</u>
Charges to Appropriations (Outflows)				
Community development	40,718	40,719	51,938	(11,219)
Capital outlay	-	154,338	145,988	8,350
Total charges to appropriations	<u>40,718</u>	<u>195,057</u>	<u>197,926</u>	<u>(2,869)</u>
Budgetary Fund Balance - End of Year	<u>\$ 5,354,548</u>	<u>\$ 3,609,264</u>	<u>\$ 3,496,758</u>	<u>\$ 1,638,057</u>

City of Banning, California  
 Combining Statement of Net Position –  
 Non-Major Proprietary Funds  
 June 30, 2023

	Business-Type Activities - Enterprise Funds				
	Airport		Transit		Refuse Utility
					Totals
<b>Assets</b>					
<b>Current</b>					
<b>Cash and investments</b>	\$ 273,168	\$ 400,957	\$ 446,149	\$ 1,120,274	
<b>Receivables</b>					
<b>Accounts</b>	24,950	200	94,516	119,666	
<b>Notes and loans</b>	-	752	-	752	
<b>Interest</b>	-	2,100	20,423	22,523	
<b>Grants</b>	7,052	81,766	-	88,818	
<b>Prepaid costs</b>	131	2,364	131	2,626	
<b>Due from other funds</b>	-	174,557	4,901,373	5,075,930	
<b>Inventories</b>	33,270	-	-	33,270	
<b>Total current assets</b>	<u>338,571</u>	<u>662,696</u>	<u>5,462,592</u>	<u>6,463,859</u>	
<b>Noncurrent</b>					
<b>Capital assets</b>					
<b>Capital assets, not depreciated</b>	506,402	-	-	506,402	
<b>Capital assets, net</b>	1,685,967	156,410	43,387	1,885,764	
<b>Right to use lease assets, net of accumulated amortization</b>	-	-	-	-	
<b>Right to use subscription IT assets, net of accumulated amortization</b>	-	26,855	-	26,855	
<b>Total noncurrent assets</b>	<u>2,192,369</u>	<u>183,265</u>	<u>43,387</u>	<u>2,419,021</u>	
<b>Total assets</b>	<u>2,530,940</u>	<u>845,961</u>	<u>5,505,979</u>	<u>8,882,880</u>	
<b>Deferred Outflows of Resources</b>					
<b>Pension related items</b>	49,611	495,803	116,922	662,336	
<b>OPEB related items</b>	167	2,158	299	2,624	
<b>Total deferred outflows of resources</b>	<u>49,778</u>	<u>497,961</u>	<u>117,221</u>	<u>664,960</u>	
<b>Liabilities</b>					
<b>Current</b>					
<b>Accounts payable</b>	1,781	464,391	18,938	485,110	
<b>Accrued liabilities</b>	1,818	24,033	4,936	30,787	
<b>Unearned revenues</b>	5,957	-	4,070,052	4,076,009	
<b>Deposits payable</b>	23,484	-	-	23,484	
<b>Compensated absences</b>	34	1,415	238	1,687	
<b>Total current liabilities</b>	<u>33,074</u>	<u>489,839</u>	<u>4,094,164</u>	<u>4,617,077</u>	
<b>Noncurrent</b>					
<b>Compensated absences</b>	15,716	80,119	37,276	133,111	
<b>Net pension liability</b>	187,995	1,789,811	432,608	2,410,414	
<b>Total OPEB liability</b>	<u>5,073</u>	<u>65,588</u>	<u>9,083</u>	<u>79,744</u>	
<b>Total noncurrent liabilities</b>	<u>208,784</u>	<u>1,935,518</u>	<u>478,967</u>	<u>2,623,269</u>	
<b>Total liabilities</b>	<u>241,858</u>	<u>2,425,357</u>	<u>4,573,131</u>	<u>7,240,346</u>	
<b>Deferred Inflows of Resources</b>					
<b>Pension related items</b>	2,890	27,515	6,651	37,056	
<b>OPEB related items</b>	1,380	12,856	898	15,134	
<b>Total deferred inflows of resources</b>	<u>4,270</u>	<u>40,371</u>	<u>7,549</u>	<u>52,190</u>	
<b>Net Position</b>					
<b>Investment in capital assets</b>	2,192,369	183,265	43,387	2,419,021	
<b>Unrestricted</b>	<u>142,221</u>	<u>(1,305,071)</u>	<u>999,133</u>	<u>(163,717)</u>	
<b>Total net position (deficit)</b>	<u>\$ 2,334,590</u>	<u>\$ (1,121,806)</u>	<u>\$ 1,042,520</u>	<u>\$ 2,255,304</u>	

City of Banning, California  
 Combining Statement of Revenues, Expenses and Changes in Net Position –  
 Non-Major Proprietary Funds  
 Year Ended June 30, 2023

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	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
	\$	\$	\$	\$
Operating Revenues				
Sales and service charges	\$ 187,875	\$ 52,344	\$ 1,076,108	\$ 1,316,327
Miscellaneous	5,481	5,390	9,419	20,290
Total operating revenues	<u>193,356</u>	<u>57,734</u>	<u>1,085,527</u>	<u>1,336,617</u>
Operating Expenses				
Salaries and benefits	106,152	1,333,957	274,573	1,714,682
Supplies and services	119,264	872,971	213,099	1,205,334
Repairs and maintenance	9,065	2,780	-	11,845
Depreciation expense	<u>196,005</u>	<u>82,411</u>	<u>7,420</u>	<u>285,836</u>
Total operating expenses	<u>430,486</u>	<u>2,292,119</u>	<u>495,092</u>	<u>3,217,697</u>
Operating Income (Loss)	(237,130)	(2,234,385)	590,435	(1,881,080)
Nonoperating Revenues (Expenses)				
Intergovernmental	43,484	1,766,948	16,374	1,826,806
Interest revenue and change in fair value of investments	49	9,758	61,062	70,869
Gain (Loss) on Disposal of Capital Assets	-	<u>11,091</u>	-	<u>11,091</u>
Total nonoperating revenues (expenses)	<u>43,533</u>	<u>1,787,797</u>	<u>77,436</u>	<u>1,908,766</u>
Income (Loss) before Transfers	(193,597)	(446,588)	667,871	27,686
Transfers in	848	112,004	5	112,857
Transfer out	-	<u>(3,584)</u>	<u>(986,500)</u>	<u>(990,084)</u>
Total other financing sources	<u>848</u>	<u>108,420</u>	<u>(986,495)</u>	<u>(877,227)</u>
Changes in Net Position	(192,749)	(338,168)	(318,624)	(849,541)
Net Position (deficit) - Beginning of Year	2,527,339	(783,638)	5,577,179	7,320,880
Prior Period Adjustment	-	-	(4,216,035)	(4,216,035)
Net Position (deficit) - End of Year	<u>\$ 2,334,590</u>	<u>\$ (1,121,806)</u>	<u>\$ 1,042,520</u>	<u>\$ 2,255,304</u>

**City of Banning, California**  
**Combining Statement of Cash Flows –**  
**Non-Major Proprietary Funds**  
**Year Ended June 30, 2023**

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	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Airport</b>	<b>Transit</b>	<b>Refuse Utility</b>	<b>Totals</b>
<b>Operating Activities</b>				
Cash received from customers and users	\$ 191,156	\$ 55,385	\$ 1,061,601	\$ 1,308,142
Cash paid to suppliers for goods and Services	(160,046)	(559,075)	(516,324)	(1,235,445)
Cash paid to employees for services	(105,681)	(1,344,932)	(281,319)	(1,731,932)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(74,571)</b>	<b>(1,848,622)</b>	<b>263,958</b>	<b>(1,659,235)</b>
<b>Noncapital Financing Activities</b>				
Cash transfers in	848	112,004	5	112,857
Cash transfers out	-	(3,584)	(986,500)	(990,084)
Interfund borrowings	-	(174,557)	(4,901,373)	(5,075,930)
Intergovernmental	49,422	1,686,827	16,374	1,752,623
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>50,270</b>	<b>1,620,690</b>	<b>(5,871,494)</b>	<b>(4,200,534)</b>
<b>Capital and Related Financing Activities</b>				
Sale of capital assets	-	11,091	-	11,091
Acquisition and construction of capital Assets	(16,346)	(92,068)	(24,865)	(133,279)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(16,346)</b>	<b>(80,977)</b>	<b>(24,865)</b>	<b>(122,188)</b>
<b>Cash Flows from Investing Activities</b>				
Issuance of notes and loans receivable	-	4,044	-	4,044
Interest received and change in fair value of investments	49	9,041	50,235	59,325
<b>Net Cash Provided by Investing Activities</b>	<b>49</b>	<b>13,085</b>	<b>50,235</b>	<b>63,369</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(40,598)</b>	<b>(295,824)</b>	<b>(5,582,166)</b>	<b>(5,918,588)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>313,766</b>	<b>696,781</b>	<b>6,028,315</b>	<b>7,038,862</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 273,168</b>	<b>\$ 400,957</b>	<b>\$ 446,149</b>	<b>\$ 1,120,274</b>

City of Banning, California  
 Combining Statement of Cash Flows (Continued)  
 Non-Major Proprietary Funds  
 Year Ended June 30, 2023

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	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities</b>				
Operating Income (Loss)	\$ (237,130)	\$ (2,234,385)	\$ 590,435	\$ (1,881,080)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Changes in Operating Assets and Liabilities				
Depreciation (expense)	196,005	82,411	7,420	285,836
(Increase) Decrease in Assets				
Accounts receivable	(3,205)	15	(23,795)	(26,985)
Prepaid	(131)	(2,364)	(131)	(2,626)
Inventories	1,136	-	-	1,136
Deferred pension related items	(27,867)	(288,789)	(66,886)	(383,542)
Deferred opeb related items	55	(49)	211	217
Increase (Decrease) in Liabilities				
Accounts payable	(34,746)	463,700	1,330	430,284
Accrued liabilities	400	10,067	2,532	12,999
Deposits payable	970	-	(65,713)	(64,743)
Unearned revenue	1,659	(157,091)	(241,374)	(396,806)
Net pension liability	63,951	608,851	147,163	819,965
Total OPEB liability	(1,920)	(987)	(7,009)	(9,916)
Compensated absences	3,108	21,171	6,864	31,143
Deferred pension related items	(38,236)	(364,028)	(87,987)	(490,251)
Deferred OPEB related items	1,380	12,856	898	15,134
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (74,571)</u></u>	<u><u>\$ (1,848,622)</u></u>	<u><u>\$ 263,958</u></u>	<u><u>\$ (1,659,235)</u></u>

City of Banning, California  
 Combining Statement of Net Position –  
 Internal Service Funds  
 June 30, 2023

	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Assets</b>					
Current					
Pooled cash and investments	\$ -	\$ 2,596	\$ -	\$ -	\$ 2,596
Receivables					
Accounts	4,206	36,360	-	121,245	161,811
Interest	-	1,726	-	-	1,726
Prepaid costs	-	-	525	2,571	3,096
Due from other funds	-	615,506	-	-	615,506
Inventories	-	54,297	-	-	54,297
Total current assets	4,206	710,485	525	123,816	839,032
Noncurrent					
Capital assets					
Capital assets, net	-	236,286	6,103	22,311	264,700
Right to use lease assets, net of accumulated amortization	-	21,157	-	18,485	39,642
Total noncurrent assets	-	257,443	6,103	40,796	304,342
Total assets	4,206	967,928	6,628	164,612	1,143,374
Deferred Outflows of Resources					
Pension related items	71,374	225,343	200,111	598,745	1,095,573
OPEB related items	1,746	757	3,894	2,213	8,610
Total deferred outflows of resources	73,120	226,100	204,005	600,958	1,104,183
<b>Liabilities</b>					
Current					
Accounts payable	206,528	65,785	1,183	18,699	292,195
Accrued liabilities	859,212	12,592	9,967	24,552	906,323
Due to other governments	18,281	-	-	-	18,281
Due to other funds	1,589,081	-	624,002	166,061	2,379,144
Compensated absences	10	580	543	2,668	3,801
Claims and judgments	530,660	-	-	-	530,660
Bonds, notes, and leases	-	12,968	-	13,770	26,738
Total current liabilities	3,203,772	91,925	635,695	225,750	4,157,142
Noncurrent					
Compensated absences	10,936	40,172	42,654	95,822	189,584
Net pension liability	264,425	865,918	663,928	2,129,475	3,923,746
Total OPEB liability	8,730	23,003	18,874	67,240	117,847
Claims and judgments	1,915,022	-	-	-	1,915,022
Bonds, notes, and leases	-	-	-	2,701	2,701
Total noncurrent liabilities	2,199,113	929,093	725,456	2,295,238	6,148,900
Total liabilities	5,402,885	1,021,018	1,361,151	2,520,988	10,306,042
Deferred Inflows of Resources					
Pension related items	4,065	13,312	10,207	32,737	60,321
OPEB related items	863	3,726	1,866	15,356	21,811
Total deferred inflows of resources	4,928	17,038	12,073	48,093	82,132
<b>Net Position</b>					
Investment in capital assets	-	244,475	6,103	24,325	274,903
Unrestricted	(5,330,487)	(88,503)	(1,168,694)	(1,827,836)	(8,415,520)
Total net position (deficit)	\$ (5,330,487)	\$ 155,972	\$ (1,162,591)	\$ (1,803,511)	\$ (8,140,617)

City of Banning, California  
 Combining Statement of Revenues, Expenses and Changes in Net Position –  
 Internal Service Funds  
 June 30, 2023

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	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Operating Revenues</b>					
Sales and service charges	\$ 2,795,711	\$ 1,634,906	\$ 621,727	\$ 2,480,187	\$ 7,532,531
Miscellaneous	-	23,273	-	-	23,273
<b>Total operating revenues</b>	<b>2,795,711</b>	<b>1,658,179</b>	<b>621,727</b>	<b>2,480,187</b>	<b>7,555,804</b>
<b>Operating Expenses</b>					
Salaries and benefits	133,631	586,048	444,187	1,531,744	2,695,610
Supplies and services	2,396,869	1,218,561	91,685	703,180	4,410,295
Repairs and maintenance	-	304,114	215,257	8,528	527,899
Insurance premiums	2,781,455	-	-	-	2,781,455
Depreciation expense	-	25,613	-	9,925	35,538
<b>Total operating expenses</b>	<b>5,311,955</b>	<b>2,134,336</b>	<b>751,129</b>	<b>2,253,377</b>	<b>10,450,797</b>
<b>Operating Income (Loss)</b>	<b>(2,516,244)</b>	<b>(476,157)</b>	<b>(129,402)</b>	<b>226,810</b>	<b>(2,894,993)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue and change in fair value of investments	21,086	6,857	-	-	27,943
Interest expense	-	(333)	-	(263)	(596)
Gain (loss) on disposal of capital assets	-	109	-	-	109
<b>Total nonoperating revenues (expenses)</b>	<b>21,086</b>	<b>6,633</b>	<b>-</b>	<b>(263)</b>	<b>27,456</b>
<b>Income (Loss) before Transfers</b>	<b>(2,495,158)</b>	<b>(469,524)</b>	<b>(129,402)</b>	<b>226,547</b>	<b>(2,867,537)</b>
<b>Transfers in</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Changes in Net Position</b>	<b>(2,495,158)</b>	<b>(469,522)</b>	<b>(129,402)</b>	<b>226,547</b>	<b>(2,867,535)</b>
<b>Net Position (Deficit) - Beginning of Year</b>	<b>(2,835,329)</b>	<b>625,494</b>	<b>(1,033,189)</b>	<b>(2,030,058)</b>	<b>(5,273,082)</b>
<b>Net Position (Deficit) - End of Year</b>	<b>\$ (5,330,487)</b>	<b>\$ 155,972</b>	<b>\$ (1,162,591)</b>	<b>\$ (1,803,511)</b>	<b>\$ (8,140,617)</b>

City of Banning, California  
 Combining Statement of Cash Flows –  
 Internal Service Funds  
 June 30, 2023

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	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Operating Activities</b>					
Cash received from customers and users	\$ 2,798,341	\$ 1,757,826	\$ 621,202	\$ 2,378,569	\$ 7,555,938
Cash paid to suppliers for goods and services	(4,378,807)	(1,502,658)	(306,959)	(743,674)	(6,932,098)
Cash paid to employees for services	(128,981)	(598,130)	(480,295)	(1,581,131)	(2,788,537)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,709,447)</b>	<b>(342,962)</b>	<b>(166,052)</b>	<b>53,764</b>	<b>(2,164,697)</b>
<b>Financing Activities</b>					
Operating Subsidies	1,589,081	(615,506)	166,052	(46,661)	1,092,966
Cash transfers in	-	2	-	-	2
Intergovernmental	18,281	397	-	-	18,678
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>1,607,362</b>	<b>(615,107)</b>	<b>166,052</b>	<b>(46,661)</b>	<b>1,111,646</b>
<b>Capital and Related Financing Activities</b>					
Proceeds from sales of capital assets	-	109	-	-	109
Lease principal payments	-	(15,981)	-	(6,840)	(22,821)
Lease interest payments	-	(333)	-	(263)	(596)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(16,205)</b>	<b>-</b>	<b>(7,103)</b>	<b>(23,308)</b>
<b>Investing Activities</b>					
Interest received	21,086	5,915	-	-	27,001
<b>Net Change in Cash and Cash Equivalents</b>	<b>(80,999)</b>	<b>(968,359)</b>	<b>-</b>	<b>-</b>	<b>(1,049,358)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>80,999</b>	<b>970,955</b>	<b>-</b>	<b>-</b>	<b>1,051,954</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ -</b>	<b>\$ 2,596</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,596</b>

City of Banning, California  
 Combining Statement of Flows (Continued)  
 Internal Service Funds  
 June 30, 2023

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	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Reconciliation of Operating Income</b>					
<b>Loss to Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	\$ (2,516,244)	\$ (476,157)	\$ (129,402)	\$ 226,810	\$ (2,894,993)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Depreciation	-	25,613	-	9,925	35,538
(Increase) Decrease in Assets					
Accounts receivable	2,630	(7,205)	-	(99,047)	(103,622)
Inventories	-	106,852	-	-	106,852
Prepaid costs	-	-	(525)	(2,571)	(3,096)
Deferred pension related items	(40,790)	(125,189)	(123,320)	(352,445)	(641,744)
Deferred OPEB related items	(1,434)	264	(3,112)	297	(3,985)
Increase (Decrease) in Liabilities					
Accounts payable	51,683	13,879	(3,613)	(33,951)	27,998
Accrued liabilities	858,378	6,138	3,596	1,985	870,097
Net pension liability	89,952	294,565	225,853	724,397	1,334,767
Total OPEB liability	(1,106)	(9,206)	(5,822)	(11,969)	(28,103)
Claims and judgments	(110,544)	-	-	-	(110,544)
Compensated absences	10,946	(124)	3,462	8,089	22,373
Deferred OPEB related items	863	3,726	1,866	15,356	21,811
Deferred pension related items	(53,781)	(176,118)	(135,035)	(433,112)	(798,046)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,709,447)</u>	<u>\$ (342,962)</u>	<u>\$ (166,052)</u>	<u>\$ 53,764</u>	<u>\$ (2,164,697)</u>

City of Banning, California  
 Combining Statement of Fiduciary Net Position –  
 Custodial Funds  
 June 30, 2023

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	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2001-1	Cameo Homes	CFD 2020-02	Totals
<b>Assets</b>							
Pooled cash and investments	\$ 37,105	\$ 76,722	\$ 191	\$ 151,791	\$ 255	\$ 264,898	\$ 530,962
Receivables							
Accounts	-	-	-	2,951	-	-	2,951
Interest	125	259	-	-	55	-	439
Due from other governments	-	-	-	2,217	-	-	2,217
Restricted assets							
Cash and investments				228,564			228,564
With fiscal agents	-	-	-	-	-	-	228,564
Total assets	<u>37,230</u>	<u>76,981</u>	<u>191</u>	<u>385,523</u>	<u>310</u>	<u>264,898</u>	<u>765,133</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	32	-	-	32
Deposits payable	-	<u>19,958</u>	-	<u>29,235</u>	-	-	<u>49,193</u>
Total liabilities	-	<u>19,958</u>	-	<u>29,267</u>	-	-	<u>49,225</u>
<b>Net position</b>							
Held in trust for other Organizations	<u>37,230</u>	<u>57,023</u>	<u>191</u>	<u>356,256</u>	<u>310</u>	<u>264,898</u>	<u>715,908</u>
Total net position	<u><u>\$ 37,230</u></u>	<u><u>\$ 57,023</u></u>	<u><u>\$ 191</u></u>	<u><u>\$ 356,256</u></u>	<u><u>\$ 310</u></u>	<u><u>\$ 264,898</u></u>	<u><u>\$ 715,908</u></u>

**City of Banning, California**  
**Combining Statement of Changes in Fiduciary Net Position –**  
**Custodial Funds**  
**Year Ended June 30, 2023**

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	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	\$ -	\$ -	\$ -	\$ 195,837	\$ -	\$ 234,917	\$ 430,754
Interest and change in fair value of investments	366	757	314	10	310	-	1,757
Total additions	366	757	314	195,847	310	234,917	432,511
Deductions							
Administrative expenses	-	-	31,119	15,249	8,191	-	54,559
Principal payment	-	-	-	110,000	-	-	110,000
Interest expense	-	-	-	88,930	-	-	88,930
Total deductions	-	-	31,119	214,179	8,191	-	253,489
Change in Net Position	366	757	(30,805)	(18,332)	(7,881)	234,917	179,022
Net Position - Beginning of Year	36,864	56,266	30,996	374,588	8,191	29,981	536,886
Net Position - End of Year	<u>\$ 37,230</u>	<u>\$ 57,023</u>	<u>\$ 191</u>	<u>\$ 356,256</u>	<u>\$ 310</u>	<u>\$ 264,898</u>	<u>\$ 715,908</u>

Statistical Section

June 30, 2023

**City of Banning, California**

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								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>									
Net Investment in capital assets	\$ 79,795,958	\$ 76,155,814	\$ 72,517,050	\$ 70,010,870	\$ 66,686,458	\$ 65,515,669	\$ 68,336,960	\$ 70,289,375	\$ 80,575,289
Restricted	5,819,965	14,257,465	14,680,040	14,514,482	15,025,895	13,625,501	11,745,009	9,209,053	9,391,803
Unrestricted	(3,750,779)	1,381,053	569,568	(1,239,778)	(3,339,506)	(6,533,345)	(5,304,091)	(10,484,996)	(18,807,558)
<b>Total governmental activities net position</b>	<b>\$ 81,865,144</b>	<b>\$ 91,794,332</b>	<b>\$ 87,766,658</b>	<b>\$ 83,285,574</b>	<b>\$ 78,372,847</b>	<b>\$ 72,607,825</b>	<b>\$ 74,777,878</b>	<b>\$ 69,013,432</b>	<b>\$ 71,159,534</b>
<b>Business-type activities:</b>									
Net Investment in capital assets	\$ 35,025,342	\$ 46,164,187	\$ 49,101,929	\$ 54,651,632	\$ 55,418,755	\$ 58,185,572	\$ 68,242,143	\$ 86,364,235	\$ 104,263,839
Restricted	20,852,195	17,086,463	17,237,091	6,870,598	12,900,528	\$ 10,242,658	\$ 7,182,657	7,413,570	4,313,770
Unrestricted	52,395,049	48,642,361	49,602,708	55,601,962	54,083,097	\$ 55,642,567	\$ 56,186,413	52,100,216	40,263,273
<b>Total business-type activities net position</b>	<b>\$ 108,272,586</b>	<b>\$ 111,893,011</b>	<b>\$ 115,941,728</b>	<b>\$ 117,124,192</b>	<b>\$ 122,402,380</b>	<b>\$ 124,070,797</b>	<b>\$ 131,611,213</b>	<b>\$ 145,878,021</b>	<b>\$ 148,840,882</b>
<b>Primary government:</b>									
Net Investment in capital assets	\$ 114,821,300	\$ 122,320,001	\$ 121,618,979	\$ 124,662,502	\$ 122,105,213	\$ 123,701,241	\$ 136,579,103	\$ 156,653,610	\$ 184,839,128
Restricted	26,672,160	31,343,928	31,917,131	21,385,080	27,926,423	\$ 23,868,159	\$ 18,927,666	16,622,623	13,705,573
Unrestricted	48,644,270	50,023,414	50,172,276	54,362,184	50,743,591	\$ 49,109,222	\$ 50,882,322	41,615,220	21,455,715
<b>Total primary government activities net position</b>	<b>\$ 190,137,730</b>	<b>\$ 203,687,343</b>	<b>\$ 203,708,386</b>	<b>\$ 200,409,766</b>	<b>\$ 200,775,227</b>	<b>\$ 196,678,622</b>	<b>\$ 206,389,091</b>	<b>\$ 214,891,453</b>	<b>\$ 220,000,416</b>

\*Amounts reported prior to 2023 have not been restated.

Source: City of Banning Finance Department

CITY OF BANNING

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Program Revenue:</b>										
<b>Governmental activities:</b>										
Charges for Services										
General Government	\$ 3,518,279	\$ 3,673,140	\$ 3,428,121	\$ 3,498,269	\$ 1,935,931	\$ 3,522,951	\$ 2,391,540	\$ 2,794,965	\$ 2,806,493	\$ 6,336,709
Public Safety	\$ 88,698	\$ 167,426	\$ 71,550	\$ 60,673	\$ 75,552	\$ 60,608	\$ 184,204	\$ 253,972	\$ 540,423	\$ 472,520
Community Development		\$ 581,449	\$ 826,327	\$ 692,337	\$ 836,137	\$ 1,074,183	\$ 3,417,110	\$ 3,800,759	\$ 3,751,762	\$ 3,352,881
Culture and Leisure	\$ 69,554	\$ 78,191	\$ 95,455	\$ 136,740	\$ 154,452	\$ 107,551	\$ 68,347	\$ 105,523	\$ 191,458	\$ 161,767
Public Works/Transportation	\$ 590,975	\$ 75,897	\$ 92,545	\$ 52,830	\$ 42,264	\$ 162,294	\$ 236,781	\$ 268,726	\$ 40,745	\$ 9,432
<b>Operating Contributions and Grants</b>	\$ 1,645,348	\$ 1,162,736	\$ 1,848,420	\$ 767,501	\$ 2,011,733	\$ 882,361	\$ 2,027,196	\$ 4,170,619	\$ 4,987,432	\$ 4,654,162
Capital Contributions and Grants	\$ 422,492	\$ 888,241	\$ 392,728	\$ 160,156	\$ 555,374	\$ 195,760	\$ 563,818	\$ 4,427,752	\$ 2,824,531	\$ 3,054,584
<b>Total governmental activities program revenues</b>	\$ 6,335,346	\$ 6,627,080	\$ 6,755,146	\$ 5,368,506	\$ 5,611,443	\$ 6,005,708	\$ 8,888,996	\$ 15,822,316	\$ 15,142,844	\$ 18,042,055
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Airport	\$ 172,656	\$ 147,965	\$ 136,789	\$ 162,731	\$ 232,734	\$ 199,253	\$ 169,821	\$ 226,477	\$ 227,757	\$ 187,875
Transit	\$ 163,257	\$ 153,211	\$ 138,753	\$ 130,112	\$ 117,872	\$ 111,068	\$ 91,376	\$ 23,005	\$ 62,297	\$ 52,344
Electric Utility	\$ 30,821,540	\$ 30,163,068	\$ 30,584,446	\$ 34,374,969	\$ 31,048,355	\$ 31,485,295	\$ 30,034,857	\$ 29,855,208	\$ 12,643,832	\$ 31,286,002
BUA Water	\$ 10,575,576	\$ 9,696,891	\$ 8,856,234	\$ 9,756,472	\$ 9,554,347	\$ 9,681,733	\$ 10,390,992	\$ 12,406,181	\$ 31,007,494	\$ 12,107,023
BUA Wastewater	\$ 3,423,514	\$ 3,462,692	\$ 3,482,411	\$ 3,568,129	\$ 3,339,942	\$ 3,672,200	\$ 3,818,607	\$ 3,728,441	\$ 4,273,847	\$ 5,029,168
Refuse	\$ 3,165,206	\$ 3,131,670	\$ 3,364,634	\$ 3,473,035	\$ 3,562,532	\$ 4,513,331	\$ 4,717,664	\$ 4,840,340	\$ 5,702,140	\$ 1,076,108
<b>Operating Contributions and Grants</b>	\$ 1,802,425	\$ 1,683,815	\$ 1,971,552	\$ 2,128,770	\$ 2,590,014	\$ 1,839,875	\$ 2,231,912	\$ 3,123,766	\$ 3,944,910	\$ 1,706,363
Capital Contributions and Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,557,041	\$ 4,926,599	\$ 8,736,795
<b>Total business-type activities program revenues</b>	\$ 50,124,174	\$ 48,439,312	\$ 48,534,819	\$ 53,594,218	\$ 50,445,796	\$ 51,502,755	\$ 51,455,229	\$ 58,760,459	\$ 62,788,876	\$ 60,181,678
<b>Total primary government program revenues</b>	\$ 56,459,520	\$ 55,066,392	\$ 55,289,965	\$ 58,962,724	\$ 56,057,239	\$ 57,508,463	\$ 60,344,225	\$ 74,582,775	\$ 77,931,720	\$ 78,223,733
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Charges for Services										
General Government	\$ 2,584,494	\$ 2,161,242	\$ 2,225,118	\$ 2,590,641	\$ 2,461,098	\$ 3,124,340	\$ 3,209,677	\$ 5,248,275	\$ 5,566,598	\$ 7,742,422
Public Safety	\$ 10,126,310	\$ 9,615,308	\$ 8,583,405	\$ 11,566,632	\$ 13,123,891	\$ 13,575,303	\$ 14,974,435	\$ 15,220,931	\$ 17,144,268	\$ 18,528,062
Community Development	\$ 89,000	\$ 1,333,832	\$ 1,598,792	\$ 1,495,415	\$ 1,621,737	\$ 2,012,561	\$ 3,573,064	\$ 4,470,992	\$ 4,876,304	\$ 8,789,153
Culture and Leisure	\$ 1,122,226	\$ 1,132,717	\$ 1,001,189	\$ 1,308,589	\$ 1,441,115	\$ 1,612,308	\$ 1,664,747	\$ 1,850,782	\$ 2,149,958	\$ 2,641,392
Public Works/Transportation	\$ 6,270,524	\$ 5,044,885	\$ 4,585,220	\$ 4,967,935	\$ 4,970,388	\$ 5,747,250	\$ 6,089,732	\$ 3,819,726	\$ 5,980,759	\$ 6,865,215
Interest on long-term debt	\$ 101,479	\$ 88,096	\$ 86,124	\$ 76,005	\$ 55,195	\$ 36,109	\$ 16,562	\$ 2,606	\$ -	\$ 66,519
<b>Total governmental activities program expenses</b>	\$ 20,294,033	\$ 19,376,080	\$ 18,079,848	\$ 22,005,217	\$ 23,673,424	\$ 26,107,871	\$ 29,528,217	\$ 30,613,312	\$ 35,717,887	\$ 44,632,763
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Airport	382,611	382,510	209,930	351,599	391,245	353,205	319,358	432,421	472,059	443,140
Transit	1,722,416	1,854,509	1,858,161	1,726,873	1,866,561	2,315,554	2,365,198	2,312,227	1,774,710	2,359,493
Electric Utility	28,819,584	28,253,812	29,505,627	33,351,692	32,726,577	31,020,023	30,813,647	31,627,402	9,233,135	9,956,699
BUA Water	7,569,525	7,786,308	7,308,819	7,658,337	8,139,411	8,316,156	8,700,459	8,143,196	33,253,167	36,026,046
BUA Wastewater	2,915,736	2,884,856	2,701,401	2,899,152	2,936,846	3,502,698	3,781,828	3,440,848	3,944,924	3,865,935
Refuse	3,074,393	3,088,208	3,082,003	3,341,491	3,526,288	4,483,427	4,815,164	4,863,174	1,216,002	509,645
<b>Total business-type activities program expenses</b>	\$ 44,484,265	\$ 44,250,203	\$ 44,665,941	\$ 49,329,144	\$ 49,586,928	\$ 49,991,063	\$ 50,795,654	\$ 50,819,268	\$ 49,893,997	\$ 53,160,958
<b>Total primary government program expenses</b>	\$ 64,778,298	\$ 63,626,283	\$ 62,745,789	\$ 71,334,361	\$ 73,260,352	\$ 76,098,934	\$ 80,323,871	\$ 81,432,580	\$ 85,611,884	\$ 97,793,721
<b>Net revenues (expenses)</b>										
Governmental activities:	\$ (13,958,687)	\$ (12,749,000)	\$ (11,324,702)	\$ (16,636,711)	\$ (18,061,981)	\$ (20,102,163)	\$ (20,639,221)	\$ (14,790,996)	\$ (20,575,043)	\$ (26,590,708)
Business-type activities:	\$ 5,639,909	\$ 4,189,109	\$ 3,868,878	\$ 4,265,074	\$ 858,868	\$ 1,511,692	\$ 659,575	\$ 7,941,191	\$ 12,894,879	\$ 7,020,720
<b>Total net revenues (expenses)</b>	\$ (8,318,778)	\$ (8,559,891)	\$ (7,455,824)	\$ (12,371,637)	\$ (17,203,113)	\$ (18,590,471)	\$ (19,979,646)	\$ (6,849,805)	\$ (7,680,164)	\$ (19,569,988)

**CITY OF BANNING**

Table 2 - Changes in Net Position

Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
<b>Taxes:</b>										
Property taxes, general purpose	\$ 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	\$ 6,939,283
Transit occupancy taxes	\$ 712,135	\$ 722,434	\$ 789,994	\$ 861,221	\$ 854,928	\$ 895,887	\$ 804,389	\$ 1,119,765	\$ 1,290,574	\$ 1,179,126
Sales taxes	\$ 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	\$ 5,790,112
Franchise taxes	\$ 861,155	\$ 871,284	\$ 860,923	\$ 839,395	\$ 871,107	\$ 895,534	\$ 919,373	\$ 922,932	\$ 535,461	\$ 543,207
Other taxes	\$ 261,305	\$ 684,734	\$ 734,954	\$ 373,310	\$ 542,857	\$ 1,197,131	\$ 1,163,462	\$ 574,645	\$ 667,052	\$ 882,997
<b>Motor vehicle in lieu - unrestricted</b>	\$ 12,427	\$ 12,303	\$ 13,813	\$ 16,354	\$ 15,016	\$ 24,570	\$ 22,828	\$ 37,237	\$ -	\$ -
<b>Uses of money and property (investment income)</b>	\$ 582,558	\$ 519,940	\$ 628,752	\$ 646,221	\$ 737,464	\$ 1,128,236	\$ 967,914	\$ 37,985	\$ (159,039)	\$ 317,399
<b>Other/miscellaneous</b>	\$ 469,656	\$ 774,987	\$ 397,009	\$ 534,441	\$ 506,692	\$ 554,860	\$ 436,266	\$ 3,266,109	\$ 10,017	\$ 1,125,051
<b>Gain on sale of capital asset</b>	\$ 1,039	\$ 8,801,033			\$ 3,133	\$ 3,600	\$ 25,392	\$ 2,468	\$ -	\$ -
<b>Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)</b>									\$ -	\$ -
<b>Transfers</b>	\$ 724,000	\$ 720,432	\$ 652,157	\$ 724,000	\$ 724,000	\$ 638,759	\$ 699,653	\$ 177,439	\$ (74,274)	\$ 1,168,771
<b>Total governmental activities</b>	<b>\$ 11,183,677</b>	<b>\$ 12,233,714</b>	<b>\$ 20,990,205</b>	<b>\$ 12,609,037</b>	<b>\$ 13,580,897</b>	<b>\$ 15,189,436</b>	<b>\$ 14,874,199</b>	<b>\$ 16,961,049</b>	<b>\$ 15,833,053</b>	<b>\$ 17,945,946</b>
<b>Business-type activities:</b>										
<b>Property taxes, general purpose</b>										
<b>Uses of money and property (investment income)</b>	\$ 272,796	\$ 164,885	\$ 218,902	\$ 252,397	\$ 642,496	\$ 1,593,722	\$ 1,009,209	\$ 19,460	\$ (450,248)	\$ 796,142
<b>Other/miscellaneous</b>	\$ 288,557	\$ 178,290	\$ 184,802	\$ 252,581	\$ 405,100	\$ 272,773	\$ 692,150	\$ 3	\$ -	\$ 130,375
<b>Gain on sale of capital asset</b>	\$ 461	\$ 2,665	\$ 835	\$ 7,136	\$ 108,777	\$ 33,968	\$ -	\$ -	\$ -	\$ -
<b>Transfers</b>	\$ (724,000)	\$ (720,432)	\$ (652,157)	\$ (724,000)	\$ (724,000)	\$ (638,759)	\$ (699,653)	\$ (177,439)	\$ 74,274	\$ (1,168,771)
<b>Total business-like activities</b>	<b>\$ (162,186)</b>	<b>\$ (377,257)</b>	<b>\$ (248,453)</b>	<b>\$ (216,357)</b>	<b>\$ 323,596</b>	<b>\$ 1,228,571</b>	<b>\$ 1,008,842</b>	<b>\$ (49,199)</b>	<b>\$ (342,006)</b>	<b>\$ (242,254)</b>
<b>Total general revenues</b>	<b>\$ 11,021,491</b>	<b>\$ 11,856,457</b>	<b>\$ 20,741,752</b>	<b>\$ 12,392,680</b>	<b>\$ 13,904,493</b>	<b>\$ 16,418,007</b>	<b>\$ 15,883,041</b>	<b>\$ 16,911,850</b>	<b>\$ 15,491,047</b>	<b>\$ 17,703,692</b>
<b>Changes in net position</b>										
<b>Governmental activities:</b>										
<b>Business-type activities:</b>	\$ (2,775,010)	\$ (515,286)	\$ 9,665,503	\$ (4,027,674)	\$ (4,481,084)	\$ (4,912,727)	\$ (5,765,022)	\$ 2,170,053	\$ (4,741,990)	\$ (8,644,762)
<b>Total primary government</b>	<b>\$ 5,477,723</b>	<b>\$ 3,811,852</b>	<b>\$ 3,620,425</b>	<b>\$ 4,048,717</b>	<b>\$ 1,182,464</b>	<b>\$ 2,740,263</b>	<b>\$ 1,668,417</b>	<b>\$ 7,891,992</b>	<b>\$ 12,552,873</b>	<b>\$ 6,778,466</b>
	<b>\$ 2,702,713</b>	<b>\$ 3,296,566</b>	<b>\$ 13,285,928</b>	<b>\$ 21,043</b>	<b>\$ (3,298,620)</b>	<b>\$ (2,172,464)</b>	<b>\$ (4,096,605)</b>	<b>\$ 10,062,045</b>	<b>\$ 7,810,883</b>	<b>\$ (1,866,296)</b>

\*Amounts reported prior to 2023 have not been restated.

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund:</b>										
Non-Spendable	\$ 27,950	\$ 5,100	\$ 43,923	\$ 63,225	\$ 61,372	\$ 54,552	\$ 28,434	\$ 26,315	\$ 29,431	\$ 202,675
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	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	1,500,000
Assigned	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	1,500,000
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	753,377
<b>Total general fund</b>	<b>\$ 6,601,549</b>	<b>\$ 9,801,596</b>	<b>\$ 12,243,467</b>	<b>\$ 13,318,352</b>	<b>\$ 12,239,567</b>	<b>\$ 13,107,599</b>	<b>\$ 11,783,872</b>	<b>\$ 9,959,949</b>	<b>\$ 9,820,214</b>	<b>\$ 3,956,052</b>
<b>All Other Governmental Funds</b>										
Non-Spendable										
Restricted										
Reported in:										
Special revenue funds	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	1,793,368
Capital project funds	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	6,661,020
Debt Service funds										
Committed										
Assigned	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	5,088,061
Unassigned	(2,485,462)	(2,061,740)	(1,547,898)	(1,113,773)	(633,728)	(699,152)	(1,144,021)	(286,646)	(132,769)	(195,094)
<b>Total all other governmental funds</b>	<b>\$ 6,454,795</b>	<b>\$ 6,378,687</b>	<b>\$ 15,334,419</b>	<b>\$ 16,228,629</b>	<b>\$ 16,555,055</b>	<b>\$ 16,891,821</b>	<b>\$ 15,023,865</b>	<b>\$ 16,458,782</b>	<b>\$ 13,096,077</b>	<b>\$ 13,347,355</b>
<b>Total primary government program revenues</b>	<b>\$ 13,056,344</b>	<b>\$ 16,180,283</b>	<b>\$ 27,577,886</b>	<b>\$ 29,546,981</b>	<b>\$ 28,794,622</b>	<b>\$ 29,999,420</b>	<b>\$ 26,807,737</b>	<b>\$ 26,418,731</b>	<b>\$ 22,916,291</b>	<b>\$ 17,303,407</b>

\*Amounts reported prior to 2023 have not been restated.

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

Source: City of Banning Finance Department

CITY OF BANNING

Table 4 - Changes in Fund Balance of Governmental Funds

Last Ten Fiscal Years (modified accrual basis)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 9,406,564	\$ 10,138,020	\$ 10,792,461	\$ 10,739,122	\$ 11,596,387	\$ 12,849,432	\$ 12,742,196	\$ 13,149,520	\$ 15,587,711	\$ 15,334,725
Licenses and Permits	219,998	542,773	779,554	605,809	799,517	925,340	3,362,718	2,975,991	3,096,461	1,868,894
Intergovernmental	1,935,257	2,388,989	2,040,858	2,582,458	2,310,871	1,429,852	2,576,501	4,535,311	5,627,326	4,190,331
Charges for services	3,580,518	3,555,706	3,317,149	3,396,761	1,842,536	3,519,930	2,422,355	309,482	4,986,735	4,743,090
Use of money and property	540,560	519,940	553,390	640,812	730,369	1,006,328	824,149	267,820	(106,461)	289,456
Fines and forfeitures	291,125	303,308	267,410	252,114	248,336	233,389	169,833	180,425	114,948	187,665
Contributions	27,671	15,873	13,724	13,502	26,157	15,448	17,137	12,350	10,042	-
Contributions from Successor Agency		123,840	250,000	103,932	250,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	538,711	786,454	457,486	567,775	547,331	710,285	669,559	6,812,371	2,157,866	1,124,165
<b>Total Revenues</b>	<b>\$ 16,540,404</b>	<b>\$ 18,374,903</b>	<b>\$ 18,472,032</b>	<b>\$ 18,902,285</b>	<b>\$ 18,351,504</b>	<b>\$ 20,940,004</b>	<b>\$ 23,034,448</b>	<b>\$ 28,493,270</b>	<b>\$ 31,724,628</b>	<b>\$ 27,988,326</b>
<b>Expenditures</b>										
General government	\$ 2,359,703	\$ 2,515,876	\$ 2,227,796	\$ 2,317,140	\$ 2,346,949	\$ 2,664,332	\$ 2,972,421	\$ 4,484,323	\$ 4,675,193	\$ 6,021,451
Public safety	9,322,284	8,973,171	9,529,941	10,063,201	10,944,961	11,153,944	13,075,950	13,563,927	15,284,905	15,989,435
Community Development		1,320,264	1,547,336	1,447,973	1,595,580	1,931,189	3,247,945	4,187,335	4,471,179	5,423,682
Culture and leisure	729,874	727,793	764,076	1,049,253	1,106,051	1,192,937	1,263,614	1,374,080	1,596,510	1,919,057
Public Works/Transportation	2,373,978	1,015,760	1,059,235	918,170	1,379,680	1,285,522	2,008,296	1,879,755	1,756,479	1,857,734
Capital outlay	818,606	1,660,791	963,545	1,203,917	1,936,697	1,628,584	3,867,445	3,353,979	4,677,919	3,911,660
Debt services:										
Principal retirement	333,112	345,721	358,806	579,198	460,329	478,835	416,296	212,276	-	179,036
Interest and fiscal charges	103,141	90,261	76,884	78,338	57,616	38,622	19,170	3,936	-	38,140
<b>Total Expenditures</b>	<b>\$ 16,040,698</b>	<b>\$ 16,649,637</b>	<b>\$ 16,527,619</b>	<b>\$ 17,657,190</b>	<b>\$ 19,827,863</b>	<b>\$ 20,373,965</b>	<b>\$ 26,871,137</b>	<b>\$ 29,059,611</b>	<b>\$ 32,462,185</b>	<b>\$ 35,340,195</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 499,706</b>	<b>\$ 1,725,266</b>	<b>\$ 1,944,413</b>	<b>\$ 1,245,095</b>	<b>\$ (1,476,359)</b>	<b>\$ 566,039</b>	<b>\$ (3,836,689)</b>	<b>\$ (566,341)</b>	<b>\$ (737,557)</b>	<b>\$ (7,351,869)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 972,122	\$ 2,001,503	\$ 913,544	\$ 888,325	\$ 1,418,278	\$ 1,051,128	\$ 1,080,404	\$ 2,466,100	\$ 3,481,115	\$ 2,147,102
Transfers Out	(248,122)	(602,830)	(261,387)	(164,325)	(694,278)	(412,369)	(435,398)	(2,288,765)	(3,723,757)	(978,333)
Refunding debt issued										
Refunding debt issuance costs										
Subscriptions										106,550
Leases										1,123,513
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 724,000</b>	<b>\$ 1,398,673</b>	<b>\$ 652,157</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 638,759</b>	<b>\$ 645,006</b>	<b>\$ 177,335</b>	<b>\$ (242,642)</b>	<b>\$ 2,398,832</b>
Extraordinary gain/(loss)/Special Items	2			\$ 8,801,033	5					
<b>Net Change in Fund Balance</b>	<b>\$ 1,223,706</b>	<b>\$ 3,123,939</b>	<b>\$ 11,397,603</b>	<b>\$ 1,969,095</b>	<b>\$ (752,359)</b>	<b>\$ 1,204,798</b>	<b>\$ (3,191,683)</b>	<b>\$ (389,006)</b>	<b>\$ (980,199)</b>	<b>\$ (4,953,037)</b>
Fund Balance, Beginning of Year, as previously reported	\$ 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
Restatements	<sup>3</sup> \$ (16,288) <sup>4</sup>									\$ (659,847)
Fund Balance, Beginning of Year, as restated	\$ 11,832,638	\$ 13,056,344	\$ 16,180,283	\$ 27,577,886	\$ 29,546,981	\$ 28,794,622	\$ 29,999,420	\$ 26,807,737	\$ 26,418,731	\$ 22,256,444
<b>Fund Balance, End of Year</b>	<b>\$ 13,056,344</b>	<b>\$ 16,180,283</b>	<b>\$ 27,577,886</b>	<b>\$ 29,546,981</b>	<b>\$ 28,794,622</b>	<b>\$ 29,999,420</b>	<b>\$ 26,807,737</b>	<b>\$ 26,418,731</b>	<b>\$ 25,438,532</b>	<b>\$ 17,303,407</b>

\*Amounts reported prior to 2023 have not been restated.

Source: City of Banning Finance Department

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

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

**CITY OF BANNING**

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

Last Ten Fiscal Years

Electric Fund	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Number of Customers</b>										
Residential	10,768	10,843	10,974	10,954	10,989	10,847	11,122	11,311	11,670	11,963
Commercial	1,000	1,003	1,012	1,022	1,027	1,044	1,091	1,091	1,107	1,125
Industrial	5	6	6	6	6	6	6	6	6	65
Other	121	123	120	120	118	119	120	120	120	123
<b>Total Number of Customers</b>	<b>11,894</b>	<b>11,975</b>	<b>12,112</b>	<b>12,102</b>	<b>12,140</b>	<b>12,016</b>	<b>12,339</b>	<b>12,528</b>	<b>12,903</b>	<b>13,276</b>
<b>Mega-Watt Hour Sales<sup>(1)</sup></b>										
Residential	66,352	67,692	66,768	72,585	70,204	69,128	69,908	76,089	76,899	81,813
Commercial	49,415	50,269	48,334	48,720	48,170	45,944	45,117	42,179	48,070	35,678
Industrial	13,379	11,638	10,527	10,939	10,722	11,375	12,296	11,213	10,967	29,488
Other	9,780	15,396	14,321	11,485	11,810	11,592	10,529	10,321	12,306	4,422
<b>Total Mega-Watt Hour Sales</b>	<b>138,926</b>	<b>144,995</b>	<b>139,950</b>	<b>143,729</b>	<b>140,906</b>	<b>138,039</b>	<b>137,850</b>	<b>139,802</b>	<b>148,242</b>	<b>151,401</b>
<b>Revenues from Sales<sup>(1)</sup></b>										
Residential	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	15,374,209
Commercial	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	6,612,678
Industrial	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	5,087,121
Other	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	647,385
<b>Total Revenue from Sales</b>	<b>\$ 27,203,266</b>	<b>\$ 27,805,322</b>	<b>\$ 27,316,258</b>	<b>\$ 28,678,934</b>	<b>\$ 27,170,238</b>	<b>\$ 26,715,495</b>	<b>\$ 25,723,462</b>	<b>\$ 26,015,596</b>	<b>\$ 27,090,650</b>	<b>\$ 27,721,393</b>
<b>Peak Demand (MW)</b>	<b>40.5</b>	<b>42.4</b>	<b>44.5</b>	<b>46.3</b>	<b>49.1</b>	<b>49.0</b>	<b>44.1</b>	<b>51.2</b>	<b>49.6</b>	<b>52.7</b>

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

Source: City of Banning Finance Department &amp; Electric Utility

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

<b>Electric Fund</b>	<b>Fiscal Year</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Average rate in Dollars per Kilowatt Hour</b>										
Residential	0.1982	0.1960	0.1988	0.2027	0.1962	0.1983	0.1983	0.1839	0.1787	0.1879
Commercial	0.2150	0.2111	0.2146	0.2187	0.2130	0.2117	0.2117	0.2115	0.2088	0.1853
Industrial	0.1593	0.1584	0.1631	0.1570	0.1438	0.1559	0.1559	0.1517	0.1476	0.1725
Other	0.1326	0.1301	0.1363	0.1386	0.1346	0.1299	0.1299	0.1359	0.1374	0.1464

Source: City of Banning Electric Utility

**CITY OF BANNING**

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

Electric Fund		Fiscal Year 2023			Rank	Fiscal Year 2014			Rank
Customer	Customer type	% of Retail Sales	Sales	Consumption (kWh)		% of Retail Sales	Sales	Consumption (kWh)	
City of Banning	Government	5.52%	1,689,006	9,735,835	1	6.99%	1,684,987	10,598,645	1
Smith Correctional Facilities	Government	2.65%	809,619	5,235,692	2	4.51%	1,086,902	6,463,048	2
San Gorgonio Hospital	Hospital	2.66%	812,547	4,714,745	3	2.13%	513,809	4,599,487	4
Banning Unified School District	Government	2.35%	718,905	3,640,887	4	3.25%	784,780	4,126,842	3
Robertson's Ready Mix	Commercial	1.59%	487,093	2,157,071	5	1.52%	366,065	1,934,370	6
Sun Lakes Country Club HOA	Commercial	1.44%	440,985	2,146,211	6	2.11%	507,774	2,297,311	5
Albertsons	Commercial	0.76%	231,038	1,667,623	7	1.30%	314,022	1,791,360	7
Sunrise Mobile Home Park	Residential	0.63%	191,559	966,080	8	0.64%	155,060	920,000	10
Twin View Mobile Home Park	Residential	0.43%	130,989	613,600	9	0.70%	169,800	974,878	8
Frontier California	Commercial	0.39%	120,040	849,244	10	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Number of Customers</b>										
Residential	9,727	9,730	9,793	9,739	9,867	9,732	9,796	9,987	10,395	10,736
Commercial	715	711	716	710	730	725	660	823	705	650
Industrial	10	10	10	10	9	10	90	118	12	30
Public	47	47	46	47	44	41	34	36	37	38
Irrigation	9	9	10	10	8	10	9	8	22	126
<b>Total Number of Customers</b>	<b>10,508</b>	<b>10,507</b>	<b>10,575</b>	<b>10,516</b>	<b>10,658</b>	<b>10,518</b>	<b>10,589</b>	<b>10,972</b>	<b>11,171</b>	<b>11,580</b>
<b>Consumption Sales</b>										
Residential	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	1,675,154
Commercial	936,423	894,408	689,879	792,531	790,882	841,727	847,685	984,318	978,167	636,134
Industrial	48,233	43,681	39,596	43,328	44,476	42,592	41,222	113,290	153,106	85,965
Public	44,664	30,760	22,152	26,695	27,727	20,158	11,349	9,647	11,860	25,453
Irrigation	443,188	399,781	285,798	407,890	372,531	300,097	390,106	357,127	424,309	459,865
<b>Total Consumption Sales</b>	<b>\$ 3,425,512</b>	<b>\$ 3,107,933</b>	<b>\$ 2,402,961</b>	<b>\$ 2,872,222</b>	<b>\$ 2,943,320</b>	<b>\$ 2,720,855</b>	<b>\$ 2,929,381</b>	<b>\$ 3,310,275</b>	<b>\$ 3,401,878</b>	<b>\$ 2,882,571</b>
<b>Revenues from Sales<sup>(1)</sup></b>										
Residential	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	7,524,923
Commercial	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	2,535,278
Industrial	96,816	90,751	83,109	90,057	92,809	91,131	91,298	193,813	377,691	0
Public	25,905	17,841	12,848	15,483	16,082	11,959	7,019	6,072	7,688	16,565
Irrigation	1,054,230	976,946	718,469	998,708	915,149	735,148	1,011,087	935,774	1,172,316	1,499,478
<b>Total Revenue from Sales</b>	<b>\$ 10,236,157</b>	<b>\$ 9,942,734</b>	<b>\$ 8,269,801</b>	<b>\$ 9,370,281</b>	<b>\$ 9,572,460</b>	<b>\$ 9,258,098</b>	<b>\$ 10,159,791</b>	<b>\$ 11,282,419</b>	<b>\$ 12,297,872</b>	<b>\$ 11,576,244</b>

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

Source: City of Banning Finance Department & Water Department

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

Water Fund Rates	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Monthly Water Charges</b>										
Meter size										
5/8 inch	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88	\$ 23.57	\$ 25.74
3/4 inch	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 20.94	\$ 21.57	\$ 22.22	\$ 22.88	\$ 23.57	\$ 25.74
1 inch	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 31.75	\$ 32.70	\$ 33.68	\$ 34.69	\$ 35.73	\$ 38.36
1 1/2 inch	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 58.74	\$ 60.50	\$ 62.32	\$ 64.19	\$ 66.11	\$ 69.90
2 inch	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 91.14	\$ 93.87	\$ 96.69	\$ 99.59	\$ 102.58	\$ 107.75
3 inch	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 166.77	\$ 171.77	\$ 176.93	\$ 182.23	\$ 187.70	\$ 208.68
4 inch	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 274.83	\$ 283.07	\$ 291.57	\$ 300.31	\$ 309.32	\$ 322.23
6 inch	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 544.79	\$ 561.13	\$ 577.97	\$ 595.31	\$ 613.17	\$ 637.64
8 inch	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 868.83	\$ 894.89	\$ 921.74	\$ 949.39	\$ 977.88	\$ 1,016.14
<b>Commodity Charge (per HCF)</b>										
Tier 1	0-12	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.90	\$ 1.95	\$ 2.01	\$ 2.07	\$ 2.42
Tier 2	13-25	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.41	\$ 2.48	\$ 2.56	\$ 2.63	\$ 2.62
Tier 3	26+	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.72	\$ 2.80	\$ 2.88	\$ 2.97	\$ 3.15
Municipal (City/Parks)	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65	\$ 0.65

Source: City of Banning Water Utility

**CITY OF BANNING**

Table 10 - Ten Largest Water Customers

Current Year and Ten Years Ago

Water Fund	Customer	Customer type	Fiscal Year 2023				Fiscal Year 2014			
			% of Retail Sales	Sales	Consumption A/F	Rank	% of Retail Sales	Sales	Consumption A/F	Rank
	Sun Lakes Country Club HOA	Commercial	10.91%	1,291,457	966.01	1	10.88%	981,844	918.6	1
	Banning Unified School District	Government	3.84%	454,179	281.61	2	2.59%	234,202	246.7	2
	Smith Correction Facility	Government	2.35%	278,493	166.66	3	2.50%	225,279	209.9	3
	Banning Heights Mutual Water District	Utility	1.82%	214,920	191.67	4	1.00%	90,027	111.5	5
	City of Banning	Government	1.31%	155,077	118.95	5	0.58%	52,308	207.0	7
	Robertson's Ready Mix	Commercial	0.93%	109,719	192.26	6	1.09%	98,539	78.4	4
	High Valley Water	Utility	0.80%	94,608	70.54	7	0.61%	55,218	49.8	6
	Mountain Springs Mfg Home Comm	Residential	0.46%	54,850	39.46	8	0.48%	43,721	43.3	9
	Peppertree Apartments	Residential	0.43%	50,805	36.37	9	0.50%	44,839	39.7	8
	San Gorgonio Hospital	Hospital	0.41%	48,509	22.97	10	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Number of Customers</b>										
Residential/Commercial	10,695	10,678	10,756	10,698	10,702	10,701	10,815	11,151	11,679	11,720
<b>Total Number of Customers</b>	<b>10,695</b>	<b>10,678</b>	<b>10,756</b>	<b>10,698</b>	<b>10,702</b>	<b>10,701</b>	<b>10,815</b>	<b>11,151</b>	<b>11,679</b>	<b>11,720</b>
<b>Revenues from Sales<sup>(1)</sup></b>										
Residential/Commercial	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	4,444,619
<b>Total Revenue from Sales</b>	<b>\$ 3,086,099</b>	<b>\$ 3,124,358</b>	<b>\$ 3,142,411</b>	<b>\$ 3,230,542</b>	<b>\$ 3,339,942</b>	<b>\$ 3,323,385</b>	<b>\$ 3,480,853</b>	<b>\$ 3,770,460</b>	<b>\$ 3,685,173</b>	<b>\$ 4,444,619</b>

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

Source: City of Banning Finance Department &amp; Water Department

**CITY OF BANNING**

## Table 12 - Wastewater Rates

## Last Ten Fiscal Years

Wastewater Fund Rates	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential/Commercial	18.48	18.48	18.48	18.48	18.48	19.03	19.61	20.19	20.80	30.20
Tertiary Surcharge	2.00	2.00	2.00	2.00	2.00	2.06	2.12	2.19	2.25	2.32
Total Charge	20.48	20.48	20.48	20.48	20.48	21.09	21.73	22.38	23.05	32.52

Source: City of Banning Water Utility

**CITY OF BANNING**

Table 13 - Ten Largest Wastewater Customers

Current Year and Ten Years Ago

Water Fund	Customer	Customer type	Fiscal Year 2023			Fiscal Year 2014		
			% 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									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Residential	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	2,316,482,807
Commercial	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	305,026,306
Industrial	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	112,831,454
Agricultural							1,269,688	27,094,871	11,670,860	13,249,219
Government Owned	41,769	-	-	19,600	19,992	20,391	20,800	21,216	21,435	21,864
Institutional	914,450	911,496	1,304,236	897,253	1,207,192	3,446,035	2,298,468	1,843,481	2,402,733	2,016,386
Miscellaneous	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	7,167,744
Recreational	462,799	464,897	474,181	481,408	491,035	500,854	510,868	521,084	526,481	537,009
Vacant	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	157,620,570
SBE Nonunitary	71,000	71,000	71,000	71,000	71,000	56,250	56,250	56,250	56,250	-
Cross Reference	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	21,105,184
Unsecured	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	58,811,020
Exempt	(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	337,115
<b>Totals</b>	<b>1,709,771,183</b>	<b>1,716,816,750</b>	<b>1,921,056,525</b>	<b>1,999,446,686</b>	<b>2,124,037,009</b>	<b>2,237,713,052</b>	<b>2,341,595,032</b>	<b>2,440,928,652</b>	<b>2,566,477,055</b>	<b>2,995,206,678</b>
Total Direct Rate	0.14885	0.14821	0.14800	0.14786	0.14756	0.14747	0.14715	0.14723	0.14723	0.1465

**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 2013/14 - 2022/23 Combined Tax Rolls

Provided by HDL Coren &amp; 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									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Basic Levy<sup>1</sup></b>	<b>1.00000</b>									
Banning Unified School District	0.11284	0.10956	0.10826	0.10573	0.14473	0.14278	0.14526	0.14526	0.14588	0.14609
Beaumont Unified School District	0.09000	0.08169	0.07106	0.07193	0.07677	0.07432	0.07438	0.07431	0.07777	0.07777
Mt. San Jacinto Jr College	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
San Gogonio Pass Memorial Hospital Dist	0.11896	0.11296	0.08143	0.08357	0.09052	0.08692	0.06990	0.06716	0.06281	0.06242
San Gorgonio Pass Wager Agency	0.18500	0.18500	0.18500	0.18500	0.18250	0.18250	0.17750	0.17500	0.17500	0.17500
<b>Total Direct &amp; Overlapping Tax<sup>2</sup> Rates</b>	<b>1.50680</b>	<b>1.48921</b>	<b>1.45969</b>	<b>1.45943</b>	<b>1.50772</b>	<b>1.49972</b>	<b>1.48024</b>	<b>1.47493</b>	<b>1.47466</b>	<b>1.47448</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228	0.12228
<b>Voter Approved City Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>										
<b>Total Direct Rate<sup>5</sup></b>	<b>0.14885</b>	<b>0.14821</b>	<b>0.14800</b>	<b>0.14786</b>	<b>0.14756</b>	<b>0.14747</b>	<b>0.14715</b>	<b>0.14723</b>	<b>0.14723</b>	<b>0.1465</b>

#### Notes:

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

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

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

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

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

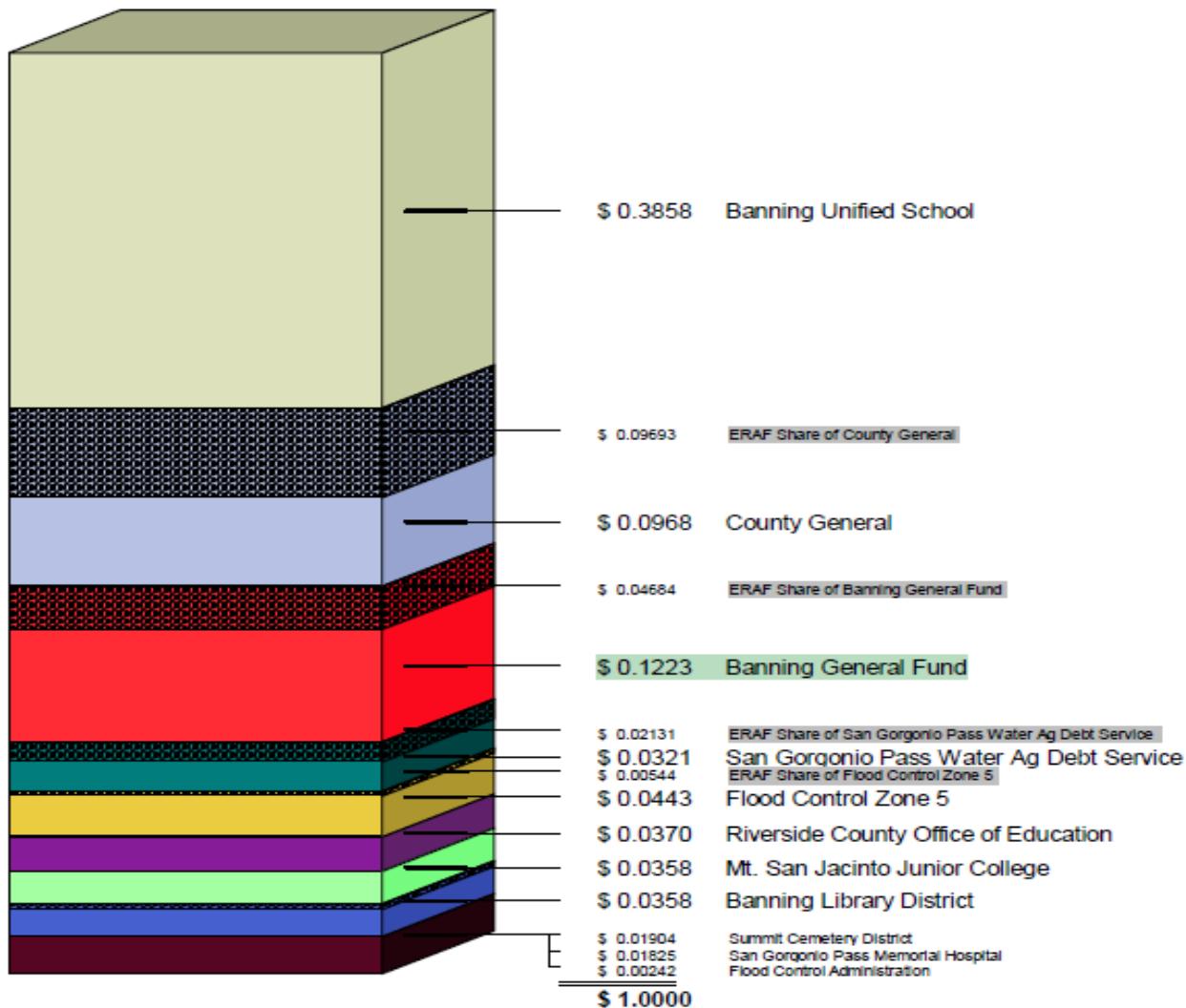
**Data Source:** Riverside County Assessor 2013/14 - 2022/23 Tax Rate Table

Provided by HDL Coren & Cone

## CITY OF BANNING

Table 16 - Property Tax Rates  
Property Tax Dollar Breakdown

# THE CITY OF BANNING PROPERTY TAX DOLLAR BREAKDOWN



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

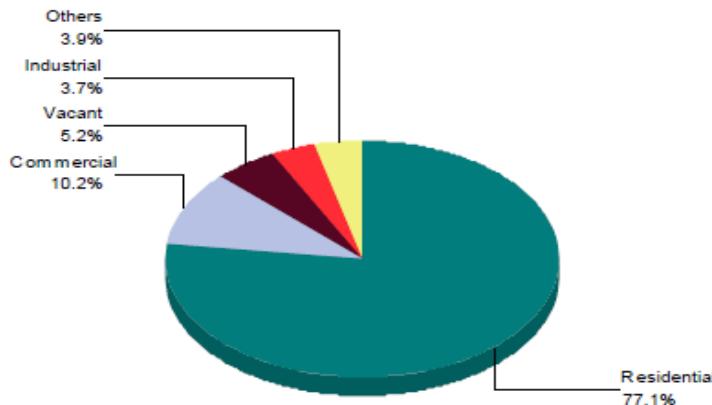
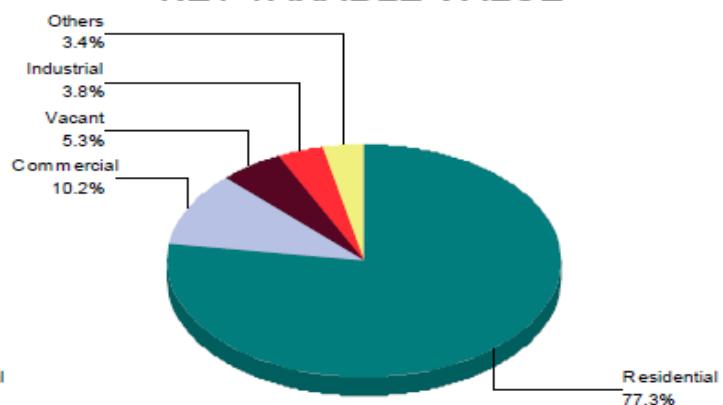
Data Source: Riverside County Assessor 2022/23 Annual Tax Increment Tables

Provided by HDL Coren & Cone

**CITY OF BANNING**

Table 17 - Use Category Summary &amp; Roll Summary Fiscal Year 2022-23

Use Category Summary	Basic Property Value Table					
	Category	Parcels	Assessed Value	%	Net Taxable Value	%
Residential	10,745	\$ 2,357,018,203	77.1%	\$ 2,316,482,807	77.3%	
Commercial	310	\$ 312,119,081	10.2%	\$ 305,026,306	10.2%	
Industrial	58	\$ 112,831,454	3.7%	\$ 112,831,454	3.8%	
Agricultural	81	\$ 13,249,219	0.4%	\$ 13,249,219	0.4%	
Government Owned	1	\$ 583,628	0.0%	\$ 21,864	0.0%	
Institutional	47	\$ 16,846,375	0.6%	\$ 2,016,386	0.1%	
Miscellaneous	19	\$ 7,167,744	0.2%	\$ 7,167,744	0.2%	
Recreational	2	\$ 537,009	0.0%	\$ 537,009	0.0%	
Vacant	1,417	\$ 157,944,226	5.2%	\$ 157,620,570	5.3%	
SBE Nonunitary	-	\$ -	0.0%	\$ -	0.0%	
Cross Reference	(526)	\$ 21,263,163	0.7%	\$ 21,108,184	0.7%	
Unsecured	(429)	\$ 59,015,284	1.9%	\$ 58,811,020	2.0%	
Exempt	612	\$ -	0.0%	\$ -	0.0%	
Unknown	3	\$ 337,115	0.0%	\$ 337,115	0.0%	
<b>Totals</b>	<b>13,295</b>	<b>\$ 3,058,912,501</b>		<b>\$ 2,995,209,678</b>		

**ASSESSED VALUE**

**NET TAXABLE VALUE**


Data Source: Riverside County Assessor 2022/23 Combined Tax Rolls

Provided by HDL Coren &amp; Cone

**CITY OF BANNING**

Table 17 - Use Category Summary &amp; Roll Summary Fiscal Year 2022-23

Roll Summary	Taxable Property Values		
	Secured	Nonunitary Utilities	Unsecured
Parcels	12,683	-	429
TRAs	17	-	12
<b>VALUES</b>			
Land	813,604,782	-	19,233
Improvements	2,178,580,782	-	259,278
Personal Property	4,019,315	-	27,844,213
Fixtures	3,692,338	-	28,680,400
Aircraft	-	-	2,212,160
<b>Total Value</b>	<b>\$ 2,999,897,217</b>	<b>\$ -</b>	<b>\$ 56,803,124</b>
<b>EXEMPTIONS</b>			
Real Estate	63,315,090	-	-
Personal Property	146,932	-	26,464
Fixtures	36,537	-	-
Aircraft	-	-	177,800
Homeowners*	34,422,362	-	-
<b>Total Exemptions*</b>	<b>\$ 63,498,559</b>	<b>\$ -</b>	<b>\$ 26,464</b>
<b>Total Net Value</b>	<b>\$ 2,936,398,658</b>	<b>\$ -</b>	<b>\$ 56,776,660</b>

Combined Values	Total
Total Values	\$ 3,056,700,341
Total Exemptions	\$ 63,525,023
Net Total Values	\$ 2,993,175,318
Net Aircraft Values	\$ 2,034,360

**Notes:** \*Homeowner Exemptions are not included in Total Exemptions

Totals do not include Aircraft Values or Exemptions

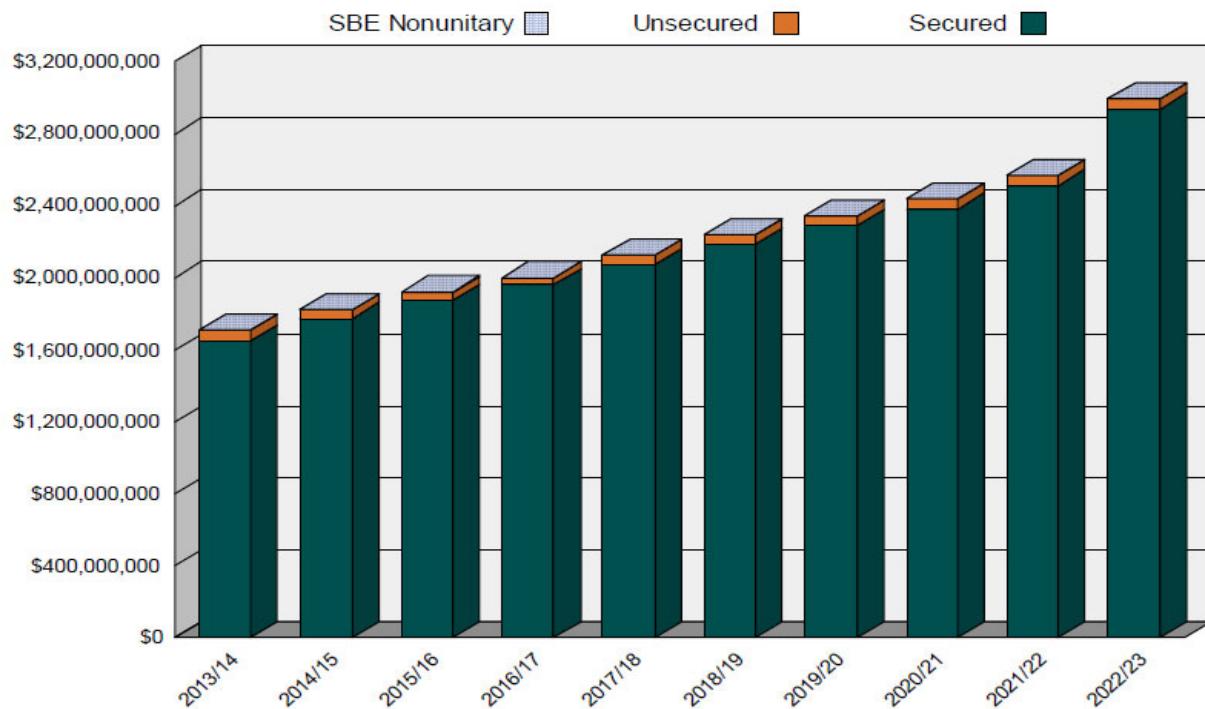
**Data Source:** Riverside County Assessor 2022/23 Combined Tax Rolls

Provided by HDL Coren & Cone

**CITY OF BANNING**

 Table 18 - Net Taxable Assessed Value History  
 Last Ten Years

Lien Year	Taxable Property Values				Net Total AV	% Change
	Secured	Unsecured	SBE Nonunitary			
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%
2022/23	\$ 2,936,398,658	\$ 58,811,020	\$ -		\$ 2,995,209,678	16.71%
					Average % Change	8.34%



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

Data Source: Riverside County Assessor 2022/23 Combined Tax Rolls

Provided by HDL Coren & Cone

**CITY OF BANNING**

Table 19 - Principal Property Taxpayers

Current Year and Ten Years Ago

Fiscal Year 2022/2023		Secured			Unsecured			Combined			Primary Use & Primary Agency
Rank	Owner	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV		
1	LPC Banning LP	2	\$ 46,061,851	1.57%				\$ 46,061,851	1.54%	Industrial	Successor Agency
2	FR Hathaway LLC	6	\$ 26,565,000	0.90%				\$ 26,565,000	0.89%	Vacant	Succesor Agency
3	MLD Banning Investment	2	\$ 22,431,093	0.76%				\$ 22,431,093	0.75%	Commercial	Banning General Fund
4	Pardee Homes	171	\$ 20,037,066	0.68%	5	\$ 1,390,995	2.37%	\$ 21,428,061	0.72%	Vacant	Banning General Fund
5	Marinita Sage Rancho (Pending Appeals on Parcels)	1	\$ 14,369,303	0.49%				\$ 14,369,303	0.48%	Commercial	Banning General Fund
6	Sun Sunrise Estates LLC	1	\$ 14,351,112	0.49%				\$ 14,351,112	0.48%	Residential	Banning General Fund
7	Sun Lakes Investment LLC	4	\$ 12,030,979	0.41%				\$ 12,030,979	0.40%	Commercial	Banning General Fund
8	Sun Lakes Highland LLC	1	\$ 10,608,000	0.36%				\$ 10,608,000	0.35%	Vacant	Banning General Fund
9	Thrifty Payless Inc	2	\$ 10,292,245	0.35%	1	\$ 159,740	0.27%	\$ 10,451,985	0.35%	Commercial	Successor Agency
10	6109 W Ramsey LLC	1	\$ 9,625,282	0.33%				\$ 9,625,282	0.32%	Commercial	Successor Agency
<b>Top Ten Total</b>		191	\$ 186,371,931	6.34%	6	\$ 1,550,735	2.64%	\$ 187,922,666	6.28%		
<b>City Total</b>			\$ 2,936,398,658			\$ 58,811,020		\$ 2,995,209,678			

Top Owners using sales through 6/30/2023

Data Source: Riverside County Assessor 2022/23 Combined Tax Roll and the SBE Non Unitary Tax Roll

Provided by HDL Coren &amp; Cone

**CITY OF BANNING**

Table 19 - Principal Property Taxpayers

Current Year and Ten 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%	Commercial	Successor Agency
3	MG Banning	3	\$ 9,887,219	0.62%				\$ 9,887,219	0.60%	Industrial	Banning General Fund
4	Beaver Kirkmulon	1	\$ 9,166,379	0.58%				\$ 9,166,379	0.56%	Commercial	Successor Agency
5	RRM Properties Limited	19	\$ 8,940,396	0.56%	1	\$ 21,451	0.05%	\$ 8,961,847	0.55%	Miscellaneous	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%	Vacant	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%	Commercial	Successor Agency
10	Tine Warner Entertainment	1	\$ 2,122,000	0.13%	4	\$ 4,990,954	10.49%	\$ 7,112,954	0.44%	Unsecured	Successor Agency
<b>Top Ten Total</b>		70	\$ 88,789,316	5.59%	5	\$ 5,012,405	10.54%	\$ 93,801,721	5.74%		
<b>City Total</b>			\$ 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 Roles and the SBE Non Unitary Tax Roll

Provided by HDL Coren &amp; 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			
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%
2023	3,302,863	3,297,166	99.83%	-	3,297,166	99.83%

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

<b>Major Business Group</b>	<b>Fiscal Year</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Autos and Transportation	421,344	507,338	607,279	642,783	761,037	785,604	830,122	1,125,093	1,138,481	995,087
Building and Construction	97,873	88,266	106,345	111,590	119,694	88,340	146,626	85,005	101,542	135,077
Business and Industry	64,436	57,275	51,601	76,463	58,231	224,798	105,216	111,339	153,353	182,403
Food and Drugs	202,928	217,538	225,680	227,999	225,762	259,357	249,480	313,934	373,892	376,065
Fuel and Service Stations	477,641	416,109	376,501	391,555	417,517	497,109	398,008	423,646	567,900	549,820
General Consumer Goods	205,372	130,643	114,365	226,089	275,627	274,043	254,450	359,749	360,989	388,181
Restaurants and Hotels	354,938	376,903	394,093	412,271	445,318	478,995	426,049	462,645	533,890	549,308
Transfers & Unidentified	-	218	-	(3,036)	-	(1,166)	(5,087)	86	193	5,078
<b>Total Major Business Groups</b>	<b>1,824,532</b>	<b>1,794,290</b>	<b>1,875,864</b>	<b>2,085,714</b>	<b>2,303,186</b>	<b>2,607,080</b>	<b>2,404,864</b>	<b>2,881,497</b>	<b>3,230,240</b>	<b>3,181,018</b>
<b>Gross Sales Tax Allocations</b>										
Major Business Groups	1,824,532	1,794,290	1,875,864	2,085,714	2,303,186	2,607,080	2,404,864	2,881,497	3,230,240	3,181,018
Allocations from County Pool	197,907	191,099	221,983	247,355	299,013	400,864	369,781	576,162	547,494	526,544
Allocations from State Pool	1,250	1,166	897	1,143	1,292	1,311	1,207	2,027	188	1,601
<b>Total Gross Sales Tax Allocations</b>	<b>2,023,689</b>	<b>1,986,555</b>	<b>2,098,744</b>	<b>2,334,212</b>	<b>2,603,491</b>	<b>3,009,255</b>	<b>2,775,852</b>	<b>3,459,686</b>	<b>3,777,922</b>	<b>3,709,163</b>

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

**CITY OF BANNING**

Table 22 - Top 25 Sales Tax Producers  
Current Year and Ten Years Ago

For Calendar Year 2013	
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
Banning RV Discount Centers	Trailers/RV's
Big Lots	Variety Store
Carls Jr	Quick-Serve Restaurants
Chevron	Service Stations
Coyne Powerports	Boats/Motorcycles
Del Taco	Quick-Serve Restaurants
Diamond Hills Auto Group	Service Stations
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
Western Hydro	Contractors

**Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.92%**

Period: January 2013 Thru December 2013

For Calendar Year 2022	
Business Name*	Business Category
Albertsons	Grocery Stores
Arco AM PM	Service Stations
Auto Zone	Automotive Supply Stores
Banning Arco	Service Stations
Banning RV Discount Centers	Trailers/RVs
Big 5 Sporting Goods	Sporting Goods/Bike Stores
Carl's Jr.	Quick-Serve Restaurants
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
Rite Aid	Drug Stores
Shell	Service Stations
Sizzler	Casual Dining
Smart & Final	Grocery Stores
Walgreens	Drug Stores
Western Hydro	Contractors

**Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.66%**

Period: January 2022 Thru December 2022

\*Firms listed Alphabetically

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

**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			
				Principal	Interest	Total	Coverage
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	27,004,589	4,002,908	1,275,000	1,153,544	2,428,544	1.65
2023	34,139,023	30,885,444	3,253,579	1,335,000	1,089,794	2,424,794	1.34

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

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

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

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

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

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

**CITY OF BANNING**

Table 23 - Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
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	4,765,919	7,877,913	1,075,000	877,718	1,952,718	4.03
2023	14,426,670	7,548,317	6,878,353	1,130,000	822,146	1,952,146	3.52

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

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

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

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

**CITY OF BANNING**

Table 23 - Pledged Revenue Coverage

Last Ten Fiscal Years

REVENUE BONDS - WASTEWATER FUND										
Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements						
				Principal	Interest	Principal	Interest	Total		
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	195,000	197,128	296,578	7,711	696,417	1.52	
2022	4,273,846	2,719,904	1,553,942	200,000	188,606			388,606	4.00	
2023	5,222,687	3,094,340	2,128,347	210,000	179,381			389,381	5.47	

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

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

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

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

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		Principal	Interest	Total	
		Principal	Interest	Principal	Interest	Principal	Interest				
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	
2023	2,465,551					1,290,000	896,718	2,186,718		1.13	

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

Notes: 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

Fiscal Year 2022 -Note 17 Successor Agency Trust for Assets of Former Redevelopment Agency (g) 2016 Tax Allocation Refunding Bonds, (g) Pledged Revenue

Fiscal Year 2023 -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

Fiscal Year	Governmental Activities							
	2003 Tax Allocation Bonds	2007 Tax Allocation Bonds	Loans Payable	2011 Refunding Lease	Glick Note Payable	Ford Motor Credit Vehicle Lease	Total Governmental Activities	
2011	11,425,000	29,355,000	1,133,602	3,455,000			45,368,602	
2012	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	3,147,156			3,147,156	
2013	-	-	-	2,826,192			2,826,192	
2014	-	-	-	2,493,082			2,493,082	
2015	-	-	-	2,147,361			2,147,361	
2016	-	-	-	1,788,555	125,007 <sup>4</sup>		1,913,562	
2017	-	-	-	1,416,167	- <sup>4</sup>	151,569	1,567,736	
2018	-	-	-	1,029,684	-	77,723	1,107,407	
2019	-	-	-	628,572	-	-	628,572	
2020	-	-	-	212,726	-	-	212,726	
2021	-	-	-	-	-	-	-	
2022	-	-	-	-	-	-	-	
2023	-	-	-	-	-	-	-	
Business Type Activities								
Fiscal Year	Loans Payable	2005 Water Revenue Bond	2005 Wastewater Revenue Bond	2007 Electric Revenue Bond	2015 Electric Refunding Bond	2015 Water Revenue Bond	2019 Wastewater Refunding Bond	Total Business-Type Activities
2012	2,414,042	31,480,000	5,700,000	36,935,000				76,529,042
2013	2,172,519	30,740,000	5,560,000	36,085,000				74,557,519
2014	1,924,715	29,970,000	5,415,000	35,205,000				72,514,715
2015	1,670,469	29,165,000	5,260,000	34,270,000				70,365,469
2016	1,409,613	- <sup>2</sup>	5,100,000	- <sup>3</sup>	30,395,000	24,420,000		61,324,613
2017	1,141,974	-	4,935,000	-	29,390,000	23,965,000		59,431,974
2018	867,377	-	4,765,000	-	28,345,000	23,235,000		57,212,377
2019	585,640	-	4,585,000	-	27,250,000	22,490,011		54,910,651
2020	296,578	-	- <sup>5</sup>	-	26,100,000	21,520,011	4,020,000	51,936,589
2021	- <sup>6</sup>	-	-	-	24,890,000	20,500,010	3,800,000	49,190,010
2022	-	-	-	-	23,615,000	19,425,011	3,580,000	46,620,011
2023	-	-	-	-	22,280,000	18,295,011	3,355,000	43,930,011

**CITY OF BANNING**
**Table 24 - Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Total Personal Income	Percentage of Personal Income	Population	Per Capita
2012	3,147,156	76,529,042	79,676,198	610,207,000	13.06%	29,965	2,659
2013	2,826,192	74,557,519	77,383,711	622,075,000	12.44%	30,170	2,565
2014	2,493,082	72,514,715	75,007,797	609,714,000	12.30%	30,325	2,473
2015	2,147,361	70,365,469	72,512,830	618,818,000	11.72%	30,306	2,393
2016	1,913,562	61,324,613	63,238,175	613,060,000	10.32%	30,834	2,051
2017	1,567,736	59,431,974	60,999,710	609,946,000	10.00%	31,068	1,963
2018	1,107,407	57,212,377	58,319,784	598,427,000	9.75%	31,282	1,864
2019	628,572	54,910,651	55,539,223	598,336,000	9.28%	31,044	1,789
2020	212,726	51,936,589	52,149,315	631,804,000	8.25%	31,125	1,675
2021	- <sup>7</sup>	49,190,010	49,190,010	711,049,000	6.92%	32,233	1,526
2022	-	46,620,011	46,620,011	762,033,000	6.12%	30,877	1,510
2023	-	43,930,011	43,930,011	739,762,000	5.94%	31,250	1,406

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 &amp; Cone and can be found on Table 27 Demographic and Economic Statistics

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

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

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

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

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

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

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

**CITY OF BANNING**

Table 25 - Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

	Total Debt 6/30/2023	Percentage Applicable to Banning	City's Share of Debt 6/30/2023
<b>2022-2023 Assessed Value \$2,995,077,432</b>			(1)
<b>Overlapping Tax and Assessment Debt:</b>			
Mount San Jacinto Community College District	\$ 247,850,000	2.514%	\$ 6,230,949
Banning Unified School District	\$ 55,637,555	72.276%	\$ 40,212,599
Beaumont Unified School District	\$ 113,432,731	4.392%	\$ 4,981,966
San Geronio Memorial Healthcare District	\$ 108,699,780	23.553%	\$ 25,602,059
City of Banning 1915 Act Bonds	\$ 1,675,000	100.000%	\$ 1,675,000
California Statewide Community Development Authority 1915 Act Bonds	\$ 32,660,000	100.000%	\$ 32,660,000
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 111,362,574</b>
<b>Direct and Overlapping General Fund Debt</b>			
Riverside County General Fund Obligations	\$ 686,776,829	0.827%	\$ 5,679,644
Riverside County Pension Obligations	\$ 748,540,000	0.827%	\$ 6,190,426
Banning Unified School District Certificates of Participation	\$ 8,376,000	72.276%	\$ 6,053,838
Beaumont Unified School District Certificates of Participation	\$ 5,351,389	4.392%	\$ 235,033
<b>City of Banning Certificates of Participation</b>	<b>\$ -</b>	<b>100.000%</b>	<b>\$ 18,158,941</b>
<b>Overlapping Tax Increment Debt (Successor Agency)</b>	\$ 24,960,000	100.000%	\$ 24,960,000
<b>Total Direct Debt</b>			<b>\$ -</b>
<b>Total Overlapping Debt</b>			<b>\$ 154,481,514</b>
<b>Combined Debt</b>			<b>\$ 154,481,514 (2)</b>

**Notes:**

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

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

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

**Ratios to 2022-23 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	3.72%
<b>Total Direct Debt (\$0)</b>	<b>0.00%</b>
Combined Total Debt	5.16%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$676,168,041):**

Total Overlapping Tax Incremental Debt	3.69%
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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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed valuation	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	2,995,077,432
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	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	449,261,615
Total Net Debt Applicable to the Limit General Obligation Bonds										
Legal Debt Margin	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	449,261,615
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.

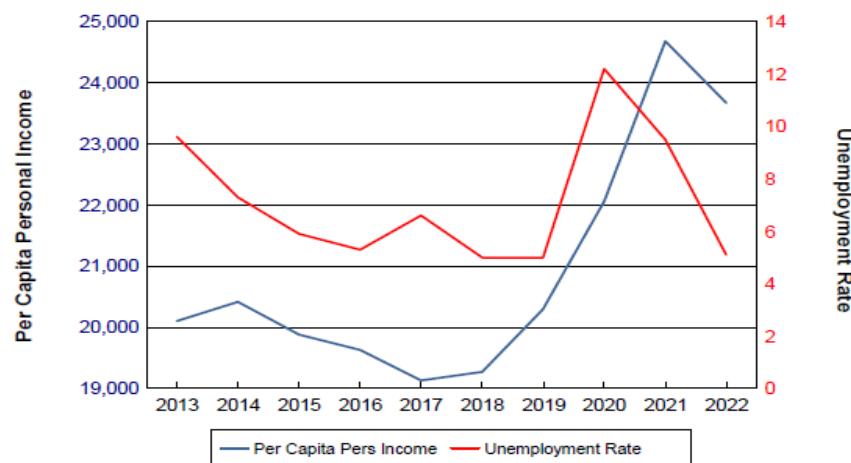
## CITY OF BANNING

Table 27 - Demographics and Economic Statistics

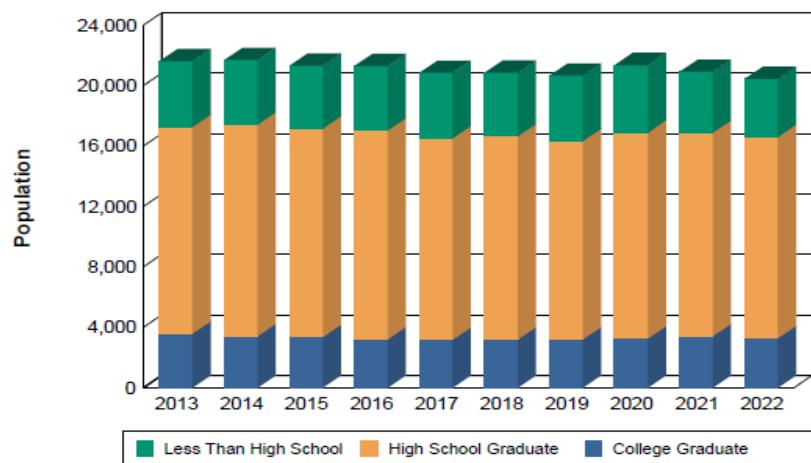
Last Ten Fiscal Years

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
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%
2022	31,250	\$ 739,762	\$ 23,672	5.1%	43.1	81.2%	16.1%

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



Notes and Data Sources:

Provided by HdL, Coren & Cone

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

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

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

**CITY OF BANNING**Table 28 - Top 20 Principal Employers  
Current Fiscal Year

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

Data Source:

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

Data Axel - Unable to disclose specific identifiable information - confidential

**CITY OF BANNING**

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

Last Ten Fiscal Years

Department/Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>City Manager</b>										
Administration	1.37	1.57	1.57	1.09	1.09	0.85	0.85	2.00	2.00	8.00
Economic Development <sup>1</sup>	1.00	1.00	1.00	1.24	1.24	1.00	1.00	1.00	1.00	1.00
City Clerk <sup>2</sup>	1.83	1.83	1.83	1.70	1.70	1.50	1.50	2.00	2.00	1.00
<b>Administrative Services</b>										
Fiscal Services	5.45	5.45	6.45	5.45	5.45	6.35	6.85	9.50	9.50	9.00
Purchasing	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	1.15	0.95	1.06	1.07	1.07	1.20	1.20	1.60	1.60	2.00
Risk Management	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	3.45	3.45	2.00	2.00	2.00	2.00	4.00
Media	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Utility Billing	9.63	9.63	9.63	11.31	11.31	10.20	10.70	9.00	9.00	8.00
Meter Reading	4.20	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
<b>Public Works</b>										
Engineering	0.92	0.92	0.92	0.92	0.92	1.11	1.11	1.31	1.31	3.75
Building Maintenance	1.28	1.28	1.78	1.31	1.31	1.48	1.58	1.63	1.63	2.00
Streets	4.85	4.85	4.85	5.05	5.05	6.05	6.40	6.25	6.25	4.50
Landscape Maintenance District								0.28	0.28	0.50
Airport	1.55	1.20	0.30	0.80	0.80	0.83	0.88	0.98	0.98	0.50
Transit										
Fixed Route	10.77	12.67	13.30	13.13	13.13	13.65	15.65	13.43	13.43	10.50
Dial-A-Ride	2.04	2.04	1.54	1.39	1.39	1.00	1.00	0.63	0.63	1.00
Water	15.17	15.20	15.25	15.59	16.59	16.70	16.95	16.49	16.49	20.00
Wastewater	5.32	5.26	5.31	5.52	5.52	6.09	6.34	5.86	5.86	2.00
Refuse	0.69	0.69	0.69	1.14	1.14	0.82	1.82	1.80	1.80	2.00
Fleet Maintenance	3.50	3.50	3.50	4.05	4.05	4.42	4.42	4.73	4.73	5.00
<b>Electric</b>										
Operations	19.65	23.73	24.73	25.20	25.20	28.18	31.18	29.63	29.63	32.00
Generation	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Benefits <sup>3</sup>	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-

**CITY OF BANNING**

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

Last Ten Fiscal Years

Department/Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety</b>										
Sworn Police officers & Non Sworn Personnel	31.75	31.90	34.90	35.90	36.90	37.90	37.90	34.90	34.90	39.00
Dispatch	8.10	8.10	8.10	8.10	9.10	9.10	9.10	8.10	8.10	7.00
Fire <sup>4</sup>	1.00	1.00	-	-	-	-	-	-	-	-
Code Enforcement	2.00	1.45	2.00	2.00	2.00	2.00	4.00	3.00	3.00	2.00
<b>Planning</b>	<b>2.40</b>	<b>2.00</b>								
<b>Building Safety</b>	<b>0.60</b>	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>	<b>2.60</b>	<b>1.60</b>	<b>1.60</b>	<b>3.00</b>
<b>Parks &amp; Recreation</b>										
Parks	4.28	4.28	4.28	4.30	4.30	2.25	2.70	2.70	2.70	3.00
Recreation	3.07	3.28	5.33	6.05	6.05	3.32	4.17	6.18	6.18	13.00
Aquatics	2.09	2.11	2.11	2.06	2.06	3.32	3.32	2.76	2.76	11.50
Day Care <sup>5</sup>	-	-	-	-	-	0.61	0.61	-	-	-
Senior Center	0.58	0.58	0.58	0.75	0.75	1.57	1.57	1.17	1.17	0.50
<b>Total Full-time Equivalent Employees</b>	<b>154.05</b>	<b>161.43</b>	<b>169.31</b>	<b>174.39</b>	<b>179.39</b>	<b>179.15</b>	<b>191.45</b>	<b>184.33</b>	<b>184.33</b>	<b>206.75</b>

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

<sup>2</sup> City Clerk (Elected) and other Elected officials are not included in any figures

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

<sup>4</sup> Fire Services are contracted through Riverside County/Cal Fire

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

**CITY OF BANNING**

Table 30 - Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Physical Arrests	1,876	1,622	1,759	1,876	1,720	1,139	1,189	1,091	1,210	1,008
Parking violations	-	66	311	399	456	1,007	343	191	178	225
Traffic violations	257	161	230	249	455	189	262	172	162	162
Calls for service	37,910	39,307	40,390	42,322	37,817	34,603	36,457	37,316	37,980	35,362
<b>Fire</b>										
Emergency Response	<sup>1</sup> 4,179	4,559	4848	4800	4549	4680	4,686	4,976	4,950	5,025
Fire Extinguished	<sup>1</sup> 148	127	126	158	136	129	188	214	130	125
Fire Inspections	131	92	136	121	107	115	611	691	691	592
<b>Public Works</b>										
Street resurfacing (miles)	2.10	-	0.75	3.55	0.50	1.47	6.07	3.21	3.21	1.25
Potholes repaired (square feet per year)	96	99	66	122	24	100	107	120	120	83
Traffic signs repaired/replaced	92	160	123	75	51	130	81	294	275	68
<b>Parks &amp; Recreation</b>										
Number of facility rentals	<sup>2</sup>				314	415	397	758	1,178	1,349
Number of recreation classes	<sup>2</sup>				135	217	254	94	343	459
<b>Building &amp; Safety</b>										
Building Permits issued	713	742	864	922	989	934	3,262	2,009	2,009	2,324
Building Inspections	<sup>3</sup> -	233	200	181	264	420	6,020	8,500	8,500	6,973
<b>Code Enforcement</b>										
Citations issued	<sup>4</sup> -	7	64	48	27	26	38	11	12	15
Calls for Service	<sup>4</sup> -	136	984	1,070	1,305	1,493	1,832	1,974	1,264	1,084

**CITY OF BANNING**
**Table 30 - Operations Indicators by Function/Program**

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Transit</b>										
Total route miles	499,407	776,698	785,685	808,420	401,790	455,214	147,813	444,954	467,639	493,879
Passengers	144,978	137,594	133,185	126,793	116,748	112,960	30,148	87,624	70,721	90,349
<b>Water</b>										
New Connections	5	-	-	1.00	1.00	-	-	1.00	366.00	250.00
Number of service connections	6	10,615	10,650	10,647	10,661	10,675	10,680	10,682	10,972	10,972
Service Breaks		93	86	45	71	75	75	80	86	86
Water Main Breaks		48	50	64	28	50	50	80	32	43
Consumption Sales (thousands of gallons)		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
Peak daily consumption (thousands of gallons)		12,766,000	9,779,000	11,085,000	11,201,000	11,970,000	12,202,000	14,107,000	11,282,419	12,297,872
Water purchased (AF)	7	608	694	1,477	1,350	500	250	250	250	275
Water Sold (AF)		7,867	7,134	5,517	6,593	6,756	6,246	6,724	7,599	6,617
<b>Wastewater</b>										
Number of service connections		10,745	10,786	10,750	10,657	10,698	10,687	10,771	10,972	11,679
Average Daily swage treatment (thousands of gallons)		2,005	1,970	1,940	1,978	2,016	1,995	1,955	1,945	1,945
<b>Electric</b>										
Number of service connections		12,426	11,974	12,111	12,101	12,139	12,015	12,345	12,534	12,903
Average daily consumption (MWH)		74,529.50	76,178.96	74,836.32	78,572.42	74,439.01	73,193.05	70,475.24	71,275.61	74,220.96
Electricity purchased (MWH)		146,193	148,697	147,176	148,500	146,510	148,973	144,803	153,421	153,457
Electricity sold -Retail (Sales)		27,203,266	#####	27,315,258	28,678,934	27,170,238	26,715,462	25,723,462	26,015,596	27,090,650
Peak Demand (MW)		40.5	42.4	44.5	46.3	49.1	49.0	44.1	51.2	50.1
<b>Airport</b>										
Number of flights		4,668	4,631	3,287	3,071	3,049	3,126	3,423	5,959	3,654
Number of Gallons of Fuel Sold		14,150	7,395	9,353	12,691	23,545	13,902	9,954	26,956	13,318
<b>Community Development</b>										
Planning applications completed	9	110.00	100.00	110.00	270.00	250.00	390.00	710.00	920.00	556.00
<b>Business Licenses</b>										
Number of licenses issued		1,964	1,929	1,949	1,968	2,031	1,949	1,945	1,966	1,964
										1,823

**CITY OF BANNING**
**Table 30 - Operations Indicators by Function/Program**

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Refuse</b>										
<b>Number of Customers</b>	8									
Commercial/Multi-Family	518	506	510	510	516	512	494	520	-	-
Residential	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	-	-
<b>Tonnage Collected by Service</b>										
Commercial/Multi-Family	6,675	6,455	6,097	12,424	7,534	8,175	7,702	6,830	-	-
Residential	14,538	15,127	16,412	15,187	15,769	16,533	17,059	19,833	-	-
Roll-off Service	4,817	3,599	2,919	3,458	3,906	4,066	3,978	5,067	-	-
<b>Total Tonnage Collected by Service</b>	<b>26,030</b>	<b>25,181</b>	<b>25,428</b>	<b>31,069</b>	<b>27,209</b>	<b>28,774</b>	<b>28,740</b>	<b>31,730</b>	-	-
<b>Tonnage Type Collected (All Services)</b>										
Trash	18,389	18,491	18,777	24,780	20,489	20,517	21,084	24,226	-	-
Recycle	3,326	2,715	2,868	4,141	3,557	3,295	2,479	3,070	-	-
Green Waste	4,316	3,975	3,782	2,052	2,967	4,742	5,010	4,529	-	-
Organics	-	-	-	96	197	219	166	70	-	-
<b>Total Tons Collected</b>	<b>26,030</b>	<b>25,181</b>	<b>25,428</b>	<b>31,069</b>	<b>27,209</b>	<b>28,774</b>	<b>28,740</b>	<b>31,895</b>	-	-
<b>Total Tons Diverted</b>	<b>7,641</b>	<b>6,689</b>	<b>6,650</b>	<b>6,290</b>	<b>6,720</b>	<b>8,257</b>	<b>7,656</b>	<b>7,669</b>	-	-
<b>Diversion % All Services</b>	<b>29.36%</b>	<b>26.57%</b>	<b>26.15%</b>	<b>20.24%</b>	<b>24.70%</b>	<b>28.69%</b>	<b>26.64%</b>	<b>24.04%</b>	<b>0.00%</b>	<b>0.00%</b>

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

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

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

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

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

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

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

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

<sup>8</sup> Refuse was taken over by Waste Management Effective July 2021.

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

**CITY OF BANNING**

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

Function/Program	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Police</b>											
Police Station	1	1	1	1	1	1	1	1	1	1	
Patrol Units	<sup>1</sup>	13	11	11	11	15	18	24	24	24	
<b>Fire</b>											
Stations	<sup>2</sup>	1	1	1	1	1	1	1	1	1	
Fire Engines	<sup>2</sup>	2	2	2	2	2	2	2	2	2	
<b>Public Works</b>											
Streets (miles)	118	118	118	118	118	118	122	125	125	125	
Traffic signals	7	7	7	7	7	7	7	7	7	7	
Storm catch basin	<sup>3</sup>	98	98	98	98	126	126	150	174	174	
<b>Parks &amp; Recreation</b>											
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	
<b>Transit</b>											
Buses	11	13	12	12	15	10	10	10	10	10	
<b>Water</b>											
Water Mains (miles)	166.19	166.19	166.19	166.19	167.56	169.05	174.18	170.25	170.25	170.25	
Fire hydrants	1,424	1,425	1,425	1,428	1,437	1,455	1,539	1,555	1,555	1,555	
Storage capacity (MGD)	<sup>4</sup>	19.98	19.98	19.98	19.98	19.98	19.98	19.98	19.98	19.98	

**CITY OF BANNING**

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Wastewater</b>										
Sanitary Sewers (miles)		111.67	111.67	112.20	112.20	112.20	113.96	118.00	115.89	115.89
Treatment Plant capacity (MGD)	<sup>5</sup>	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
<b>Electric</b>										
Number of electric meters		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
Substations		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
<b>Airport</b>										
Runway Miles		0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985	0.985

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

## Notes:

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

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

<sup>3</sup> Represents the number of basins/inlets

<sup>4</sup> MGD = Millions Gallons per Day

<sup>5</sup> MGD = Millions Gallons per Day