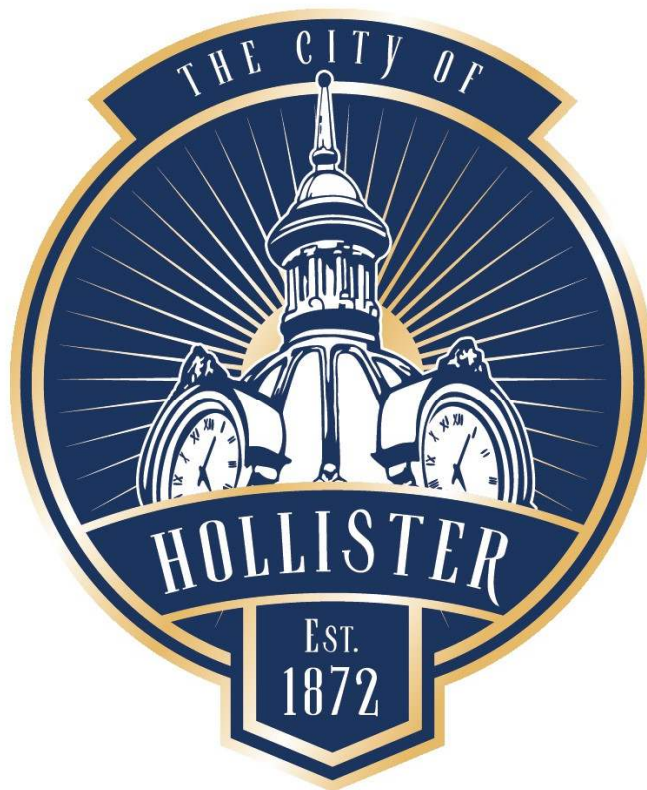


CITY OF HOLLISTER

Hollister, California



Annual Comprehensive Financial Report

For the Year Ended
June 30, 2021

**CITY OF HOLLISTER
CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**PREPARED BY
FINANCE DEPARTMENT**

CITY OF HOLLISTER
FOR THE YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION





CITY OF HOLLISTER

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Letter of Transmittal

May 9, 2024

To the Honorable Mayor, City Council, and the Residents of Hollister, California:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Hollister, CA for the Fiscal Year ended June 30, 2021. This report was prepared in accordance with accounting principles generally accepted in the United States of America and contains information to help readers gain a reasonable understanding of the City's financial activities.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

MUN CPAs, LLP, have issued an unmodified ("clean") opinion on the City of Hollister's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Hollister is a city in and the county seat of San Benito County, California, United States. The population was estimated at 34,928 residents during the 2010 Census and was estimated at 41,678 residents in April 2020. Hollister is primarily an agricultural town. The Mutsun Ohlone Indians were the first known inhabitants of the Hollister region.

The town, then located in Monterey County, was founded November 19, 1868 originally as the San Justo Homestead Association, established by William Welles Hollister (1818–1886), a group that originally intended to name it San Justo. An association member, Napa vintner Henry Hagen, objected. Hagen argued that place names in California were dominated by Spanish saint names, and suggested that the state should have a town named after someone less holy. The City was incorporated on August 29, 1872. The western portion of San Benito County, including Hollister, was separated from Monterey County in 1874. The county was expanded eastward in 1887 to include portions taken from Merced and Fresno Counties.

The City of Hollister is a General Law City and is governed by a "Council-Manager" form of government. The Council, as the legislative body, represents the citizens of Hollister, and is empowered by the Municipal



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Code to formulate citywide policy, enact local legislation, adopt budgets, and appoint the City Manager and City Attorney.

The City Council consists of four Council Members who are elected by district by the citizens of Hollister, and serve staggered four-year terms, with elections held in November of even-numbered years. The Citizens elect the Mayor every two years with elections also held in November.

The City of Hollister has 190.5 FTEs employees. The City offices are comprised of the following departments: City Manager, City Attorney (Contract), City Clerk, Administrative Services (Finance and Human Resources), Information Systems, Development Services (Planning, Building, Engineering, and Successor Agency), Management Services (Airport, Public Works, Operation and Maintenance, and Utilities), Recreation, Fire (which includes Code Enforcement), and Police (which includes Animal Control).

The City provides a full range of services including law enforcement; fire protection; the construction and maintenance of streets and infrastructure assets; code enforcement; building inspections; water and wastewater; and administration.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

City of Hollister is undertaking several major initiatives notwithstanding significant fiscal limitations:

Water Line Upgrades

During the next few fiscal years, the City will be developing a financing plan to upgrade its aging water line structure.

Fire Contract with the County of San Benito and City of San Juan Bautista

The City of Hollister provides fire services to the City of San Juan Bautista and the County of San Benito. The agreements include some levels of cost-recovery for the City of Hollister.

Housing Growth

The City has continued a period of growth and expansion. New residential development in and around the City has been extremely strong. These units are located throughout the City of Hollister and consist of condominiums and single family housing.

LOCAL ECONOMY

The City of Hollister is a suburb to the affluent San Jose and San Francisco Bay metropolitan areas as well as the Monterey Bay area and functions as a major commuter hub. The City of Hollister is a major regional shopping center for the County of San Benito area. Major industries located within the government's boundaries or in close proximity include hospitals, some manufacturers, and retail stores. The school districts, the Hazel Hakins Hospital, the County of San Benito, and the City of Hollister also have a



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significant economic presence, employing in total more than 2,000 teachers, professionals, and support staff.

Unemployment

Hollister's unemployment rate was 12.20% in July 2020 per the Bureau of Labor Statistics. This decreased to 10.5% in January 2021. Hollister saw its unemployment rate decrease again to 8.9% in June 2021.

Fiscal Year 2020-21 Financial Forecast

While some government agencies experienced dramatic budget shortfalls as a result of economic impacts of the pandemic, the City of Hollister experienced a generally stable budget during FY 2020-21. The budget was partially stabilized by one-time funding sources and a moderate increase in actual sales tax revenues collected.

The State of California has their current budget to be a balanced budget. State financial forecasters are clearly responding to similar revenue trends and economic data that the City and other California agencies are observing. Since the City relies on State subventions for part of its budget, staff expects less budgetary impacts this fiscal year.

The City of Hollister has Fiscal and Budget Policies that require ongoing monitoring of the City's financial activities. The City fully responded to the economic instability resulting from the pandemic, while minimizing short-term and long-term impacts.

Internal Control

The management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) choices between these two concepts often require estimates and judgments by management.

Budgeting Controls

In addition to accounting controls, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

In accordance with the provisions of the City's Municipal Code and other statutory provisions, the City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.



CITY OF HOLLISTER

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An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the major object level within budget units for the City. The major object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the City Manager and must be approved by the City Council. The City Council must approve supplementary appropriations normally financed by unanticipated revenues during the year.

Cash Management

Cash temporarily idle during the year was invested in the Local Agency Investment Fund (LAIF) managed by the California State Treasurer's Office and Certificates of Deposits insured by FDIC.

The first and primary objective of the City Treasurer's investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements, and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio is actively managed in a manner that is responsive to the public trust and consistent with State law.

Restrictive investment policies are in place to minimize credit and market risks while maintaining a competitive yield on the portfolios. The City Treasurer's selection of investments is more restrictive than those authorized in Sections 53601 and 53635 of the California Government Code and gives primary consideration to the safety and preservation of the principal amounts invested. On-going cash flow projections are maintained for the coming twelve months to assure that adequate funds are available to meet daily cash expenditure requirements.

State statutes, specific debt financing indentures and contractual arrangements generally determine the investment restrictions of City cash and investments not held in the City Treasury.

Risk Management

The City of Hollister uses a program of self-insurance for workers' compensation and general liability claims to minimize losses. The City is self-insured for workers' compensation up to \$500,000 per occurrence. The City participates in a multi-agency joint powers authority to provide excess insurance coverage for liability coverage. The joint powers authority and the City rely on estimates prepared by professional actuaries to set aside funds adequate to meet potential future losses. Excess coverage purchased through the joint powers authority covers claims in excess of \$1,000,000 for general liability claims.

Employee Benefit Plans

The City participates in and contributes to the employee retirement plans with CalPERS, an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the state. CalPERS provides retirement, disability, and death benefits based on the employees' years of service, age, and final compensation. Copies of the CalPERS' annual financial report are available through CalPERS.



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RELEVANT FINANCIAL POLICIES

The City updated its Fiscal and Budget Policies in FY 2016-2017. The core principles in these policies remain consistent with industry best practices.

Respectfully submitted,

David Mirrione
City Manager*

*NOTE: David Mirrione was appointed City Manager of the City of Hollister in August 2023.

CITY OF HOLLISTER
CITY COUNCIL AND PRINCIPAL CITY OFFICIALS
JUNE 30, 2021

CITY COUNCIL

Mayor	Ignacio Velazquez*
Mayor Pro Tempore	Rolan Resendiz
Council member	Tim Burns
Council member	Rick Perez
Council member	Vacant

*Elected to a two-year term In November by the Citizens

APPOINTED OFFICIALS

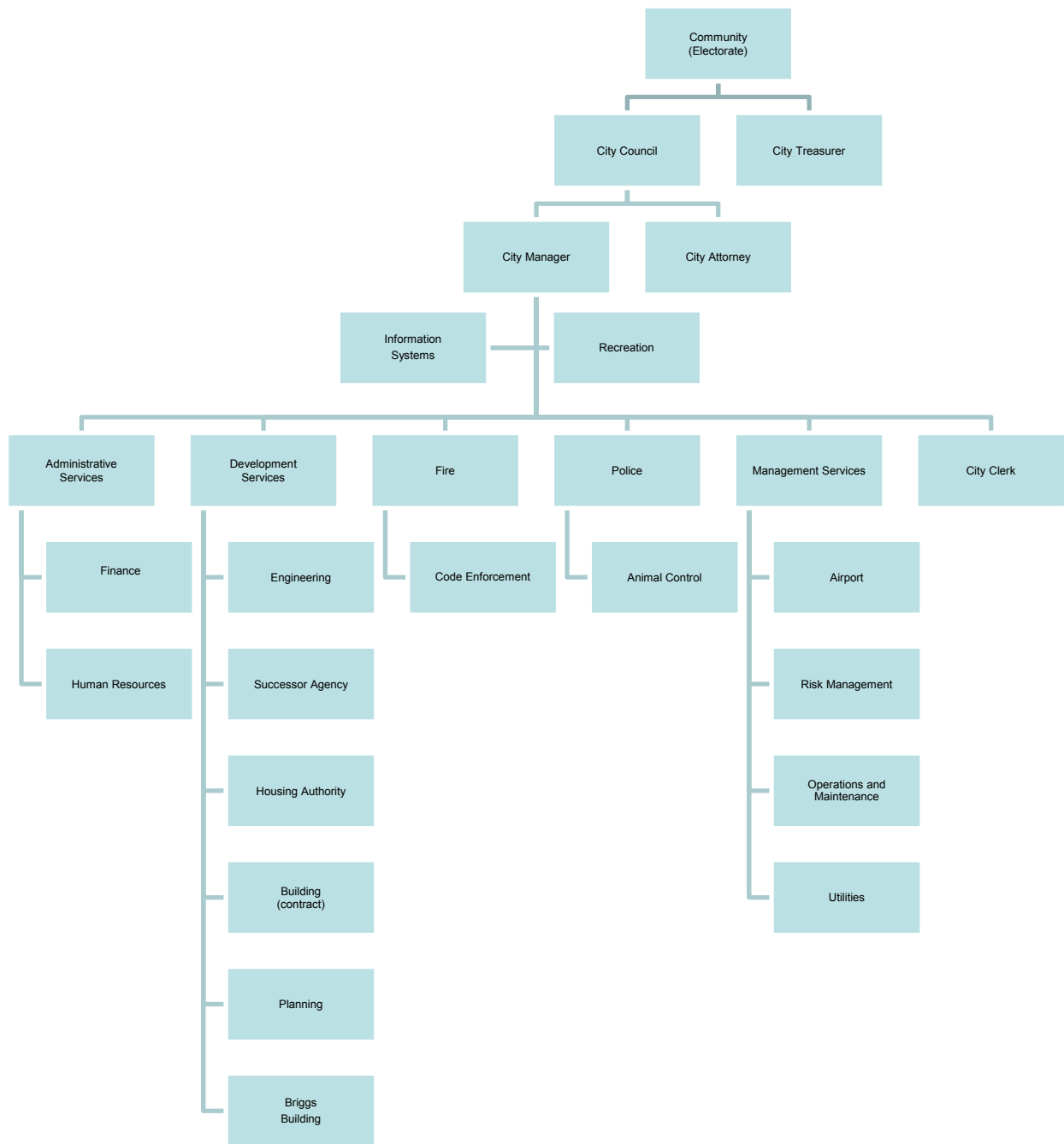
City Manager	Brett Miller
City Attorney	Jason Epperson
City Clerk	Christine Black

EXECUTIVE STAFF

Administrative Services Director	Vacant
Airport Director (interim)	Cheryl Mullen
Development Services Director	Vacant
Community Services Director (interim)	Henry Gonzales
Chief of Fire	Bob Martin Del Campo
Chief of Police	Carlos Reynoso
IT Director	Paul Da Silva

The listing above represents key positions as of the year ended June 30, 2021.

City of Hollister, California Organizational Chart



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and Members of the City Council
of the City of Hollister
Hollister, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hollister (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hollister, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the City adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, pension related schedules, and other post-employment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hollister's basic financial statements. The introductory section, combining and individual governmental nonmajor fund financial statements, budgetary comparison schedules, combining fiduciary fund statements, combining sewer financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2024, on our consideration of the City of Hollister'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 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 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 of Hollister's internal control over financial reporting and compliance.

TMUN CPAs, LLP

Sacramento, California
May 9, 2024

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Annual Comprehensive Financial Report.

We offer those interested in the City of Hollister's financial statements this narrative overview and analysis of the financial activities of the City of Hollister for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and in conjunction with the City's financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Hollister exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$172,815,126 (net position). Of this amount, \$52,639,842 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- City of Hollister's total net position increased \$18,821,335.
- At the close of the current fiscal year, the City of Hollister's governmental funds reported combined fund balances of \$53,743,360, an increase of \$16,934,856 in comparison with the prior year. Approximately less than 1% of this amount (\$4,503,585) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the general fund was \$6,828,013, or approximately 22% of total general fund expenditures.
- The City of Hollister's total outstanding long-term debt decreased by \$3,563,615 during the current fiscal year as a result of normal debt service payment and a bond call of the City's wastewater bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City of Hollister's basic financial statements. The City of Hollister's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Hollister's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of Hollister's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Hollister is improving or deteriorating.

The *statement of activities* presents information on expenses and revenues to show how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

Both of these government wide financial statements distinguish functions of the City of Hollister that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City include general government, public protection, public works, and recreation. The business type activities of the City include the Airport, Water, Wastewater, Street Sweeping, and Briggs Building funds.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Hollister, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of Hollister can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike the government wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 35 individual governmental funds. On the financial statements for governmental funds, information is presented separately for four major funds: the General Fund, the Housing Successor Agency Fund, the Transportation Development Act Fund, and the CIP Traffic Impact Fees Fund. Data from the other governmental funds are aggregated into a single column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Hollister adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport, Water, Wastewater, Street Sweeping, and Briggs Building operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City does not use internal service funds.

Proprietary funds statements provide the same type of information as the part of government-wide financial statements pertaining to business-type activities, only in more detail.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs.

The City of Hollister maintains two different types of fiduciary funds. The *Private Purpose Trust Fund* is used to report resources held in trust for the activity of the Oversight Board and the Department of Finance to dissolve the former Redevelopment Agency. *Custodial funds* report resources held by the City of Hollister in a custodial capacity for individuals, private organizations and other governments.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

Other Information. In addition to the basic financial statements, this report presents Required Supplementary Information. The required supplementary information presents the City's progress in funding its obligation to provide pension and health benefits to its employees as well as the City's General Fund and major special revenue fund's budgetary comparison schedules.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds and fiduciary funds, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Hollister, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$172,815,126, at the close of the most recent fiscal year.

City of Hollister's Net Position

This analysis focuses on net position and the changes in net position of the City as a whole:

TABLE 1
GOVERNMENT-WIDE NET POSITION JUNE 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 75,984,217	\$ 60,287,237	\$ 27,917,713	\$ 24,771,934	\$ 103,901,930	\$ 85,059,171
Capital assets	<u>50,586,235</u>	<u>49,095,147</u>	<u>122,727,345</u>	<u>123,448,199</u>	<u>173,313,580</u>	<u>172,543,346</u>
Total Assets	<u>126,570,452</u>	<u>109,382,384</u>	<u>150,645,058</u>	<u>148,220,133</u>	<u>277,215,510</u>	<u>257,602,517</u>
DEFERRED OUTFLOWS						
Deferred Outflows	<u>8,764,651</u>	<u>8,693,102</u>	<u>1,339,576</u>	<u>1,252,813</u>	<u>10,104,227</u>	<u>9,945,915</u>
LIABILITIES						
Current and other liabilities	7,570,490	6,652,568	2,029,327	2,025,296	9,599,817	8,677,864
Long-term liabilities	<u>39,077,957</u>	<u>33,185,764</u>	<u>62,919,162</u>	<u>72,374,970</u>	<u>101,997,119</u>	<u>105,560,734</u>
Total Liabilities	<u>46,648,447</u>	<u>39,838,332</u>	<u>64,948,489</u>	<u>74,400,266</u>	<u>111,596,936</u>	<u>114,238,598</u>
DEFERRED INFLOWS						
Deferred Inflows	<u>2,388,760</u>	<u>3,929,948</u>	<u>518,915</u>	<u>730,706</u>	<u>2,907,675</u>	<u>4,660,654</u>
NET POSITION						
Net investment in capital assets	49,574,304	47,903,403	63,561,941	61,657,988	113,136,245	109,561,391
Restricted for debt service	-	-	34	1,889	34	1,889
Restricted for community improvement	249,657	262,597	-	-	249,657	262,597
Restricted for public safety	208,744	235,199	-	-	208,744	235,199
Restricted for capital projects	5,267,442	3,802,505	-	-	5,267,442	3,802,505
Restricted for housing	1,313,162	1,287,521	-	-	1,313,162	1,287,521
Unrestricted	<u>29,684,587</u>	<u>18,885,791</u>	<u>22,955,255</u>	<u>20,121,442</u>	<u>52,639,842</u>	<u>39,007,233</u>
Total Net Position	<u>\$ 86,297,896</u>	<u>\$ 72,377,016</u>	<u>\$ 86,517,230</u>	<u>\$ 81,781,319</u>	<u>\$ 172,815,126</u>	<u>\$ 154,158,335</u>

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

The City's total government-wide net position amounted to \$172,815,126 as of June 30, 2021. This represented an increase of \$18,821,335 over fiscal year 2020. The increase in the change in net position is reflected in the Statement of Activities shown in Table 2 for governmental funds and Table 3 for business-type activities.

By far, the largest portion of the City of Hollister's net position (65.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Hollister uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Hollister's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hollister's net position (4.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$52,639,842 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

However, the City of Hollister's overall net position increased \$18,821,335 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$14,085,424 from the prior fiscal year for an ending balance of \$86,297,896. The City of Hollister recorded Measure G taxes for the year 19/20. Measure G was approved in November 2018, increasing the tax revenue in \$6,404,584. Sales and use tax increased 14% from the prior year.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

The City's net position as of June 30, 2021 consisted of the following:

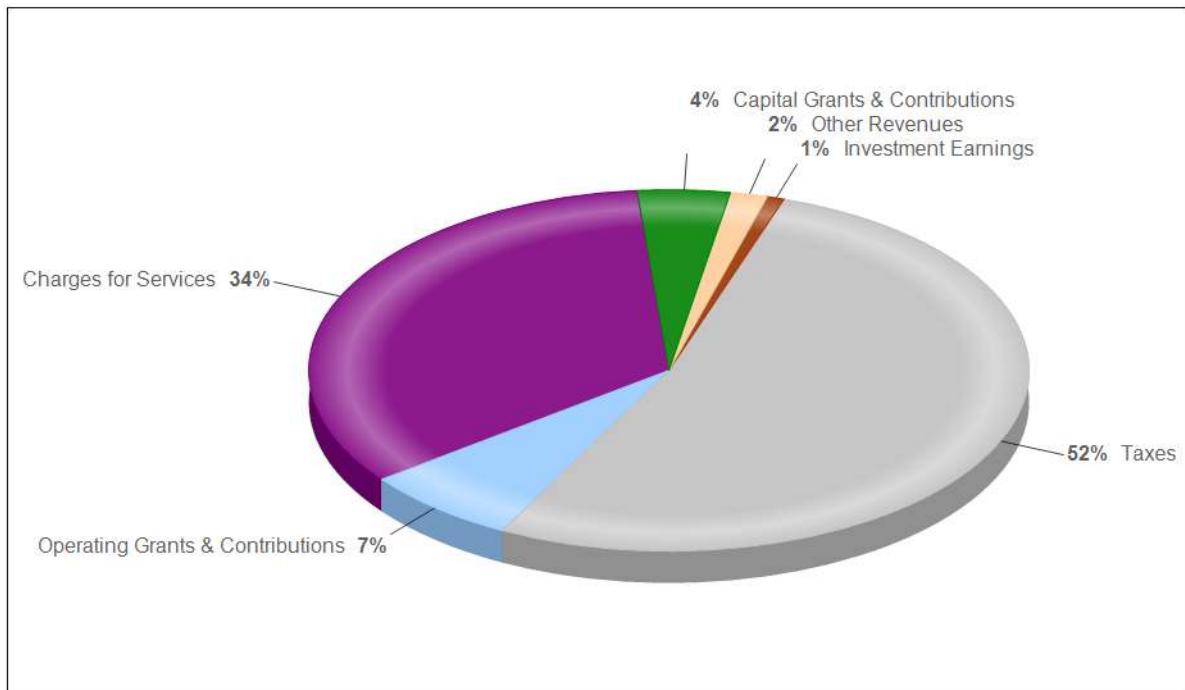
TABLE 2
GOVERNMENTAL ACTIVITIES CHANGES IN NET POSITION AS OF JUNE 30,

	<u>2021</u>	<u>2020</u>
<u>REVENUES</u>		
Charges for services	\$ 19,743,403	\$ 17,197,715
Operating grants and contributions	4,077,276	2,655,023
Capital grants and contributions	2,408,478	3,567,467
Taxes	30,489,582	21,351,922
Motor vehicle in lieu	29,811	-
Investment earnings	418,827	980,835
Other revenues	<u>1,000,590</u>	<u>1,982,568</u>
Total Revenue	<u>58,167,967</u>	<u>47,735,530</u>
<u>EXPENSES</u>		
General government	11,858,017	13,234,498
Public safety	23,652,679	21,644,854
Public works	5,844,121	5,946,591
Recreation	2,948,633	2,771,971
Interest and fiscal charges	<u>35,155</u>	<u>41,249</u>
Total Expenses	<u>44,338,605</u>	<u>43,639,163</u>
Increase in net position before transfers	<u>13,829,362</u>	<u>4,096,367</u>
Transfers	<u>256,062</u>	<u>340,793</u>
Change in net position	<u>14,085,424</u>	<u>4,437,160</u>
Net position - beginning	72,377,016	67,939,856
Prior period restatement	<u>(164,544)</u>	<u>-</u>
Net position - beginning, restated	72,212,472	67,939,856
Net position - ending	<u><u>\$ 86,297,896</u></u>	<u><u>\$ 72,377,016</u></u>

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

Sources of Revenues

Governmental Activities



As reflected above, fifty-two (52%) or \$30,489,582 of the City's governmental activities revenues as of June 30, 2021 were comprised of tax increments. Program revenues were forty-five percent (45%) of governmental activities. Of this amount, seven percent (7%) or \$4,077,276 were derived from operating grants and contributions, four (4%) or \$2,408,478 were derived from capital grants and contributions, and thirty-four percent (34%) or \$19,743,403 were derived from charges for services. The remaining sources of revenues include one percent or \$418,827 of investment earnings, and two percent (2%) or \$1,000,590 of other revenues. The City's total governmental revenues increased \$10,432,437 from the prior year.

Taxes

Increase of sales and use tax by 14% and the City's overall property taxes increased 6% due to the continued growth in the City.

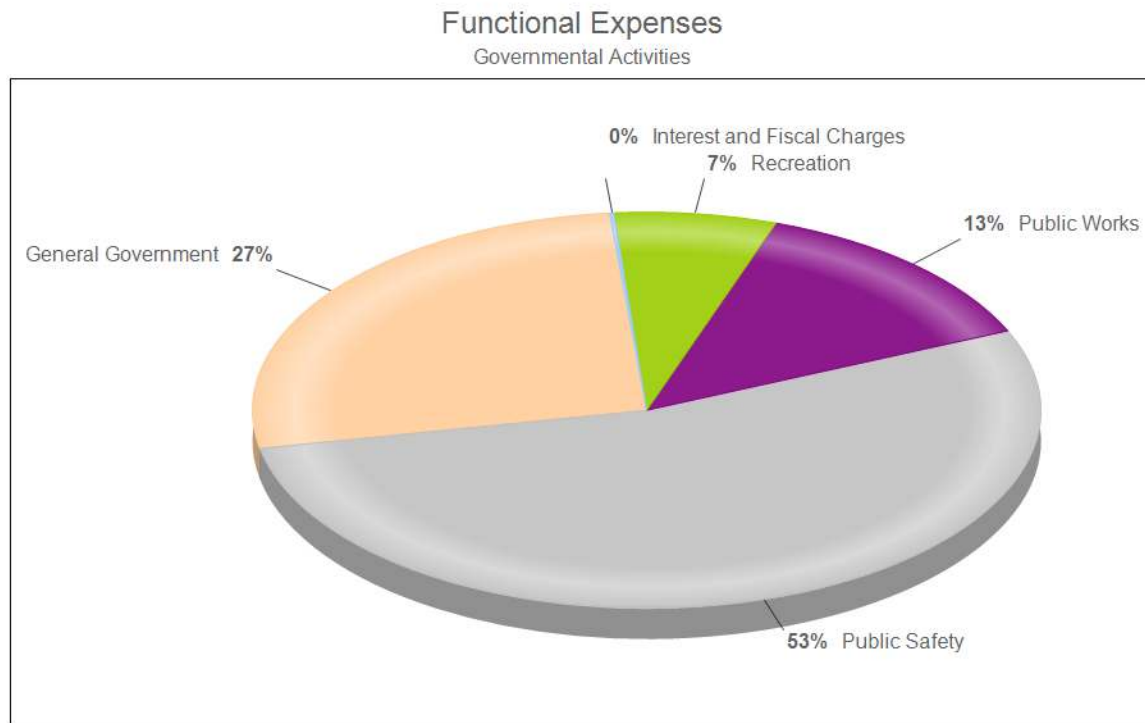
Charges for Services

The City's overall charges for services increased mainly due to cannabis dispensary, park impact fees, storm drain fees, and other impact fees received related to development within the City's boundary.

Operating Grants and Contributions

The City's operating grants and contributions increased mainly due to available grants (CDBG) \$1,626,794 for FY 2021.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021



As identified in the functional expenses chart, fifty-three percent (53% or \$23,652,679 of the City's expenses were for public safety. Twenty-seven percent (27%) or \$11,858,017 was for general government expenses. The remaining functional expenses included thirteen (13%) or \$5,844,121 for public works, seven percent (7%) or \$2,948,633 in recreation, and less than one percent or \$35,155 in interest and fiscal charges. The City's total governmental expenses increased \$699,442 from the prior fiscal year.

The change in expenses from prior year is attributable to various factors:

General Government Expenses

General government expenses decreased \$1,376,481 or (10)%. The decrease was due to vacancies and decrease of professional services and other expenses related to completion of grants.

Public Safety Expenses

Public safety expenses increased 9% or \$2,007,825. The main increase was related to expenses associated with the fire activity for overtime, increasing 67% from the prior year and the hiring of additional individuals..

Public Works Expenses

Public works expenses decreased (2)% or \$102,470 from the prior year. This decrease was attributable to vacancies.

Recreation Expenses

Recreation expenses increased 6% or \$176,662. This was attributable to the City slowly returning to regular programs and activities after pandemic lock downs.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

TABLE 3
BUSINESS-TYPE ACTIVITIES CHANGES IN NET POSITION AS OF JUNE 30,

	<u>2021</u>	<u>2020</u>
<u>REVENUES</u>		
Charges for services	\$ 33,362,280	\$ 29,455,588
Investment earnings	86,319	465,782
Operating grants and contributions	-	16,986
Capital grants and contributions	2,472,547	3,130,941
Other revenues	<u>55,079</u>	<u>29,863</u>
Total Revenue	<u>35,976,225</u>	<u>33,099,160</u>
<u>EXPENSES</u>		
Airport	2,104,374	1,780,976
Water	8,074,218	7,736,153
Sewer	19,803,214	14,519,232
Street sweeping	827,576	828,023
Briggs Building	<u>174,870</u>	<u>170,614</u>
Total Expenses	<u>30,984,252</u>	<u>25,034,998</u>
Increase in net position before transfers	4,991,973	8,064,162
Transfers	<u>(256,062)</u>	<u>(340,793)</u>
Change in net position	4,735,911	7,723,369
Net position - beginning	<u>81,781,319</u>	<u>74,057,950</u>
Net position - ending	<u>\$ 86,517,230</u>	<u>\$ 81,781,319</u>

In the fiscal year ended June 30, 2021, business-type activities increased the City's net position by \$4,735,911.

Charges for Services

Charges for services increased \$3,906,692 or (13)% over the prior fiscal year. This was the result of a water usage increase, wastewater usage increase, and sewer treatment connections fees increased due to new developments.

Investment Earnings

Investment earnings decreased \$379,463 or (81)% due to less funds to invest from the bond call of the wastewater bonds.

Capital grants and contributions

Capital grants and contributions decreased \$658,394 or 21% due to FAA grant activity in the current year.

Expenses

Expenses under the City's water and wastewater enterprise funds were directly attributable to the normal operation costs associated with the operation of both systems. The additional costs incurred under the wastewater fund corresponded to the sludge removal of \$2,749,504 and bad debt recognition of \$2,891,421 of San Benito Foods. The City continues to pursue payment.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

Governmental funds - The general government functions are included in the General, Special Revenue, Capital Project, and Debt Service Funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Hollister itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Hollister's Council.

At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$53,743,360. Approximately 8.4% of this total amount (\$4,503,585) constitutes the unassigned fund balance, which may be used to meet the City's ongoing general obligations to citizens and creditors. The remainder of the fund balance is nonspendable, restricted, or committed to indicate that it is not available for general obligations because it has been committed in the form of inventories, debt service reserves, or the funds have statutory restrictions.

The General Fund is the main operating fund of the City. At June 30, 2021, the unassigned fund balance of the general fund was \$6,828,013 while the total fund balance amounted to \$9,027,657. As measures of the general fund's liquidity, it is useful to note that the unassigned fund balance represents 22.1% percent of total fund expenditures, while the total fund balance represents 29.3% percent of that same amount. The general fund's fund balance increased by \$1,844,743 during the current fiscal year. The City's increase of \$1,844,743 from the prior fiscal year was due to the significant increase of sales and use taxes and property taxes.

The Housing Successor Agency Fund had a total fund balance of \$1,313,162 which is restricted. The overall fund balance increased by \$25,641.

The Transportation Development Act fund had a total fund balance of \$5,795,558 which is restricted. The overall fund balance increased by \$5,760,074 due to Measure G taxes.

The CIP Traffic Impact Fees fund had a total fund balance of \$23,727,703 which is restricted. The overall fund balance increased by \$4,469,929 due to increases of traffic lane fees from new developments and decrease of payments for road reimbursements.

The following table presents revenues from various sources as well as reflecting increases or decreases from the prior fiscal year in the governmental funds.

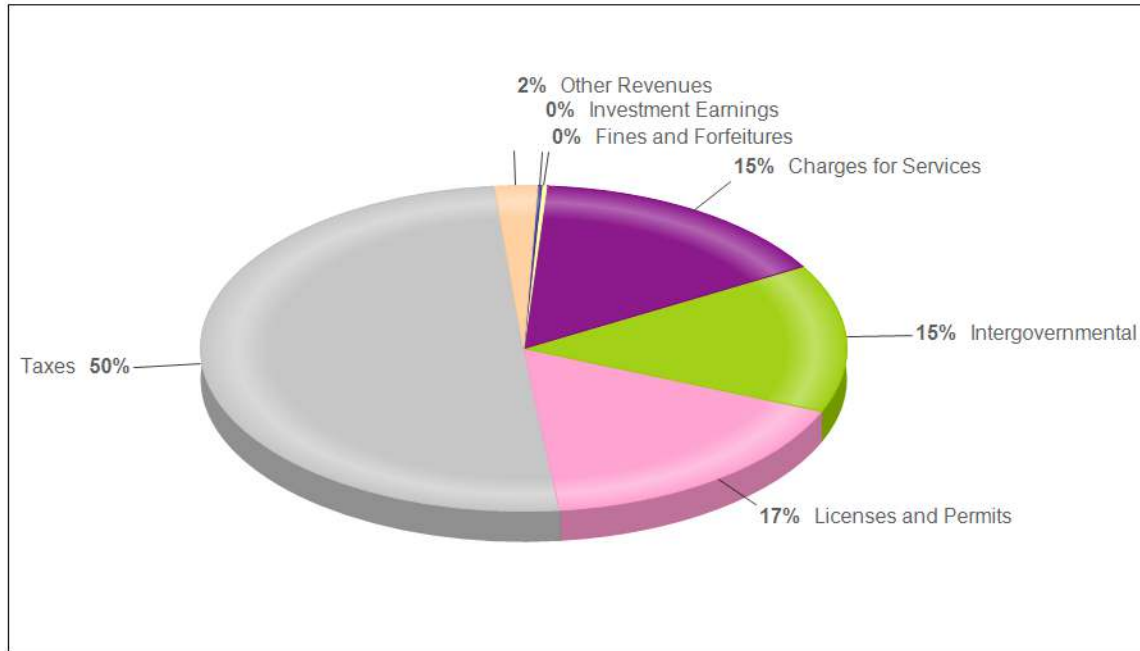
TABLE 4
REVENUES IN THE GOVERNMENTAL FUNDS (in thousands)

Revenue Sources	FY 2021		FY 2020		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 30,519	50.4 %	\$ 21,352	48.3 %	\$ 9,167	42.9 %
Licenses and permits	10,224	16.9 %	7,878	17.8 %	2,346	29.8 %
Intergovernmental	8,867	14.6 %	2,629	6.0 %	6,238	237.3 %
Charges for services	9,366	15.5 %	9,145	20.7 %	221	2.4 %
Fines and forfeitures	153	0.3 %	175	0.4 %	(22)	(12.6)%
Investment earnings	144	0.2 %	728	1.6 %	(584)	(80.2)%
Other revenues	<u>1,265</u>	<u>2.1 %</u>	<u>2,255</u>	<u>5.1 %</u>	<u>(990)</u>	<u>(43.9)%</u>
Total	\$ <u>60,538</u>	<u>100 %</u>	\$ <u>44,162</u>	<u>100 %</u>	\$ <u>16,376</u>	<u>37.1 %</u>

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

Governmental Fund Revenues

For the Year Ended June 30, 2021



Significant changes for major revenue sources are explained below:

- Taxes – Tax revenues include sales taxes and property taxes. The increase in tax revenues was due primarily to the increase in the sales taxes and Measure G taxes.
- Licenses and permits – Increased revenues from building permits, traffic, and jail/juvenile hall impact fees.
- Intergovernmental – The increase in this source was due to a decrease in transportation funding and increase in CDBG grant funding.
- Charges for services – The slight increase in charges for services is due to an increase in park impact fees, cannabis dispensary and storm drain fees but also a decrease in engineering inspection charges.
- Fines and forfeitures – The decrease in fines and forfeitures was primarily due to a decrease in vehicle fines and parking citations.
- Investment earnings – The decrease in investment earnings reflects the decrease in earnings of the City's investments in certificates of deposit.
- Other revenues – Other revenues decreased primarily due to reimbursements during the fiscal year.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

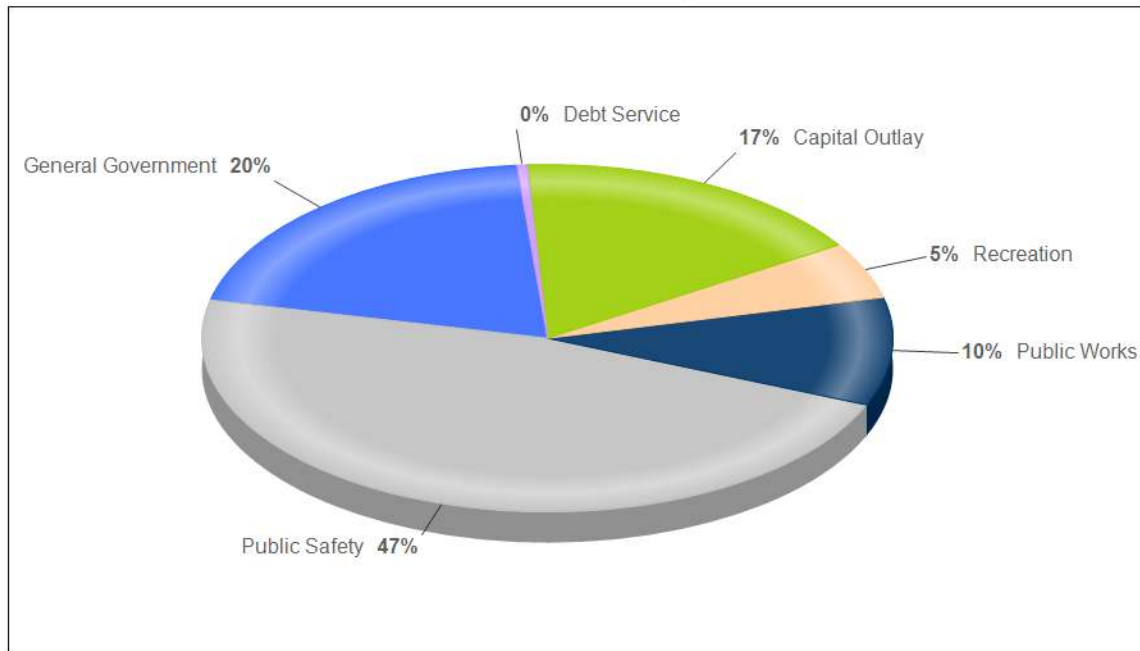
The following table presents expenditures by function compared to prior fiscal year's amounts in the governmental funds.

TABLE 5
EXPENDITURES IN THE GOVERNMENTAL FUNDS (in thousands)

Function	FY 2021		FY 2020		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 8,828	20.1 %	\$ 8,825	19.2 %	\$ 3	- %
Public safety	20,707	47.2 %	18,771	40.7 %	1,936	10.3 %
Public works	4,403	10.0 %	4,462	9.7 %	(59)	(1.3)%
Recreation	2,272	5.2 %	2,195	4.8 %	77	3.5 %
Capital outlay	7,435	17.0 %	11,602	25.2 %	(4,167)	(35.9)%
Debt service	215	0.5 %	219	0.5 %	(4)	(1.8)%
Total	<u>\$ 43,860</u>	<u>100 %</u>	<u>\$ 46,074</u>	<u>100 %</u>	<u>\$ (2,214)</u>	<u>(4.8)%</u>

Governmental Fund Expenditures

For the Year Ended June 30, 2021



Significant changes for major functions are explained below:

- General government – The slight increase in this function was associated with increased expenditures related to regular operations..
- Public safety – The increase in this function was due to increased overtime and additional staff in the Fire department..
- Public works – The decrease in this function was due to vacancies.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

- Recreation – The increase in this function was associated with the return of programs and activities after pandemic lock-downs.
- Capital outlay – The decrease in this function was due to the construction associated with the Street Reconstruction projects.

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The funds include the enterprise funds: Airport, Water, Wastewater, Street Sweeping, and Briggs Building operations.

Unrestricted net position of the Airport fund at the end of the year was \$(841,485); Water operations was \$2,928,311; Sewer operations was \$22,430,330; Street Sweeping operations was \$(1,885,097); and for the Briggs Building operation was \$323,196. The total change in net position for the five funds was as follows: Airport fund was \$1,306,201; Water operations was \$1,276,184; Sewer operations was \$2,580,007; Street Sweeping operations was \$(374,757); and for the Briggs Building operation was \$(51,724). The decrease in net position for Street Sweeping and Briggs Building operations was due to collected fees not being sufficient to cover operating costs. The net position for the Airport fund increased due to capital contributions related to grants from the FAA. The net position for the Water fund increased due to usage increase and new service accounts. The net position for the Sewer fund increased due to increased service accounts for new developments.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, actual revenues were more than budgetary estimates by \$6,172,286. This increase was due to the City's increase in sales tax, water and sewer usage increase due to new developments, and Measure G taxes. Actual expenditures were more than budgetary estimates by \$3,492,803. The increase in expenditures were directly attributable to the increase in services and normal operations costs associated with new developments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$173,313,580 (net of accumulated depreciation). This investment in capital assets included land, structures and improvements, equipment, construction-in-progress, and infrastructure. The total increase in the City's net investment in capital assets for the current period was 3.3%. The increase resulted from capital grant projects.

Additional information on the City's capital assets can be found in the Notes to the Financial Statements section of this report in Note 5 – Capital Assets.

Key events affecting capital assets during the fiscal year included the following:

- Construction in progress capital assets being constructed for the Airport Fund for runway improvements.
- For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

TABLE 6
CAPITAL ASSETS (NET OF DEPRECIATION) (in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 750	\$ 750	\$ 5,244	\$ 5,244	\$ 5,994	\$ 5,994
Air rights	-	-	1,385	1,385	1,385	1,385
Construction in Progress	754	2,354	404	3,384	1,158	5,738
Buildings	14,083	16,743	3,593	4,255	17,676	20,998
Equipment	4,725	5,411	3,586	1,472	8,311	6,883
Improvements	8,408	5,359	108,516	111,182	116,924	116,541
Infrastructure	<u>21,866</u>	<u>20,805</u>	<u>-</u>	<u>-</u>	<u>21,866</u>	<u>20,805</u>
Total	<u>\$ 50,586</u>	<u>\$ 51,422</u>	<u>\$ 122,728</u>	<u>\$ 126,922</u>	<u>\$ 173,314</u>	<u>\$ 178,344</u>

B. Long-Term Obligations

At June 30, 2021, the City had total long-term obligations outstanding of \$62,489,671 consisting of \$52,770,000 in bonds, and loan obligations of \$1,093,503. Additional long-term liabilities include bond issuance premium of \$6,313,832 and compensated absences payable of \$2,312,336.

Additional information on the City's long-term liabilities can be found in the Notes to the Financial Statements section of this report in Note 6 – Long-Term Liabilities.

ECONOMIC CONDITION, OUTLOOK, AND ACTIVITY

The following economic factors were considered in developing the 2021-2022 annual budget.

- The Hollister economy, like many economies throughout the region and world, was unstable as a direct result of the COVID-19 pandemic. This specifically impacts variable markets tied to revenue streams like sales taxes, use taxes, and Transient Occupancy Taxes. Any peaks to these revenues may be considered "one-time" in nature as they do not align with common economic cycles.
- Potential increases in water rates which are anticipated as current and future expenditure related to additional state and federal water quality mandates.
- The City of Hollister's property tax revenues are stabilizing, including as a result of the real estate and housing markets in San Benito County and neighboring communities.
- Interest rates are expected to be at an all time low throughout fiscal year 2020-21, which hurts the earning rates for the City's investments. However, this also positively affects the City's revenues as individuals are more likely to perform discretionary activities like property renovations/remodels and making discretionary purchases – all of which positively impact the City's sales and use tax revenues as well as over-the-counter fees.
- The City's 1% additional transaction and use tax which was to sunset on March 31, 2018 has been approved by the voters to extend an additional 20 years.
- On the expenditure side, increases are expected in health insurance premiums, as well as pension and other employee benefit costs.

CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

These basic financial statements have been prepared in order to provide the citizens, taxpayers, investors, and creditors with financial report which is designed to demonstrate accountability of the City of Hollister government by providing both long-term and near-term views of the City's finances for the year ended June 30, 2021. Any questions pertaining to this report shall be directed to the City's City Manager at 327 Fifth Street, Hollister, CA 95023.

CITY OF HOLLISTER
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 44,133,049	\$ 27,843,333	\$ 71,976,382
Accounts receivable, net	14,544,005	2,495,780	17,039,785
Interest receivable	15,514	9,647	25,161
Notes receivable, net of allowance (Note 3)	13,439,069	-	13,439,069
Internal balances	2,567,720	(2,567,720)	-
Prepaid items	39,672	-	39,672
Deferred charges, net (Note 6)	-	136,639	136,639
Restricted cash and investments (Note 2)	750,922	34	750,956
Land held for resale	494,266	-	494,266
Capital assets, net			
Non-depreciable (Note 5)	1,504,463	7,031,801	8,536,264
Depreciable, net of accumulated depreciation (Note 5)	<u>49,081,772</u>	<u>115,695,544</u>	<u>164,777,316</u>
Total Assets	<u>126,570,452</u>	<u>150,645,058</u>	<u>277,215,510</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
2021 Pension contributions (Note 10)	3,864,235	569,683	4,433,918
Changes in the net pension liability (Note 10)	4,080,630	640,330	4,720,960
Changes in the total OPEB liability (Note 11)	<u>819,786</u>	<u>129,563</u>	<u>949,349</u>
Total Deferred Outflows of Resources	<u>8,764,651</u>	<u>1,339,576</u>	<u>10,104,227</u>
<u>LIABILITIES</u>			
Accounts payable	3,822,532	1,125,645	4,948,177
Accrued payroll and benefits	781,572	74,383	855,955
Interest payable	-	192,475	192,475
Unearned revenue	1,545,415	-	1,545,415
Deposits	1,420,971	636,824	2,057,795
Long-term liabilities (Note 6)			
Due within one year	1,235,936	2,884,378	4,120,314
Due in more than one year	1,648,160	56,721,197	58,369,357
Net pension liability (Note 10)			
Due in more than one year	31,562,976	2,498,976	34,061,952
Other postemployment benefits (Note 11)			
Due in more than one year	<u>4,630,885</u>	<u>814,611</u>	<u>5,445,496</u>
Total Liabilities	<u>46,648,447</u>	<u>64,948,489</u>	<u>111,596,936</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability (Note 10)	1,464,910	361,468	1,826,378
Changes in the total OPEB liability (Note 11)	<u>923,850</u>	<u>157,447</u>	<u>1,081,297</u>
Total Deferred Inflows of Resources	<u>2,388,760</u>	<u>518,915</u>	<u>2,907,675</u>
<u>NET POSITION</u>			
Net investment in capital assets	49,574,304	63,561,941	113,136,245
Restricted for:			
Debt service	-	34	34
Community Improvement	249,657	-	249,657
Grant programs	208,744	-	208,744
Capital projects	5,267,442	-	5,267,442
Housing	1,313,162	-	1,313,162
Unrestricted	<u>29,684,587</u>	<u>22,955,255</u>	<u>52,639,842</u>
Total Net Position	<u>\$ 86,297,896</u>	<u>\$ 86,517,230</u>	<u>\$ 172,815,126</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 11,858,017	\$ 4,581,312	\$ 2,819,408	\$ 2,236,971	\$ (2,220,326)	\$ -	\$ (2,220,326)
Public safety	23,652,679	4,051,101	1,206,277	171,507	(18,223,794)	-	(18,223,794)
Public works	5,844,121	9,256,460	51,591	-	3,463,930	-	3,463,930
Recreation	2,948,633	1,854,530	-	-	(1,094,103)	-	(1,094,103)
Interest and fiscal charges	35,155	-	-	-	(35,155)	-	(35,155)
Total governmental activities	<u>44,338,605</u>	<u>19,743,403</u>	<u>4,077,276</u>	<u>2,408,478</u>	<u>(18,109,448)</u>	<u>-</u>	<u>(18,109,448)</u>
Business-type activities:							
Airport	2,104,374	1,108,059	-	2,472,547	-	1,476,232	1,476,232
Water	8,074,218	9,338,646	-	-	-	1,264,428	1,264,428
Sewer	19,803,214	22,340,632	-	-	-	2,537,418	2,537,418
Street sweeping	827,576	452,819	-	-	-	(374,757)	(374,757)
Briggs building	174,870	122,124	-	-	-	(52,746)	(52,746)
Total business-type activities	<u>30,984,252</u>	<u>33,362,280</u>	<u>-</u>	<u>2,472,547</u>	<u>-</u>	<u>4,850,575</u>	<u>4,850,575</u>
Total primary government	<u>\$ 75,322,857</u>	<u>\$ 53,105,683</u>	<u>\$ 4,077,276</u>	<u>\$ 4,881,025</u>	<u>\$ (18,109,448)</u>	<u>\$ 4,850,575</u>	<u>\$ (13,258,873)</u>
General revenues:							
Property taxes					\$ 7,458,702	\$ 35,254	\$ 7,493,956
Sales and use taxes					14,552,594	-	14,552,594
Gas taxes					1,666,003	-	1,666,003
Other taxes					6,812,283	-	6,812,283
Motor vehicle in lieu					29,811	-	29,811
Investment earnings					418,827	86,319	505,146
Other revenues					1,000,590	19,825	1,020,415
Transfers					256,062	(256,062)	-
Total general revenues					<u>32,194,872</u>	<u>(114,664)</u>	<u>32,080,208</u>
Change in net position					<u>14,085,424</u>	<u>4,735,911</u>	<u>18,821,335</u>
Net position - July 1, 2020					72,377,016	81,781,319	154,158,335
Prior period restatement (Note 18)					(164,544)	-	(164,544)
Net position - July 1, 2020, restated					<u>\$ 72,212,472</u>	<u>\$ 81,781,319</u>	<u>\$ 153,993,791</u>
Net position - June 30, 2021					<u>\$ 86,297,896</u>	<u>\$ 86,517,230</u>	<u>\$ 172,815,126</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General Fund</u>	<u>Housing Successor Agency</u>	<u>Transportation Development Act</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,228,476	\$ 1,304,496	\$ -
Restricted cash and investments	750,922	-	-
Accounts receivable	4,867,863	13,826	6,404,584
Interest receivable	547	465	-
Notes receivable, net of allowance	548,750	15,066,555	-
Due from other funds	6,660,753	-	-
Prepaid items	39,672	-	-
Land held for resale	<u>494,266</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 15,591,249</u>	<u>\$ 16,385,342</u>	<u>\$ 6,404,584</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 2,767,608	\$ 3,975	\$ 460,477
Accrued payroll and benefits	742,401	1,650	45
Deposits payable	1,240,900	-	-
Due to other funds	-	-	148,504
Unearned revenue	<u>1,263,360</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>6,014,269</u>	<u>5,625</u>	<u>609,026</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	<u>549,323</u>	<u>15,066,555</u>	<u>-</u>
FUND BALANCES (DEFICITS):			
Nonspendable	533,938	-	-
Restricted	-	1,313,162	5,795,558
Committed	1,665,706	-	-
Unassigned	<u>6,828,013</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>9,027,657</u>	<u>1,313,162</u>	<u>5,795,558</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 15,591,249</u>	<u>\$ 16,385,342</u>	<u>\$ 6,404,584</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>CIP Traffic Impact Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 23,757,512	\$ 16,842,565	\$ 44,133,049
Restricted cash and investments	-	-	750,922
Accounts receivable	-	3,257,732	14,544,005
Interest receivable	8,493	6,009	15,514
Notes receivable, net of allowance	-	3,209,552	18,824,857
Due from other funds	-	-	6,660,753
Prepaid items	-	-	39,672
Land held for resale	-	-	494,266
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>23,766,005</u>	\$ <u>23,315,858</u>	\$ <u>85,463,038</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 38,302	\$ 552,170	\$ 3,822,532
Accrued payroll and benefits	-	37,476	781,572
Deposits payable	-	180,071	1,420,971
Due to other funds	-	3,944,529	4,093,033
Unearned revenue	-	282,055	1,545,415
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>38,302</u>	<u>4,996,301</u>	<u>11,663,523</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	<u> </u>	<u>4,440,277</u>	<u>20,056,155</u>
FUND BALANCES (DEFICITS):			
Nonspendable	-	-	533,938
Restricted	23,727,703	16,203,708	47,040,131
Committed	-	-	1,665,706
Unassigned	<u> </u>	<u>(2,324,428)</u>	<u>4,503,585</u>
Total Fund Balances (Deficits)	<u>23,727,703</u>	<u>13,879,280</u>	<u>53,743,360</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ <u>23,766,005</u>	\$ <u>23,315,858</u>	\$ <u>85,463,038</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund balances - total governmental funds	\$ 53,743,360
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	92,341,290
Less: accumulated depreciation	(41,755,055)

Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.

13,439,069

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.

1,231,298

Deferred outflows of resources related to 2021 pension contributions were made subsequent to the measurement date.

3,864,235

Deferred outflows of resources related to changes in the net pension liability are not reported in the governmental funds.

4,080,630

Deferred outflows of resources related to changes in the total OPEB liability are not reported in the governmental funds.

819,786

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental funds.

Loan and leases payable	(1,011,931)
Compensated absences	(1,872,165)
Total OPEB liability	(4,630,885)
Net pension liability	(31,562,976)
Deferred inflows of resources related to changes in the net pension liability	(1,464,910)
Deferred inflows of resources related to changes in the total OPEB liability	<u>(923,850)</u>

Net position of governmental activities	\$ <u><u>86,297,896</u></u>
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CITY OF HOLLISTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Housing Successor Agency</u>	<u>Transportation Development Act</u>
<u>REVENUES</u>			
Taxes	\$ 21,356,684	\$ -	\$ 6,404,584
Licenses and permits	3,078,650	-	-
Intergovernmental	1,056,168	-	-
Charges for services	6,373,088	-	-
Fines and forfeitures	153,342	-	-
Investment earnings (loss)	11,363	(610)	(227)
Other revenues	<u>938,328</u>	<u>170,672</u>	<u>-</u>
Total Revenues	<u>32,967,623</u>	<u>170,062</u>	<u>6,404,357</u>
<u>EXPENDITURES</u>			
Current:			
General government	7,194,965	144,421	(48)
Public safety	18,494,558	-	-
Public works	2,687,747	-	91,775
Recreation	1,965,049	-	-
Capital outlay	275,666	-	552,556
Debt service:			
Principal	179,813	-	-
Interest	<u>35,155</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>30,832,953</u>	<u>144,421</u>	<u>644,283</u>
Excess (deficiency) of revenues over expenditures	<u>2,134,670</u>	<u>25,641</u>	<u>5,760,074</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	173,828	-	-
Transfers out	<u>(463,755)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(289,927)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,844,743</u>	<u>25,641</u>	<u>5,760,074</u>
Fund balances - July 1, 2020	7,347,458	1,287,521	35,484
Prior period adjustment (Note 18)	<u>(164,544)</u>	<u>-</u>	<u>-</u>
Fund balances - July 1, 2020 (restated)	<u>7,182,914</u>	<u>1,287,521</u>	<u>35,484</u>
Fund balances - June 30, 2021	<u>\$ 9,027,657</u>	<u>\$ 1,313,162</u>	<u>\$ 5,795,558</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CIP Traffic Impact Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes	\$ -	\$ 2,758,125	\$ 30,519,393
Licenses and permits	6,129,709	1,016,029	10,224,388
Intergovernmental	-	7,810,859	8,867,027
Charges for services	-	2,992,585	9,365,673
Fines and forfeitures	-	-	153,342
Investment earnings (loss)	66,327	66,943	143,796
Other revenues	<u>-</u>	<u>156,259</u>	<u>1,265,259</u>
Total Revenues	<u>6,196,036</u>	<u>14,800,800</u>	<u>60,538,878</u>
<u>EXPENDITURES</u>			
Current:			
General government	11,250	1,477,230	8,827,818
Public safety	-	2,212,800	20,707,358
Public works	211,863	1,411,402	4,402,787
Recreation	-	306,956	2,272,005
Capital outlay	1,411,225	5,195,701	7,435,148
Debt service:			
Principal	-	-	179,813
Interest	<u>-</u>	<u>-</u>	<u>35,155</u>
Total Expenditures	<u>1,634,338</u>	<u>10,604,089</u>	<u>43,860,084</u>
Excess (deficiency) of revenues over expenditures	<u>4,561,698</u>	<u>4,196,711</u>	<u>16,678,794</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	685,531	859,359
Transfers out	<u>(91,769)</u>	<u>(47,773)</u>	<u>(603,297)</u>
Total Other Financing Sources (Uses)	<u>(91,769)</u>	<u>637,758</u>	<u>256,062</u>
Net change in fund balances	<u>4,469,929</u>	<u>4,834,469</u>	<u>16,934,856</u>
Fund balances - July 1, 2020	19,257,774	8,880,267	36,808,504
Prior period adjustment (Note 18)	<u>-</u>	<u>164,544</u>	<u>-</u>
Fund balances - July 1, 2020 (restated)	<u>19,257,774</u>	<u>9,044,811</u>	<u>36,808,504</u>
Fund balances - June 30, 2021	<u><u>\$ 23,727,703</u></u>	<u><u>\$ 13,879,280</u></u>	<u><u>\$ 53,743,360</u></u>

The accompanying notes are an integral part of these financial statements.

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

The schedule below reconciles the net changes in fund balances reported on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the changes in net position of governmental activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net change in fund balances - total governmental funds \$ 16,934,856

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 cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balances	7,340,534
Depreciation expense not reported in governmental funds	(3,376,899)
Capital contributions to the City Airport fund	(2,472,547)

Debt proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position, the repayment reduces long-term liabilities.

Principal payments	179,813
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Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position

Loan program receipts	(264,669)
Loans made during the year	183,093
Accrued interest	275,031
Loan write-offs during the year	(150,070)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available (net change).

Compensated absences	(266,063)
Allowance for notes receivable	346,634
OPEB expense related to changes in the total OPEB liability	(215,773)
Pension expense related to changes in the net pension liability	(2,047,243)

Some revenues reported in the Statement of Activities will not be collected for several months after the City's year-end and do not provide current financial resources and therefore are not reported as revenue in the governmental funds. Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year. This is the net change in revenues.

(2,381,273)

Change in net position of governmental activities \$ 14,085,424

CITY OF HOLLISTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ -	\$ 4,061,823	\$ 23,454,972
Accounts receivable, net of allowance	18,000	954,886	1,456,641
Interest receivable	(316)	1,456	8,391
Deferred charges, net	-	-	136,639
Total Current Assets	<u>17,684</u>	<u>5,018,165</u>	<u>25,056,643</u>
Non-Current Assets			
Restricted cash and investments	-	-	34
Capital assets, net			
Nondepreciable	1,510,584	201,744	5,201,873
Depreciable, net of accumulated depreciation	17,158,819	4,111,856	91,847,484
Total Non-Current Assets	<u>18,669,403</u>	<u>4,313,600</u>	<u>97,049,391</u>
Total Assets	<u>18,687,087</u>	<u>9,331,765</u>	<u>122,106,034</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
2021 Pension contributions	-	271,066	298,617
Changes in the net pension liability	-	325,450	314,880
Changes in the total OPEB liability	-	64,854	64,709
Total Deferred Outflows of Resources	<u>-</u>	<u>661,370</u>	<u>678,206</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	21,409	383,072	711,258
Accrued payroll and benefits	9,719	18,281	34,264
Interest payable	-	-	192,475
Due to other funds	683,182	-	-
Deposits	32,782	338,587	265,455
Compensated absences - current portion	37,745	42,856	51,390
Bonds & loan payable - current portion	1,857	16,301	2,717,981
Total Current Liabilities	<u>786,694</u>	<u>799,097</u>	<u>3,972,823</u>
Non-Current Liabilities			
Compensated absences - noncurrent portion	74,332	84,398	101,205
Bonds & loan payable - noncurrent portion	2,442	22,335	56,404,488
Total OPEB liability	-	384,187	430,424
Net pension liability	-	1,242,429	1,256,547
Total Non-Current Liabilities	<u>76,774</u>	<u>1,733,349</u>	<u>58,192,664</u>
Total Liabilities	<u>863,468</u>	<u>2,532,446</u>	<u>62,165,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability	-	180,238	181,230
Changes in the total OPEB liability	-	77,176	80,271
Total Deferred Inflows of Resources	<u>-</u>	<u>257,414</u>	<u>261,501</u>
<u>NET POSITION</u>			
Net investment in capital assets	18,665,104	4,274,964	37,926,888
Restricted for debt services	-	-	34
Unrestricted	<u>(841,485)</u>	<u>2,928,311</u>	<u>22,430,330</u>
Total Net Position	<u>\$ 17,823,619</u>	<u>\$ 7,203,275</u>	<u>\$ 60,357,252</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2021

	Street Sweeping	Briggs Building	Total
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ -	\$ 326,538	\$ 27,843,333
Accounts receivable, net of allowance	66,253	-	2,495,780
Interest receivable	-	116	9,647
Deferred charges, net	-	-	136,639
Total Current Assets	<u>66,253</u>	<u>326,654</u>	<u>30,485,399</u>
Non-Current Assets			
Restricted cash and investments	-	-	34
Capital assets, net			
Nondepreciable	-	117,600	7,031,801
Depreciable, net of accumulated depreciation	-	2,577,385	115,695,544
Total Non-Current Assets	<u>-</u>	<u>2,694,985</u>	<u>122,727,379</u>
Total Assets	<u>66,253</u>	<u>3,021,639</u>	<u>153,212,778</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
2021 Pension contributions	-	-	569,683
Changes in the net pension liability	-	-	640,330
Changes in the total OPEB liability	-	-	129,563
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>1,339,576</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	6,448	3,458	1,125,645
Accrued payroll and benefits	12,119	-	74,383
Interest payable	-	-	192,475
Due to other funds	1,884,538	-	2,567,720
Deposits	-	-	636,824
Compensated absences - current portion	16,248	-	148,239
Bonds & loan payable - current portion	-	-	2,736,139
Total Current Liabilities	<u>1,919,353</u>	<u>3,458</u>	<u>7,481,425</u>
Non-Current Liabilities			
Compensated absences - noncurrent portion	31,997	-	291,932
Bonds & loan payable - noncurrent portion	-	-	56,429,265
Total OPEB liability	-	-	814,611
Net pension liability	-	-	2,498,976
Total Non-Current Liabilities	<u>31,997</u>	<u>-</u>	<u>60,034,784</u>
Total Liabilities	<u>1,951,350</u>	<u>3,458</u>	<u>67,516,209</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability	-	-	361,468
Changes in the total OPEB liability	-	-	157,447
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>518,915</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	2,694,985	63,561,941
Restricted for debt services	-	-	34
Unrestricted	<u>(1,885,097)</u>	<u>323,196</u>	<u>22,955,255</u>
Total Net Position	<u>\$ (1,885,097)</u>	<u>\$ 3,018,181</u>	<u>\$ 86,517,230</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
<u>OPERATING REVENUES</u>			
Charges for services	\$ 1,108,059	\$ 9,338,646	\$ 22,340,632
Other revenues	<u>17,830</u>	<u>-</u>	<u>-</u>
Total Operating Revenue	<u>1,125,889</u>	<u>9,338,646</u>	<u>22,340,632</u>
<u>OPERATING EXPENSES</u>			
Personnel services	685,536	1,983,102	2,181,195
Contractual and professional services	65,236	4,320,454	2,214,914
Supplies and operating costs	275,496	1,263,098	7,852,756
Utilities	52,779	274,700	1,750,496
Depreciation	<u>1,025,108</u>	<u>231,095</u>	<u>3,779,875</u>
Total Operating Expenses	<u>2,104,155</u>	<u>8,072,449</u>	<u>17,779,236</u>
Operating Income (Loss)	<u>(978,266)</u>	<u>1,266,197</u>	<u>4,561,396</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	35,254	-	-
Gain on sale of assets	-	-	1,995
Investment income (loss)	(1,339)	11,756	74,880
Interest expense	<u>(219)</u>	<u>(1,769)</u>	<u>(2,023,978)</u>
Total Non-Operating Revenues (Expenses)	<u>33,696</u>	<u>9,987</u>	<u>(1,947,103)</u>
Income (Loss) Before Transfers & Capital Contributions	<u>(944,570)</u>	<u>1,276,184</u>	<u>2,614,293</u>
<u>TRANSFERS & CAPITAL CONTRIBUTIONS</u>			
Transfers out	(221,776)	-	(34,286)
Capital contributions	<u>2,472,547</u>	<u>-</u>	<u>-</u>
Total Transfers & Capital Contributions	<u>2,250,771</u>	<u>-</u>	<u>(34,286)</u>
Change in Net Position	1,306,201	1,276,184	2,580,007
Total Net Position - July 1, 2020	<u>16,517,418</u>	<u>5,927,091</u>	<u>57,777,245</u>
Total Net Position - June 30, 2021	<u>\$ 17,823,619</u>	<u>\$ 7,203,275</u>	<u>\$ 60,357,252</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Street Sweeping</u>	<u>Briggs Building</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for services	\$ 452,819	\$ 122,124	\$ 33,362,280
Other revenues	<u>-</u>	<u>-</u>	<u>17,830</u>
Total Operating Revenue	<u>452,819</u>	<u>122,124</u>	<u>33,380,110</u>
<u>OPERATING EXPENSES</u>			
Personnel services	660,783	740	5,511,356
Contractual and professional services	43,642	16,451	6,660,697
Supplies and operating costs	119,802	24,932	9,536,084
Utilities	3,349	19,546	2,100,870
Depreciation	<u>-</u>	<u>113,201</u>	<u>5,149,279</u>
Total Operating Expenses	<u>827,576</u>	<u>174,870</u>	<u>28,958,286</u>
Operating Income (Loss)	<u>(374,757)</u>	<u>(52,746)</u>	<u>4,421,824</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	-	-	35,254
Gain on sale of assets	-	-	1,995
Investment income (loss)	-	1,022	86,319
Interest expense	<u>-</u>	<u>-</u>	<u>(2,025,966)</u>
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>1,022</u>	<u>(1,902,398)</u>
Income (Loss) Before Transfers & Capital Contributions	<u>(374,757)</u>	<u>(51,724)</u>	<u>2,519,426</u>
<u>TRANSFERS & CAPITAL CONTRIBUTIONS</u>			
Transfers out	-	-	(256,062)
Capital contributions	<u>-</u>	<u>-</u>	<u>2,472,547</u>
Total Transfers & Capital Contributions	<u>-</u>	<u>-</u>	<u>2,216,485</u>
Change in Net Position	(374,757)	(51,724)	4,735,911
Total Net Position - July 1, 2020	<u>(1,510,340)</u>	<u>3,069,905</u>	<u>81,781,319</u>
Total Net Position - June 30, 2021	<u>\$ (1,885,097)</u>	<u>\$ 3,018,181</u>	<u>\$ 86,517,230</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from customers	\$ 1,143,541	\$ 9,207,059	\$ 19,956,187
Cash receipts from operating grants	-	-	-
Cash paid to suppliers for goods and services	(409,544)	(5,835,659)	(8,987,494)
Cash paid to employees	<u>(592,781)</u>	<u>(1,892,910)</u>	<u>(2,050,715)</u>
Net Cash Provided by (Used for) Operating Activities	<u>141,216</u>	<u>1,478,490</u>	<u>8,917,978</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers out	(221,776)	-	(34,286)
Interfund loan payments received	156,226	(722,044)	2,159,723
Interfund loan payments made	-	-	(2,470,554)
Taxes	<u>35,254</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(30,296)</u>	<u>(722,044)</u>	<u>(345,117)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on capital debt	(1,785)	(15,671)	(2,210,671)
Interest paid on capital debt	(219)	(1,769)	(2,033,124)
Bond issuance costs	-	-	(388,095)
Proceeds of the disposition of capital assets	-	-	1,995
Acquisition and construction of capital assets	<u>(107,496)</u>	<u>(146,186)</u>	<u>(1,653,333)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(109,500)</u>	<u>(163,626)</u>	<u>(6,283,228)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends received	<u>(1,420)</u>	<u>15,286</u>	<u>104,383</u>
Net Cash Provided by (Used for) Investing Activities	<u>(1,420)</u>	<u>15,286</u>	<u>104,383</u>
Net Increase in Cash and Cash Equivalents	-	608,106	2,394,016
Cash and Cash Equivalents - July 1, 2020	<u>-</u>	<u>3,453,717</u>	<u>21,060,990</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ -</u>	<u>\$ 4,061,823</u>	<u>\$ 23,455,006</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>			
Cash and investments	\$ -	\$ 4,061,823	\$ 23,454,972
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>34</u>
Total Cash and Investments	<u>\$ -</u>	<u>\$ 4,061,823</u>	<u>\$ 23,455,006</u>
<u>Non-Cash Investing and Financing Activities</u>			
Capital contributions	<u>\$ 2,472,547</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (978,266)	\$ 1,266,197	\$ 4,561,396
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	1,025,108	231,095	3,779,875
Pension and OPEB expense	-	67,510	75,832
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	12,356	(187,134)	516,961
Decrease in prepaid expenses	4,998	-	-
Increase (decrease) in accounts payable	(21,031)	22,593	(60,749)
Increase in deposits payable	5,296	55,547	(9,985)
Increase in accrued wages	4,292	1,768	8,398
Increase in compensated absences	<u>88,463</u>	<u>20,914</u>	<u>46,250</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>141,216</u>	\$ <u>1,478,490</u>	\$ <u>8,917,978</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Street Sweeping	Briggs Building	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from customers	\$ 445,927	\$ 122,124	\$ 30,874,838
Cash receipts from operating grants	-	-	-
Cash paid to suppliers for goods and services	(162,320)	(59,365)	(15,454,382)
Cash paid to employees	(648,554)	(740)	(5,185,700)
Net Cash Provided by (Used for) Operating Activities	<u>(364,947)</u>	<u>62,019</u>	<u>10,234,756</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers out	-	-	(256,062)
Interfund loan payments received	364,947	-	1,958,852
Interfund loan payments made	-	-	(2,470,554)
Taxes	-	-	35,254
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>364,947</u>	<u>-</u>	<u>(732,510)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on capital debt	-	-	(2,228,127)
Interest paid on capital debt	-	-	(2,035,112)
Bond issuance costs	-	-	(388,095)
Proceeds of the disposition of capital assets	-	-	1,995
Acquisition and construction of capital assets	-	(48,863)	(1,955,878)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(48,863)</u>	<u>(6,605,217)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends received	-	1,475	119,724
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>1,475</u>	<u>119,724</u>
Net Increase in Cash and Cash Equivalents	-	14,631	3,016,753
Cash and Cash Equivalents - July 1, 2020	-	311,907	24,826,614
Cash and Cash Equivalents - June 30, 2021	<u>\$ -</u>	<u>\$ 326,538</u>	<u>\$ 27,843,367</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>			
Cash and investments	\$ -	\$ 326,538	\$ 27,843,333
Restricted cash and investments	-	-	34
Total Cash and Investments	<u>\$ -</u>	<u>\$ 326,538</u>	<u>\$ 27,843,367</u>
<u>Non-Cash Investing and Financing Activities</u>			
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,472,547</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Street Sweeping</u>	<u>Briggs Building</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (374,757)	\$ (52,746)	\$ 4,421,824
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	113,201	5,149,279
Pension and OPEB expense	-	-	143,342
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(6,892)	-	335,291
Decrease in prepaid expenses	-	-	4,998
Increase (decrease) in accounts payable	4,473	1,564	(53,150)
Increase in deposits payable	-	-	50,858
Increase in accrued wages	1,408	-	15,866
Increase in compensated absences	<u>10,821</u>	<u>-</u>	<u>166,448</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (364,947)</u>	<u>\$ 62,019</u>	<u>\$ 10,234,756</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Private- Purpose Trust Fund	Custodial Funds
<u>ASSETS</u>		
Cash and investments (Note 2)	\$ 2,236,912	\$ 1,765,829
Restricted cash and investments (Note 2)	2,167,774	198,199
Accounts receivable	128,530	8,881
Interest receivable	842	627
Notes receivable, net	1,808,637	-
Land held for resale	<u>4,120,864</u>	<u>-</u>
Total Assets	<u>10,463,559</u>	<u>1,973,536</u>
<u>LIABILITIES</u>		
Accounts payable	2,878	41,831
Accrued liabilities	-	2,757
Interest payable	294,002	-
Deposits	-	-
Long-term liabilities, net of premium/discount	28,945,996	-
Deposits in trust	<u>-</u>	<u>-</u>
Total Liabilities	<u>29,242,876</u>	<u>44,588</u>
<u>NET POSITION</u>		
Held in trust for private purposes	(18,779,317)	-
Restricted for:		
Individuals, organizations, and other governments	<u>-</u>	<u>1,928,948</u>
Total Net Position	<u>\$ (18,779,317)</u>	<u>\$ 1,928,948</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Private- Purpose Trust Fund	Custodial Funds
<u>ADDITIONS</u>		
Property taxes	\$ 5,315,182	\$ 963,572
Investment earnings	39,298	3,578
Other revenues	<u>-</u>	<u>37,808</u>
Total Additions	<u>5,354,480</u>	<u>1,004,958</u>
<u>DEDUCTIONS</u>		
Contractual services	54,666	26,167
Operating costs	251,260	408,013
Debt service:		
Principal	-	160,000
Interest	<u>960,547</u>	<u>30,994</u>
Total Deductions	<u>1,266,473</u>	<u>625,174</u>
Change in Fiduciary Net Position	4,088,007	379,784
Fiduciary Net Position - July 1, 2020	<u>(22,867,324)</u>	<u>-</u>
Change in Accounting Principle (Note 17)	<u>-</u>	<u>1,549,164</u>
Fiduciary Net Position - July 1, 2020 Restated	<u>(22,867,324)</u>	<u>1,549,164</u>
Fiduciary Net Position - June 30, 2021	<u>\$ (18,779,317)</u>	<u>\$ 1,928,948</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hollister was incorporated in 1872. The City is a general law City located in San Benito County, located 100 miles southeast of San Francisco and 40 miles east of Monterey. The City provides the following services: public safety (police and fire), highways and streets, health and social services, culture recreation, public improvements, planning and zoning, and general administrative services. The City's powers are exercised through a City Council under a Council Manager form of government with five elected Council members served by a full time City Manager and staff, which, as the governing body of the City, is responsible for the legislative and executive control of the City.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. The Reporting Entity

The accompanying financial statements present the financial activities of the City along with the financial activities of its blended component unit, which is an entity for which the City is financially accountable. Together, these entities comprise the primary government for reporting purposes. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component unit, which is described below, is blended.

Hollister Joint Powers Financing Authority

The Hollister Joint Powers Financing Authority (the "Authority") was created by a joint exercise powers agreement dated as of December 1, 1989 by and between the City and the former Redevelopment Agency of the City of Hollister. The Authority was created for the purpose of facilitating the financing of public capital improvements and facilities for the City and former Redevelopment Agency. The joint exercise of powers agreement has been amended and restated as of October 1, 2015, by and among the City, the Successor Agency to the Redevelopment Agency, and the Hollister Industrial Development Authority. The City Council acts as the governing board in a concurrent session, as necessary. No separate financial statements are issued for the Authority.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Interfund services provided and used are not eliminated in consolidation.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and its blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. All remaining governmental funds are separately aggregated and reported as other governmental funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

GASB Statement No. 34 defines major funds and requires that the City's major governmental and proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reports the following major governmental funds in the accompanying financial statements:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, public works, and recreation.
- The *Housing Successor Agency Fund* was created as a result of the dissolution of the Redevelopment Agency of the City of Hollister and the City of Hollister's election to serve as the Housing Successor Agency. The major source of revenue for the fund is from program revenue received from the repayment of housing loans.
- The *Transportation Development Act Fund* was established to account for the activities of the Transportation Development Act funding from the State of California.
- The *CIP Traffic Impact Fees Fund* was established as depositories for traffic development impact fees. The fees are levied against all new development in the City in order to pay for traffic construction or improvements as a result of City growth.

The City reports the following major enterprise funds:

- The *Airport Fund* was established to account for the City's costs of providing airport services to the citizens of the City of Hollister.
- The *Water Fund* was established to account for the City's costs of providing water services to the citizens of the City of Hollister.
- The *Sewer Fund* was established to account for the City's costs of providing sewer services to the citizens of the City of Hollister. See pages 141 - 145 for combining sewer fund financial statements.
- The *Street Sweeping Fund* was established to account for the City's costs of providing street sweeping services to the citizens of the City of Hollister.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The *Briggs Building Fund* was established to account for the City's costs of running the Briggs Building.

The City reports the following additional fund types:

- The *Private Purpose Trust Fund* is a fund used to report all other trust arrangements under which principal and interest benefit individuals, private organizations, or other governments. This fund was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to dissolve the Agency.
- The *Custodial Funds* are custodial in nature and used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds account for resources held by the City as an agent for the Tricentennial, Veterans, Helen Ross Memorial, and local assessment districts.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. Custodial funds use the "economic resources" measurement focus and the accrual basis of accounting.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 funds' principal operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

Property taxes in the State of California (State) 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 Valuation: Valuations are established by the Assessor of the County of San Benito (County) for the secured and unsecured property tax rolls; the utility property tax roll is 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. Proposition 13 also modified the value of taxable real property for fiscal 1979 by rolling back values to fiscal 1976 levels. 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: Under the provisions of Proposition 13, the County-wide tax levy for general revenue purposes is limited to 1% of full market value, which results in a tax rate of \$1.00 per \$100 assessed valuation. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates: All lien dates attach annually on January 1 proceeding 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 it exists at that time. The lien against real estate as well as the tax on personal property is not relieved by subsequent renewal or change in ownership.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Collections: The County Treasurer/Tax Collector is responsible for all property tax collections. Taxes and assessments on the secured and utility rolls, which constitute a lien against the property, may be paid in two installments: the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second installment is due on March 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. However, if the taxes become delinquent the lien is attached against anything the individual owns, which could include real property. 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 payments.

Teeter Plan: In 1993-94, the City elected to receive property tax revenue in accordance with the alternative method of distribution prescribed by Sections 4701-4717 of the California Revenue and Taxation Code, which is commonly known as the "Teeter Plan" whereby the County remits 100% of taxes levied without regard to delinquencies. The County then pursues collection, retaining any delinquent taxes and related penalties and interest.

Tax Levy Apportionments: Due to the nature of the County-wide 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 two factors: the ratio that each agency represented of the total County-wide levy for the three years prior to fiscal 1979; and subsequent adjustments to these apportionments and transfers to the "Educational Revenue Augmentation Fund" (ERAF) as determined by the State.

City Property Tax Distribution Policy: Property taxes are recorded in the General Fund as general purpose revenue. Transfers are made from the General Fund as needed to support expenditures in the Capital Outlay and Debt Service Funds. Property taxes receivable at June 30, 2021 are generally insignificant but have been accrued since they will be collected within 60 days subsequent to year-end.

E. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet as cash and investments. Investments held at June 30, 2021 with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year end. All investments not required to be stated at fair value are stated at cost or amortized cost.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less and pooled cash when purchased to be cash equivalents.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Business-type activities report rental fees, charges for services, and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but are not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term notes in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Notes receivable are recorded in the fund statements, but are offset by deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Rental fees, charges for services, and interest earnings compose the majority of proprietary fund receivables.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items and Inventory

Inventories are stated at cost (average cost per unit) for governmental and proprietary funds. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The City defines capital assets excluding infrastructure as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of one year. Infrastructure assets with a historical cost of \$250,000 or more are accounted for as capital assets. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and the proprietary funds.

The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 50 years
Water and Sewer System	30 - 50 years
Infrastructure	20 - 35 years
Machinery and Equipment	5 - 10 years
Improvements	20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phase of debt financed capital assets is included as part of the capitalized value of the asset constructed.

I. Compensated Absences

The liability for compensated absences is comprised of unused vacation leave and compensatory time off, which are accrued as earned. In addition, those employees with 10 years of service may cash out sick leave up to a City maximum upon termination. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

J. Long-Term Liabilities

In the government-wide financial statements and the proprietary fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding are included in interest expense.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet, 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Postemployment Benefits (OPEB)

The City provides health care, life insurance, dental insurance, and disability income to eligible retirees, terminated employees, and their dependents. The benefits are provided in accordance with City ordinances, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, disability due to line of duty, and whether the employee has vested in the respective retirement plan. Currently, the City funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay set premiums for a portion of the cost with the City subsidizing the remaining costs. See Note 11 for further information.

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liabilities and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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). Any residual balances outstanding between the governmental activities and the 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 a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Equity Classifications

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* – Consists of net position with constraints place on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - 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* - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- *Assigned* - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Unassigned* - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 9.

P. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all departments at the major object level within the general, special revenue, capital project, and debt service funds.

During the period December through February of each fiscal year, department heads prepare estimates of required appropriations for the following fiscal year. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources and historical data for the preceding fiscal year. The operating budget is presented by the City Manager to the City Council for review. Public hearings are conducted to obtain citizen comments. The City Council generally adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations at the departmental level within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2020, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City adopted this accounting guidance for its June 30, 2021 fiscal year-end.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The City adopted this accounting guidance for its June 30, 2021 fiscal year-end.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2021 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the City's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the City's fiscal year ending June 30, 2022.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, Omnibus 2022. This primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The requirements of this statement related to leases, PPPs and SBITAs are effective for the City's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's fiscal year ending June 30, 2024.

Government Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2024.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, Compensated Absences. This primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 were classified in the accompanying financial statements as follows:

	Cash and investments	Restricted cash and investments	Total
Governmental activities	\$ 44,133,049	\$ 750,922	\$ 44,883,971
Business-type activities	<u>27,843,333</u>	<u>34</u>	<u>27,843,367</u>
Total government-wide cash and investments	<u>71,976,382</u>	<u>750,956</u>	<u>72,727,338</u>
Fiduciary activities	<u>4,002,741</u>	<u>2,365,973</u>	<u>6,368,714</u>
Total cash and investments	<u>\$ 75,979,123</u>	<u>\$ 3,116,929</u>	<u>\$ 79,096,052</u>

Cash and investments as of June 30, 2021 consisted of the following:

Local Area Investment Fund (LAIF)	\$ 31,714,856
Cash with fiscal agent - money market funds	2,366,007
Deposits with financial institutions	32,738,575
Bonds/Certificates of deposit	5,487,191
Money market mutual fund	6,036,008
Certificates of deposit	750,922
Cash on hand	<u>2,493</u>
Total cash and investments	<u>\$ 79,096,052</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Local Agency Investment Fund (LAIF)	5 years	50%	50%
U.S. Treasury Bills and Notes	5 years	50%	50%
Other Local California Agency Debt	5 years	50%	50%
U.S. Agency Securities or Government -Sponsored Enterprises	5 years	50%	50%
Certificates of Deposit	5 years	50%	50%

Investments Authorized by Debt Agreements

Investment of debt proceeds held by 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. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Governmental Funds:			
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Money Market Funds rated "AAA-m" or better	None	None	None
Certificates of Deposit	365 days	None	None
Commercial Paper rated "AAA" or better	365 days	None	None
Business Enterprise Funds:			
Defeasance Securities	None	None	None
Obligations issued by:			
Resolution Funding Corporation	None	None	None
Loan marketing Association	None	None	None
Government National Mortgage Association	None	None	None
Bankers Acceptances rated "AAA" or better	180 days	None	None
Commercial Paper (not to represent more than 10% of the outstanding commercial paper of an issuing corporation)	270 days	None	None
Non-negotiable Certificates of Deposit	365 days	None	None
Deposit accounts fully insured by the F.D.I.C.	None	None	None
State or Municipal Bonds or Notes rated "A" or better	None	None	None
Money Market Funds rated "AAA-m" or better composed of obligations of the United States or its Agencies	None	None	None
Guaranteed Investment Contracts rated "AA" or better	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. Investments' fair value measurements are as follows at June 30, 2021:

Investments	Fair Value Measurements Using			Total Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Bonds/Certificates of Deposit	\$ -	\$ 5,487,191	\$ -	\$ 5,487,191
Certificates of Deposit - Bank	-	750,922	-	750,922
Money market mutual fund	-	6,036,008	-	6,036,008
Held by bond trustee:				
Money market funds	-	2,366,007	-	2,366,007
Total	\$ -	\$ 14,640,128	\$ -	\$ 14,640,128

Those investments measured using Level 2 are based on methodologies including: quoted prices for identical or similar assets in active markets, inputs other than quoted prices that are observable for assets or liabilities (such as interest rates, yield curves, credit risks, and default rates), or other market corroborated inputs.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2021:

Investment Type	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
Local Area Investment Pool (LAIF)	\$ 31,714,856	\$ -	\$ 31,714,856
Bonds/Certificates of Deposit	2,718,761	2,768,430	5,487,191
Certificates of deposit - bank	750,922	-	750,922
Money market mutual fund	6,036,008	-	6,036,008
Held by bond trustee:			
Money market funds	2,366,007	-	2,366,007
	\$ 43,586,554	\$ 2,768,430	\$ 46,354,984

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2021.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to 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 rating as of the fiscal year for each investment type.

	Total	Minimum Legal Rating	Rating as of Fiscal Year End S&P	N/A
Local Area Investment Pool (LAIF)	\$ 31,714,856	N/A		Not rated
Bonds/Certificates of Deposit	5,487,191	N/A		Not rated
Certificates of Deposit - bank	750,922	N/A		Not rated
Money market mutual funds	6,036,008	N/A		Not rated
Held by bond trustee:				
Money market funds	2,366,007	N/A	AAA	
	<u>\$ 46,354,984</u>			

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City did not have any Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total City investments as of June 30, 2021.

Custodial Credit Risk

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 its 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 (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

NOTE 3: NOTES RECEIVABLE

The City has made various business loans to qualifying businesses through programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. In addition, the City has made various loans under the Community Development Block Grant (CDBG) revolving loan program and the Home Investment Partnership Program (HOME). Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms.

The balance of the notes receivable, net of allowance, has been offset in the fund financial statements by deferred inflows of resources as they are not deemed measurable and available (within 60 days). In the government-wide financial statements, the City has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing except those accounts that have current payment and activity and are not delinquent. Individual loans range from \$3,000 to \$3,000,000. Total notes receivable as of June 30, 2021 was as follows:

	<u>Balance</u>
Notes Receivable	\$ 19,309,859
Allowance for Doubtful Notes	<u>(5,870,790)</u>
Notes Receivable, net	<u>\$ 13,439,069</u>

Promissory Notes on Shared Appreciation Loans

Certain housing units in the former redevelopment area are part of an affordable housing program designed to create, preserve, maintain, and protect housing for persons of low or moderate income. Qualified persons ("buyer") are able to purchase the housing units at below fair market value, as a result of the City's investment in the project. The City has a promissory note with the buyer for the amount of the difference between the fair market value and the purchase price of the unit, which is considered the City's initial equity contribution. No payments are due under the promissory note, unless the buyer re-sells the unit to a non-eligible buyer or otherwise defaults on the promissory note, as defined in the agreement. The promissory note is cancelled if the buyer sells the unit to another eligible buyer. If the buyer sells to a non-eligible buyer, the City will receive a pro-rate share (based on the City's and buyer's respective equity) of the appreciation of the unit. As of June 30, 2021, no amounts have been recorded related to these loans as any payment is contingent on sales of units to non-eligible buyers in the future.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4: INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2021 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
	<u>Governmental Funds</u>		
General Fund	Transportation Development Act	Deficit cash balance	\$ 148,504
	Federal Aviation Admin Grant	Deficit cash balance	51,146
	4th of July Rally	Deficit cash balance	260,095
	SAFER Grant	Deficit cash balance	1,140,794
	2017 CDBG Grant	Deficit cash balance	1,758,369
	FEMA - COVID 19	Deficit cash balance	733,285
	2020 CDBG	Deficit cash balance	840
	<u>Business-Type Funds</u>		
General Fund	Airport Fund	Deficit cash balance	683,182
	Street Sweeping Fund	Deficit cash balance	<u>1,884,538</u>
Total Governmental and Business-type Funds			<u>\$ 6,660,753</u>

Intra-fund receivables and payables are not presented on the Governmental Funds Balance Sheet and the Proprietary Funds Statement of Net Position as they are presented on a net basis. Proprietary intra-fund balances consisted of \$2,470,554 due to the Sewer Enterprise Fund from the Sewer Industrial Fund as shown on the Combining Schedule of Net Position for the Sewer funds on page 142. Intra-fund receivables/payables were a result of deficit cash balances in the payable fund.

Interfund Transfers to/from Other Funds

Transfers are indicative of funding for capital projects, debt service, subsidies of various City operations and re-allocations of special revenue. The following schedule briefly summarizes the City's transfer activity:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Description of Transfer</u>	<u>Amount Transferred</u>
<u>Major Governmental Fund</u>			
General Fund	SAFER Grant	Grant matching funds	\$ 446,421
General Fund	CalTrans Sustainable Communities Grant	Grant matching funds	17,334
CIP Traffic Impact Fees	General Fund	Administrative fees	91,769
<u>Non-Major Governmental Funds</u>			
Park Dedication	General Fund	Administrative fees	<u>47,773</u>
Total Governmental Interfund Transfers			<u>\$ 603,297</u>
<u>Proprietary Funds</u>			
Airport	Federal Aviation Admin	Grant matching funds	\$ 221,776
Sewer	General Fund	Administrative fees	<u>34,286</u>
Total Proprietary Interfund Transfers			<u>\$ 256,062</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: CAPITAL ASSETS

The following is a summary of capital asset transactions related to governmental and business-type activities of the City for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:					
Capital assets not being depreciated					
Land	\$ 750,252	\$ -	\$ -	\$ -	\$ 750,252
Construction-in-progress	<u>1,718,585</u>	<u>2,910,621</u>	<u>-</u>	<u>(3,874,995)</u>	<u>754,211</u>
 Total capital assets not being depreciated	 <u>2,468,837</u>	 <u>2,910,621</u>	 <u>-</u>	 <u>(3,874,995)</u>	 <u>1,504,463</u>
Capital assets being depreciated					
Buildings	32,081,361	-	-	-	32,081,361
Equipment	14,534,959	410,097	-	-	14,945,056
Improvements	6,774,180	2,472,547	(2,472,547)	3,423,017	10,197,197
Infrastructure	<u>31,613,966</u>	<u>1,547,269</u>	<u>-</u>	<u>451,978</u>	<u>33,613,213</u>
 Total capital assets being depreciated	 <u>85,004,466</u>	 <u>4,429,913</u>	 <u>(2,472,547)</u>	 <u>3,874,995</u>	 <u>90,836,827</u>
 Less accumulated depreciation					
Buildings	(17,028,241)	(970,544)	-	-	(17,998,785)
Equipment	(9,124,096)	(1,095,947)	-	-	(10,220,043)
Improvements	(1,415,554)	(373,704)	-	-	(1,789,258)
Infrastructure	<u>(10,810,265)</u>	<u>(936,704)</u>	<u>-</u>	<u>-</u>	<u>(11,746,969)</u>
 Total accumulated depreciation	 <u>(38,378,156)</u>	 <u>(3,376,899)</u>	 <u>-</u>	 <u>-</u>	 <u>(41,755,055)</u>
 Governmental activities capital assets, net	 <u>\$ 49,095,147</u>	 <u>\$ 3,963,635</u>	 <u>\$ (2,472,547)</u>	 <u>\$ -</u>	 <u>\$ 50,586,235</u>

Depreciation was charged to functions based on their usage of the related assets as follows:

Governmental Activities:

General government	\$ 476,725
Public safety	1,339,206
Public works	1,082,013
Recreation	<u>478,955</u>

Total governmental activities depreciation expense \$ 3,376,899

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: CAPITAL ASSETS (continued)

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2021</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated					
Land	\$ 5,243,600	\$ -	\$ -	\$ -	\$ 5,243,600
Air rights	1,384,584	-	-	-	1,384,584
Construction-in-progress	<u>3,384,272</u>	<u>83,512</u>	<u>-</u>	<u>(3,064,167)</u>	<u>403,617</u>
Total capital assets not being depreciated	<u>10,012,456</u>	<u>83,512</u>	<u>-</u>	<u>(3,064,167)</u>	<u>7,031,801</u>
Capital assets being depreciated					
Buildings	13,138,348	-	-	-	13,138,348
Equipment	6,112,867	1,783,710	-	-	7,896,577
Improvements and infrastructure	<u>157,455,783</u>	<u>2,561,203</u>	<u>-</u>	<u>3,064,167</u>	<u>163,081,153</u>
Total capital assets being depreciated	<u>176,706,998</u>	<u>4,344,913</u>	<u>-</u>	<u>3,064,167</u>	<u>184,116,078</u>
Less accumulated depreciation					
Buildings	(9,299,047)	(246,585)	-	-	(9,545,632)
Equipment	(3,942,868)	(367,338)	-	-	(4,310,206)
Improvements and infrastructure	<u>(50,029,340)</u>	<u>(4,535,356)</u>	<u>-</u>	<u>-</u>	<u>(54,564,696)</u>
Total accumulated depreciation	<u>(63,271,255)</u>	<u>(5,149,279)</u>	<u>-</u>	<u>-</u>	<u>(68,420,534)</u>
Business-type capital assets, net	<u>\$123,448,199</u>	<u>\$ (720,854)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,727,345</u>

Depreciation was charged to functions/programs of the City's business-type activities as follows:

Business-type Activities:

Airport	\$ 1,025,108
Water	231,095
Sewer	3,779,875
Briggs Building	<u>113,201</u>
Total business-type activities depreciation expense	<u>\$ 5,149,279</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES

Governmental Activities

Long-term obligations of the City consist of bonds, and other liabilities, which are payable from the general, capital projects, and enterprise funds. The following is a summary of long-term liabilities transactions related to governmental activities of the City for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
CA Energy Commission Loan	\$ 9,518	\$ -	\$ (2,769)	\$ 6,749	\$ 2,797
John Deere Tractor Leases	138,781	-	(40,407)	98,374	42,031
Fire Trucks Capital Lease	<u>1,043,445</u>	<u>-</u>	<u>(136,637)</u>	<u>906,808</u>	<u>140,583</u>
Total	<u>1,191,744</u>	<u>-</u>	<u>(179,813)</u>	<u>1,011,931</u>	<u>185,411</u>
Other liabilities:					
Compensated absences	<u>1,606,102</u>	<u>1,339,930</u>	<u>(1,073,867)</u>	<u>1,872,165</u>	<u>1,050,525</u>
Total Long-term Liabilities	<u>\$ 2,797,846</u>	<u>\$ 1,339,930</u>	<u>\$ (1,253,680)</u>	<u>\$ 2,884,096</u>	<u>\$ 1,235,936</u>

A description of the long-term liabilities related to governmental activities at June 30, 2021 follows:

A. California Energy Commission Loan

In February 2012, the City entered into a loan agreement with the California Energy Commission for their energy conservation project. The loan bears interest at 1%. Principal payments are due semi-annually beginning on December 22, 2012. Future payments are as follows:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,797	\$ 64
2023	2,825	35
2024	<u>1,127</u>	<u>7</u>
Total	<u>\$ 6,749</u>	<u>\$ 106</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (continued)

B. John Deere Equipment Lease

During fiscal year 2019, the City entered into the following capital lease agreements:

John Deere Lease #1

The City entered into an agreement to lease a four wheel drive loader for the City. The lease requires 60 monthly installments of \$3,510 with an interest rate of 3.75%. The total lease payments of the lease is for \$192,371. Principal payments are due monthly beginning in November 2018 through November 2023.

John Deere Lease #2

The City entered into an agreement to lease a compact track loader for the City. The lease requires 60 monthly installments of \$1,375 with an interest rate of 4.75%. The total lease payments of the lease is for \$73,572. Principal payments are due monthly beginning in October 2018 through October 2023.

John Deere Lease #3

The City entered into an agreement to lease a scrap grapple for the City. The lease requires 60 monthly installments of \$1,375 with an interest rate of 3.75%. The total lease payments of the lease is for \$107,778. Principal payments are due monthly beginning in October 2018 through October 2023.

The lease balance has been divided amongst governmental and business-type activities. The outstanding balance included in governmental activities as of June 30, 2021 was \$98,374. The assets acquired through the capital leases have been recorded with a net book value of \$152,304. Amortization totaling \$20,536 for the year-ended June 30, 2021 is included with depreciation expense. Future payments allocated to governmental activities is as follows:

For the Year Ending, June 30	Principal	Interest
2022	\$ 42,031	\$ 3,146
2023	43,721	1,456
2024	<u>12,622</u>	<u>98</u>
Total	<u>\$ 98,374</u>	<u>\$ 4,700</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (continued)

C. Fire Trucks Capital Lease

In April 2017, the City entered into a capital lease agreement for four fire trucks. The lease bears interest at 2.848% with monthly payments of principal and interest due beginning July 1, 2017. The assets acquired through the capital lease were put into service in 2019 and have been recorded with a net book value of \$856,549 as of June 30, 2021 with depreciation expense of \$244,728 for the year ended June 30, 2021. Future annual payments on the capital lease obligation are as follows:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 140,583	\$ 26,193
2023	144,644	22,132
2024	148,822	17,954
2025	153,121	13,655
2026	157,544	9,233
Thereafter	<u>162,094</u>	<u>4,682</u>
Total	\$ <u>906,808</u>	\$ <u>89,167</u>

D. Debt Service Requirements

Total debt service requirements for governmental activities:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 185,411	\$ 29,403
2023	191,190	23,623
2024	162,571	18,059
2025	153,121	13,655
2026	157,544	9,233
Thereafter	<u>162,094</u>	<u>4,682</u>
Total	\$ <u>1,011,931</u>	\$ <u>98,655</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (continued)

E. Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The liability for compensated absences is determined annually. The City does not accrue for compensated absences in its governmental fund statements and recognizes liabilities for compensated absences only if they are due and payable in an event such as termination. However, in the Statement of Activities the expenditure is allocated to each function based on usage. The compensated absences liability attributable to the governmental activities was liquidated as follows: general fund 95% and nonmajor funds 5%.

Business-type Activities

The following is a summary of long-term liabilities transactions related to business-type activities of the City for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
2016 Wastewater refunding bonds	\$ 54,965,000	\$ -	\$ (2,195,000)	\$ 52,770,000	\$ 2,305,000
John Deere Tractor Lease	114,699	-	(33,127)	81,572	34,459
Bond issuance premium	<u>6,710,512</u>	<u>-</u>	<u>(396,680)</u>	<u>6,313,832</u>	<u>396,680</u>
Total bonds and loans payable	<u>61,790,211</u>	<u>-</u>	<u>(2,624,807)</u>	<u>59,165,404</u>	<u>2,736,139</u>
Other liabilities:					
Compensated absences	<u>273,723</u>	<u>449,120</u>	<u>(282,672)</u>	<u>440,171</u>	<u>148,239</u>
Total Long-Term Liabilities	<u>\$ 62,063,934</u>	<u>\$ 449,120</u>	<u>\$ (2,907,479)</u>	<u>\$ 59,605,575</u>	<u>\$ 2,884,378</u>

A description of the long-term liabilities related to business-type activities at June 30, 2021 is as follows:

A. 2016 Wastewater Revenue Refunding Bonds

In March 2016, the Hollister Joint Powers Financing Authority authorized the issuance of \$67,975,000 of limited obligation bonds to (i) refund all of the Authority's outstanding Wastewater Revenue Bonds, Series 2006; (ii) refund all of the Authority's outstanding Wastewater Revenue Bonds, Series 2007; (iii) fund a reserve fund for the bonds, and (iv) pay costs of issuing the bonds. The net present value refunding savings were approximately \$ 0.7 million or over 12% of the refunded bonds, net of all issuance costs. Annual debt service savings were approximately over \$1 million. Interest payments on the bonds are due and payable on June 1 and December 1 of each year, commencing December 1, 2016. Principal payments are made annually, on June 1. Payments are made payable from and secured by a pledge of lien and lien on net revenues of the City's wastewater system. Interest on the bonds range from 2.00% - 5.00%. Future payments are as follows:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,305,000	\$ 2,309,700
2023	2,420,000	2,194,450
2024	2,540,000	2,073,450
2025	2,665,000	1,946,450
2026	2,750,000	1,861,400
2027 - 2031	15,955,000	7,101,500
2032 - 2036	19,675,000	3,384,850
2037	<u>4,460,000</u>	<u>153,000</u>
Total	<u>\$ 52,770,000</u>	<u>\$ 21,024,800</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (continued)

Bond Issuance Insurance Costs

Capitalized bond insurance costs related to the above issuance have been recorded as deferred charges, net of accumulated amortization, in the amount of \$136,639. The balance is amortized using the straight line method over the bond term. Net amortization for bond insurance costs for the year ended June 30, 2021 totaled \$8,585.

B. John Deere Equipment Lease

As described in the governmental activities section, during fiscal year 2019, the City entered into three capital lease agreements for John Deere equipment. The lease balance has been divided amongst governmental and business-type activities. The outstanding balance included in business-type activities as of June 30, 2021 was \$81,572. The assets acquired through the capital leases have been recorded with a net book value of \$122,142. Amortization totaling \$16,837 for the year ended June 30, 2021 is included with depreciation expense. Future payments allocated to business-type activities is as follows:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 34,459	\$ 2,579
2023	35,845	1,194
2024	<u>11,268</u>	<u>80</u>
Total	<u>\$ 81,572</u>	<u>\$ 3,853</u>

C. Debt Service Requirements

Total debt service requirements for business-type activities:

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,339,459	\$ 2,312,279
2023	2,455,845	2,195,644
2024	2,551,268	2,073,530
2025	2,665,000	1,946,450
2026	2,750,000	1,861,400
2027 - 2031	15,955,000	7,101,500
2032 - 2036	19,675,000	3,384,850
2037	<u>4,460,000</u>	<u>153,000</u>
Total	<u>\$ 52,851,572</u>	<u>\$ 21,028,653</u>

D. Limitations and Restrictions

There are a number of limitations and restrictions contained in the various debt indentures. The City's management believes that the City is in compliance with all significant limitations and restrictions.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (continued)

E. Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2021 does not expect to incur a liability.

NOTE 7: CELL TOWER LEASE REVENUE

On June 30, 2019, the City approved a 50-year cell tower lease agreement with Crown Castle USA Inc. The City received an up-front payment of \$1,400,000, and after the City paid for professional services, the net revenue the City received totaled \$1,316,000. The City will recognize the revenue related to the lease over the 50-year period. The following is a schedule of revenue being amortized:

For the Year Ending, June 30	Lease Payment
2022	\$ 26,320
2023	26,320
2024	26,320
2025	26,320
2026	26,320
2027 - 2031	131,600
2032 - 2036	131,600
2037 - 2041	131,600
2042 - 2046	131,600
2047 - 2051	131,600
2052 - 2056	131,600
2057 - 2061	131,600
2062 - 2066	131,600
2067 - 2071	<u>78,960</u>
Total	\$ <u>1,263,360</u>

NOTE 8: DEBT WITHOUT CITY COMMITMENT

Special assessment bonds and related interest costs are payable solely from assessments and interest collected from the property owners benefited by the respective improvements. The City has no liability for payment of the bonds should assessments be insufficient to cover bond principal and interest; however due to the City's oversight relationship with the Special Assessment Districts, they are included in the City's reporting entity as Special Assessment Debt in the Agency Funds. As of June 30, 2021, the outstanding principal amount of the bonds were:

	Original Principal	Origination Date	Maturity	Balance at June 30, 2021
Meridian Street District	\$ <u>2,335,000</u>	3/2/1994	9/2/2022	\$ <u>355,000</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: FUND BALANCES AND NET POSITION

Fund Balances

As prescribed by GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The City established the following fund balance policies:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure projects are restricted by State statute and County laws are legally segregated for funding of infrastructure improvements.

Committed: This classification includes amounts that can be used for specific purposes determined by formal action of the City's highest level of decision-making authority. The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City did not have any assigned fund balances as of June 30, 2021.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: FUND BALANCES AND NET POSITION (continued)

As of June 30, 2021, fund balances consisted of the following:

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Housing Successor Agency	Transportation Development Act	CIP Traffic Impact Fees		
Nonspendable:						
Prepaid items	\$ 39,672	\$ -	\$ -	\$ -	\$ -	\$ 39,672
Inventory	-	-	-	-	-	-
Land held for resale	494,266	-	-	-	-	494,266
Total Nonspendable	533,938	-	-	-	-	533,938
Restricted:						
Grants	-	-	-	-	208,744	208,744
Housing	-	1,313,162	-	-	-	1,313,162
Taxes & assessments	-	-	5,795,558	23,727,703	10,477,865	40,001,126
Loan programs	-	-	-	-	249,657	249,657
Capital projects	-	-	-	-	5,267,442	5,267,442
Total Restricted	-	1,313,162	5,795,558	23,727,703	16,203,708	47,040,131
Committed:						
Economic development	1,065,706	-	-	-	-	1,065,706
Reserves	300,000	-	-	-	-	300,000
Equipment replacement	300,000	-	-	-	-	300,000
Total Committed	1,665,706	-	-	-	-	1,665,706
Unassigned	6,828,013	-	-	-	(2,324,428)	4,503,585
Total fund balances	\$ 9,027,657	\$ 1,313,162	\$ 5,795,558	\$ 23,727,703	\$ 13,879,280	\$ 53,743,360

Net Position

The government-wide Statement of Net Position reports net position totaling \$172,815,126, of which \$113,136,245 is the net investment in capital assets; \$34 is restricted by debt covenants; \$249,657 is restricted for community improvement; \$208,744 is restricted for grant programs; \$1,313,162 is restricted for housing; and \$5,267,442 is restricted for capital projects. \$52,639,842 represents unrestricted net position.

NOTE 10: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors nine plans (three miscellaneous and six safety). 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.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: PENSION PLAN (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 62 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

Hire Date	Miscellaneous		
	Tier I Prior to November 14, 2011	Tier II Hired Between November 14, 2011 and January 1, 2013	Tier III (PEPRA) On or After January 1, 2013
Benefit Formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	55 and up	60 and up	62 and up
Monthly Benefits, as a % of Eligible Compensation	2.5%	2.0%	2.0%
Required Employee Contribution Rates	8.000%	7.000%	6.250%
Required Employer Contribution Rates*	42.820%	10.406%	8.548%

Hire Date	Safety - Police		
	Tier I Prior to November 14, 2011	Tier II Hired Between November 14, 2011 and January 1, 2013	Tier III (PEPRA) On or After January 1, 2013
Benefit Formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 and up	55 and up	57 and up
Monthly Benefits, as a % of Eligible Compensation	3.0%	3.0%	2.70%
Required Employee Contribution Rates	9.000%	9.000%	11.500%
Required Employer Contribution Rates*	59.430%	22.914%	13.997%

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: PENSION PLAN (continued)

Hire Date	Safety - Fire		
	Tier I Prior to November 14, 2011	Tier II Hired Between November 14, 2011 and January 1, 2013	Tier III (PEPRA) On or After January 1, 2013
Benefit Formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 and up	55 and up	57 and up
Monthly Benefits, as a % of Eligible Compensation	3.0%	3.0%	2.70%
Required Employee Contribution Rates	9.000%	9.000%	11.500%
Required Employer Contribution Rates*	39.632%	23.422%	14.358%

* The employer contribution rate is the sum of the plans' employer normal cost rate plus the employer unfunded accrued liability.

Contributions

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 the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ending June 30, 2021 were \$4,433,918.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$34,061,952. \$31,562,976 of the liability is reported in governmental activities, while \$2,498,976 of the liability is reported in business-type activities.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.30202%
Proportion - June 30, 2020	0.31306%
Change - Increase (Decrease)	0.01104%

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: PENSION PLAN (continued)

For the year ended June 30, 2021, the City recognized pension expense of \$6,589,378. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 4,433,918	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	393,224	1,115,540
Differences between actual and expected experience	2,220,179	-
Changes in assumptions	-	175,008
Adjustment due to differences in proportions	1,238,171	535,830
Net differences between projected and actual earnings on plan investments	<u>869,386</u>	<u>-</u>
Total	<u>\$ 9,154,878</u>	<u>\$ 1,826,378</u>

\$4,433,918 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Fiscal Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2022	\$ 560,393
2023	1,080,955
2024	827,930
2025	425,304

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: PENSION PLAN (continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Cost-Sharing Miscellaneous & Safety Plans</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increases, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS' website under Forms and Publications.

Changes in Assumptions

For the measurement period June 30, 2020, there were no changes in assumptions.

Discount Rate

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: PENSION PLAN (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	<u>Discount Rate -1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate +1% (8.15%)</u>
Net Pension Liability	\$ 52,273,900	\$ 34,061,952	\$ 19,069,392

Pension Plan Fiduciary Net Position

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

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City sponsors and administers a single-employer health care plan for its employees. Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. The City sets its monthly contribution rates for health insurance on behalf of active employees according to PEMHCA statutory minimum. These amounts are indexed in all future years according to the rate of medical inflation. The excess of the designated City contribution for healthcare over PEMHCA statutory minimum is contributed to a Cafeteria Plan and employees may elect to have some or all of this excess contributed on their behalf to CalPERS as an employee contribution towards healthcare benefits. The City has the authority to establish and amend the plan's benefit terms and financing requirements to the city council. No assets are accumulated in a trust that meets all of the criteria in GASB statement No. 75 paragraph 4. The City's plan does not issue a stand-alone financial report and it is not included in the report of another public entity.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Health Plan:

Active employees	191
Inactive plan members currently receiving benefits	28
Inactive plan members entitled to but not receiving benefits	<u>75</u>
Total	<u><u>197</u></u>

Contributions

The City makes contributions based on an actuarially determined rate. For the year ended June 30, 2021, the City paid \$48,234 on behalf of retirees and the estimated implicit subsidy was \$108,744, for a total contribution of \$156,978. The City does not have a trust.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Total OPEB Liability

The City's total OPEB liability ("TOL") was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Funding Method	Entry Age Normal Cost, level percent pay
Asset Valuation Method	Market value of assets
Municipal Bond Index	Bond buyer general obligation 20-bond municipal bond index
Discount Rate	2.21%
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.0% per year
General Inflation Rate	2.5% per annum
Mortality Improvement	MacLeod Watts Scale 2018 applied generationally from 2015.
Healthcare Trend	5.4% in 2021, fluctuates until ultimate rate of 4% in 2076
Service Retirement Rates:	
Miscellaneous	For Classic employees hired before 11/14/2011: 2.5% @ 55 For Classic employees hired on/after 11/14/2011: 2.0% @ 60 For PEPRAs employees: 2.0% @ 62
Police & Fire	For Classic employees hired before 11/14/2011: 3.0% @ 50 For Classic employees hired on/after 11/14/2011: 3.0% @ 55 For PEPRAs employees: 2.7% @ 57
Spouse Coverage:	
Active employees	65% of employees are assumed to be married and to elect coverage for their spouse in retirement. Surviving spouses are assumed to keep coverage until their death. Husbands are assumed to be 3 years older than their wives.
Retired participants	Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Changes in Assumptions

For the measurement period ended June 30, 2020, the discount rate changed from 3.51% to 2.21%. For the measurement period ended June 30, 2019, the discount rate changed from 3.87% at June 30, 2018 to 3.51%. Assumed mortality, termination, and retirement rates were updated to the rates in the most recent available experience study (2017) of the CalPERS program. Future rates of mortality were projected to improve on a generational basis using MacLeod Watts Scale 2018, rather than SOA MP-2017. The salary scale decreased from 3.25% per year to 3.0% per year. The general inflation rate decreased from 2.75% to 2.5% per year.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The City's OPEB plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

	<u>Total OPEB Liability</u>
Beginning Balance	\$ 4,241,996
Service cost	311,298
Interest cost	157,460
Benefit payments	(134,485)
Assumption changes	869,227
Plan experience	<u>-</u>
Net change	<u>1,203,500</u>
Ending Balance	<u>\$ 5,445,496</u>

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

The following represents the total OPEB liability of the City, as well as what the 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, for the measurement period ended June 30, 2019:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB Liability	\$ <u>6,279,847</u>	\$ <u>5,445,496</u>	\$ <u>4,758,252</u>

Sensitivity of the total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>4,708,059</u>	\$ <u>5,445,496</u>	\$ <u>6,383,189</u>

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments 5 year straight line recognition

All other amounts Straight-line recognition over the expected average remaining service lifetime (EARS�) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARS�, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service year.

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$407,877. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 156,978	\$ -
Changes in assumptions	792,371	542,037
Difference between expected and actual experience	<u>-</u>	<u>539,260</u>
Total	<u>\$ 949,349</u>	<u>\$ 1,081,297</u>

\$156,978 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

<u>For the Fiscal Year Ending June 30,</u>	<u>Recognized Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (60,881)
2023	(60,881)
2024	(60,881)
2025	(60,881)
2026	(60,881)
Thereafter	15,479

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: EXCESS OF EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following fund had excess expenditures and/or transfers over appropriations:

Fund	Excess
General Fund	\$ 3,707,993
CIP Traffic Impact Fees	1,481,107
Federal Aviation Admin Grant	272,547
4th of July Rally	1,520
SAFER Grant	72,843
Mello Roos CFD-001	262,573
Police Special Law Enforcement	4,411
Cal-Trans Sustainable Communities Grant	4,584
Off-Street Parking	47
2013 CDBG	12
2020 CDBG	75,230
CARES Act	83,746
Signal Improvement on Flynn	7
HOME Program Revolving Loans	179,058
Fire Impact Fees	636
Police Impact Fees	438
Storm Drain Fees	123
AB 1600 Santa Ana Storm Drain	42,216
Jail Juvenile Hall	211,444
City Hall/City Yard Impact Fees	86

The excess expenditures were covered by available fund balance in the fund.

NOTE 13: DEFICIT FUND BALANCE/UNRESTRICTED NET POSITION

As of June 30, 2021, the following governmental funds had a fund deficit:

Fund	Deficit
4th of July Rally	\$ 260,225
SAFER Grant	1,155,495
2017 CDBG	99,932
2020 CDBG	75,230
FEMA - COVID 19	733,546

As of June 30, 2021, the following proprietary funds had a negative unrestricted net position:

Fund	Deficit
Airport	\$ 841,485
Street Sweeping	1,885,097

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues and expenditure reductions.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14: RISK MANAGEMENT

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pool described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California which exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the member's responsibility.

Risk Coverage

The City is a member of the Monterey Bay Area Self Insurance Authority (MBASIA). MBASIA provides coverage against risks under terms of joint-powers agreement with the City and several other cities and governmental agencies. MBASIA covers losses in excess of \$10,000 for members of the liability group and carries excess insurance for losses between \$1,000,000 and \$20,000,000. Members of the workers' compensation group pay temporary disability claims, while MBASIA pays for permanent disability claims, medical costs, rehabilitation costs, and legal costs and carries excess workers' compensation coverage for between \$500,000 and statutory.

Audited financial statements for MBASIA can be obtained from their management at 100 Pine Street, 11th Floor, San Francisco, CA 94111.

MBASIA is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of MBASIA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with MBASIA are in accordance with formulas established by MBASIA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

NOTE 15: COMMITMENTS AND CONTINGENCIES

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are adequately covered by insurance and not expected to result in a material adverse financial impact on the City.

Grant Awards

Under the terms of Federal and State grants, audits may be required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to requests for reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Hollister Urban Area Water Supply and Treatment Agreement

Sunnyslope County Water District (the District), the City, and San Benito County Water District (SBCWD) entered into a Water Supply and Treatment Agreement in June, 2013, which defines how the three agencies will construct and operate a new surface water treatment plant (to be known as the West Hills Water Treatment Plant), upgrade the existing Lessalt Water Treatment Plant, and construct various pipelines and pump stations connecting the two water treatment plants to the District and City infrastructures. These projects are referred to as the Hollister Urban Area Water Project (HUAWP). The cost was approximately \$30 million and was completed in the prior year.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15: COMMITMENTS AND CONTINGENCIES (continued)

The agreement commits SBCWD to finance the HUAWP facilities up to \$30 million, and commits the City and the District to reimburse SBCWD for the capital costs, for operation of the facilities, and for the costs of raw water delivered to the treatment plants. The agreement commits SBCWD to provide \$10 million (\$5 million each to the City and the District) to allow for gradual and stable water rate increases to fund the HUAWP. SBCWD contributed \$0.5 million to the District in fiscal year 2014, \$1.5 million in 2015, and will contribute \$1.5 million in 2016, \$1 million in fiscal year 2017, and \$0.5 million in fiscal year 2018 to allow District water rates to gradually increase over six years to the level needed to make the obligated payments to SBCWD. The remainder of the capital costs for the HUAWP will be split equally between the City and the District. The Water Supply and Treatment Agreement is for a term of 30 years, with subsequent 10-year renewal options, and required the execution of an Operations and Maintenance Agreement with the District for operating the two surface water treatment plants. The Operations and Maintenance Agreement between the District and SBCWD was executed in August, 2013.

Postclosure

The City has postclosure responsibilities for one landfill site. State and federal laws and regulations required that the City place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years following its closure. The landfill was closed in 1984. Closure procedures have been performed and post-closure activity is recorded in the general fund. The City is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. At June 30, 2021, the City holds funds in the amount of \$750,922 for this purpose.

NOTE 16: TAX ABATEMENT

The City Council authorized two incentive programs to alleviate barriers to securing financing that lingered from the recession in 2014 for new and refurbished hotels: 1) an Impact Fee Deferral Program; and 2) a Hotel Transient Occupancy Tax Incentive Program. It was anticipated that the programs would apply to the Marriott Hotel (Hollister Hotel LLP) at 390 Gateway Drive approved on February 27, 2014. The City Council approved the Impact Fee Deferral Program for the Marriott Hotel on June 5, 2017 with Resolution 2017-130. The City Council also directed staff by motion to prepare a Transient Occupancy Tax Incentive Program (TOT Program) for the construction or redevelopment of three to five star quality hotels and a participation agreement with the Hollister Hotel, a California Limited Partnership. On August 18, 2014, Resolution 2014-169 authorized the City Manager to establish a Hotel Transient Occupancy Tax Incentive Program (the "TOT Program"). As of the fiscal year ended June 30, 2021, there has been \$524,245 in deferral of impact fees, and \$536,012 in total Transient Occupancy Tax that has been remitted back to the Hollister Hotel. The City will remit back 70% of Transient Occupancy Tax collected up to \$2,000,000 or for 15 years whichever comes first.

NOTE 17: CHANGE IN ACCOUNTING PRINCIPLE

As a result of implementing Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, beginning net position of custodial funds has been restated to \$1,549,164. Prior to GASB Statement No. 84, custodial funds (previously, agency funds) only reported assets and liabilities and reported no net position or measurement of results of operations.

CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18: PRIOR PERIOD ADJUSTMENTS

As a result of a grant reconciliation, the City recorded the following prior period adjustment related to matching of grant funds and recognition of grant revenue:

	Beginning Fund Balance (Deficit)/Net Position	Increase (Decrease) to Fund Balance/Net Position	Beginning Fund Balance (Deficit)/Net Position, Restated
<u>Governmental Funds - Fund Balance</u>			
General Fund	\$ 7,347,458	\$ (164,544)	\$ 7,182,914
SAFER	\$ (844,544)	\$ 164,544	\$ (680,000)
 Government-Wide Net Position	 \$ 72,377,016	 \$ (164,544)	 \$ 72,212,472

NOTE 19: SUBSEQUENT EVENTS

Land Held for Resale

In August 2020, the City entered into an escrow agreement for the sale of Parcel 1 of the 400 Block property. The purchase price of the property was \$141,316.

Development Incentive Reimbursement

In November 2020, the City approved an economic incentive program that will provide an estimated economic incentive of \$4.256 million dollars between the City and the Hawkins Group. The incentive will comprise of using the City's economic reserves, storm water in-lieu fees, withholding 75% of the sales tax produced on the Hollister Farms site until all construction of the In-Line Stores are completed, and performing an interfund loan with an interest rate equal to the LAIF rate between the General Fund and the Storm Water Fund in an estimated amount of \$3.160 million. The interfund loan will be paid back using 75% of the sales tax generated at the Hollister Farms site. The estimated payback of the loan is 9 years. As of the date of the report, the City has paid the Hawkins group \$3.096 million in incentive payments.

Successor Agency Subordinate Tax Allocation Bonds

The Successor Agency to the Redevelopment Agency of the City of Hollister has a 2019 Subordinate Tax Allocation Refunding Bond dated August 7, 2019 held by Pacific Premier Bank. According to the terms of the loan, Pacific Premier Bank elected to apply a Default Rate to the debt, increasing the Agency's interest rate from 2.56% to 5.56%, effective with the October 2023 payment. Pacific Premier Bank's decision to use a Default Rate on the Agency's loan was due to a delay in the Agency's ability to submit continuing disclosure information by the bank's due date. Notably, the Agency has successfully completed all payments as part of the debt agreement and the decision to use a Default Rate on the loan was a discretionary decision made by Pacific Premier Bank.

Subsequent to the above, on April 8, 2024, the City was informed that due to missing timely financial information, S&P Global ratings withdrew their ratings on the City's outstanding debt.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOLLISTER
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Taxes	\$ 16,960,400	\$ 17,232,022	\$ 21,356,684	\$ 4,124,662
License and permits	1,708,500	1,938,500	3,078,650	1,140,150
Intergovernmental	746,640	769,170	1,056,168	286,998
Charges for services	5,523,270	5,605,270	6,373,088	767,818
Fines and forfeitures	200,700	200,700	153,342	(47,358)
Investment earnings	64,500	64,500	11,363	(53,137)
Other	<u>985,175</u>	<u>985,175</u>	<u>938,328</u>	<u>(46,847)</u>
Total Revenues	<u>26,189,185</u>	<u>26,795,337</u>	<u>32,967,623</u>	<u>6,172,286</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Personnel	2,000	2,800	77,147	(74,347)
Services & Supplies	106,800	106,800	216,213	(109,413)
Contractual	<u>585,000</u>	<u>587,500</u>	<u>758,222</u>	<u>(170,722)</u>
Total Non-Departmental	<u>693,800</u>	<u>697,100</u>	<u>1,051,582</u>	<u>(354,482)</u>
City Council				
Personnel	71,808	71,808	77,348	(5,540)
Services & Supplies	110,577	110,577	119,240	(8,663)
Contractual	<u>120,000</u>	<u>120,000</u>	<u>159,176</u>	<u>(39,176)</u>
Total City Council	<u>302,385</u>	<u>302,385</u>	<u>355,764</u>	<u>(53,379)</u>
City Clerk				
Personnel	308,087	308,087	340,236	(32,149)
Services & Supplies	33,469	33,469	32,356	1,113
Contractual	<u>145,750</u>	<u>173,250</u>	<u>154,080</u>	<u>19,170</u>
Total City Clerk	<u>487,306</u>	<u>514,806</u>	<u>526,672</u>	<u>(11,866)</u>
City Manager				
Personnel	316,302	316,302	422,343	(106,041)
Services & Supplies	28,677	28,677	23,443	5,234
Contractual	<u>-</u>	<u>2,450</u>	<u>4,200</u>	<u>(1,750)</u>
Total City Manager	<u>344,979</u>	<u>347,429</u>	<u>449,986</u>	<u>(102,557)</u>
City Treasurer				
Personnel	<u>31,880</u>	<u>31,880</u>	<u>32,844</u>	<u>(964)</u>
Total City Treasurer	<u>31,880</u>	<u>31,880</u>	<u>32,844</u>	<u>(964)</u>
Finance				
Personnel	486,449	486,449	725,859	(239,410)
Services & Supplies	52,015	61,015	50,276	10,739
Contractual	<u>32,800</u>	<u>42,800</u>	<u>40,188</u>	<u>2,612</u>
Total Finance	<u>571,264</u>	<u>590,264</u>	<u>816,323</u>	<u>(226,059)</u>

CITY OF HOLLISTER
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
General Government (continued)				
Information Systems				
Personnel	219,232	219,232	225,528	(6,296)
Services & Supplies	50,980	50,980	43,132	7,848
Contractual	158,000	158,000	127,522	30,478
Total Information Systems	428,212	428,212	396,182	32,030
Human Resources				
Personnel	343,632	343,632	285,045	58,587
Services & Supplies	55,300	55,300	136,421	(81,121)
Contractual	11,500	11,500	10,694	806
Total Human Resources	410,432	410,432	432,160	(21,728)
Redevelopment				
Personnel	191,550	191,550	18,462	173,088
Services & Supplies	23,450	23,450	5,438	18,012
Contractual	35,000	35,000	23,416	11,584
Total Redevelopment	250,000	250,000	47,316	202,684
Planning				
Personnel	685,039	735,039	1,012,643	(277,604)
Services & Supplies	509,443	509,443	613,194	(103,751)
Contractual	264,300	664,300	1,398,827	(734,527)
Total Planning	1,458,782	1,908,782	3,024,664	(1,115,882)
Risk Management				
Personnel	20,000	20,000	-	20,000
Services & Supplies	5,750	5,750	61,472	(55,722)
Total Risk Management	25,750	25,750	61,472	(35,722)
Total General Government	5,004,790	5,507,040	7,194,965	(1,687,925)
Public Safety				
Animal Control				
Personnel	629,171	629,171	400,878	228,293
Services & Supplies	104,929	104,929	123,046	(18,117)
Contractual	21,300	28,800	46,704	(17,904)
Total Animal Control	755,400	762,900	570,628	192,272
Fire				
Personnel	7,077,266	7,077,266	8,169,742	(1,092,476)
Services & Supplies	509,269	629,269	707,745	(78,476)
Contractual	584,404	584,404	605,910	(21,506)
Total Fire	8,170,939	8,290,939	9,483,397	(1,192,458)

CITY OF HOLLISTER
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Safety (continued)				
Police				
Personnel	7,097,846	7,015,846	7,051,092	(35,246)
Services & Supplies	631,090	631,090	804,626	(173,536)
Contractual	575,805	575,805	584,815	(9,010)
Total Police	<u>8,304,741</u>	<u>8,222,741</u>	<u>8,440,533</u>	<u>(217,792)</u>
Total Public Safety	<u>17,231,080</u>	<u>17,276,580</u>	<u>18,494,558</u>	<u>(1,217,978)</u>
Public Works				
Solid Waste				
Personnel	8,230	8,230	7,568	662
Services & Supplies	16,100	21,802	21,802	-
Contractual	235,000	229,298	134,191	95,107
Total Solid Waste	<u>259,330</u>	<u>259,330</u>	<u>163,561</u>	<u>95,769</u>
Engineering				
Personnel	268,838	338,838	514,433	(175,595)
Services & Supplies	39,710	70,050	243,959	(173,909)
Contractual	95,000	120,000	391,965	(271,965)
Total Engineering	<u>403,548</u>	<u>528,888</u>	<u>1,150,357</u>	<u>(621,469)</u>
Building				
Services & Supplies	500	500	2,804	(2,304)
Total Building	<u>500</u>	<u>500</u>	<u>2,804</u>	<u>(2,304)</u>
Code Enforcement				
Personnel	276,857	276,857	276,125	732
Services & Supplies	15,700	15,700	15,132	568
Contractual	300	300	399	(99)
Total Code Enforcement	<u>292,857</u>	<u>292,857</u>	<u>291,656</u>	<u>1,201</u>
Vehicle Maintenance				
Personnel	210,285	214,431	223,310	(8,879)
Services & Supplies	244,297	244,297	371,258	(126,961)
Contractual	30,200	26,054	17,857	8,197
Total Vehicle Maintenance	<u>484,782</u>	<u>484,782</u>	<u>612,425</u>	<u>(127,643)</u>
Street Maintenance				
Personnel	53,000	77,603	77,914	(311)
Supplies & Services	426,293	401,690	360,870	40,820
Contractual	26,806	26,806	28,160	(1,354)
Total Street Maintenance	<u>506,099</u>	<u>506,099</u>	<u>466,944</u>	<u>39,155</u>
Total Public Works	<u>1,947,116</u>	<u>2,072,456</u>	<u>2,687,747</u>	<u>(615,291)</u>

CITY OF HOLLISTER
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Recreation				
Parks				
Personnel	465,173	471,569	469,583	1,986
Services & Supplies	245,995	239,599	269,785	(30,186)
Contractual	348,900	348,900	335,773	13,127
Total Parks	<u>1,060,068</u>	<u>1,060,068</u>	<u>1,075,141</u>	<u>(15,073)</u>
Veteran's Building				
Services & Supplies	19,286	19,286	13,744	5,542
Contractual	110,000	110,000	110,000	-
Total Veteran's Building	<u>129,286</u>	<u>129,286</u>	<u>123,744</u>	<u>5,542</u>
Recreation				
Personnel	496,775	496,775	593,434	(96,659)
Services & Supplies	209,529	209,529	144,959	64,570
Contractual	46,000	46,000	27,771	18,229
Total Recreation	<u>752,304</u>	<u>752,304</u>	<u>766,164</u>	<u>(13,860)</u>
Total Recreation	<u>1,941,658</u>	<u>1,941,658</u>	<u>1,965,049</u>	<u>(23,391)</u>
Capital outlay	<u>63,800</u>	<u>340,823</u>	<u>275,666</u>	<u>65,157</u>
Debt Service:				
Principal	167,309	167,309	179,813	(12,504)
Interest	34,284	34,284	35,155	(871)
Total Debt Service	<u>201,593</u>	<u>201,593</u>	<u>214,968</u>	<u>(13,375)</u>
Total Expenditures	<u>26,390,037</u>	<u>27,340,150</u>	<u>30,832,953</u>	<u>(3,492,803)</u>
Excess (deficiency) of revenues over expenditures	<u>(200,852)</u>	<u>(544,813)</u>	<u>2,134,670</u>	<u>2,679,483</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	173,828	173,828
Transfers out	<u>(247,500)</u>	<u>(248,565)</u>	<u>(463,755)</u>	<u>(215,190)</u>
Total Other Financing Sources (Uses)	<u>(247,500)</u>	<u>(248,565)</u>	<u>(289,927)</u>	<u>(41,362)</u>
Net change in fund balance	<u>\$ (448,352)</u>	<u>\$ (793,378)</u>	<u>1,844,743</u>	<u>\$ 2,638,121</u>
Fund balance - July 1, 2020			7,347,458	
Prior Period Adjustment			<u>(164,544)</u>	
Fund balance - July 1, 2020, restated			<u>7,182,914</u>	
Fund balance - June 30, 2021			<u>\$ 9,027,657</u>	

CITY OF HOLLISTER
HOUSING SUCCESSOR AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings (loss)	\$ 15,000	\$ 15,000	\$ (610)	\$ (15,610)
Other revenues	<u>20,000</u>	<u>20,000</u>	<u>170,672</u>	<u>150,672</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>170,062</u>	<u>135,062</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>641</u>	<u>(641)</u>
Housing				
Personnel	150,129	150,129	110,032	40,097
Services & Supplies	48,350	48,350	7,819	40,531
Contractual	41,500	41,500	6,702	34,798
Capital	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Housing	<u>241,979</u>	<u>241,979</u>	<u>124,553</u>	<u>117,426</u>
Finance				
Personnel	<u>19,132</u>	<u>19,132</u>	<u>19,227</u>	<u>(95)</u>
Total General Government	<u>261,111</u>	<u>261,111</u>	<u>144,421</u>	<u>116,690</u>
Total Expenditures	<u>261,111</u>	<u>261,111</u>	<u>144,421</u>	<u>116,690</u>
Net change in fund balance	\$ <u>(226,111)</u>	\$ <u>(226,111)</u>	<u>25,641</u>	\$ <u>251,752</u>
Fund balance - July 1, 2020			<u>1,287,521</u>	
Fund balance - June 30, 2021			\$ <u>1,313,162</u>	

CITY OF HOLLISTER
TRANSPORTATION DEVELOPMENT ACT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 6,404,584	\$ 6,404,584
Investment earnings (loss)	-	-	(227)	(227)
Total Revenues	-	-	6,404,357	6,404,357
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	-	-	(48)	48
Total General Government	-	-	(48)	48
Public Works				
Engineering				
Personnel	9,406	9,406	699	8,707
Services & Supplies	-	50,000	91,076	(41,076)
Capital	-	676,023	552,556	123,467
Total Engineering	9,406	735,429	644,331	91,098
Total Public Works	9,406	735,429	644,331	91,098
Total Expenditures	9,406	735,429	644,283	91,146
Net change in fund balance	\$ (9,406)	\$ (735,429)	5,760,074	\$ 6,495,503
Fund balance - July 1, 2020			35,484	
Fund balance - June 30, 2021			\$ 5,795,558	

CITY OF HOLLISTER
CIP TRAFFIC IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
License and permits	\$ 250,000	\$ 400,000	\$ 6,129,709	\$ 5,729,709
Investment earnings	<u>10,000</u>	<u>25,000</u>	<u>66,327</u>	<u>41,327</u>
Total Revenues	<u>260,000</u>	<u>425,000</u>	<u>6,196,036</u>	<u>5,771,036</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>15,000</u>	<u>11,250</u>	<u>3,750</u>
Total General Government	<u>-</u>	<u>15,000</u>	<u>11,250</u>	<u>3,750</u>
Public Works				
Engineering				
Supplies & Services	80,000	80,000	211,863	(131,863)
Capital	<u>-</u>	<u>150,000</u>	<u>1,411,225</u>	<u>(1,261,225)</u>
Total Engineering	<u>80,000</u>	<u>230,000</u>	<u>1,623,088</u>	<u>(1,393,088)</u>
Total Public Works	<u>80,000</u>	<u>230,000</u>	<u>1,623,088</u>	<u>(1,393,088)</u>
Total Expenditures	<u>80,000</u>	<u>245,000</u>	<u>1,634,338</u>	<u>(1,389,338)</u>
Excess (deficiency) of revenues over expenditures	<u>180,000</u>	<u>180,000</u>	<u>4,561,698</u>	<u>4,381,698</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(91,769)</u>	<u>(91,769)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(91,769)</u>	<u>(91,769)</u>
Net change in fund balance	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>4,469,929</u>	<u>\$ 4,289,929</u>
Fund balance - July 1, 2020			<u>19,257,774</u>	
Fund balance - June 30, 2021			<u>\$ 23,727,703</u>	

CITY OF HOLLISTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all departments at the major object level within the general, special revenue, capital project, and debt service funds.

During the period December through February of each fiscal year, department heads prepare estimates of required appropriations for the following fiscal year. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources and historical data for the preceding fiscal year. The operating budget is presented by the City Manager to the City Council for review. Public hearings are conducted to obtain citizen comments. The City Council generally adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations at the departmental level within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered.

**CITY OF HOLLISTER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, Cost Sharing Defined Benefit Pension Plan
As of June 30, 2020 (Measurement Date)
Last 10 Years ***

	Measurement Date						
	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.30202 %	0.30202 %	0.29525 %	0.31467 %	0.35227 %	0.40408 %	0.40699 %
Proportionate share of the net pension liability	\$ 34,061,952	\$ 30,947,803	\$ 28,451,236	\$ 31,206,329	\$ 30,481,960	\$ 27,735,606	\$ 25,324,873
Covered payroll	\$ 15,644,085	\$ 14,875,106	\$ 12,196,775	\$ 13,320,993	\$ 11,471,107	\$ 10,170,308	\$ 8,638,146
Proportionate share of the net pension liability as a percentage of covered payroll	217.73 %	208.05 %	233.27 %	234.26 %	265.73 %	272.71 %	293.17 %
Plan fiduciary net position as a percentage of the total pension liability	75.10 %	75.30 %	73.69 %	73.30 %	74.06 %	78.40 %	79.82 %

Notes to Schedule:

Changes in assumptions: In 2020 and 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50 percent discount rate.

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only seven years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF HOLLISTER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN
Prepared for the City's Miscellaneous and Safety Plan,
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2021
Last 10 Years ***

	Fiscal Year-End						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 4,433,918	\$ 3,987,986	\$ 3,320,549	\$ 3,046,562	\$ 2,937,927	\$ 3,069,884	\$ 2,119,208
Contributions in relation to the actuarially determined contributions	<u>4,433,918</u>	<u>3,987,986</u>	<u>3,320,549</u>	<u>5,230,370</u>	<u>5,692,674</u>	<u>5,330,246</u>	<u>2,949,208</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(2,183,808)</u>	\$ <u>(2,754,747)</u>	\$ <u>(2,260,362)</u>	\$ <u>(830,000)</u>
Covered payroll	\$ 15,935,909	\$ 15,644,085	\$ 14,875,106	\$ 12,196,775	\$ 13,320,993	\$ 11,471,107	\$ 10,170,308
Contributions as a percentage of covered payroll	27.82 %	25.49 %	22.32 %	42.88 %	42.73 %	46.47 %	29.00 %

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only seven years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF HOLLISTER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2019 (Measurement Date)
Last 10 Years***

	Measurement Period			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 311,298	\$ 303,940	\$ 319,491	\$ 362,207
Interest	157,460	190,760	170,204	139,325
Difference between expected and actual experience	-	(655,107)	-	-
Changes in assumptions	869,227	(152,087)	(224,924)	(434,756)
Benefit payments	<u>(134,485)</u>	<u>(141,531)</u>	<u>(141,825)</u>	<u>(40,162)</u>
Net change in total OPEB liability	<u>1,203,500</u>	<u>(454,025)</u>	<u>122,946</u>	<u>26,614</u>
Total OPEB liability, beginning	<u>4,241,996</u>	<u>4,696,021</u>	<u>4,573,075</u>	<u>4,546,461</u>
Total OPEB liability, ending	<u>\$ 5,445,496</u>	<u>\$ 4,241,996</u>	<u>\$ 4,696,021</u>	<u>\$ 4,573,075</u>
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	- %
Covered-employee payroll	\$ 14,378,254	\$ 13,591,192	\$ 14,387,356	\$ 13,320,993
City's total OPEB liability as a percentage of covered-employee payroll	37.87 %	31.21 %	32.64 %	34.33 %

Notes to Schedule:

Changes in assumption:

For the measurement period ended June 30, 2020, the discount rate changed from 3.51% to 2.21%. For the measurement period ended June 30, 2019, the discount rate changed from 3.87% at June 30, 2018 to 3.51%. Assumed mortality, termination, and retirement rates were updated to the rates in the most recent available experience study (2017) of the CalPERS program. Future rates of mortality were projected to improve on a generational basis using MacLeod Watts Scale 2018, rather than SOA MP-2017. The salary scale decreased from 3.25% per year to 3.0% per year. The general inflation rate decreased from 2.75% to 2.5% per year.

For the measurement period ended June 30, 2018, the discount rate was changed from 3.53 percent to 3.87 percent.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF HOLLISTER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
As of June 30, 2021
Last 10 Years ***

	Fiscal Year			
	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 156,978	\$ 134,485	\$ 141,531	\$ 141,825
Contributions in relation to the ADC	<u>(156,978)</u>	<u>(134,485)</u>	<u>(141,531)</u>	<u>(141,825)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 19,071,905	\$ 14,378,254	\$ 13,591,152	\$ 14,387,356
Contributions as a percentage of covered-employee payroll	0.82 %	0.94 %	1.04 %	0.99 %

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.

COMBINING FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total in the Governmental Fund Financial Statements under the column "Other Governmental Funds."

SPECIAL REVENUE FUNDS: Special revenue funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. The nonmajor special revenue funds are listed below:

CDBG Low Income Housing Rehab - This fund accounts for revenues and expenditures relating to community development block grant.

Gas Tax - This fund provides for planning, design, construction, maintenance, and administration of City transportation activities. Revenues consist primarily of the City's share of state highway user.

Park Dedication - This fund was established to provide financing for parks.

Road Repair & Accountability - This fund provides for planning, design, construction, maintenance, and administration for the City's share of the Road Repair and Accountability Act funds from the State of California.

Federal Aviation Admin Grant - This fund is used to account for receipt and disbursement of the federal aviation funding provided by Federal funding.

4th of July Rally - This fund was established to account for the receipt and disbursement of the annual 4th of July rally.

SAFER Grant - This fund was established to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" fighters available in their communities.

Spay/Neuter Education - This fund was established to account for the receipt and disbursement of the City's spay and neuter grant and donation funds.

Mello Roos CFD-001 - This fund was established to account for the receipt and disbursement of the CFD-1 funding.

Police Special Law Enforcement Safety - This fund was established to account for the receipt and disbursement of the state funding provided by Police Special Law Enforcement Safety grant.

Office of Traffic Safety - This fund was established to account for the receipt and disbursement of the City's traffic safety funding provided by State funding.

Animal Welfare - This fund was established to account for the receipt and disbursement of the local funding provided by animal welfare grant.

CalTrans Sustainable Communities Grant - This fund was established to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the Regional Transportation Plan Guidelines adopted by the California Transportation Commission.

SB 1186 - This fund was established to account for the receipts and disbursements of the State's ADA mandate.

Off Street Parking - This fund was established to account for the maintenance and reconstruction of City off-street parking.

2013 CDBG - This fund was established to account for revenues and expenditures of the 2013 community development block grant.

2017 CDBG - This fund was established to account for revenues and expenditures for the 2017 community development block grant.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

2020 CDBG - This fund was established to account for revenues and expenditures for the 2020 community development block grant.

FEMA- COVID 19 - This fund is used to account for all revenues and expenditures necessary to carry out the requirements of FEMA contributions to the City.

CARES Act - This fund is used to account for all revenues and expenditures necessary to carry out the requirements of the CARES Act grant.

Signal Improvement Fee on Flynn - This fund was established to account for the fees collected for the Flynn Road Signal Improvement.

Traffic Impact Fees - This fund was established to track the inflows and outflows for traffic impact related to new development.

AFG Grant - This fund was established to account for activities of the AFG program which uses funds for fire equipment.

Home Program Revolving Loans - This fund was established to account for the receipt and disbursement of the City's Federal HOME grant funds.

CAPITAL PROJECT FUNDS: Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition of land or acquisition or construction of capital facilities and other capital assets. :

Fire Impact Fees - This fund was established as depositories for fire development impact fees. The fees are levied against all new development in the City in order to pay for the construction or improvement of fire facilities as a result of City growth.

Police Impact Fees - This fund was established as depositories for police development impact fees. The fees are levied against all new development in the City in order to pay for the construction or improvement of police facilities as a result of City growth.

Storm Drain Fees - This fund was established as depositories for storm drain development fees. The fees are levied against development in the City in order to pay for the construction or improvement of storm drains.

Storm Drain Impact Fees - This fund was established as depositories for storm drain development impact fees. The fees are levied against all new development in the City in order to pay for the construction or improvement of storm drains as a result of City growth.

AB 1600 Santa Ana Storm Drain - This fund was established as depositories for Santa Ana storm drain development impact fees. The fees are levied against all new development in the Santa Ana Road area in order to pay for the construction or improvement of storm drains as a result of City growth.

Jail Juvenile Hall - This fund was established as depositories for Juvenile Hall development impact fees. The fees are levied against all new development in the City in order to pay for Juvenile Hall construction or improvements as a result of City growth.

City Hall/City Yard Impact Fees - This fund was established as depositories for City Hall/City Yard development impact fees. The fees are levied against all new developments in the City in order to pay for the construction or improvement of City Hall or City Yard facilities as a result of City growth.

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	CDBG Low Income Housing Rehab	Gas Tax	Park Dedication	Road Repair & Accountability	Federal Aviation Admin Grant	4th of July Rally
<u>ASSETS</u>						
Cash and investments	\$ 150,547	\$ 251,031	\$ 4,217,264	\$ 968,016	\$ -	\$ -
Accounts receivable	-	105,083	-	137,313	51,146	-
Interest receivable	54	-	1,660	345	-	-
Notes receivable	<u>228,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>378,764</u>	\$ <u>356,114</u>	\$ <u>4,218,924</u>	\$ <u>1,105,674</u>	\$ <u>51,146</u>	\$ <u>-</u>
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable	\$ -	\$ 155,118	\$ 19,623	\$ 2,454	\$ -	\$ -
Accrued payroll and benefits	-	5,018	-	-	-	93
Deposits	-	-	179,000	-	-	37
Due to other funds	-	-	-	-	51,146	260,095
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>160,136</u>	<u>198,623</u>	<u>2,454</u>	<u>51,146</u>	<u>260,225</u>
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	<u>228,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):						
Restricted	150,601	195,978	4,020,301	1,103,220	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(260,225)</u>
Total Fund Balance (Deficits)	<u>150,601</u>	<u>195,978</u>	<u>4,020,301</u>	<u>1,103,220</u>	<u>-</u>	<u>(260,225)</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ <u>378,764</u>	\$ <u>356,114</u>	\$ <u>4,218,924</u>	\$ <u>1,105,674</u>	\$ <u>51,146</u>	\$ <u>-</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	SAFER Grant	Spay/ Neuter Education	Mello Roos CFD-001	Police Special Law Enforcement Safety	Office of Traffic Safety	Animal Welfare
<u>ASSETS</u>						
Cash and investments	\$ -	\$ 24,631	\$ 338	\$ 119,744	\$ 46,503	\$ 24,405
Accounts receivable	1,155,495	-	11,118	-	17,960	-
Interest receivable	-	9	183	43	17	9
Notes receivable	-	-	-	-	-	-
Total Assets	\$ 1,155,495	\$ 24,640	\$ 11,639	\$ 119,787	\$ 64,480	\$ 24,414
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ 548	\$ -	\$ 1,000
Accrued payroll and benefits	14,701	-	8,181	-	-	-
Deposits	-	1,034	-	-	-	-
Due to other funds	1,140,794	-	-	-	-	-
Unearned revenue	-	-	-	-	26,461	-
Total Liabilities	1,155,495	1,034	8,181	548	26,461	1,000
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	1,155,495	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Restricted	-	23,606	3,458	119,239	38,019	23,414
Unassigned	(1,155,495)	-	-	-	-	-
Total Fund Balance (Deficits)	(1,155,495)	23,606	3,458	119,239	38,019	23,414
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 1,155,495	\$ 24,640	\$ 11,639	\$ 119,787	\$ 64,480	\$ 24,414

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	CalTrans Sustainable Communities Grant	SB 1186	Off Street Parking	2013 CDBG	2017 CDBG	2020 CDBG
<u>ASSETS</u>						
Cash and investments	\$ -	\$ 38,066	\$ 91,771	\$ 146,978	\$ -	\$ -
Accounts receivable	-	-	-	-	1,704,387	75,230
Interest receivable	-	-	33	52	-	-
Notes receivable	-	-	-	695,815	-	-
Total Assets	\$ -	\$ 38,066	\$ 91,804	\$ 842,845	\$ 1,704,387	\$ 75,230
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable	\$ -	\$ 99	\$ -	\$ -	\$ 45,950	\$ 74,390
Accrued payroll and benefits	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other funds	-	-	-	-	1,758,369	840
Unearned revenue	-	-	-	142,604	-	-
Total Liabilities	-	99	-	142,604	1,804,319	75,230
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	-	-	-	695,815	-	75,230
FUND BALANCES (DEFICITS):						
Restricted	-	37,967	91,804	4,426	-	-
Unassigned	-	-	-	-	(99,932)	(75,230)
Total Fund Balance (Deficits)	-	37,967	91,804	4,426	(99,932)	(75,230)
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ -	\$ 38,066	\$ 91,804	\$ 842,845	\$ 1,704,387	\$ 75,230

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	FEMA - COVID 19	CARES Act	Signal Improvement Fee on Flynn	Traffic Impact Fees	AFG Grant	Home Program Revolving Loans
<u>ASSETS</u>						
Cash and investments	\$ -	\$ 111,180	\$ 14,145	\$ 48,342	\$ 1,810	\$ 99,021
Accounts receivable	-	-	-	-	-	-
Interest receivable	(261)	40	5	17	-	35
Notes receivable	-	-	-	-	-	2,285,574
Total Assets	\$ (261)	\$ 111,220	\$ 14,150	\$ 48,359	\$ 1,810	\$ 2,384,630
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other funds	733,285	-	-	-	-	-
Unearned revenue	-	111,180	-	-	1,810	-
Total Liabilities	733,285	111,180	-	-	1,810	-
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	-	-	-	-	-	2,285,574
FUND BALANCES (DEFICITS):						
Restricted	-	40	14,150	48,359	-	99,056
Unassigned	(733,546)	-	-	-	-	-
Total Fund Balance (Deficits)	(733,546)	40	14,150	48,359	-	99,056
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ (261)	\$ 111,220	\$ 14,150	\$ 48,359	\$ 1,810	\$ 2,384,630

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	CAPITAL PROJECT FUNDS			
	Fire Impact Fees	Police Impact Fees	Storm Drain Fees	Storm Drain Impact Fees
<u>ASSETS</u>				
Cash and investments	\$ 1,365,595	\$ 1,030,509	\$ 239,919	\$ 5,379,624
Accounts receivable	-	-	-	-
Interest receivable	486	367	85	1,949
Notes receivable	-	-	-	-
Total Assets	\$ 1,366,081	\$ 1,030,876	\$ 240,004	\$ 5,381,573
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ 35,913
Accrued payroll and benefits	-	-	-	9,483
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	-	45,396
DEFERRED INFLOW OF RESOURCES:				
Unavailable revenues	-	-	-	-
FUND BALANCES (DEFICITS):				
Restricted	1,366,081	1,030,876	240,004	5,336,177
Unassigned	-	-	-	-
Total Fund Balance (Deficits)	1,366,081	1,030,876	240,004	5,336,177
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 1,366,081	\$ 1,030,876	\$ 240,004	\$ 5,381,573

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	CAPITAL PROJECT FUNDS			Total Non-Major Governmental Funds
	AB 1600 Santa Ana Storm Drain	Jail Juvenile Hall	City Hall/City Yard Impact Fees	
<u>ASSETS</u>				
Cash and investments	\$ 2,032,276	\$ 218,774	\$ 222,076	\$ 16,842,565
Accounts receivable	-	-	-	3,257,732
Interest receivable	724	78	79	6,009
Notes receivable	-	-	-	3,209,552
Total Assets	\$ 2,033,000	\$ 218,852	\$ 222,155	\$ 23,315,858
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 19,550	\$ 197,525	\$ -	\$ 552,170
Accrued payroll and benefits	-	-	-	37,476
Deposits	-	-	-	180,071
Due to other funds	-	-	-	3,944,529
Unearned revenue	-	-	-	282,055
Total Liabilities	19,550	197,525	-	4,996,301
DEFERRED INFLOW OF RESOURCES:				
Unavailable revenues	-	-	-	4,440,277
FUND BALANCES (DEFICITS):				
Restricted	2,013,450	21,327	222,155	16,203,708
Unassigned	-	-	-	(2,324,428)
Total Fund Balance (Deficits)	2,013,450	21,327	222,155	13,879,280
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 2,033,000	\$ 218,852	\$ 222,155	\$ 23,315,858

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	CDBG Low Income Housing Rehab	Gas Tax	Park Dedication	Road Repair & Accountability	Federal Aviation Admin Grant	4th of July Rally
<u>REVENUES</u>						
Taxes	\$ -	\$ 912,485	\$ -	\$ 753,518	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,048,254	-
Charges for service	-	-	1,796,387	-	-	-
Investment earnings (loss)	1,704	525	12,009	2,094	-	(429)
Other revenues	<u>77,824</u>	<u>7,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,123</u>
Total Revenues	<u>79,528</u>	<u>920,748</u>	<u>1,808,396</u>	<u>755,612</u>	<u>5,048,254</u>	<u>694</u>
<u>EXPENDITURES</u>						
Current:						
General government	51	91	2,077	374	-	(79)
Public safety	-	-	-	-	-	1,599
Public works	-	831,476	-	-	-	-
Recreation	-	-	25,890	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>705,054</u>	<u>326,005</u>	<u>2,472,547</u>	<u>-</u>
Total Expenditures	<u>51</u>	<u>831,567</u>	<u>733,021</u>	<u>326,379</u>	<u>2,472,547</u>	<u>1,520</u>
Excess (deficiency) of revenues over expenditures	<u>79,477</u>	<u>89,181</u>	<u>1,075,375</u>	<u>429,233</u>	<u>2,575,707</u>	<u>(826)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	221,776	-
Transfers out	<u>-</u>	<u>-</u>	<u>(47,773)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(47,773)</u>	<u>-</u>	<u>221,776</u>	<u>-</u>
Net change in fund balances	79,477	89,181	1,027,602	429,233	2,797,483	(826)
Fund balances (deficits) - July 1, 2020	71,124	106,797	2,992,699	673,987	(2,797,483)	(259,399)
Prior period adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - July 1, 2020, restated	<u>71,124</u>	<u>106,797</u>	<u>2,992,699</u>	<u>673,987</u>	<u>(2,797,483)</u>	<u>(259,399)</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 150,601</u>	<u>\$ 195,978</u>	<u>\$ 4,020,301</u>	<u>\$ 1,103,220</u>	<u>\$ -</u>	<u>\$ (260,225)</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	SAFER Grant	Spay/ Neuter Education	Mello Roos CFD-001	Police Special Law Enforcement Safety	Office of Traffic Safety	Animal Welfare
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ 1,092,122	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	115,927	-	-	154,788	55,580	-
Charges for service	-	141	-	-	-	-
Investment earnings (loss)	-	84	451	439	219	100
Other revenues	-	-	-	-	-	1,962
Total Revenues	<u>115,927</u>	<u>225</u>	<u>1,092,573</u>	<u>155,227</u>	<u>55,799</u>	<u>2,062</u>
<u>EXPENDITURES</u>						
Current:						
General government	-	13	402	633	31	17
Public safety	1,037,843	495	1,092,171	-	55,836	10,934
Public works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	136,741	-	-
Total Expenditures	<u>1,037,843</u>	<u>508</u>	<u>1,092,573</u>	<u>137,374</u>	<u>55,867</u>	<u>10,951</u>
Excess (deficiency) of revenues over expenditures	<u>(921,916)</u>	<u>(283)</u>	<u>-</u>	<u>17,853</u>	<u>(68)</u>	<u>(8,889)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	446,421	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>446,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(475,495)	(283)	-	17,853	(68)	(8,889)
Fund balances (deficits) - July 1, 2020	(844,544)	23,889	3,458	101,386	38,087	32,303
Prior period adjustment (Note 18)	164,544	-	-	-	-	-
Fund balances (deficits) - July 1, 2020, restated	<u>(680,000)</u>	<u>23,889</u>	<u>3,458</u>	<u>101,386</u>	<u>38,087</u>	<u>32,303</u>
Fund balances (deficits) - June 30, 2021	<u>\$ (1,155,495)</u>	<u>\$ 23,606</u>	<u>\$ 3,458</u>	<u>\$ 119,239</u>	<u>\$ 38,019</u>	<u>\$ 23,414</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	CalTrans Sustainable Community Grant	SB 1186	Off Street Parking	2013 CDBG	2017 CDBG	2020 CDBG
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	7,808	-	-	-	-
Intergovernmental	191,240	-	-	-	1,704,388	-
Charges for service	-	-	-	-	-	-
Investment earnings (loss)	-	18	286	437	-	-
Other revenues	-	-	-	-	-	-
Total Revenues	<u>191,240</u>	<u>7,826</u>	<u>286</u>	<u>437</u>	<u>1,704,388</u>	<u>-</u>
<u>EXPENDITURES</u>						
Current:						
General government	4,584	-	47	62	191,250	75,230
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,513,138	-
Total Expenditures	<u>4,584</u>	<u>-</u>	<u>47</u>	<u>62</u>	<u>1,704,388</u>	<u>75,230</u>
Excess (deficiency) of revenues over expenditures	<u>186,656</u>	<u>7,826</u>	<u>239</u>	<u>375</u>	<u>-</u>	<u>(75,230)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	17,334	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>17,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	203,990	7,826	239	375	-	(75,230)
Fund balances (deficits) - July 1, 2020	(203,990)	30,141	91,565	4,051	(99,932)	-
Prior period adjustment (Note 18)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2020, restated	<u>(203,990)</u>	<u>30,141</u>	<u>91,565</u>	<u>4,051</u>	<u>(99,932)</u>	<u>-</u>
Fund balances (deficits) - June 30, 2021	<u>\$ -</u>	<u>\$ 37,967</u>	<u>\$ 91,804</u>	<u>\$ 4,426</u>	<u>\$ (99,932)</u>	<u>\$ (75,230)</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS					
	FEMA - COVID 19	CARES Act	Signal Improvement Fee on Flynn	Traffic Impact Fees	AFG Grant	Home Program Revolving Loans
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	540,682	-	-	-	-
Charges for service	-	-	-	-	-	-
Investment earnings (loss)	(1,153)	249	44	150	-	19,029
Other revenues	-	-	-	-	-	67,612
Total Revenues	<u>(1,153)</u>	<u>540,931</u>	<u>44</u>	<u>150</u>	<u>-</u>	<u>86,641</u>
<u>EXPENDITURES</u>						
Current:						
General government	22,558	384,366	7	25	-	179,058
Public safety	13,922	-	-	-	-	-
Public works	52,573	928	-	-	-	-
Recreation	195,364	85,702	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>284,417</u>	<u>470,996</u>	<u>7</u>	<u>25</u>	<u>-</u>	<u>179,058</u>
Excess (deficiency) of revenues over expenditures	<u>(285,570)</u>	<u>69,935</u>	<u>37</u>	<u>125</u>	<u>-</u>	<u>(92,417)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(285,570)	69,935	37	125	-	(92,417)
Fund balances (deficits) - July 1, 2020	(447,976)	(69,895)	14,113	48,234	-	191,473
Prior period adjustment (Note 18)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2020, restated	<u>(447,976)</u>	<u>(69,895)</u>	<u>14,113</u>	<u>48,234</u>	<u>-</u>	<u>191,473</u>
Fund balances (deficits) - June 30, 2021	<u>\$ (733,546)</u>	<u>\$ 40</u>	<u>\$ 14,150</u>	<u>\$ 48,359</u>	<u>\$ -</u>	<u>\$ 99,056</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	CAPITAL PROJECT FUNDS			
	Fire Impact Fees	Police Impact Fees	Storm Drain Fees	Storm Drain Impact Fees
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	272,577	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	201,721	-	994,336
Investment earnings (loss)	3,776	2,850	747	15,771
Other revenues	-	-	-	-
Total Revenues	<u>276,353</u>	<u>204,571</u>	<u>747</u>	<u>1,010,107</u>
<u>EXPENDITURES</u>				
Current:				
General government	636	438	123	12,651
Public safety	-	-	-	-
Public works	-	-	-	526,425
Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>636</u>	<u>438</u>	<u>123</u>	<u>539,076</u>
Excess (deficiency) of revenues over expenditures	<u>275,717</u>	<u>204,133</u>	<u>624</u>	<u>471,031</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	275,717	204,133	624	471,031
Fund balances (deficits) - July 1, 2020	1,090,364	826,743	239,380	4,865,146
Prior period adjustment (Note 18)	-	-	-	-
Fund balances (deficits) - July 1, 2020, restated	<u>1,090,364</u>	<u>826,743</u>	<u>239,380</u>	<u>4,865,146</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 1,366,081</u>	<u>\$ 1,030,876</u>	<u>\$ 240,004</u>	<u>\$ 5,336,177</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	CAPITAL PROJECT FUNDS			Total Non- major Governmental Funds
	AB 1600 Santa Ana Storm Drain	Jail Juvenile Hall	City Hall/City Yard Impact Fees	
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 2,758,125
Licenses and permits	-	601,428	134,216	1,016,029
Intergovernmental	-	-	-	7,810,859
Charges for service	-	-	-	2,992,585
Investment earnings (loss)	6,385	663	495	66,943
Other revenues	-	-	-	156,259
Total Revenues	<u>6,385</u>	<u>602,091</u>	<u>134,711</u>	<u>14,800,800</u>
<u>EXPENDITURES</u>				
Current:				
General government	1,055	601,444	86	1,477,230
Public safety	-	-	-	2,212,800
Public works	-	-	-	1,411,402
Recreation	-	-	-	306,956
Capital Outlay	<u>42,216</u>	<u>-</u>	<u>-</u>	<u>5,195,701</u>
Total Expenditures	<u>43,271</u>	<u>601,444</u>	<u>86</u>	<u>10,604,089</u>
Excess (deficiency) of revenues over expenditures	<u>(36,886)</u>	<u>647</u>	<u>134,625</u>	<u>4,196,711</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	685,531
Transfers out	-	-	-	(47,773)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>637,758</u>
Net change in fund balances	(36,886)	647	134,625	4,834,469
Fund balances (deficits) - July 1, 2020	2,050,336	20,680	87,530	8,880,267
Prior period adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,544</u>
Fund balances (deficits) - July 1, 2020, restated	<u>2,050,336</u>	<u>20,680</u>	<u>87,530</u>	<u>9,044,811</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 2,013,450</u>	<u>\$ 21,327</u>	<u>\$ 222,155</u>	<u>\$ 13,879,280</u>

CITY OF HOLLISTER
CDBG LOW INCOME HOUSING REHAB - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ 600	\$ 600	\$ 1,704	\$ 1,104
Other revenues	<u>-</u>	<u>-</u>	<u>77,824</u>	<u>77,824</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>79,528</u>	<u>78,928</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>600</u>	<u>600</u>	<u>51</u>	<u>549</u>
Total General Government	<u>600</u>	<u>600</u>	<u>51</u>	<u>549</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>51</u>	<u>549</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>79,477</u>	<u>\$ 79,477</u>
Fund balance - July 1, 2020			<u>71,124</u>	
Fund balance - June 30, 2021			<u>\$ 150,601</u>	

CITY OF HOLLISTER
GAS TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 1,001,403	\$ 1,001,403	\$ 912,485	\$ (88,918)
Investment earnings	-	-	525	525
Other revenues	-	-	7,738	7,738
Total Revenues	<u>1,001,403</u>	<u>1,001,403</u>	<u>920,748</u>	<u>(80,655)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	-	-	91	(91)
Total General Government	-	-	91	(91)
Public Works				
Street Maintenance				
Personnel	517,923	517,923	379,143	138,780
Services & Supplies	409,480	409,480	397,391	12,089
Contractual	4,000	4,000	746	3,254
Total Street Maintenance	<u>931,403</u>	<u>931,403</u>	<u>777,280</u>	<u>154,123</u>
Engineering				
Services & Supplies	70,000	122,750	54,196	68,554
Total Engineering	<u>70,000</u>	<u>122,750</u>	<u>54,196</u>	<u>68,554</u>
Total Public Works	<u>1,001,403</u>	<u>1,054,153</u>	<u>831,476</u>	<u>222,677</u>
Total Expenditures	<u>1,001,403</u>	<u>1,054,153</u>	<u>831,567</u>	<u>222,586</u>
Net change in fund balance	\$ -	\$ (52,750)	89,181	\$ 141,931
Fund balance - July 1, 2020			106,797	
Fund balance - June 30, 2021			<u>\$ 195,978</u>	

CITY OF HOLLISTER
PARK DEDICATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Charges for services	\$ 265,000	\$ 293,459	\$ 1,796,387	\$ 1,502,928
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>12,009</u>	<u>11,009</u>
Total Revenues	<u>266,000</u>	<u>294,459</u>	<u>1,808,396</u>	<u>1,513,937</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>(2,077)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>(2,077)</u>
Recreation				
Parks				
Personnel	<u>-</u>	<u>-</u>	<u>25,890</u>	<u>(25,890)</u>
Capital	<u>560,930</u>	<u>1,149,857</u>	<u>705,054</u>	<u>444,803</u>
Total Recreation	<u>560,930</u>	<u>1,149,857</u>	<u>730,944</u>	<u>418,913</u>
Total Expenditures	<u>560,930</u>	<u>1,149,857</u>	<u>733,021</u>	<u>416,836</u>
Excess (deficiency) of revenues over expenditures	<u>(294,930)</u>	<u>(855,398)</u>	<u>1,075,375</u>	<u>1,930,773</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(47,773)</u>	<u>(47,773)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(47,773)</u>	<u>(47,773)</u>
Net change in fund balance	<u>\$ (294,930)</u>	<u>\$ (855,398)</u>	<u>1,027,602</u>	<u>\$ 1,883,000</u>
Fund balance - July 1, 2020			<u>2,992,699</u>	
Fund balance - June 30, 2021			<u>\$ 4,020,301</u>	

CITY OF HOLLISTER
ROAD REPAIR & ACCOUNTABILITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 758,288	\$ 758,288	\$ 753,518	\$ (4,770)
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>2,094</u>	<u>(406)</u>
Total Revenues	<u>760,788</u>	<u>760,788</u>	<u>755,612</u>	<u>(5,176)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>374</u>	<u>(374)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>374</u>	<u>(374)</u>
Capital outlay	<u>760,788</u>	<u>1,688,707</u>	<u>326,005</u>	<u>1,362,702</u>
Total Expenditures	<u>760,788</u>	<u>1,688,707</u>	<u>326,379</u>	<u>1,362,328</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (927,919)</u>	<u>429,233</u>	<u>\$ 1,357,152</u>
Fund balance - July 1, 2020			<u>673,987</u>	
Fund balance - June 30, 2021			<u>\$ 1,103,220</u>	

CITY OF HOLLISTER
FEDERAL AVIATION ADMIN GRANT - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ <u>452,305</u>	\$ <u>2,652,305</u>	\$ <u>5,048,254</u>	\$ <u>2,395,949</u>
Total Revenues	<u>452,305</u>	<u>2,652,305</u>	<u>5,048,254</u>	<u>2,395,949</u>
<u>EXPENDITURES</u>				
Public Works				
Airport Runway				
Capital	<u>-</u>	<u>2,200,000</u>	<u>2,472,547</u>	<u>(272,547)</u>
Total Expenditures	<u>-</u>	<u>2,200,000</u>	<u>2,472,547</u>	<u>(272,547)</u>
Excess (deficiency) of revenues over expenditures	<u>452,305</u>	<u>452,305</u>	<u>2,575,707</u>	<u>2,123,402</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>50,256</u>	<u>50,256</u>	<u>221,776</u>	<u>171,520</u>
Total Other Financing Sources	<u>50,256</u>	<u>50,256</u>	<u>221,776</u>	<u>171,520</u>
Net change in fund balance	\$ <u><u>502,561</u></u>	\$ <u><u>502,561</u></u>	<u>2,797,483</u>	\$ <u><u>2,294,922</u></u>
Fund balance (deficit) - July 1, 2020			<u>(2,797,483)</u>	
Fund balance - June 30, 2021			\$ <u><u>-</u></u>	

CITY OF HOLLISTER
4th OF JULY RALLY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original*</u>	<u>Final*</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings (loss)	\$ -	\$ -	\$ (429)	\$ (429)
Other revenues	<u>-</u>	<u>-</u>	<u>1,123</u>	<u>1,123</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>694</u>	<u>694</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>79</u>
Total General Government	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>79</u>
Public Safety				
Police				
Service & Supplies	<u>-</u>	<u>-</u>	<u>1,599</u>	<u>(1,599)</u>
Total Public Safety	<u>-</u>	<u>-</u>	<u>1,599</u>	<u>(1,599)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,520</u>	<u>(1,520)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>(826)</u>	\$ <u>(826)</u>
Fund balance (deficit) - July 1, 2020			<u>(259,399)</u>	
Fund balance (deficit) - June 30, 2021			\$ <u>(260,225)</u>	

*The City did not adopt a budget for the 4th of July Rally Fund for the year ended June 30, 2021.

CITY OF HOLLISTER
SAFER GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ <u>742,500</u>	\$ <u>742,500</u>	\$ <u>115,927</u>	\$ <u>(626,573)</u>
Total Revenues	<u>742,500</u>	<u>742,500</u>	<u>115,927</u>	<u>(626,573)</u>
<u>EXPENDITURES</u>				
Public Safety				
Fire				
Personnel	<u>965,000</u>	<u>965,000</u>	<u>1,037,843</u>	<u>(72,843)</u>
Total Public Safety	<u>965,000</u>	<u>965,000</u>	<u>1,037,843</u>	<u>(72,843)</u>
Total Expenditures	<u>965,000</u>	<u>965,000</u>	<u>1,037,843</u>	<u>(72,843)</u>
Excess (deficiency) of revenues over expenditures	<u>(222,500)</u>	<u>(222,500)</u>	<u>(921,916)</u>	<u>(699,416)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>247,500</u>	<u>247,500</u>	<u>446,421</u>	<u>198,921</u>
Total Other Financing Sources (Uses)	<u>247,500</u>	<u>247,500</u>	<u>446,421</u>	<u>198,921</u>
Net change in fund balance	\$ <u>25,000</u>	\$ <u>25,000</u>	<u>(475,495)</u>	\$ <u>(500,495)</u>
Fund balance (deficit) - July 1, 2020			<u>(844,544)</u>	
Prior period adjustment			<u>164,544</u>	
Fund balance (deficit) - July 1, 2020, restated			<u>(680,000)</u>	
Fund balance (deficit) - June 30, 2021			\$ <u>(1,155,495)</u>	

CITY OF HOLLISTER
SPAY/NEUTER EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Charges for services	\$ 3,500	\$ 3,500	\$ 141	\$ (3,359)
Investment earnings	<u>-</u>	<u>-</u>	<u>84</u>	<u>84</u>
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>225</u>	<u>(3,275)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>13</u>	<u>(13)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>13</u>	<u>(13)</u>
Public Safety				
Animal Control				
Services & Supplies	<u>26,000</u>	<u>26,000</u>	<u>495</u>	<u>25,505</u>
Total Public Safety	<u>26,000</u>	<u>26,000</u>	<u>495</u>	<u>25,505</u>
Total Expenditures	<u>26,000</u>	<u>26,000</u>	<u>508</u>	<u>25,492</u>
Net change in fund balance	\$ <u>(22,500)</u>	\$ <u>(22,500)</u>	<u>(283)</u>	\$ <u>22,217</u>
Fund balance - July 1, 2020			<u>23,889</u>	
Fund balance - June 30, 2021			\$ <u>23,606</u>	

CITY OF HOLLISTER
MELLO ROOS CFD-001 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 830,000	\$ 830,000	\$ 1,092,122	\$ 262,122
Investment earnings (loss)	<u>-</u>	<u>-</u>	<u>451</u>	<u>451</u>
Total Revenues	<u>830,000</u>	<u>830,000</u>	<u>1,092,573</u>	<u>262,573</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>402</u>	<u>(402)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>402</u>	<u>(402)</u>
Public Safety				
Fire				
Personnel	<u>374,295</u>	<u>374,295</u>	<u>567,762</u>	<u>(193,467)</u>
Police				
Personnel	<u>455,705</u>	<u>455,705</u>	<u>524,409</u>	<u>(68,704)</u>
Total Public Safety	<u>830,000</u>	<u>830,000</u>	<u>1,092,171</u>	<u>(262,171)</u>
Total Expenditures	<u>830,000</u>	<u>830,000</u>	<u>1,092,573</u>	<u>(262,573)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2020			<u>3,458</u>	
Fund balance - June 30, 2021			<u>\$ 3,458</u>	

CITY OF HOLLISTER
POLICE SPECIAL LAW ENFORCEMENT SAFETY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 154,788	\$ 54,788
Investment earnings	<u>-</u>	<u>-</u>	<u>439</u>	<u>439</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>155,227</u>	<u>55,227</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>633</u>	<u>(633)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>633</u>	<u>(633)</u>
Public Safety				
Police				
Capital	<u>100,000</u>	<u>132,963</u>	<u>136,741</u>	<u>(3,778)</u>
Total Public Safety	<u>100,000</u>	<u>132,963</u>	<u>136,741</u>	<u>(3,778)</u>
Total Expenditures	<u>100,000</u>	<u>132,963</u>	<u>137,374</u>	<u>(4,411)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(32,963)</u>	<u>17,853</u>	\$ <u>50,816</u>
Fund balance - July 1, 2020			<u>101,386</u>	
Fund balance - June 30, 2021			\$ <u>119,239</u>	

CITY OF HOLLISTER
OFFICE OF TRAFFIC SAFETY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 60,174	\$ 60,174	\$ 55,580	\$ (4,594)
Investment earnings	<u>-</u>	<u>-</u>	<u>219</u>	<u>219</u>
Total Revenues	<u>60,174</u>	<u>60,174</u>	<u>55,799</u>	<u>(4,375)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>31</u>	<u>(31)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>31</u>	<u>(31)</u>
Public Safety				
Police				
Personnel	45,334	45,334	55,836	(10,502)
Capital	<u>14,840</u>	<u>14,840</u>	<u>-</u>	<u>14,840</u>
Total Public Safety	<u>60,174</u>	<u>60,174</u>	<u>55,836</u>	<u>4,338</u>
Total Expenditures	<u>60,174</u>	<u>60,174</u>	<u>55,867</u>	<u>4,307</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(68)</u>	<u>\$ (68)</u>
Fund balance - July 1, 2020			<u>38,087</u>	
Fund balance - June 30, 2021			<u>\$ 38,019</u>	

CITY OF HOLLISTER
ANIMAL WELFARE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ 40	\$ 40	\$ 100	\$ 60
Other revenues	<u>3,500</u>	<u>3,500</u>	<u>1,962</u>	<u>(1,538)</u>
Total Revenues	<u>3,540</u>	<u>3,540</u>	<u>2,062</u>	<u>(1,478)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>40</u>	<u>40</u>	<u>17</u>	<u>23</u>
Total General Government	<u>40</u>	<u>40</u>	<u>17</u>	<u>23</u>
Public Safety				
Animal Control				
Services & Supplies	<u>23,600</u>	<u>23,600</u>	<u>10,934</u>	<u>12,666</u>
Total Public Safety	<u>23,600</u>	<u>23,600</u>	<u>10,934</u>	<u>12,666</u>
Total Expenditures	<u>23,640</u>	<u>23,640</u>	<u>10,951</u>	<u>12,689</u>
Net change in fund balance	\$ <u>(20,100)</u>	\$ <u>(20,100)</u>	<u>(8,889)</u>	\$ <u>11,211</u>
Fund balance - July 1, 2020			<u>32,303</u>	
Fund balance - June 30, 2021			\$ <u>23,414</u>	

CITY OF HOLLISTER
CALTRANS SUSTAINABLE COMMUNITIES GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 191,240	\$ 191,240
Total Revenues	-	-	191,240	191,240
<u>EXPENDITURES</u>				
General Government				
Planning				
Contractual	-	-	4,584	(4,584)
Total General Government	-	-	4,584	(4,584)
Total Expenditures	-	-	4,584	(4,584)
Excess (deficiency) of revenues over expenditures	-	-	186,656	186,656
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	17,334	17,334
Total Other Financing Sources (Uses)	-	-	17,334	17,334
Net change in fund balance	\$ -	\$ -	203,990	\$ 203,990
Fund balance (deficit) - July 1, 2020			(203,990)	
Fund balance - June 30, 2021			\$ -	

* The City did not adopt a budget for the CalTrans Sustainable Community Grant for the year ended June 30, 2021.

CITY OF HOLLISTER
SB 1186 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
License and permits	\$ 9,000	\$ 9,000	\$ 7,808	\$ (1,192)
Investment earnings	<u>50</u>	<u>50</u>	<u>18</u>	<u>(32)</u>
Total Revenues	<u>9,050</u>	<u>9,050</u>	<u>7,826</u>	<u>(1,224)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 9,050</u>	<u>\$ 9,050</u>	<u>7,826</u>	<u>\$ (1,224)</u>
Fund balance - July 1, 2020			<u>30,141</u>	
Fund balance - June 30, 2021			<u>\$ 37,967</u>	

CITY OF HOLLISTER
OFFSTREET PARKING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ <u>200</u>	\$ <u>200</u>	\$ <u>286</u>	\$ <u>86</u>
Total Revenues	<u>200</u>	<u>200</u>	<u>286</u>	<u>86</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>47</u>	<u>(47)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>47</u>	<u>(47)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>47</u>	<u>(47)</u>
Net change in fund balance	\$ <u><u>200</u></u>	\$ <u><u>200</u></u>	<u>239</u>	\$ <u><u>39</u></u>
Fund balance - July 1, 2020			<u>91,565</u>	
Fund balance - June 30, 2021			\$ <u><u>91,804</u></u>	

CITY OF HOLLISTER
2013 CDBG - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ -	\$ -	\$ 437	\$ 437
Total Revenues	-	-	437	437
<u>EXPENDITURES</u>				
General Government				
Planning				
Contractual	-	50	62	(12)
Total General Government	-	50	62	(12)
Total Expenditures	-	50	62	(12)
Net change in fund balance	\$ -	\$ (50)	375	\$ 425
Fund balance - July 1, 2020			4,051	
Fund balance - June 30, 2021			\$ 4,426	

CITY OF HOLLISTER
2017 CDBG - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ <u> </u> -	\$ <u>2,119,632</u>	\$ <u>1,704,388</u>	\$ <u>(415,244)</u>
Total Revenues	<u> </u> -	<u>2,119,632</u>	<u>1,704,388</u>	<u>(415,244)</u>
<u>EXPENDITURES</u>				
General Government				
Planning				
Personnel	-	9,000	6,884	2,116
Services & Supplies	-	100,000	94,113	5,887
Contractual	<u>-</u>	<u>60,000</u>	<u>90,253</u>	<u>(30,253)</u>
Total General Government	<u>-</u>	<u>169,000</u>	<u>191,250</u>	<u>(22,250)</u>
Recreation				
Capital	<u>-</u>	<u>1,950,632</u>	<u>1,513,138</u>	<u>437,494</u>
Total Recreation	<u>-</u>	<u>1,950,632</u>	<u>1,513,138</u>	<u>437,494</u>
Total Expenditures	<u>-</u>	<u>2,119,632</u>	<u>1,704,388</u>	<u>415,244</u>
Net change in fund balance	\$ <u> </u> -	\$ <u> </u> -	<u> </u> -	\$ <u> </u> -
Fund balance (deficit) - July 1, 2020			<u>(99,932)</u>	
Fund balance (deficit) - June 30, 2021			\$ <u>(99,932)</u>	

CITY OF HOLLISTER
2020 CDBG - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original*</u>	<u>Final*</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<u>EXPENDITURES</u>				
General Government				
Planning				
Services & Supplies	-	-	840	(840)
Contractual	_____ -	_____ -	<u>74,390</u>	<u>(74,390)</u>
Total General Government	_____ -	_____ -	<u>75,230</u>	<u>(75,230)</u>
Total Expenditures	_____ -	_____ -	<u>75,230</u>	<u>(75,230)</u>
Net change in fund balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	<u>(75,230)</u>	\$ <u>(75,230)</u>
Fund balance - July 1, 2020			_____ -	
Fund balance (deficit) - June 30, 2021			\$ <u>(75,230)</u>	

* The City did not adopt a budget for the 2020 CDBG fund for the fiscal year ended June 30, 2021.

CITY OF HOLLISTER
FEMA - COVID 19 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 312,650	\$ -	\$ (312,650)
Investment earnings (loss)	<u>-</u>	<u>-</u>	<u>(1,153)</u>	<u>(1,153)</u>
Total Revenues	<u>-</u>	<u>312,650</u>	<u>(1,153)</u>	<u>(313,803)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Services & Supplies	-	-	852	(852)
Contractual	<u>-</u>	<u>500</u>	<u>253</u>	<u>247</u>
Total Non-Departmental	<u>-</u>	<u>500</u>	<u>1,105</u>	<u>(605)</u>
City Council				
Services & Supplies	<u>-</u>	<u>750</u>	<u>590</u>	<u>160</u>
Total City Council	<u>-</u>	<u>750</u>	<u>590</u>	<u>160</u>
City Manager				
Services & Supplies	<u>-</u>	<u>300</u>	<u>182</u>	<u>118</u>
Total City Manager	<u>-</u>	<u>300</u>	<u>182</u>	<u>118</u>
Redevelopment				
Services & Supplies	<u>-</u>	<u>250</u>	<u>98</u>	<u>152</u>
Finance				
Personnel	-	900	450	450
Services & Supplies	<u>-</u>	<u>5,000</u>	<u>4,557</u>	<u>443</u>
Total Finance	<u>-</u>	<u>5,900</u>	<u>5,007</u>	<u>893</u>
Information Systems				
Personnel	<u>-</u>	<u>5,600</u>	<u>2,278</u>	<u>3,322</u>
Total Information Systems	<u>-</u>	<u>5,600</u>	<u>2,278</u>	<u>3,322</u>
Human Resources				
Planning				
Services & Supplies	<u>-</u>	<u>500</u>	<u>388</u>	<u>112</u>
Total Planning	<u>-</u>	<u>500</u>	<u>388</u>	<u>112</u>
Airport				
Personnel	-	10,000	8,064	1,936
Services & Supplies	<u>-</u>	<u>3,000</u>	<u>4,846</u>	<u>(1,846)</u>
Total Airport	<u>-</u>	<u>13,000</u>	<u>12,910</u>	<u>90</u>
Total General Government	-	26,800	22,558	4,242

CITY OF HOLLISTER
FEMA - COVID 19 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety				
Animal Control				
Services & Supplies	\$ -	\$ 350	\$ 302	\$ 48
Fire				
Services & Supplies	-	3,500	4,158	(658)
Total Fire	-	3,500	4,158	(658)
Police				
Personnel	-	-	253	(253)
Services & Supplies	-	7,000	9,209	(2,209)
Total Police	-	7,000	9,462	(2,462)
Total Public Safety	-	10,850	13,922	(3,072)
Public Works				
Engineering				
Services & Supplies	-	750	375	375
Total Engineering	-	750	375	375
Code Enforcement				
Services & Supplies	-	250	783	(533)
Total Code Enforcement	-	250	783	(533)
Sewer Collection				
Services & Supplies	-	1,000	5,742	(4,742)
Total Sewer Collection	-	1,000	5,742	(4,742)
Vehicle Maintenance				
Services & Supplies	-	-	25	(25)
Total Vehicle Maintenance	-	-	25	(25)
Street Maintenance				
Personnel	-	15,000	8,317	6,683
Services & Supplies	-	35,000	29,779	5,221
Total Street Maintenance	-	50,000	38,096	11,904
Storm Drain Maintenance				
Services & Supplies	-	100	2,752	(2,652)
Total Storm Drain Maintenance	-	100	2,752	(2,652)
Water				
Services & Supplies	-	900	4,800	(3,900)
Total Water	-	900	4,800	(3,900)
Total Public Works	-	53,000	52,573	427

CITY OF HOLLISTER
FEMA - COVID 19 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Recreation				
Parks				
Personnel	\$ -	\$ 35,000	\$ 36,671	\$ (1,671)
Services & Supplies	-	<u>150,000</u>	<u>136,912</u>	<u>13,088</u>
Total Parks	-	<u>185,000</u>	<u>173,583</u>	<u>11,417</u>
Recreation				
Personnel	-	25,000	14,003	10,997
Services & Supplies	-	<u>12,000</u>	<u>7,778</u>	<u>4,222</u>
Total Recreation	-	<u>37,000</u>	<u>21,781</u>	<u>15,219</u>
Total Recreation	-	<u>222,000</u>	<u>195,364</u>	<u>26,636</u>
Total Expenditures	-	<u>312,650</u>	<u>284,417</u>	<u>28,233</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(285,570)</u>	<u>\$ (285,570)</u>
Fund balance (deficit) - July 1, 2020			<u>(447,976)</u>	
Fund balance (deficit) - June 30, 2021			<u>\$ (733,546)</u>	

CITY OF HOLLISTER
CARES ACT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 307,250	\$ 540,682	\$ 233,432
Investment earnings	-	-	249	249
Total Revenues	-	307,250	540,931	233,681
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Services & Supplies	-	230,000	50,216	179,784
Contractual	-	-	26	(26)
Total Non-Departmental	-	230,000	50,242	179,758
City Manager				
Services & Supplies	-	65,000	309,299	(244,299)
Finance				
Services & Supplies	-	-	14,764	(14,764)
Airport				
Services & Supplies	-	5,000	10,061	(5,061)
Total General Government	-	300,000	384,366	115,217
Public Works				
Street Maintenance				
Personnel	-	1,250	928	322
Total Public Works	-	1,250	928	322
Recreation				
Parks				
Personnel	-	26,000	24,523	1,477
Services & supplies	-	60,000	61,179	(1,179)
Total Parks	-	86,000	85,702	298
Total Recreation	-	86,000	85,702	298
Total Expenditures	-	387,250	470,996	(83,746)
Net change in fund balance	\$ -	\$ (80,000)	69,935	\$ 149,935
Fund balance (deficit) - July 1, 2020			(69,895)	
Fund balance - June 30, 2021			\$ 40	

CITY OF HOLLISTER
SIGNAL IMPROVEMENT FEE ON FLYNN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ <u>50</u>	\$ <u>50</u>	\$ <u>44</u>	\$ <u>(6)</u>
Total Revenues	<u>50</u>	<u>50</u>	<u>44</u>	<u>(6)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>7</u>	<u>(7)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>7</u>	<u>(7)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>7</u>	<u>(7)</u>
Net change in fund balance	\$ <u><u>50</u></u>	\$ <u><u>50</u></u>	<u>37</u>	\$ <u><u>(13)</u></u>
Fund balance - July 1, 2020			<u>14,113</u>	
Fund balance - June 30, 2021			\$ <u><u>14,150</u></u>	

CITY OF HOLLISTER
TRAFFIC IMPACT FEES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ <u>80</u>	\$ <u>180</u>	\$ <u>150</u>	\$ <u>(30)</u>
Total Revenues	<u>80</u>	<u>180</u>	<u>150</u>	<u>(30)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>100</u>	<u>25</u>	<u>75</u>
Total General Government	<u>-</u>	<u>100</u>	<u>25</u>	<u>75</u>
Total Expenditures	<u>-</u>	<u>100</u>	<u>25</u>	<u>75</u>
Net change in fund balance	\$ <u><u>80</u></u>	\$ <u><u>80</u></u>	<u>125</u>	\$ <u><u>45</u></u>
Fund balance - July 1, 2020			<u>48,234</u>	
Fund balance - June 30, 2021			\$ <u><u>48,359</u></u>	

CITY OF HOLLISTER
AFG GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 10,644	\$ -	\$ (10,644)
Total Revenues	-	10,644	-	(10,644)
<u>EXPENDITURES</u>				
Public Safety				
Fire				
Services & supplies	-	11,709	-	11,709
Total Public Safety	-	11,709	-	11,709
Total Expenditures	-	11,709	-	11,709
Excess (deficiency) of revenues over expenditures	-	(1,065)	-	1,065
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	1,065	-	(1,065)
Total Other Financing Sources (Uses)	-	1,065	-	(1,065)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - July 1, 2020			-	
Fund balance - June 30, 2021			\$ -	

CITY OF HOLLISTER
HOME PROGRAM REVOLVING LOANS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ 500	\$ 500	\$ 19,029	\$ 18,529
Other revenues	<u>-</u>	<u>-</u>	<u>67,612</u>	<u>67,612</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>86,641</u>	<u>86,141</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>58</u>	<u>(58)</u>
Planning				
Contractual	<u>-</u>	<u>-</u>	<u>179,000</u>	<u>(179,000)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>179,058</u>	<u>(179,058)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>179,058</u>	<u>(179,058)</u>
Net change in fund balance	\$ <u>500</u>	\$ <u>500</u>	<u>(92,417)</u>	\$ <u>(92,917)</u>
Fund balance - July 1, 2020			<u>191,473</u>	
Fund balance - June 30, 2021			\$ <u>99,056</u>	

CITY OF HOLLISTER
FIRE IMPACT FEES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
License and permits	\$ 60,000	\$ 60,000	\$ 272,577	\$ 212,577
Investment earnings	<u>200</u>	<u>200</u>	<u>3,776</u>	<u>3,576</u>
Total Revenues	<u>60,200</u>	<u>60,200</u>	<u>276,353</u>	<u>216,153</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>636</u>	<u>(636)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>636</u>	<u>(636)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>636</u>	<u>(636)</u>
Net change in fund balance	\$ <u>60,200</u>	\$ <u>60,200</u>	<u>275,717</u>	\$ <u>215,517</u>
Fund balance - July 1, 2020			<u>1,090,364</u>	
Fund balance - June 30, 2021			\$ <u>1,366,081</u>	

CITY OF HOLLISTER
POLICE IMPACT FEES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Charges for services	\$ 60,000	\$ 60,000	\$ 201,721	\$ 141,721
Investment earnings	<u>200</u>	<u>200</u>	<u>2,850</u>	<u>2,650</u>
Total Revenues	<u>60,200</u>	<u>60,200</u>	<u>204,571</u>	<u>144,371</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>438</u>	<u>(438)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>438</u>	<u>(438)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>438</u>	<u>(438)</u>
Net change in fund balance	\$ <u>60,200</u>	\$ <u>60,200</u>	<u>204,133</u>	\$ <u>143,933</u>
Fund balance - July 1, 2020			<u>826,743</u>	
Fund balance - June 30, 2021			\$ <u>1,030,876</u>	

CITY OF HOLLISTER
STORM DRAIN FEES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Investment earnings	\$ <u>200</u>	\$ <u>200</u>	\$ <u>747</u>	\$ <u>547</u>
Total Revenues	<u>200</u>	<u>200</u>	<u>747</u>	<u>547</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>123</u>	<u>(123)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>123</u>	<u>(123)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>123</u>	<u>(123)</u>
Net change in fund balance	\$ <u>200</u>	\$ <u>200</u>	<u>624</u>	\$ <u>424</u>
Fund balance - July 1, 2020			<u>239,380</u>	
Fund balance - June 30, 2021			\$ <u>240,004</u>	

CITY OF HOLLISTER
STORM DRAIN IMPACT FEES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Charges for services	\$ 250,000	\$ 329,000	\$ 994,336	\$ 665,336
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>15,771</u>	<u>10,771</u>
Total Revenues	<u>255,000</u>	<u>334,000</u>	<u>1,010,107</u>	<u>676,107</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Services & Supplies	-	-	10,028	(10,028)
Contractual	<u>-</u>	<u>19,000</u>	<u>2,623</u>	<u>16,377</u>
Total Non-Departmental	<u>-</u>	<u>19,000</u>	<u>12,651</u>	<u>6,349</u>
Total General Government	<u>-</u>	<u>19,000</u>	<u>12,651</u>	<u>6,349</u>
Public Works				
Engineering				
Personnel	154,970	154,970	92,377	62,593
Supplies & Services	74,000	249,000	379,338	(130,338)
Contractual	55,000	55,000	13,470	41,530
Capital	<u>9,430</u>	<u>9,430</u>	<u>-</u>	<u>9,430</u>
Total Engineering	<u>293,400</u>	<u>468,400</u>	<u>485,185</u>	<u>(16,785)</u>
Sewer Collection				
Supplies & Services	51,300	66,300	39,147	27,153
Capital	<u>38,500</u>	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Total Sewer Collection	<u>89,800</u>	<u>104,800</u>	<u>39,147</u>	<u>65,653</u>
Storm Drain Maintenance				
Supplies & Services	<u>2,000</u>	<u>2,000</u>	<u>2,093</u>	<u>(93)</u>
Total Public Works	<u>385,200</u>	<u>575,200</u>	<u>526,425</u>	<u>21,715</u>
Total Expenditures	<u>385,200</u>	<u>594,200</u>	<u>539,076</u>	<u>55,124</u>
Net change in fund balance	\$ <u>(130,200)</u>	\$ <u>(260,200)</u>	<u>471,031</u>	\$ <u>731,231</u>
Fund balance - July 1, 2020			<u>4,865,146</u>	
Fund balance - June 30, 2021			\$ <u>5,336,177</u>	

CITY OF HOLLISTER
AB 1600 SANTA ANA STORM DRAIN - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ <u>2,500</u>	\$ <u>2,500</u>	\$ <u>6,385</u>	\$ <u>3,885</u>
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>6,385</u>	<u>3,885</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>-</u>	<u>-</u>	<u>1,055</u>	<u>(1,055)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>1,055</u>	<u>(1,055)</u>
Public Safety				
Police				
Capital outlay	<u>-</u>	<u>-</u>	<u>42,216</u>	<u>(42,216)</u>
Total Public Safety	<u>-</u>	<u>-</u>	<u>42,216</u>	<u>(42,216)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>43,271</u>	<u>(85,487)</u>
Net change in fund balance	\$ <u>2,500</u>	\$ <u>2,500</u>	<u>(36,886)</u>	\$ <u>(39,386)</u>
Fund balance - July 1, 2020			<u>2,050,336</u>	
Fund balance - June 30, 2021			\$ <u>2,013,450</u>	

CITY OF HOLLISTER
JAIL JUVENILE HALL - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
License and permits	\$ 90,000	\$ 390,000	\$ 601,428	\$ 211,428
Investment earnings	<u>-</u>	<u>-</u>	<u>663</u>	<u>663</u>
Total Revenues	<u>90,000</u>	<u>390,000</u>	<u>602,091</u>	<u>212,091</u>
<u>EXPENDITURES</u>				
General Governmental				
Non-Departmental				
Contractual	<u>90,000</u>	<u>390,000</u>	<u>601,444</u>	<u>(211,444)</u>
Total General Government	<u>90,000</u>	<u>390,000</u>	<u>601,444</u>	<u>(211,444)</u>
Total Expenditures	<u>90,000</u>	<u>390,000</u>	<u>601,444</u>	<u>(211,444)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>647</u>	<u>\$ 647</u>
Fund balance - July 1, 2020			<u>20,680</u>	
Fund balance - June 30, 2021			<u>\$ 21,327</u>	

CITY OF HOLLISTER
CITY HALL/CITY YARD IMPACT FEES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 50,000	\$ 50,000	\$ 134,216	\$ 84,216
Investment earnings	-	-	495	495
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>134,711</u>	<u>84,711</u>
<u>EXPENDITURES</u>				
General Governmental				
Non-Departmental				
Contractual	-	-	86	(86)
Total General Government	-	-	86	(86)
Total Expenditures	-	-	86	(86)
Net change in fund balance	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>134,625</u>	<u>\$ 84,625</u>
Fund balance - July 1, 2020			87,530	
Fund balance - June 30, 2021			<u>\$ 222,155</u>	

CUSTODIAL FUNDS

Fiduciary Funds account for assets held by the City in a trustee capacity, or as an agent for private organizations, other governmental units, or other funds. The following are the City's Fiduciary Funds:

Tricentennial - This fund accounts for assets held for the Tri-Centennial in a custodial capacity.

Veteran's Building Pavers - This fund accounts for assets held for the Veteran's Building Pavers in a custodial capacity.

Helen Ross Memorial Donations - This fund accounts for the assets from the contributions from Helen Ross for the support of Animal Welfare activities.

Meridian Street - This fund accounts for assets held for the Meridian Street Assessment District in a custodial capacity.

San Benito Estates - This fund accounts for assets held for the San Benito Estates Assessment District in a custodial capacity.

Hollister Business Park - This fund accounts for assets held for the Hollister Business Park Assessment District in a custodial capacity.

Landscaping and Lighting - This fund accounts for assets held for the Landscaping and Lighting Assessment District in a custodial capacity.

Sunnyslope Village - This fund accounts for assets held for the Landscaping and Lighting Assessment District in a custodial capacity.

Gateway Auto Mall - This fund accounts for assets held for the Gateway Auto Mall Assessment District in a custodial capacity.

CFD#4 - This fund accounts for the inflows and outflows related to Community Facilities District #4.

CFD#5 Public Safety - This fund accounts for the inflows and outflows related to Community Facilities District #5.

Santana Ranch CFD - This fund accounts for the inflows and outflows related to the Santana Ranch Community Facilities District.

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

	<u>Tri- centennial</u>	<u>Veteran's Building Pavers</u>	<u>Helen Ross Memorial Donations</u>	<u>Meridian Street</u>	<u>San Benito Estates</u>
<u>ASSETS</u>					
Cash and investments	\$ 15	\$ 3,929	\$ 445,707	\$ 336,104	\$ 144,521
Restricted cash and investments	-	-	-	198,199	-
Accounts receivable	-	-	-	373	-
Interest receivable	<u>-</u>	<u>1</u>	<u>159</u>	<u>120</u>	<u>51</u>
Total Assets	<u>15</u>	<u>3,930</u>	<u>445,866</u>	<u>534,796</u>	<u>144,572</u>
<u>LIABILITIES</u>					
Accounts payable	-	-	-	-	-
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>					
Restricted for Individuals, organizations, and other governments	<u>15</u>	<u>3,930</u>	<u>445,866</u>	<u>534,796</u>	<u>144,572</u>
Total Net Position	<u>\$ 15</u>	<u>\$ 3,930</u>	<u>\$ 445,866</u>	<u>\$ 534,796</u>	<u>\$ 144,572</u>

CITY OF HOLLISTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
JUNE 30, 2021

	Hollister Business Park	Landscaping and Lighting	Sunnyslope Village	Gateway Auto Mall	CFD#4
<u>ASSETS</u>					
Cash and investments	\$ 166,711	\$ 65,663	\$ 956	\$ 112,241	\$ 398,259
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	3,309	-	-	5,199
Interest receivable	<u>59</u>	<u>23</u>	<u>-</u>	<u>40</u>	<u>142</u>
Total Assets	<u>166,770</u>	<u>68,995</u>	<u>956</u>	<u>112,281</u>	<u>403,600</u>
<u>LIABILITIES</u>					
Accounts payable	-	27,961	-	-	13,870
Accrued liabilities	<u>-</u>	<u>1,962</u>	<u>-</u>	<u>-</u>	<u>795</u>
Total Liabilities	<u>-</u>	<u>29,923</u>	<u>-</u>	<u>-</u>	<u>14,665</u>
<u>NET POSITION</u>					
Restricted for Individuals, organizations, and other governments	<u>166,770</u>	<u>39,072</u>	<u>956</u>	<u>112,281</u>	<u>388,935</u>
Total Net Position	<u>\$ 166,770</u>	<u>\$ 39,072</u>	<u>\$ 956</u>	<u>\$ 112,281</u>	<u>\$ 388,935</u>

CITY OF HOLLISTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
JUNE 30, 2021

	CFD#5 Public Safety	Santana Ranch CFD	Total
<u>ASSETS</u>			
Cash and investments	\$ 54,004	\$ 37,719	\$ 1,765,829
Restricted cash and investments	-	-	198,199
Accounts receivable	-	-	8,881
Interest receivable	<u>19</u>	<u>13</u>	<u>627</u>
Total Assets	<u>54,023</u>	<u>37,732</u>	<u>1,973,536</u>
<u>LIABILITIES</u>			
Accounts payable	-	-	41,831
Accrued liabilities	<u>-</u>	<u>-</u>	<u>2,757</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>44,588</u>
<u>NET POSITION</u>			
Restricted for Individuals, organizations, and other governments	<u>54,023</u>	<u>37,732</u>	<u>1,928,948</u>
Total Net Position	<u>\$ 54,023</u>	<u>\$ 37,732</u>	<u>\$ 1,928,948</u>

CITY OF HOLLISTER
COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Tri- centennial	Veteran's Building Pavers	Helen Ross Memorial Donations	Meridian Street	San Benito Estates
<u>ADDITIONS</u>					
Property taxes	\$ -	\$ -	\$ -	\$ 81,195	\$ -
Investment earnings	1	13	729	1,029	450
Other revenues	-	1,350	10,585	(50)	-
	<u>-</u>	<u>1,350</u>	<u>10,585</u>	<u>(50)</u>	<u>-</u>
Total Additions	<u>1</u>	<u>1,363</u>	<u>11,314</u>	<u>82,174</u>	<u>450</u>
<u>DELETIONS</u>					
Contract services	\$ -	\$ 1,502	\$ -	\$ 10,095	\$ 74
Operating costs	-	-	-	(50)	-
Debt service:					
Principal	-	-	-	160,000	-
Interest	-	-	-	30,994	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,044</u>	<u>-</u>
Total Deletions	<u>-</u>	<u>1,502</u>	<u>-</u>	<u>201,039</u>	<u>74</u>
Change in Fiduciary Net Position	1	(139)	11,314	(118,865)	376
Fiduciary Net Position- Beginning, Restated	<u>14</u>	<u>4,069</u>	<u>434,552</u>	<u>653,661</u>	<u>144,196</u>
Fiduciary Net Position - Ending	<u>\$ 15</u>	<u>\$ 3,930</u>	<u>\$ 445,866</u>	<u>\$ 534,796</u>	<u>\$ 144,572</u>

CITY OF HOLLISTER
COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Hollister Business Park	Landscaping and Lighting	Sunnyslope Village	Gateway Auto Mall	CFD#4
<u>ADDITIONS</u>					
Property taxes	\$ -	\$ 234,218	\$ -	\$ -	\$ 575,987
Investment earnings	518	(7)	2	349	383
Other revenues	-	25,923	-	-	-
Total Additions	<u>518</u>	<u>260,134</u>	<u>2</u>	<u>349</u>	<u>576,370</u>
<u>DELETIONS</u>					
Contract services	\$ 86	\$ 14,044	\$ -	\$ 57	\$ 272
Operating costs	-	207,018	-	-	201,034
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Deletions	<u>86</u>	<u>221,062</u>	<u>-</u>	<u>57</u>	<u>201,306</u>
Change in Fiduciary Net Position	432	39,072	2	292	375,064
Fiduciary Net Position- Beginning, Restated	<u>166,338</u>	<u>-</u>	<u>954</u>	<u>111,989</u>	<u>13,871</u>
Fiduciary Net Position - Ending	<u>\$ 166,770</u>	<u>\$ 39,072</u>	<u>\$ 956</u>	<u>\$ 112,281</u>	<u>\$ 388,935</u>

CITY OF HOLLISTER
COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	CFD#5 Public Safety	CFD#5 Public Safety	Total
<u>ADDITIONS</u>			
Property taxes	\$ 34,489	\$ 37,683	\$ 963,572
Investment earnings	49	62	3,578
Other revenues	<u>-</u>	<u>-</u>	<u>37,808</u>
Total Additions	<u>34,538</u>	<u>37,745</u>	<u>1,004,958</u>
<u>DELETIONS</u>			
Contract services	\$ 24	\$ 13	\$ 26,167
Operating costs	11	-	408,013
Debt service:			
Principal	-	-	160,000
Interest	<u>-</u>	<u>-</u>	<u>30,994</u>
Total Deletions	<u>35</u>	<u>13</u>	<u>625,174</u>
Change in Fiduciary Net Position	34,503	37,732	379,784
Fiduciary Net Position- Beginning, Restated	<u>19,520</u>	<u>-</u>	<u>1,549,164</u>
Fiduciary Net Position - Ending	<u>\$ 54,023</u>	<u>\$ 37,732</u>	<u>\$ 1,928,948</u>

SEWER FUNDS

The following funds are reported in the Statement of Net Position - Business Type funds under the column "Sewer Funds."

Sewer Enterprise - This fund was established to account for the City's costs of providing sewer services to the citizens of the City of Hollister.

Sewer Expansion - This fund is used to track the inflows and outflows for sewer impact related to new development.

Sewer Industrial - This fund is used to track the inflow and outflows for activities at the City's Industrial Wastewater facility.

CITY OF HOLLISTER
COMBINING SCHEDULE OF NET POSITION
SEWER FUNDS
JUNE 30, 2021

	Sewer Enterprise	Sewer Expansion	Sewer Industrial	Total
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 1,929,823	\$ 21,525,149	\$ -	\$ 23,454,972
Accounts receivable, net of allowance	1,436,292	20,349	-	1,456,641
Interest receivable	1,530	7,677	(816)	8,391
Due from other funds	2,470,554	-	-	2,470,554
Deferred charges, net	<u>136,639</u>	<u>-</u>	<u>-</u>	<u>136,639</u>
Total Current Assets	<u>5,974,838</u>	<u>21,553,175</u>	<u>(816)</u>	<u>27,527,197</u>
Non-Current Assets				
Restricted cash and investments	34	-	-	34
Capital assets				
Nondepreciable	5,201,873	-	-	5,201,873
Depreciable, net of accumulated depreciation	<u>91,847,484</u>	<u>-</u>	<u>-</u>	<u>91,847,484</u>
Total Non-Current Assets	<u>97,049,391</u>	<u>-</u>	<u>-</u>	<u>97,049,391</u>
Total Assets	<u>103,024,229</u>	<u>21,553,175</u>	<u>(816)</u>	<u>124,576,588</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
2021 Pension contributions	298,617	-	-	298,617
Changes in total OPEB liability	64,709	-	-	64,709
Changes in the net pension liability	<u>314,880</u>	<u>-</u>	<u>-</u>	<u>314,880</u>
Total Deferred Outflows of Resources	<u>678,206</u>	<u>-</u>	<u>-</u>	<u>678,206</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	\$ 291,207	\$ -	\$ 420,051	\$ 711,258
Accrued payroll & benefits	34,263	1	-	34,264
Interest payable	192,475	-	-	192,475
Due to other funds	-	-	2,470,554	2,470,554
Deposits	265,455	-	-	265,455
Compensated absences - current	51,390	-	-	51,390
Bonds payable - current portion	<u>2,717,981</u>	<u>-</u>	<u>-</u>	<u>2,717,981</u>
Total Current Liabilities	<u>3,552,771</u>	<u>1</u>	<u>2,890,605</u>	<u>6,443,377</u>
Non-Current Liabilities				
Compensated absences - noncurrent	101,205	-	-	101,205
Bonds & loan payable - noncurrent	56,404,488	-	-	56,404,488
Total OPEB obligation	430,424	-	-	430,424
Net pension liability	<u>1,256,547</u>	<u>-</u>	<u>-</u>	<u>1,256,547</u>
Total Non-Current Liabilities	<u>58,192,664</u>	<u>-</u>	<u>-</u>	<u>58,192,664</u>
Total Liabilities	<u>61,745,435</u>	<u>1</u>	<u>2,890,605</u>	<u>64,636,041</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Changes in the net pension liability	181,230	-	-	181,230
Changes in the total OPEB liability	<u>80,271</u>	<u>-</u>	<u>-</u>	<u>80,271</u>
Total Deferred Inflows of Resources	<u>261,501</u>	<u>-</u>	<u>-</u>	<u>261,501</u>
<u>NET POSITION</u>				
Net investment in capital assets	37,926,888	-	-	37,926,888
Restricted for debt services	34	-	-	34
Unrestricted	<u>3,768,577</u>	<u>21,553,174</u>	<u>(2,891,421)</u>	<u>22,430,330</u>
Total Net Position	<u>\$ 41,695,499</u>	<u>\$ 21,553,174</u>	<u>\$ (2,891,421)</u>	<u>\$ 60,357,252</u>

CITY OF HOLLISTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Sewer Enterprise</u>	<u>Sewer Expansion</u>	<u>Sewer Industrial</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ <u>13,949,022</u>	\$ <u>4,459,862</u>	\$ <u>3,931,748</u>	\$ <u>22,340,632</u>
Total Operating Revenue	<u>13,949,022</u>	<u>4,459,862</u>	<u>3,931,748</u>	<u>22,340,632</u>
<u>OPERATING EXPENSES</u>				
Personnel services	2,174,625	4,824	1,746	2,181,195
Contractual and professional services	1,978,100	-	236,814	2,214,914
Supplies and operating costs	2,039,962	9,987	5,802,807	7,852,756
Utilities	970,471	-	780,025	1,750,496
Depreciation	<u>3,779,875</u>	<u>-</u>	<u>-</u>	<u>3,779,875</u>
Total Operating Expenses	<u>10,943,033</u>	<u>14,811</u>	<u>6,821,392</u>	<u>17,779,236</u>
Operating Income (Loss)	<u>3,005,989</u>	<u>4,445,051</u>	<u>(2,889,644)</u>	<u>4,561,396</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Gain on sale of assets	1,995	-	-	1,995
Investment income (loss)	16,968	59,688	(1,776)	74,880
Interest expense	<u>(2,023,978)</u>	<u>-</u>	<u>-</u>	<u>(2,023,978)</u>
Total Non-Operating Revenues (Expenses)	<u>(2,005,015)</u>	<u>59,688</u>	<u>(1,776)</u>	<u>(1,947,103)</u>
Income (Loss) Before Transfers	<u>1,000,974</u>	<u>4,504,739</u>	<u>(2,891,420)</u>	<u>2,614,293</u>
<u>TRANSFERS</u>				
Transfers out	<u>-</u>	<u>(34,286)</u>	<u>-</u>	<u>(34,286)</u>
Total Transfers	<u>-</u>	<u>(34,286)</u>	<u>-</u>	<u>(34,286)</u>
Change in Net Position	1,000,974	4,470,453	(2,891,420)	2,580,007
Total Net Position - July 1, 2020	<u>40,694,525</u>	<u>17,082,721</u>	<u>(1)</u>	<u>57,777,245</u>
Total Net Position - June 30, 2021	\$ <u>41,695,499</u>	\$ <u>21,553,174</u>	\$ <u>(2,891,421)</u>	\$ <u>60,357,252</u>

CITY OF HOLLISTER
COMBINING SCHEDULE OF CASH FLOWS
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Sewer Enterprise</u>	<u>Sewer Expansion</u>	<u>Sewer Industrial</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash receipts from customers	\$ 13,830,363	\$ 4,505,152	\$ 1,620,672	\$ 19,956,187
Cash paid to suppliers for goods and services	(5,200,385)	(9,987)	(3,777,122)	(8,987,494)
Cash paid to employees	<u>(2,041,169)</u>	<u>(7,800)</u>	<u>(1,746)</u>	<u>(2,050,715)</u>
Net Cash Provided by (Used for) Operating Activities	<u>6,588,809</u>	<u>4,487,365</u>	<u>(2,158,196)</u>	<u>8,917,978</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfer out	-	(34,286)	-	(34,286)
Interfund receipts - reimbursements	-	-	2,159,723	2,159,723
Interfund loans made	<u>(2,470,554)</u>	<u>-</u>	<u>-</u>	<u>(2,470,554)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(2,470,554)</u>	<u>(34,286)</u>	<u>2,159,723</u>	<u>(345,117)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Principal paid on capital debt	(2,210,671)	-	-	(2,210,671)
Interest paid on capital debt	(2,033,124)	-	-	(2,033,124)
Bond issuance costs	(388,095)	-	-	(388,095)
Proceeds of the disposition of capital assets	1,995	-	-	1,995
Acquisition and construction of capital assets	<u>(1,653,333)</u>	<u>-</u>	<u>-</u>	<u>(1,653,333)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(6,283,228)</u>	<u>-</u>	<u>-</u>	<u>(6,283,228)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends received	<u>22,868</u>	<u>83,042</u>	<u>(1,527)</u>	<u>104,383</u>
Net Cash Provided by (Used for) Investing Activities	<u>22,868</u>	<u>83,042</u>	<u>(1,527)</u>	<u>104,383</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,142,105)	4,536,121	-	2,394,016
Cash and Cash Equivalents - July 1, 2020	<u>4,071,962</u>	<u>16,989,028</u>	<u>-</u>	<u>21,060,990</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ 1,929,857</u>	<u>\$ 21,525,149</u>	<u>\$ -</u>	<u>\$ 23,455,006</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>				
Cash and investments	\$ 1,929,823	\$ 21,525,149	\$ -	\$ 23,454,972
Restricted cash and investments	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total Cash and Investments	<u>\$ 1,929,857</u>	<u>\$ 21,525,149</u>	<u>\$ -</u>	<u>\$ 23,455,006</u>

CITY OF HOLLISTER
COMBINING SCHEDULE OF CASH FLOWS (continued)
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Sewer Enterprise</u>	<u>Sewer Expansion</u>	<u>Sewer Industrial</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 3,005,989	\$ 4,445,051	\$ (2,889,644)	\$ 4,561,396
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,779,875	-	-	3,779,875
Pension and OPEB expense	75,832	-	-	75,832
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(183,674)	45,290	655,345	516,961
Increase (decrease) in accounts payable	(211,852)	-	151,103	(60,749)
Increase (decrease) in deposits payable	65,015	-	(75,000)	(9,985)
Increase (decrease) in accrued payroll and benefits	8,598	(200)	-	8,398
Increase (decrease) in compensated absences	49,026	(2,776)	-	46,250
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,588,809</u>	<u>\$ 4,487,365</u>	<u>\$ (2,158,196)</u>	<u>\$ 8,917,978</u>

STATISTICAL SECTION



CITY OF HOLLISTER

DESCRIPTION OF STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

<u>Contents</u>	<u>Page</u>
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.	147 - 152
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.	153 - 154
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	155 - 156
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	157 - 159

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF HOLLISTER, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS ^(2,3)
(accrual basis of accounting)

	2012 ⁽¹⁾	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Governmental activities</u>										
Net Investment in capital assets	\$ 39,537,412	\$ 38,645,064	\$ 37,454,762	\$ 36,399,736	\$ 35,766,946	\$ 35,359,355	\$ 35,657,717	\$ 42,380,305	\$ 47,903,403	\$ 49,574,304
Restricted	16,364,070	5,979,394	5,444,652	4,921,682	4,798,580	5,856,947	5,806,193	4,054,729	5,587,822	7,039,005
Unrestricted	14396321	26802171	28205940	6503668	14528267	17813414	19647035	21504822	18885791	29684587
Total governmental activities net assets/net position	<u>\$ 70,297,803</u>	<u>\$ 71,426,629</u>	<u>\$ 71,105,354</u>	<u>\$ 47,825,086</u>	<u>\$ 55,093,793</u>	<u>\$ 59,029,716</u>	<u>\$ 61,110,945</u>	<u>\$ 67,939,856</u>	<u>\$ 72,377,016</u>	<u>\$ 86,297,896</u>
<u>Business-type activities</u>										
Net Investment in capital assets	\$ 32,131,307	\$ 33,076,094	\$ 33,308,336	\$ 36,024,914	\$ 53,967,244	\$ 53,476,317	\$ 54,034,172	\$ 53,963,668	\$ 61,657,988	\$ 63,561,941
Restricted	7,941,652	7,941,851	7,444,920	7,378,861	33,740	1,293	4,959	9,140	1,889	34
Unrestricted	8,749,251	9,886,667	9,144,267	5,836,838	8,237,710	13,478,903	17,816,260	20,085,142	20,121,442	22,955,255
Total governmental activities net assets/net position	<u>\$ 48,822,210</u>	<u>\$ 50,904,612</u>	<u>\$ 49,897,523</u>	<u>\$ 49,240,613</u>	<u>\$ 62,238,694</u>	<u>\$ 66,956,513</u>	<u>\$ 71,855,391</u>	<u>\$ 74,057,950</u>	<u>\$ 81,781,319</u>	<u>\$ 86,517,230</u>
<u>Primary government</u>										
Net Investment in capital assets	\$ 71,668,719	\$ 71,721,158	\$ 70,763,098	\$ 72,424,650	\$ 89,734,190	\$ 88,835,672	\$ 89,691,889	\$ 96,343,973	\$ 109,561,391	\$ 113,136,245
Restricted	24,305,722	13,921,245	12,889,572	12,300,543	4,832,320	5,858,240	5,811,152	4,063,869	5,589,711	7,039,039
Unrestricted	23,145,572	36,688,838	37,350,207	12,340,506	22,765,977	31,292,317	37,463,295	41,589,964	39,007,233	52,639,842
Total governmental activities net assets/net position	<u>\$ 119,120,013</u>	<u>\$ 122,331,241</u>	<u>\$ 121,002,877</u>	<u>\$ 97,065,699</u>	<u>\$ 117,332,487</u>	<u>\$ 125,986,229</u>	<u>\$ 132,966,336</u>	<u>\$ 141,997,806</u>	<u>\$ 154,158,335</u>	<u>\$ 172,815,126</u>

Source: Finance Department, City of Hollister

Note 1: The State of California dissolved redevelopment agencies during 2011-2012.

Note 2: Fiscal years 2009-2014 do not reflect the effects of GASB 68 as no comparable actuarial information is available for fiscal years preceding the year ended June 30, 2015.

Note 3: Fiscal years 2009-2017 do not reflect the effects of GASB 75 as no comparable actuarial information is available for fiscal years preceding the year ended June 30, 2018.

CITY OF HOLLISTER, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS ^(3,4)
(accrual basis of accounting)

	2012 ⁽²⁾	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Expenses										
General government	\$ 3,969,427	\$ 4,551,007	\$ 4,990,287	\$ 5,242,482	\$ 7,558,833	\$ 4,536,040	\$ 7,000,560	\$ 8,282,207	\$ 13,234,498	\$ 11,858,017
Public safety	11,114,241	11,437,974	13,227,079	14,392,331	11,895,601	17,826,422	18,393,366	20,544,551	21,644,854	23,652,679
Public works	3,315,807	5,179,959	3,583,749	3,448,970	3,175,505	3,935,368	4,874,160	6,447,989	5,946,591	5,844,121
Recreation	1,465,723	1,408,353	1,457,124	1,437,345	1,544,607	1,545,102	2,103,093	2,947,466	2,771,971	2,948,633
Interest and fiscal chages	1,192,033	723	661	4,526	8,416	3,567	5,786	42,256	41,249	35,155
Total governmental activities expense	\$ 21,057,231	\$ 22,578,016	\$ 23,258,900	\$ 24,525,654	\$ 24,182,962	\$ 27,846,499	\$ 32,376,965	\$ 38,264,469	\$ 43,639,163	\$ 44,338,605
Program Revenues										
Charges for services:										
General government	\$ 1,096,994	\$ 1,748,481	\$ 1,801,265	\$ 2,470,705	\$ 2,374,360	\$ 2,799,246	\$ 2,927,691	\$ 3,247,711	\$ 3,532,026	\$ 4,581,312
Public safety	274,700	248,167	1,749,811	1,808,386	2,136,493	2,441,546	2,756,455	3,116,810	3,831,194	4,051,101
Public works	864,986	1,190,116	1,945,028	1,913,557	6,206,543	3,580,696	6,628,722	8,014,124	8,134,598	9,256,460
Recreation	323,449	382,210	753,071	746,757	939,113	1,770,294	1,873,790	1,877,458	1,699,897	1,854,530
Operating grants and contributions	867,250	1,243,504	844,810	1,062,358	835,188	1,355,066	1,268,431	969,305	2,655,023	4,077,276
Capital grants and contributions	1,079,884	2,878,079	861,752	1,437,200	1,293,927	693,121	18,119	4,110,884	3,567,467	2,408,478
Total governmental activities program revenues	4,507,263	7,690,557	7,955,737	9,438,963	13,785,624	12,639,969	15,473,208	21,336,292	23,420,205	26,229,157
Net Expense¹	(16,549,968)	(14,887,459)	(15,303,163)	(15,086,691)	(10,397,338)	(15,206,530)	(16,903,757)	(16,928,177)	(20,218,958)	(18,109,448)
General Revenues and Transfers										
Taxes:										
Property taxes and other taxes	\$ 16,111,012	\$ 13,451,970	\$ 13,663,232	\$ 14,442,192	\$ 14,821,919	\$ 17,087,346	\$ 18,095,084	\$ 20,093,852	\$ 21,351,922	\$ 30,489,582
Motor vehicle in lieu	129,786	38,873					19,306	48,588		29,811
Unrestricted investment earnings	165,079	325,930	80,580	114,094	301,323	133,898	348,109	983,992	980,835	418,827
Miscellaneous	1,745,419	1,943,202	1,238,076	906,970	1,319,321	1,320,024	2,896,271	2,318,569	1,982,568	1,000,590
Transfers	(16,323)	256,310		1,089,170	673,482	232,662	189,080	147,537	340,793	256,062
Total general revenues and transfers	18,134,973	16,016,285	14,981,888	16,552,426	17,116,045	18,773,930	21,547,850	23,592,538	24,656,118	32,194,872
Change in net position- governmental activities	\$ 1,585,005	\$ 1,128,826	\$ (321,275)	\$ 1,465,735	\$ 6,718,707	\$ 3,567,400	\$ 4,644,093	\$ 6,664,361	\$ 4,437,160	\$ 14,085,424

CITY OF HOLLISTER, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS ^(3,4)
(accrual basis of accounting)

	2012 ⁽²⁾	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type activities:										
Expenses										
Airport	\$ 1,067,579	\$ 994,428	\$ 1,000,138	\$ 864,575	\$ 932,746	\$ 1,566,380	\$ 1,821,260	\$ 2,233,745	\$ 1,780,976	\$ 2,104,374
Water	3,735,177	4,225,254	4,349,096	4,478,204	4,622,887	7,535,134	8,194,232	7,841,763	7,736,153	8,074,218
Wastewater	13,867,751	13,538,301	13,073,695	14,828,380	8,117,270	12,687,901	13,490,243	14,666,703	14,519,232	19,803,214
Street sweeping	393,323	353,147	362,925	375,461	383,138	359,965	569,258	910,208	828,023	827,576
Briggs Building	237,237	229,285	237,400	191,429	184,570	196,135	203,353	227,370	170,614	174,870
Total business-type activities	<u>\$ 19,301,067</u>	<u>\$ 19,340,415</u>	<u>\$ 19,023,254</u>	<u>\$ 20,738,049</u>	<u>\$ 14,240,611</u>	<u>\$ 22,345,515</u>	<u>\$ 24,278,346</u>	<u>\$ 25,879,789</u>	<u>\$ 25,034,998</u>	<u>\$ 30,984,252</u>
Program Revenues										
Charges for services:										
Airport	\$ 687,380	\$ 748,671	\$ 677,720	\$ 728,829	\$ 770,886	\$ 809,987	\$ 1,000,768	\$ 919,797	\$ 1,028,108	\$ 1,108,059
Water	3,883,348	3,905,634	4,360,595	4,263,387	4,593,420	6,000,061	7,165,932	8,151,200	8,567,860	9,338,646
Wastewater	13,369,839	14,129,540	14,577,283	14,740,396	16,634,336	18,809,438	19,945,776	18,641,890	19,292,948	22,340,632
Street sweeping	311,163	313,783	316,190	303,651	309,693	313,112	323,036	388,755	449,504	452,819
Briggs Building	132,600	111,366	111,361	111,360	114,960	119,750	113,216	112,812	117,168	122,124
Operating grants and contributions							10,000	40,000	16,986	-
Capital grants and contributions		2,435,230	437,552	3,121,782	5,333,169	1,009,138	1,121,141	281,499	3,130,941	2,472,547
Total business-type activities program revenues	<u>18,384,330</u>	<u>21,644,224</u>	<u>20,480,701</u>	<u>23,269,405</u>	<u>27,756,464</u>	<u>27,061,486</u>	<u>29,679,869</u>	<u>28,535,953</u>	<u>32,603,515</u>	<u>35,834,827</u>
Net Expense¹	<u>(916,737)</u>	<u>2,303,809</u>	<u>1,457,447</u>	<u>2,531,356</u>	<u>13,515,853</u>	<u>4,715,971</u>	<u>5,401,523</u>	<u>2,656,164</u>	<u>7,568,517</u>	<u>4,850,575</u>
General Revenues										
Taxes:										
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,254
Unrestricted investment earnings	54,854	34,903	72,679	92,212	155,710	43,909	62,457	478,239	465,782	86,319
Miscellaneous						3,895	51,867	30,928	29,863	19,825
Transfers	16,323	(256,310)		(316,880)	(673,482)	(232,662)	(189,080)	(147,537)	(340,793)	(256,062)
Total general revenues	<u>71,177</u>	<u>(221,407)</u>	<u>72,679</u>	<u>(224,668)</u>	<u>(517,772)</u>	<u>(184,858)</u>	<u>(74,756)</u>	<u>361,630</u>	<u>154,852</u>	<u>(114,664)</u>
Change in net position-governmental activities	<u><u>\$ (845,560)</u></u>	<u><u>\$ 2,082,402</u></u>	<u><u>\$ 1,530,126</u></u>	<u><u>\$ 2,306,688</u></u>	<u><u>\$ 12,998,081</u></u>	<u><u>\$ 4,531,113</u></u>	<u><u>\$ 5,326,767</u></u>	<u><u>\$ 3,017,794</u></u>	<u><u>\$ 7,723,369</u></u>	<u><u>\$ 4,735,911</u></u>

CITY OF HOLLISTER, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS ^(3,4)
(accrual basis of accounting)

	2012 ⁽²⁾	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government										
Expenses										
Governmental activities	\$ 21,057,231	\$ 22,578,016	\$ 23,258,900	\$ 24,525,654	\$ 24,182,962	\$ 27,846,499	\$ 32,376,965	\$ 38,264,469	\$ 43,639,163	\$ 44,338,605
Business-type activities	19,301,067	19,340,415	19,023,254	20,738,049	14,240,611	22,345,515	24,278,346	25,879,789	25,034,998	30,984,252
Total primary government expenses	\$ 40,358,298	\$ 41,918,431	\$ 42,282,154	\$ 45,263,703	\$ 38,423,573	\$ 50,192,014	\$ 56,655,311	\$ 64,144,258	\$ 68,674,161	\$ 75,322,857
Program Revenues										
Governmental activities	\$ 4,507,263	\$ 7,690,557	\$ 7,955,737	\$ 9,438,963	\$ 13,785,624	\$ 12,639,969	\$ 15,473,208	\$ 21,336,292	\$ 23,420,205	\$ 26,229,157
Business-type activities	18,384,330	21,644,224	20,480,701	23,269,405	27,756,464	27,061,486	29,679,869	28,535,953	32,603,515	35,834,827
Total primary government expenses	22,891,593	29,334,781	28,436,438	32,708,368	41,542,088	39,701,455	45,153,077	49,872,245	56,023,720	62,063,984
Net Expense¹										
Governmental activities	\$ (16,549,968)	\$ (14,887,459)	\$ (15,303,163)	\$ (15,086,691)	\$ (10,397,338)	\$ (15,206,530)	\$ (16,903,757)	\$ (16,928,177)	\$ (20,218,958)	\$ (18,109,448)
Business-type activities	(916,737)	2,303,809	1,457,447	2,531,356	13,515,853	4,715,971	5,401,523	2,656,164	7,568,517	4,850,575
Total primary government net expense	(17,466,705)	(12,583,650)	(13,845,716)	(12,555,335)	3,118,515	(10,490,559)	(11,502,234)	(14,272,013)	(12,650,441)	(13,258,873)
General Revenues										
Governmental activities	\$ 18,134,973	\$ 16,016,285	\$ 14,981,888	\$ 16,552,426	\$ 17,116,045	\$ 18,773,930	\$ 21,547,850	\$ 23,592,538	\$ 24,656,118	\$ 32,194,872
Business-type activities	71,177	(221,407)	72,679	(224,668)	(517,772)	(184,858)	(74,756)	361,630	154,852	(114,664)
Total primary government general revenues	18,206,150	15,794,878	15,054,567	16,327,758	16,598,273	18,589,072	21,473,094	23,954,168	24,810,970	32,080,208
Change in net position										
Governmental activities	\$ 1,585,005	\$ 1,128,826	\$ (321,275)	\$ 1,465,735	\$ 6,718,707	\$ 3,567,400	\$ 4,644,093	\$ 6,664,361	\$ 4,437,160	\$ 14,085,424
Business-type activities	(845,560)	2,082,402	1,530,126	2,306,688	12,998,081	4,531,113	5,326,767	3,017,794	7,723,369	4,735,911
Total primary government change in net position	\$ 739,445	\$ 3,211,228	\$ 1,208,851	\$ 3,772,423	\$ 19,716,788	\$ 8,098,513	\$ 9,970,860	\$ 9,682,155	\$ 12,160,529	\$ 18,821,335

Source: Finance Department, City of Hollister

Note 1: Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and general revenues were needed to finance that function or program.

Note 2: The State of California dissolved redevelopment agencies during 2011-2012.

Note 3: Fiscal years 2009-2014 do not reflect the effects of GASB 68 as no comparable actuarial information is available for fiscal years preceding the year ended June 30, 2015.

Note 4: Fiscal years 2009-2017 do not reflect the effects of GASB 75 as no comparable actuarial information is available for fiscal years preceding the year ended June 30, 2018.

CITY OF HOLLISTER, CALIFORNIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2012 ⁽¹⁾	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 33,418	\$ 37,521	\$ 42,840	\$ 806,578	\$ 788,745	\$ 801,206	\$ 815,832	\$ 808,729	\$ 812,099	\$ 533,938
Restricted										
Committed					865,706	865,706	1,140,706	1,665,706	1,665,706	\$ 1,665,706
Unassigned	1,666,367	4,311,704	4,979,208	6,307,739	5,307,766	5,602,512	6,321,579	4,981,642	4,869,653	6,828,013
Total general fund balance	<u>\$ 1,699,785</u>	<u>\$ 4,349,225</u>	<u>\$ 5,022,048</u>	<u>\$ 7,114,317</u>	<u>\$ 6,962,217</u>	<u>\$ 7,269,424</u>	<u>\$ 8,278,117</u>	<u>\$ 7,456,077</u>	<u>\$ 7,347,458</u>	<u>\$ 9,027,657</u>
All Other Governmental Funds:										
Nonspendable										
Special revenue funds						\$ 4,360			\$ 20,155	
Capital projects funds							1,000			
Restricted										
Special revenue funds	7,892,675	7,387,692	6,914,104	6,362,712	5,908,229	3,893,463	5,852,651	4,105,586	5,746,311	\$ 13,082,358
Capital projects funds	8,471,395	12,203,648	12,979,913	13,397,435	17,594,359	7,982,964	22,515,457	27,262,903	28,437,954	\$ 33,957,773
Unassigned:										
Special revenue funds	(114,661)	(10,566)	(34,206)	(58,434)	(235,450)	(163,679)	(339,528)	(444,607)	(4,743,374)	(2,324,428)
Capital projects funds	(40,260)			(3,217)	(3,217)					
Total other governmental funds balances	<u>\$ 16,209,149</u>	<u>\$ 19,580,774</u>	<u>\$ 19,859,811</u>	<u>\$ 19,698,496</u>	<u>\$ 23,263,921</u>	<u>\$ 11,717,108</u>	<u>\$ 28,029,580</u>	<u>\$ 30,923,882</u>	<u>\$ 29,461,046</u>	<u>\$ 44,715,703</u>

Source: Finance Department, City of Hollister

Note 1: The State of California dissolved redevelopment agencies during 2011-2012.

CITY OF HOLLISTER, CALIFORNIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2012	2013 ⁽¹⁾	2014 ⁽²⁾	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 16,240,798	\$ 13,490,843	\$ 13,663,232	\$ 14,442,192	\$ 14,821,919	\$ 17,087,346	\$ 18,114,390	\$ 20,142,440	\$ 21,351,922	\$ 30,519,393
Licences and permits	1,337,093	1,261,930	1,941,643	2,438,444	5,992,109	2,898,239	5,516,704	7,671,462	7,877,724	10,224,388
Intergovernmental	1,947,134	3,681,596	1,706,561	5,090,914	7,006,805	3,057,325	2,295,575	3,569,642	2,629,155	8,867,027
Charges for services	1,112,597	2,166,569	4,147,787	4,305,295	5,456,508	7,495,514	8,416,859	8,400,066	9,145,317	9,365,673
Fines, forfeitures and penalties	110,439	140,475	159,744	195,664	207,892	198,029	253,095	184,575	174,674	153,342
Investment earnings	147,579	308,430	98,080	114,094	301,323	133,898	136,069	793,140	728,223	143,796
Other	1,790,357	6,439,011	1,392,433	1,011,122	1,983,365	1,385,657	2,931,074	2,483,724	2,254,872	1,265,259
Total revenues	22,685,997	27,488,854	23,109,480	27,597,725	35,769,921	32,256,008	37,663,766	43,245,049	44,161,887	60,538,878
Expenditures										
Current:										
General government	5,420,746	4,699,219	4,882,356	4,932,494	7,642,688	6,907,541	8,716,444	7,031,393	8,824,684	8,827,818
Public safety	11,353,416	10,648,630	12,346,509	13,827,116	14,469,409	14,958,233	15,878,789	17,721,157	18,771,481	20,707,358
Public works	2,676,268	2,243,945	2,868,954	2,513,057	2,817,457	3,737,999	4,147,534	3,957,660	4,462,203	4,402,787
Recreation	1,253,142	1,134,326	1,216,663	1,128,396	1,222,678	1,299,467	1,787,604	2,457,364	2,194,753	2,272,005
Capital outlay	4,304,724	2,994,830	973,887	4,458,082	6,756,264	4,319,846	3,546,273	10,159,441	11,602,270	7,435,148
Debt Service:										
Principal	1,125,000	2,425	38,596	34,446	113,166	101,551	200,249	156,409	177,495	179,813
Interest	1,192,033	723	661	4,812	8,416	3,567	5,786	42,255	41,249	35,155
Total expenditures	27,325,329	21,724,098	22,327,626	26,898,403	33,030,078	31,328,204	34,282,679	41,525,679	46,074,135	43,860,084
Excess (deficiency) of revenues over expenditures	(4,639,332)	5,764,756	781,854	699,322	2,739,843	927,804	3,381,087	1,719,370	(1,912,248)	16,678,794
Other financing sources (uses)										
Transfers in	786,687	322,725	-	395,540	929,316	723,900	479,340	356,558	785,598	859,359
Transfers out	(803,010)	(66,415)	-	(78,660)	(255,834)	(491,238)	(290,260)	(209,021)	(444,805)	(603,297)
Issuance of debt	30,868	-	170,000	142,462	146,882	146,882		205,355		
Total othe financing resources (uses)	14,545	256,310	170,000	459,342	673,482	379,544	189,080	352,892	340,793	256,062
Extraordinary Gains (losses)	(20,481,519)			772,290						
Net change in fund balances	\$ (25,106,306)	\$ 6,021,066	\$ 951,854	\$ 1,930,954	\$ 3,413,325	\$ 1,307,348	\$ 3,570,167	\$ 2,072,262	\$ (1,571,455)	\$ 16,934,856
Debt service as a percentage of noncapital expenditures	10.07%	0.02%	0.18%	0.17%	0.46%	0.39%	0.67%	0.63%	0.63%	0.59%

Source: Finance Department, City of Hollister

Note 1: The State of California dissolved redevelopment agencies during 2011-2012.

Note 2: The City of San Juan Bautista and the County of San Benito began contracting for fire service with the City of Hollister starting fiscal year 2013-2014.

**CITY OF HOLLISTER, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Total Assesed Valuation ⁽¹⁾	Legal Debt Limit ⁽²⁾	Total Net Debt Applicable to Limit	Legal Debt Margin (4)	Legal Debt Margin/Debt Limit
2012	\$ 2,551,294,810	\$ 95,673,555	\$ -	\$ 95,673,555	100%
2013	\$ 2,472,038,456	\$ 92,701,442		\$ 92,701,442	100%
2014	\$ 2,632,622,600	\$ 98,723,348		\$ 98,723,348	100%
2015	\$ 2,888,656,266	\$ 108,324,610		\$ 108,324,610	100%
2016	\$ 3,087,793,915	\$ 115,792,272		\$ 115,792,272	100%
2017	\$ 3,325,188,319	\$ 124,694,562		\$ 124,694,562	100%
2018	\$ 3,634,541,045	\$ 136,295,289		\$ 136,295,289	100%
2019	\$ 3,980,680,987	\$ 149,275,537		\$ 149,275,537	100%
2020	\$ 4,333,721,175	\$ 162,514,544		\$ 162,514,544	100%
2021	\$ 4,673,984,000	\$ 175,274,400		\$ 175,274,400	100%

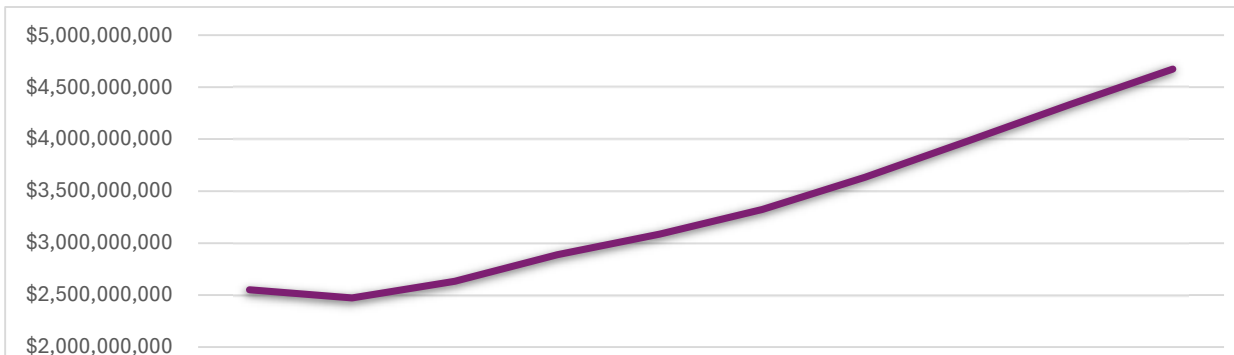
Note:

(1) Total assessed valuation includes exempt property.

(2) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

(3) The City does not have any General Bonded Debt.

(4) The legal debt margin is the legal debt limit reduced by all general bonded debt.



**CITY OF HOLLISTER, CALIFORNIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less:										
Amounts Available in Debt Service Fund										
Total Net Obligation Bonds outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Estimated Actual Taxable Value of Property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Source: Finance Department, City of Hollister

**CITY OF HOLLISTER, CALIFORNIA
DEMOGRAPHIC AND ECONOMICS STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Hollister Population ⁽¹⁾	County of San Benito Personal Income ⁽²⁾	County of San Benito Per Capita Personal Income ⁽²⁾	School Cumulative Enrollment ⁽³⁾	City of Hollister Unemployment Rate ⁽⁴⁾
2012	35,165	2,138,209,000	37,598	8,797	13.2%
2013	35,533	2,279,346,000	39,576	8,806	11.3%
2014	36,108	2,417,263,000	41,486	8,767	9.1%
2015	36,676	2,565,863,000	43,643	8,788	7.5%
2016	36,291	2,756,362,000	46,392	8,731	7.2%
2017	36,458	3,096,482,000	51,343	9,251	6.3%
2018	39,089	3,312,046,000	53,822	9,456	5.8%
2019	39,998	3,470,822,000	55,261	9,616	5.5%
2020	40,646	3,971,313,000	64,507	11,950	14.9%
2021	43,346	4,591,936,000	66,677	11,808	8.9%

Sources:

(1) State of California, Department of Finance

(www.dof.ca.gov/forecasting/demographic/estimates/E-1)

(2) Bureau of Economic Analysis (<https://apps.bea.gov/regional/bearfacts/action.cfm>)

(3) Ed-data (www.ed-data.org)

(4) U.S. Bureau of Labor Statistics (www.bls.gov)

https://ycharts.com/indicators/hollister_ca_unemployment_rate

**CITY OF HOLLISTER, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30,2021**

Geographical Location:	The City is located at the north end of San Benito County, which is surrounded by Santa Cruz, Santa Clara, Merced, Fresno, and Monterey Counties. The City is located approximately 95 miles south of San Francisco, 40 miles south of San Jose, 30 miles northeast of Salinas, and 40 miles east of Monterey.		
Area of City:	6.6 square miles		
County Seat:	Hollister, California		
Date of Incorporation:	August 29, 1872		
Form of Government:	General Law City, governed by a four-member City Council and Mayor		
Fiscal Year Begins:	July 1		
City Employees:	as of June 30,2021	FTEs	186

Source: Finance Department, City of Hollister

**CITY OF HOLLISTER, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	For the Fiscal Years Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Police										
Criminal Citations Issued	1,105	702	1,312	1,750	2,024	233	1,844	1,475	1,203	2,100
Parking Citations	1,091	2,320	1,864	1,241	1,339	969	906	725	963	834
Fire										
Number of Calls Received	2,007	3,604	3,449	3,367	4,276	3,975	4,048	4,186	4,526	3,948
Public Works										
Streets Resurfacing (Miles)	1	1	-	1	1	-	10	5	-	98
Tons of debris collected by Street Sweepers	1,110	833	778	602	737	677	504	529	775	584
Community Services										
Facility Rentals	668	735	1,265	648	505	141	1,672	1,421	231	312
Community Development										
Building Inspections Completed	1,318	1,272	474	1,190	3,192	6,612	8,206	7,796	2,178	
Total permits issued	448	583	250	224	822	751	69	662	809	2,204
Water										
Million Gallons Water Treated	822	904	975	570	557	879	931	931	1,005	449
Percent of Drinking Water Regulations Met	99%	99%	99%	99%	99%	99%	99%	99%	100%	100%
Wastewater										
Million Gallons Waste Water Treated	744	777	822	807	675	675	683	778	864	955
Collection System Pipes Cleaned	15.8	15.2	18	24	11	110	110	110	4.7	23
Percent of Discharge Requirement Met	99%	99%	99%	99%	99%	99%	99%	99%	100%	100%
Airport										
Hangar/Buildings Customers	87	87	86	82	83	84	85	85	87	124

Notes:

Increase on Airport Hangar/Buildings Customers in 2021 is due to:

- a) Bickle Building Reverted to the Airport in 2021 accounting for 7 leases
- b) Two buildings used as Community Hanger Space
 - Gabe Building accounting for 6 individual leases
 - Weatherly Building accounting for 10 individual leases
- c) Previous Airport reporting missed buildings & ground leases accounting for 13 individual Leases

**CITY OF HOLLISTER, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	For the Fiscal Years Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Police										
Sations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	3	3	3
Public Works										
Streets (Miles)	95	95	95	95	112	112	120	123	123	140
Community Services										
Parks Acreage	109	109	109	111	114	117	117	124	115	115
Parks	13	13	13	14	14	17	18	19	19	19
Tennis Courts	3	3	3	3	3	3	3	3	3	3
Community Buildings	3	3	3	3	3	3	3	3	3	3
Water										
Number of Pump Stations/Booster Stations	1	1	1	1	1	1	1	1	2	2
Number of Treatment Plants	1	1	1	1	1	1	2	2	2	-
Number of Wells	6	6	6	6	6	5	8	8	5	5
Wastewater										
Number of Treatment Plants	1	1	1	1	1	1	1	1	2	1
Number of Lift Stations	4	4	4	4	4	4	4	4	5	6
Airport										
Runways, Taxiways, Ramps, and Hanger Areas (Paved Surface in sq. ft)(in thousand)	2,455	2,455	2,455	2,800	2,800	2,800	2,900	2,900	2,900	3,134
Parking										
Number of Parking Structures and Lots	10	10	10	10	10	10	10	10	10	10
Number of Parking Spaces	425	425	425	425	423	423	423	423	423	423

CITY OF HOLLISTER, CALIFORNIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
General government										
City Clerk	2.00	1.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00
City Attorney	1.00	1.00	*	*	*	*	*	*	*	*
City Manager	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Development Services	8.00	5.00	6.00	6.00	6.00	7.00	8.00	9.00	8.00	9.00
Information Systems	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Engineering	6.00	6.00	6.00	6.00	6.00	6.00	5.00	6.00	6.00	7.00
Administration	8.00	8.00	8.00	8.00	9.00	10.00	12.00	13.00	13.00	12.00
Public Safety										
Police Protection	30.00	30.00	33.00	34.50	35.50	40.50	44.50	49.50	49.50	46.00
Code Enforcement			1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Animal Control	2.00	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.00
Fire Protection (1)	24.00	24.00	40.00	40.00	42.00	38.00	39.00	49.00	46.00	46.00
Public Works										
Public Works	17.00	13.00	13.00	13.00	15.00	16.00	15.00	20.00	20.00	20.00
Utilities										
Street Sweeping	2.00	2.00	2.00	2.00	1.00	-	-	-	-	-
Water	6.00	6.00	6.00	6.00	6.00	7.00	7.00	9.00	9.00	9.00
Wastewater	8.00	12.00	12.00	11.00	8.00	8.00	11.00	12.00	12.00	12.00
Recreation	2.00	2.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00	4.00
Airport	3.00	3.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00	4.00
	122.00	120.00	140.00	141.50	145.50	152.50	162.50	192.50	188.50	186.00

* Contract

Source: Payroll Department, City of Hollister, CA

GLOSSARY

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

ACCOUNTS PAYABLE. A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE. An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ADVANCE FROM OTHER FUNDS. A liability account used to record noncurrent portions of a long-term debt owed by one fund to another fund within the same reporting entity. See **DUE TO OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.**

ADVANCE TO OTHER FUNDS. An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **DUE FROM OTHER FUNDS.**

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

AMORTIZATION. (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR). A financial report that encompasses all funds and component units of the government. The ACFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The ACFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

AUDITOR'S REPORT. In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET. The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS). The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements and notes to the financial statements.

BASIS OF ACCOUNTING. A term used to refer to when revenues, expenditures, expenses, and transfers - and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS. Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, and improvements other than buildings, land and infrastructure. In the private sector, these assets are referred to most often as property, plant and equipment.

CAPITAL EXPENDITURES. Expenditures resulting in the acquisition of or addition to the government's general capital assets.

CAPITALIZATION POLICY. The criteria used by a government to determine which outlays should be reported as capital assets.

CAPITAL LEASE. An agreement that conveys the right to use property, plant or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH WITH FISCAL AGENT. An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable ACFR's and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS. The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

COMPENSATED ABSENCES. Absences, such as vacation, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance and long-term disability pay.

CONCENTRATION OF CREDIT RISK. The risk of loss attributed to the magnitude of a government's investment in a single issuer.

CONTINGENT LIABILITY. Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CREDIT RISK. The risk that an issuer or a counter-party to an investment will not fulfill its obligations.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED CHARGES. Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g. bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

DEFERRED INFLOWS OF RESOURCES. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as liabilities. In governmental funds, earned amounts also are reported as deferred inflows of resources until they are available to liquidate liabilities of the current period.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DUE FROM OTHER FUNDS. An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS. A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS. Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

EXPENDITURE-DRIVEN GRANTS. Government-mandated or voluntary nonexchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlement and shared revenues.

EXPENSES. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL DEPOSIT INSURANCE CORPORATION. A corporation created by the federal government that insures deposits in banks and savings associations.

FIDUCIARY FUNDS. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g. receivables, investments). Financial resources may also include inventories and pre-pays (because they obviate the need to expend current available resources).

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FOREIGN EXCHANGE RISK. The risk that changes in exchange rate will adversely affect the fair value of an investment or a deposit.

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE. The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with government-wide financial statements.

FUND TYPE. Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax – for example, property tax, sales tax, and transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

GENERAL FUND. The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by SAS No. 69, The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of net activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

INTEREST RATE RISK. The risk that changes in interest rates will adversely affect the fair value of an investment or a deposit.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LAPSE. As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEASE-PURCHASE AGREEMENTS. Contractual agreements that are termed leases, but that in substance are purchase contracts.

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which spending in excess of budgeted amounts would be a violation of law.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

LEVEL OF BUDGETARY CONTROL. The level at which a government's management may not reallocate resources without special approval from the legislative body.

LIABILITIES. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LOANS RECEIVABLE. An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets or liabilities are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS. A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g. bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

OTHER FINANCING SOURCES. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

OPERATING LEASE. A lease does not transfer ownership rights, risks and rewards from the lessor to the lessee, the lease is called an operation lease and is similar to a rental.

OTHER FINANCING USES. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

OVERLAPPING DEBT. The proportionate share property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

PROGRAM REVENUES. Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REBATABLE ARBITRAGE. A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the ACFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION. A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

RISK MANAGEMENT. All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self insurance is a misnomer.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1997 and Office of Management and Budget's (OMB) Uniform Guidance, Audits of State and Local Governments and Non-Profit Organizations. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities and electric power authorities.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retireable only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNMODIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

CITY OF HOLLISTER

GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (continued)

UNRESTRICTED NET POSITION. That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

VARIABLE-RATE INVESTMENT. An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate changes.