



**CITY OF HOLLISTER
CALIFORNIA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

**PREPARED BY
FINANCE DEPARTMENT**

**CITY OF HOLLISTER
FOR THE YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Hollister City Council
Hollister, California

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hollister, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the City of Hollister adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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.

Supplementary 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 combining and individual governmental nonmajor fund financial statements, budgetary comparison schedules, combining fiduciary fund statements, and the combining sewer financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual governmental nonmajor fund financial statements, budgetary comparison schedules, combining fiduciary fund statements, and the combining sewer financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, 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.

FMJUN CPAs, LLP

Sacramento, California
December 10, 2025

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

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 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, 2022.

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 \$196,584,326 (net position). Of this amount, \$64,730,346 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 \$23,718,961.
- At the close of the current fiscal year, the City of Hollister's governmental funds reported combined fund balances of \$70,469,389, an increase of \$16,433,423 in comparison with the prior year. Approximately less than 16% of this amount (\$11,091,665) 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 \$14,204,224, or approximately 38% of total general fund expenditures.
- The City of Hollister's total outstanding long-term debt decreased by \$14,600,614 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 details 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).

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.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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 36 individual governmental funds. On the financial statements for governmental funds, information is presented separately for three major funds: the General Fund, the Housing Successor Agency 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.

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.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$196,584,326, 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, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>(Restated) 2021</u>	<u>2022</u>	<u>(Restated) 2021</u>	<u>2022</u>	<u>(Restated) 2021</u>
ASSETS						
Current and other assets	\$ 94,603,837	\$ 75,804,835	\$ 41,581,163	\$ 28,024,057	\$ 136,185,000	\$ 103,828,892
Capital assets	<u>55,873,565</u>	<u>50,586,235</u>	<u>127,321,481</u>	<u>132,292,606</u>	<u>183,195,046</u>	<u>182,878,841</u>
Total Assets	<u>150,477,402</u>	<u>126,391,070</u>	<u>168,902,644</u>	<u>160,316,663</u>	<u>319,380,046</u>	<u>286,707,733</u>
DEFERRED OUTFLOWS						
Deferred Outflows	<u>9,967,413</u>	<u>8,764,651</u>	<u>1,435,470</u>	<u>1,339,576</u>	<u>11,402,883</u>	<u>10,104,227</u>
LIABILITIES						
Current and other liabilities	8,690,656	7,570,490	2,835,327	2,029,327	11,525,983	9,599,817
Long-term liabilities	<u>28,441,607</u>	<u>39,077,957</u>	<u>68,396,882</u>	<u>72,361,146</u>	<u>96,838,489</u>	<u>111,439,103</u>
Total Liabilities	<u>37,132,263</u>	<u>46,648,447</u>	<u>71,232,209</u>	<u>74,390,473</u>	<u>108,364,472</u>	<u>121,038,920</u>
DEFERRED INFLOWS						
Deferred Inflows	<u>18,884,602</u>	<u>2,388,760</u>	<u>6,949,529</u>	<u>518,915</u>	<u>25,834,131</u>	<u>2,907,675</u>
NET POSITION						
Net investment in capital assets	52,697,929	49,574,304	61,914,087	63,685,218	114,612,016	113,259,522
Restricted for debt service	-	-	407	34	407	34
Restricted for community improvement	410,343	249,657	-	-	410,343	249,657
Restricted for public safety	9,004,786	208,744	-	-	9,004,786	208,744
Restricted for capital projects	6,486,421	5,267,442	-	-	6,486,421	5,267,442
Restricted for housing	1,340,007	1,313,162	-	-	1,340,007	1,313,162
Unrestricted	<u>34,488,464</u>	<u>29,505,205</u>	<u>30,241,882</u>	<u>23,061,599</u>	<u>64,730,346</u>	<u>52,566,804</u>
Total Net Position	<u>\$ 104,427,950</u>	<u>\$ 86,118,514</u>	<u>\$ 92,156,376</u>	<u>\$ 86,746,851</u>	<u>\$ 196,584,326</u>	<u>\$ 172,865,365</u>

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

The City's total government-wide net position amounted to \$196,584,326 as of June 30, 2022. This represented an increase of \$23,718,961 over fiscal year 2021. 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 (58.3%) 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 (8.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$64,730,346 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 \$23,718,961 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 \$18,309,436 from the prior fiscal year for an ending balance of \$104,427,950. The increase in net position was primarily driven by higher revenues across several major categories. Governmental revenues increased by \$7,988,884 for the prior year. With growth in taxes, charges for services, operating grants and contributions, investment earnings, and other revenues.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

The City's net position as of June 30, 2022 consisted of the following:

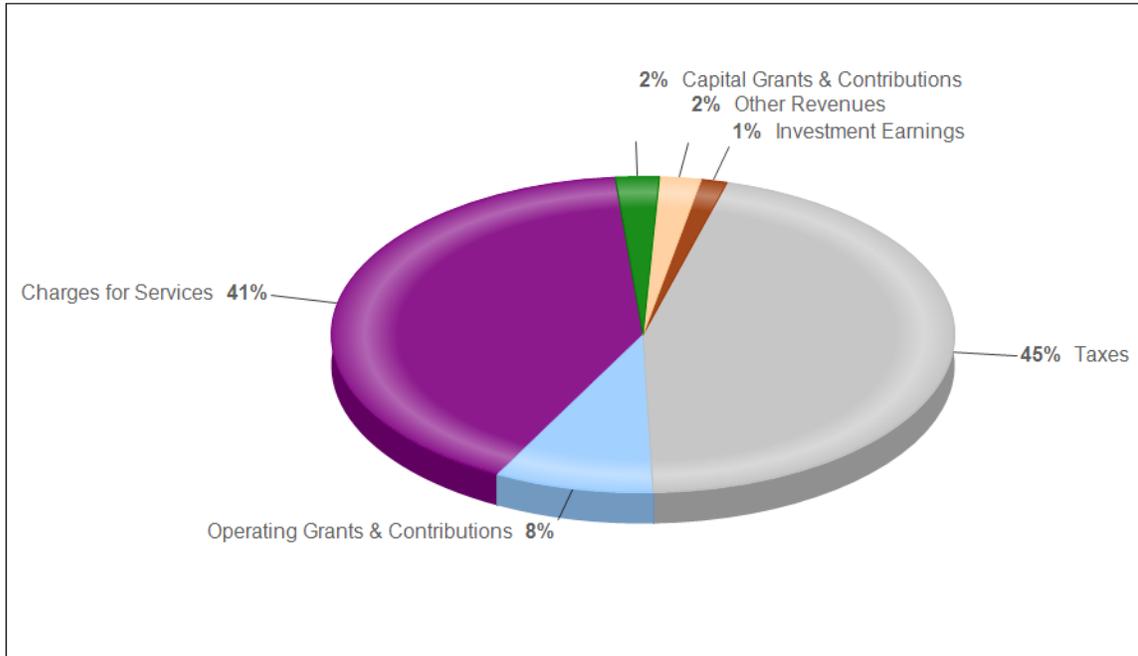
**TABLE 2
GOVERNMENTAL ACTIVITIES CHANGES IN NET POSITION AS OF JUNE 30,**

	<u>2022</u>	<u>(Restated) 2021</u>
<u>REVENUES</u>		
Charges for services	\$ 27,074,257	\$ 19,743,403
Operating grants and contributions	5,442,945	4,077,276
Capital grants and contributions	1,493,782	2,408,478
Taxes	29,794,602	30,489,582
Motor vehicle in lieu	47,811	29,811
Investment earnings	869,104	418,827
Other revenues	<u>1,434,350</u>	<u>1,000,590</u>
Total Revenue	<u>66,156,851</u>	<u>58,167,967</u>
<u>EXPENSES</u>		
General government	14,892,463	12,037,399
Public safety	22,010,532	23,652,679
Public works	7,717,656	5,844,121
Recreation	3,283,808	2,948,633
Interest and fiscal charges	<u>81,597</u>	<u>35,155</u>
Total Expenses	<u>47,986,056</u>	<u>44,517,987</u>
Increase in net position before transfers	<u>18,170,795</u>	<u>13,649,980</u>
Transfers	<u>138,641</u>	<u>256,062</u>
Change in net position	18,309,436	13,906,042
Net position - beginning	<u>86,118,514</u>	<u>72,377,016</u>
Net position - ending	<u>\$ 104,427,950</u>	<u>\$ 86,118,514</u>

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Sources of Revenues

Governmental Activities



As reflected above, forty-five (45%) or \$29,794,602 of the City's governmental activities revenues as of June 30, 2022 were comprised of tax increments. Program revenues were fifty-one percent (51%) of governmental activities. Of this amount, eight percent (8%) or \$5,442,945 were derived from operating grants and contributions, two (2%) or \$1,493,782 were derived from capital grants and contributions, and forty-one percent (41%) or \$27,074,257 were derived from charges for services. The remaining sources of revenue include one percent or \$869,104 of investment earnings, and three percent (2%) or \$1,434,350 of other revenues. The City's total governmental revenues increased \$7,988,884 from the prior year.

Taxes

Sales and use tax revenues decreased by 2% due to the decline in Measure G revenues, while the City's property tax revenues increased by 8% as a result of continued growth within the City.

Charges for Services

The City's overall charges for services increased mainly primarily due to higher revenues from building permits, engineering inspection charges, park impact fees, and other development-related impact fees generated from increased construction activity within the City's boundaries.

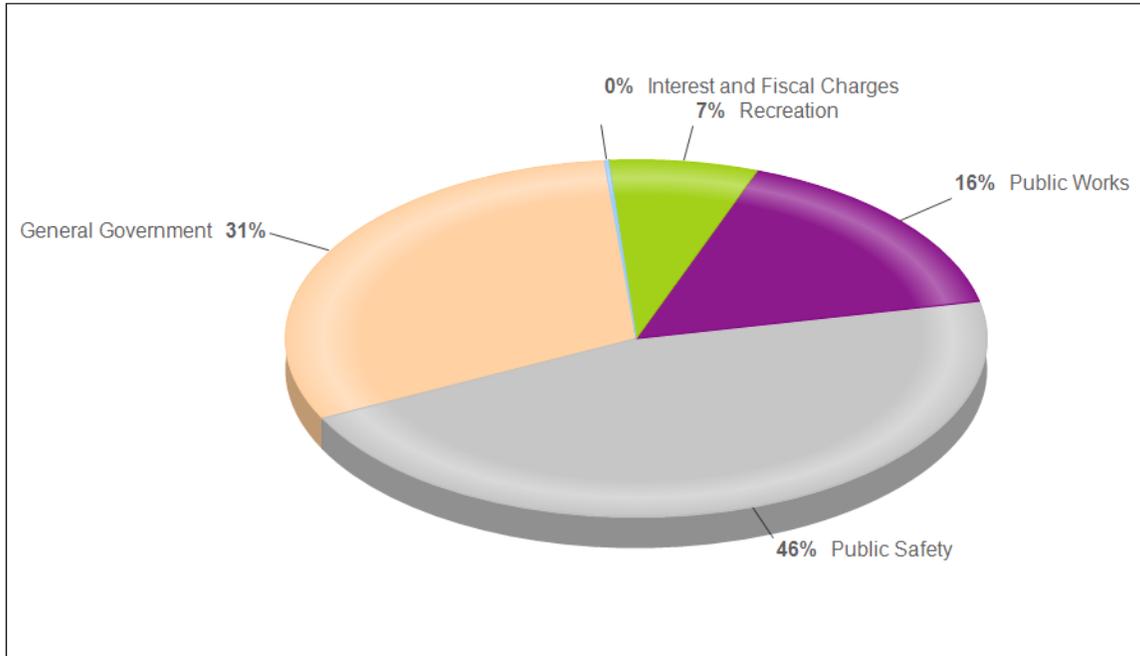
Operating Grants and Contributions

The City's operating grants and contributions increased primarily due to the availability of ARPA funding, which totaled \$4,872,937 in FY 2022.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Functional Expenses

Governmental Activities



As identified in the functional expenses chart, forty-six percent (46% or \$22,010,532 of the City's expenses were for public safety. thirty-one percent (31%) or \$14,892,463 was for general government expenses. The remaining functional expenses included sixteen (16%) or \$7,717,656 for public works, seven percent (7%) or \$3,283,808 in recreation, and less than one percent or \$81,597 in interest and fiscal charges. The City's total governmental expenses increased \$3,468,069 from the prior fiscal year.

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

General Government Expenses

General government expenses increased \$2,855,064 or 24%. The increase was primarily due to higher inspection and building services activity, reflecting increased construction levels and overall growth in the City.

Public Safety Expenses

Public safety expenses decreased 7% or \$1,642,147. The main decrease was due to reduced fire activity, resulting in lower overtime costs.

Public Works Expenses

Public works expenses increased 32% or \$1,873,535 from the prior year. This increase was primarily attributable to higher consulting and engineering service costs resulting from elevated construction activity and continued growth within the City.

Recreation Expenses

Recreation expenses increased 11% or \$335,175. This increase was primarily attributable to higher parks maintenance costs, as well as expanded outdoor programs and community events.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

	2022	(Restated) 2021
<u>REVENUES</u>		
Charges for services	\$ 31,818,245	\$ 33,468,624
Investment earnings	125,036	86,319
Operating grants and contributions	53,000	-
Capital grants and contributions	94,377	2,472,547
Other revenues	45,543	55,079
Total Revenue	32,136,201	36,082,569
<u>EXPENSES</u>		
Airport	2,181,444	2,104,374
Water	7,798,030	7,950,941
Sewer	15,419,910	19,803,214
Street sweeping	963,219	827,576
Briggs Building	225,432	174,870
Total Expenses	26,588,035	30,860,975
Increase in net position before transfers	5,548,166	5,221,594
Transfers	(138,641)	(256,062)
Change in net position	5,409,525	4,965,532
Net position - beginning	86,746,851	81,781,319
Net position - ending	\$ 92,156,376	\$ 86,746,851

In the fiscal year ended June 30, 2022, business-type activities increased the City's net position by \$5,409,525.

Charges for Services

Charges for services decreased \$1,650,379 or 5% from the prior fiscal year. This decrease was primarily due to lower water meter charges, reduced water usage charges, and a decline in water connection fees. These decreases were partially offset by an increase in wastewater usage charges and higher sewer treatment connection fees associated with new development.

Investment Earnings

Investment earnings increased \$38,717 or 45% primarily due to the implementation of GASB 87, which requires the recognition of interest revenue on lease receivables. This new reporting standard resulted in additional interest earnings recorded during the fiscal year.

Capital grants and contributions

Capital grants and contributions decreased \$2,378,170 or 96% this decline is attributable to the absence of FAA-funded capital project activity in the current fiscal year, whereas the prior year included substantial FAA grant funding.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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 decrease in Wastewater expenses was primarily due to reduced sludge removal activity, totaling \$1,880,140. In addition, the prior-year bad debt expense of \$2,891,421 related to San Benito Foods was reversed, as the outstanding balance was fully collected by the issuance date of this financial report.

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, 2022, the City's governmental funds reported combined ending fund balances of \$70,469,389. Approximately 15.7% of this total amount (\$11,091,665) 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, 2022, the unassigned fund balance of the general fund was \$14,204,224 while the total fund balance amounted to \$15,953,340. As measures of the general fund's liquidity, it is useful to note that the unassigned fund balance represents 38.2% percent of total fund expenditures, while the total fund balance represents 42.9% percent of that same amount. The general fund's fund balance increased by \$6,925,683 during the current fiscal year. The City's increase of \$6,925,683 from the prior fiscal year was due to the significant rise in charges for services, mainly related to construction activity and building and engineering inspection services.

The Housing Successor Agency Fund had a total fund balance of \$1,340,007 which is restricted. The overall fund balance increased by \$26,845.

The Transportation Development Act fund had a total fund balance of \$8,539,950 which is restricted. The overall fund balance increased by \$2,744,392 due to Measure G taxes.

The CIP Traffic Impact Fees fund had a total fund balance of \$28,495,763 which is restricted. The overall fund balance increased by \$4,768,060 due to increases of traffic lane fees from new developments and decrease of payments for road reimbursements.

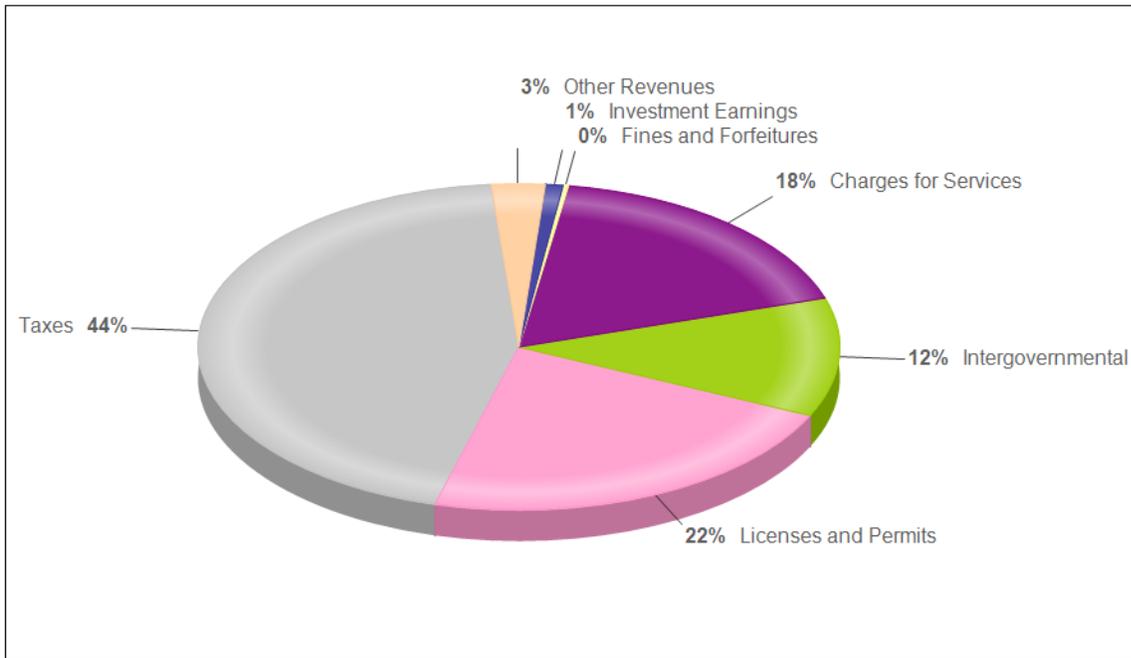
The following table presents revenues from various sources as well as reflecting increases or decreases from the prior fiscal year in the governmental funds.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

**TABLE 4
REVENUES IN THE GOVERNMENTAL FUNDS (in thousands)**

Revenue Sources	FY 2022		FY 2021		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 29,842	44.4 %	\$ 30,519	50.4 %	\$ (677)	(2.2)%
Licenses and permits	14,967	22.3 %	10,224	16.9 %	4,743	46.4 %
Intergovernmental	7,842	11.7 %	8,867	14.6 %	(1,025)	(11.6)%
Charges for services	11,935	17.8 %	9,366	15.5 %	2,569	27.4 %
Fines and forfeitures	172	0.3 %	153	0.3 %	19	12.4 %
Investment earnings	593	0.9 %	144	0.2 %	449	311.8 %
Other revenues	1,837	2.7 %	1,265	2.1 %	572	45.2 %
Total	\$ 67,188	100 %	\$ 60,538	100 %	\$ 6,650	11.0 %

**Governmental Fund Revenues
For the Year Ended June 30, 2022**



Significant changes for major revenue sources are explained below:

- Taxes – Tax revenues include sales taxes and property taxes. Overall tax revenues decreased, primarily due to a decline in Measure G revenues; however, this was partially offset by an increase in property tax collections.
- Licenses and permits – Revenues increased significantly due to higher building permit activity and increased traffic impact fees, reflecting overall growth in construction and development.
- Intergovernmental – The decrease in this source was due to a decrease in transportation funding and decrease in CDBG grant funding.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

- Charges for services – Charges for services increased significantly due to higher park impact fees, engineering inspection charges, plan check fees, and technology and General Plan update fees, reflecting elevated development activity within the City.
- Fines and forfeitures – The increase in fines and forfeitures was primarily due to higher collections from vehicle-related fines
- Investment earnings – The increase in investment earnings was primarily due to the implementation of GASB 87, which requires the recognition of interest revenue on lease receivables. This new reporting standard resulted in additional interest earnings recorded during the fiscal year.
- Other revenues – Other revenues increased primarily due to reimbursements during the fiscal year.

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

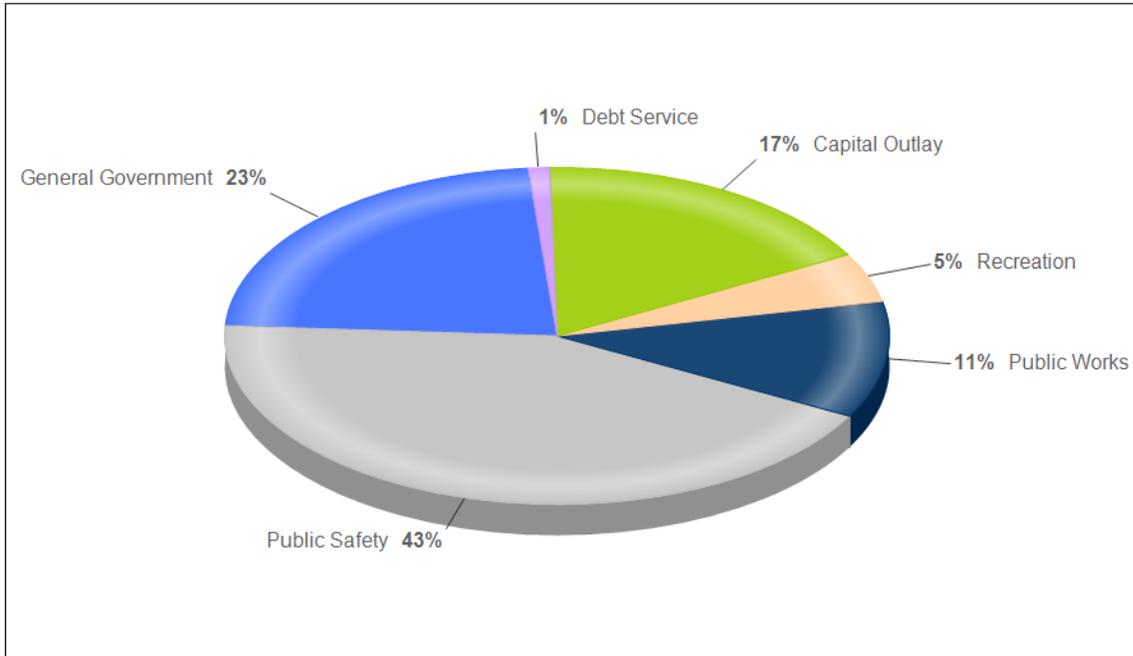
**TABLE 5
EXPENDITURES IN THE GOVERNMENTAL FUNDS (in thousands)**

<u>Function</u>	<u>FY 2022</u>		<u>FY 2021</u>		<u>Change</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
General government	\$ 12,073	22.7 %	\$ 8,828	20.1 %	\$ 3,245	36.8 %
Public safety	22,943	43.1 %	20,707	47.2 %	2,236	10.8 %
Public works	5,958	11.2 %	4,403	10.0 %	1,555	35.3 %
Recreation	2,502	4.7 %	2,272	5.2 %	230	10.1 %
Capital outlay	9,255	17.4 %	7,435	17.0 %	1,820	24.5 %
Debt service	<u>559</u>	<u>1.0 %</u>	<u>215</u>	<u>0.5 %</u>	<u>344</u>	<u>160.0 %</u>
Total	<u>\$ 53,290</u>	<u>100 %</u>	<u>\$ 43,860</u>	<u>100 %</u>	<u>\$ 9,430</u>	<u>21.5 %</u>

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Governmental Fund Expenditures

For the Year Ended June 30, 2022



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 driven by the addition of new Fire Department positions, compensation increases from labor negotiations, and a retention bonus in the Police Department. Higher unfunded liability costs and additional Fire Department staffing also contributed to the overall increase.
- Public works – The increase in this function was primarily attributable to higher consulting engineering costs and an overall increase in professional services.
- Recreation – The increase in this function was associated with the increase of programs and community events.
- Capital outlay – The increase in this function was primarily attributable to improvements along North Street and the acquisition of Fire Department vehicles.

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.

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Unrestricted net position of the Airport fund at the end of the year was \$(484,693); Water operations was \$3,630,328; Sewer operations was \$29,101,251; Street Sweeping operations was \$(2,346,801); and for the Briggs Building operation was \$341,797. The total change in net position for the five funds was as follows: Airport fund was \$(669,195); Water operations was \$407,548; Sewer operations was \$6,215,641; Street Sweeping operations was \$(461,704); and for the Briggs Building operation was \$(82,765). 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 decreased due to a reduction in capital contributions. 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 \$9,751,934. This increase was due to the City's increase in property tax, water and sewer usage increase due to new developments, and Measure G taxes. Actual expenditures were more than budgetary estimates by \$5,182,641. 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, 2022, amounted to \$55,873,565 (net of accumulated depreciation). This investment in capital assets included land, structures and improvements, equipment, right-to-use assets, 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 6 – 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.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</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	3,160	2,354	694	404	3,854	2,758
Buildings	13,130	16,743	3,323	3,593	16,453	20,336
Equipment	3,998	4,725	3,243	3,586	7,241	8,311
Improvements	8,916	8,408	104,540	108,516	113,456	116,924
Infrastructure	25,629	21,867	-	-	25,629	21,867
Right-to-use lease asset	290	246	-	-	290	246
Water rights	<u>290</u>	<u>246</u>	<u>8,894</u>	<u>9,565</u>	<u>9,184</u>	<u>9,811</u>
Total	<u>\$ 56,163</u>	<u>\$ 55,339</u>	<u>\$ 127,323</u>	<u>\$ 132,293</u>	<u>\$ 183,486</u>	<u>\$ 187,632</u>

**CITY OF HOLLISTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

B. Long-Term Obligations

At June 30, 2022, the City had total long-term obligations outstanding of \$70,520,234 consisting of \$50,465,000 in bonds, and financed purchase obligations of \$3,222,809, and contract payable of \$8,978,069. Additional long-term liabilities include bond issuance premium of \$5,917,152 and compensated absences payable of \$1,937,204.

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 7 – Long-Term Liabilities.

ECONOMIC CONDITION, OUTLOOK, AND ACTIVITY

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

- The Hollister economy, much like the regional and state economies, continued to experience instability due to the ongoing effects of the COVID-19 pandemic. This directly impacted variable revenue sources such as sales taxes, use taxes, and Transient Occupancy Taxes. Any increases in these revenues were considered "one-time" in nature, as they did not necessarily align with typical economic cycles.
- Sales tax receipts had originally been expected to decline, but with many residents working from home, more purchases were made locally, resulting in stronger-than-expected performance. However, because these increases may not represent long-term trends, a 4% decrease in sales tax collections was budgeted to maintain a conservative outlook.
- Potential increases in water and wastewater rates were anticipated, driven by ongoing state and federal regulatory requirements and long-term infrastructure needs. The City planned to undertake a comprehensive rate study to evaluate future adjustments.
- The City of Hollister's property tax revenues continued to stabilize, supported by steady development activity and rising property valuations throughout San Benito County and surrounding communities. Projections assumed modest 2% annual increases, consistent with recent trends.
- Interest rates remained at historically low levels, which placed downward pressure on the City's investment earnings. At the same time, lower borrowing costs continued to support discretionary activities such as construction, home renovations, and consumer purchases, providing positive impacts to sales taxes, use taxes, and development-related fees.
- The City's 1% Transaction and Use Tax (Measure W), extended by voters for an additional 20 years, continued to provide a stable and essential revenue stream.
- On the expenditure side, increases were expected in health insurance premiums, pension obligations, and other employee benefit costs, particularly as CalPERS projected contribution increases of approximately 4% of payroll to address prior investment losses.
- Tourism-related revenues, including Transient Occupancy Tax, remained uncertain due to statewide and regional declines in travel during the pandemic. Activity at newer hotel properties helped stabilize this revenue source, but conservative estimates were maintained given broader economic conditions.

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, 2022. 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, 2022**

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and investments (Note 2)	\$ 72,880,268	\$ 34,073,966	\$ 106,954,234
Accounts receivable, net	5,826,026	4,674,328	10,500,354
Interest receivable	40,702	25,021	65,723
Notes receivable, net of allowance (Note 3)	11,544,428	-	11,544,428
Leases receivable (Note 4)	672,891	5,483,353	6,156,244
Internal balances	2,803,966	(2,803,966)	-
Prepaid items	83,970	-	83,970
Deferred charges, net (Note 7)	-	128,054	128,054
Restricted cash and investments (Note 2)	751,586	407	751,993
Capital assets, net			
Non-depreciable (Note 6)	3,910,637	7,322,118	11,232,755
Depreciable, net of accumulated depreciation (Note 6)	<u>51,962,928</u>	<u>119,999,363</u>	<u>171,962,291</u>
Total Assets	<u>150,477,402</u>	<u>168,902,644</u>	<u>319,380,046</u>
DEFERRED OUTFLOWS OF RESOURCES			
2022 Pension contributions (Note 10)	4,280,884	562,576	4,843,460
Changes in the net pension liability (Note 10)	3,600,895	537,263	4,138,158
Changes in the total OPEB liability (Note 11)	<u>2,085,634</u>	<u>335,631</u>	<u>2,421,265</u>
Total Deferred Outflows of Resources	<u>9,967,413</u>	<u>1,435,470</u>	<u>11,402,883</u>
LIABILITIES			
Accounts payable	4,338,390	1,108,599	5,446,989
Accrued payroll and benefits	1,023,797	197,670	1,221,467
Interest payable	-	182,871	182,871
Unearned revenue	139,451	-	139,451
Deposits	3,189,018	1,346,187	4,535,205
Long-term liabilities (Note 7)			
Due within one year	2,092,365	3,596,803	5,689,168
Due in more than one year	2,712,380	62,118,686	64,831,066
Net pension liability (Note 10)			
Due in more than one year	17,466,095	1,616,104	19,082,199
Other postemployment benefits (Note 11)			
Due in more than one year	<u>6,170,767</u>	<u>1,065,289</u>	<u>7,236,056</u>
Total Liabilities	<u>37,132,263</u>	<u>71,232,209</u>	<u>108,364,472</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability (Note 10)	14,230,828	1,350,482	15,581,310
Changes in the total OPEB liability (Note 11)	1,080,698	182,981	1,263,679
Leases (Note 4)	<u>3,573,076</u>	<u>5,416,066</u>	<u>8,989,142</u>
Total Deferred Inflows of Resources	<u>18,884,602</u>	<u>6,949,529</u>	<u>25,834,131</u>
NET POSITION			
Net investment in capital assets	52,697,929	61,914,087	114,612,016
Restricted for:			
Debt service	-	407	407
Community Improvement	410,343	-	410,343
Grant programs	9,004,786	-	9,004,786
Capital projects	6,486,421	-	6,486,421
Housing	1,340,007	-	1,340,007
Unrestricted	<u>34,488,464</u>	<u>30,241,882</u>	<u>64,730,346</u>
Total Net Position	<u>\$ 104,427,950</u>	<u>\$ 92,156,376</u>	<u>\$ 196,584,326</u>

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

**CITY OF HOLLISTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ 14,892,463	\$ 8,926,533	\$ 1,092,469	\$ 72,291	\$ (4,801,170)	\$ -	\$ (4,801,170)
Public safety	22,010,532	4,155,123	4,227,717	1,421,491	(12,206,201)	-	(12,206,201)
Public works	7,717,656	11,256,244	122,759	-	3,661,347	-	3,661,347
Recreation	3,283,808	2,736,357	-	-	(547,451)	-	(547,451)
Interest and fiscal charges	81,597	-	-	-	(81,597)	-	(81,597)
Total governmental activities	<u>47,986,056</u>	<u>27,074,257</u>	<u>5,442,945</u>	<u>1,493,782</u>	<u>(13,975,072)</u>	<u>-</u>	<u>(13,975,072)</u>
Business-type activities:							
Airport	2,181,444	1,248,705	53,000	94,377	-	(785,362)	(785,362)
Water	7,798,030	8,207,807	-	-	-	409,777	409,777
Sewer	15,419,910	21,728,079	-	-	-	6,308,169	6,308,169
Street sweeping	963,219	501,515	-	-	-	(461,704)	(461,704)
Briggs building	225,432	132,139	-	-	-	(93,293)	(93,293)
Total business-type activities	<u>26,588,035</u>	<u>31,818,245</u>	<u>53,000</u>	<u>94,377</u>	<u>-</u>	<u>5,377,587</u>	<u>5,377,587</u>
Total primary government	<u>\$ 74,574,091</u>	<u>\$ 58,892,502</u>	<u>\$ 5,495,945</u>	<u>\$ 1,588,159</u>	<u>\$ (13,975,072)</u>	<u>\$ 5,377,587</u>	<u>\$ (8,597,485)</u>
General revenues:							
Property taxes					\$ 8,519,501	\$ 44,543	\$ 8,564,044
Sales and use taxes					15,547,574	-	15,547,574
Gas taxes					1,808,438	-	1,808,438
Other taxes					3,919,089	-	3,919,089
Motor vehicle in lieu					47,811	-	47,811
Use of money and property					869,104	125,036	994,140
Other revenues					1,434,350	1,000	1,435,350
Transfers					<u>138,641</u>	<u>(138,641)</u>	<u>-</u>
Total general revenues and transfers					<u>32,284,508</u>	<u>31,938</u>	<u>32,316,446</u>
Change in net position					<u>18,309,436</u>	<u>5,409,525</u>	<u>23,718,961</u>
Net position - July 1, 2021					86,297,896	86,517,230	172,815,126
Prior period restatement (Note 18)					<u>(179,382)</u>	<u>229,621</u>	<u>50,239</u>
Net position - July 1, 2021, restated					<u>86,118,514</u>	<u>86,746,851</u>	<u>172,865,365</u>
Net position - June 30, 2022					<u>\$ 104,427,950</u>	<u>\$ 92,156,376</u>	<u>\$ 196,584,326</u>

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

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

	General Fund	Housing Successor Agency	CIP Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 15,026,162	\$ 1,341,516	\$ 28,488,464	\$ 28,024,126	\$ 72,880,268
Restricted cash and investments	751,586	-	-	-	751,586
Accounts receivable	4,232,520	1,426	-	1,592,080	5,826,026
Interest receivable	9,779	737	15,710	14,476	40,702
Notes receivable, net	563,750	14,992,648	-	2,938,454	18,494,852
Leases receivable	672,891	-	-	-	672,891
Due from other funds	5,913,733	-	-	-	5,913,733
Prepaid items	83,410	560	-	-	83,970
Total Assets	\$ 27,253,831	\$ 16,336,887	\$ 28,504,174	\$ 32,569,136	\$ 104,664,028
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
LIABILITIES:					
Accounts payable	\$ 3,177,616	\$ 481	\$ 8,411	\$ 1,151,882	\$ 4,338,390
Accrued payroll and benefits	976,490	3,746	-	43,561	1,023,797
Deposits payable	3,008,986	-	-	180,032	3,189,018
Due to other funds	-	-	-	3,109,767	3,109,767
Unearned revenue	-	-	-	139,451	139,451
Total Liabilities	7,163,092	4,227	8,411	4,624,693	11,800,423
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	564,323	14,992,653	-	3,264,164	18,821,140
Leases	3,573,076	-	-	-	3,573,076
Total Deferred Inflows of Resources	4,137,399	14,992,653	-	3,264,164	22,394,216
FUND BALANCES (DEFICITS):					
Nonspendable	83,410	-	-	-	83,410
Restricted	-	1,340,007	28,495,763	27,792,838	57,628,608
Committed	1,665,706	-	-	-	1,665,706
Unassigned	14,204,224	-	-	(3,112,559)	11,091,665
Total Fund Balances (Deficits)	15,953,340	1,340,007	28,495,763	24,680,279	70,469,389
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 27,253,831	\$ 16,336,887	\$ 28,504,174	\$ 32,569,136	\$ 104,664,028

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, 2022**

Fund balances - total governmental funds	\$ 70,469,389
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	101,384,601
Less: accumulated depreciation	(45,511,036)
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.	11,544,428
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	326,288
Deferred outflows of resources related to 2022 pension contributions were made subsequent to the measurement date.	4,280,884
Deferred outflows of resources related to changes in the net pension liability are not reported in the governmental funds.	3,600,895
Deferred outflows of resources related to changes in the total OPEB liability are not reported in the governmental funds.	2,085,634
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	(3,175,636)
Compensated absences	(1,629,109)
Total OPEB liability	(6,170,767)
Net pension liability	(17,466,095)
Deferred inflows of resources related to changes in the net pension liability	(14,230,828)
Deferred inflows of resources related to changes in the total OPEB liability	<u>(1,080,698)</u>
Net position of governmental activities	<u>\$ 104,427,950</u>

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

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

	<u>General Fund</u>	<u>Housing Successor Agency</u>	<u>CIP Traffic Impact Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Taxes	\$ 23,303,905	\$ -	\$ -	\$ 6,538,508	\$ 29,842,413
Licenses and permits	7,334,609	-	6,640,442	992,267	14,967,318
Intergovernmental	1,245,412	-	-	6,596,329	7,841,741
Charges for services	8,002,095	-	-	3,933,119	11,935,214
Fines and forfeitures	171,725	-	-	-	171,725
Use of money and property	473,731	49,118	35,145	34,732	592,726
Other revenues	<u>676,532</u>	<u>148,382</u>	<u>-</u>	<u>1,012,044</u>	<u>1,836,958</u>
Total Revenues	<u>41,208,009</u>	<u>197,500</u>	<u>6,675,587</u>	<u>19,106,999</u>	<u>67,188,095</u>
<u>EXPENDITURES</u>					
Current:					
General government	11,104,084	149,344	1,746	817,947	12,073,121
Public safety	15,945,893	-	-	6,997,175	22,943,068
Public works	3,989,445	-	132,162	1,836,036	5,957,643
Recreation	2,501,968	-	-	-	2,501,968
Capital outlay	3,102,137	14,197	1,541,243	4,596,970	9,254,547
Debt service:					
Principal	470,514	7,091	-	-	477,605
Interest	<u>81,574</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>81,597</u>
Total Expenditures	<u>37,195,615</u>	<u>170,655</u>	<u>1,675,151</u>	<u>14,248,128</u>	<u>53,289,549</u>
Excess (deficiency) of revenues over expenditures	<u>4,012,394</u>	<u>26,845</u>	<u>5,000,436</u>	<u>4,858,871</u>	<u>13,898,546</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from financed purchase	2,396,236	-	-	-	2,396,236
Transfers in	517,053	-	-	-	517,053
Transfers out	<u>-</u>	<u>-</u>	<u>(232,376)</u>	<u>(146,036)</u>	<u>(378,412)</u>
Total Other Financing Sources (Uses)	<u>2,913,289</u>	<u>-</u>	<u>(232,376)</u>	<u>(146,036)</u>	<u>2,534,877</u>
Net change in fund balances	<u>6,925,683</u>	<u>26,845</u>	<u>4,768,060</u>	<u>4,712,835</u>	<u>16,433,423</u>
Fund balances - July 1, 2021	9,027,657	1,313,162	23,727,703	19,674,840	53,743,362
Prior period adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,604</u>	<u>292,604</u>
Fund balances - July 1, 2021 (restated)	<u>9,027,657</u>	<u>1,313,162</u>	<u>23,727,703</u>	<u>19,967,444</u>	<u>54,035,966</u>
Fund balances - June 30, 2022	<u>\$ 15,953,340</u>	<u>\$ 1,340,007</u>	<u>\$ 28,495,763</u>	<u>\$ 24,680,279</u>	<u>\$ 70,469,389</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, 2022**

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	\$ 16,433,423
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	8,892,614
Depreciation expense not reported in governmental funds	(3,755,981)
Capital contributions to the City Airport fund	(94,377)
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.	
Proceeds from lease liability	(135,639)
Proceeds from financed purchase	(2,260,597)
Principal payments	477,605
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	(402,614)
Loans made during the year	268,217
Accrued interest	276,378
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	243,056
Allowance for notes receivable	(1,564,636)
OPEB expense related to changes in the total OPEB liability	(430,882)
Pension expense related to changes in the net pension liability	1,267,877
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.	(905,008)
Change in net position of governmental activities	\$ 18,309,436

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

**CITY OF HOLLISTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Airport	Water	Sewer
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ -	\$ 5,659,785	\$ 28,079,072
Accounts receivable, net of allowance	62,896	1,122,080	3,419,548
Interest receivable	5,472	3,115	15,504
Leases receivable, current	586,854	-	-
Deferred charges, net	-	-	128,054
Total Current Assets	655,222	6,784,980	31,642,178
Non-Current Assets			
Restricted cash and investments	-	-	407
Leases receivable, noncurrent	4,478,689	-	-
Capital assets, net			
Nondepreciable	1,510,584	374,731	5,300,970
Depreciable, net of accumulated depreciation	16,130,971	12,835,821	88,574,785
Total Non-Current Assets	22,120,244	13,210,552	93,876,162
Total Assets	22,775,466	19,995,532	125,518,340
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
2022 Pension contributions	-	267,786	294,790
Changes in the net pension liability	-	277,881	259,382
Changes in the total OPEB liability	-	167,888	167,743
Total Deferred Outflows of Resources	-	713,555	721,915
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	19,526	654,598	421,293
Accrued payroll and benefits	17,239	64,966	84,338
Interest payable	-	-	182,871
Due to other funds	474,924	-	-
Deposits	45,755	998,986	301,446
Compensated absences - current portion	41,246	66,810	109,882
Long-term liabilities - current portion	1,940	499,188	2,833,570
Total Current Liabilities	600,630	2,284,548	3,933,400
Non-Current Liabilities			
Compensated absences - noncurrent portion	7,237	11,723	19,280
Long-term liabilities - noncurrent portion	498	8,501,248	53,570,950
Total OPEB liability	-	509,526	555,763
Net pension liability	-	834,950	781,154
Total Non-Current Liabilities	7,735	9,857,447	54,927,147
Total Liabilities	608,365	12,141,995	58,860,547
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability	-	636,705	713,777
Changes in the total OPEB liability	-	89,943	93,038
Leases	5,012,677	-	-
Total Deferred Inflows of Resources	5,012,677	726,648	806,815
<u>NET POSITION</u>			
Net investment in capital assets	17,639,117	4,210,116	37,471,235
Restricted for debt services	-	-	407
Unrestricted	(484,693)	3,630,328	29,101,251
Total Net Position	\$ 17,154,424	\$ 7,840,444	\$ 66,572,893

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

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

	<u>Street Sweeping</u>	<u>Briggs Building</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ -	\$ 335,109	\$ 34,073,966
Accounts receivable, net of allowance	69,804	-	4,674,328
Interest receivable	-	930	25,021
Leases receivable, current	-	123,654	710,508
Deferred charges, net	-	-	128,054
Total Current Assets	<u>69,804</u>	<u>459,693</u>	<u>39,611,877</u>
Non-Current Assets			
Restricted cash and investments	-	-	407
Leases receivable, noncurrent	-	294,156	4,772,845
Capital assets, net			
Nondepreciable	-	135,833	7,322,118
Depreciable, net of accumulated depreciation	-	<u>2,457,786</u>	<u>119,999,363</u>
Total Non-Current Assets	<u>-</u>	<u>2,887,775</u>	<u>132,094,733</u>
Total Assets	<u>69,804</u>	<u>3,347,468</u>	<u>171,706,610</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
2022 Pension contributions	-	-	562,576
Changes in the net pension liability	-	-	537,263
Changes in the total OPEB liability	-	-	335,631
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>1,435,470</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	4,519	8,663	1,108,599
Accrued payroll and benefits	31,127	-	197,670
Interest payable	-	-	182,871
Due to other funds	2,329,042	-	2,803,966
Deposits	-	-	1,346,187
Compensated absences - current portion	44,167	-	262,105
Long-term liabilities - current portion	-	-	3,334,698
Total Current Liabilities	<u>2,408,855</u>	<u>8,663</u>	<u>9,236,096</u>
Non-Current Liabilities			
Compensated absences - noncurrent portion	7,750	-	45,990
Long-term liabilities - noncurrent portion	-	-	62,072,696
Total OPEB liability	-	-	1,065,289
Net pension liability	-	-	1,616,104
Total Non-Current Liabilities	<u>7,750</u>	<u>-</u>	<u>64,800,079</u>
Total Liabilities	<u>2,416,605</u>	<u>8,663</u>	<u>74,036,175</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability	-	-	1,350,482
Changes in the total OPEB liability	-	-	182,981
Leases	-	403,389	5,416,066
Total Deferred Inflows of Resources	<u>-</u>	<u>403,389</u>	<u>6,949,529</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	2,593,619	61,914,087
Restricted for debt services	-	-	407
Unrestricted	<u>(2,346,801)</u>	<u>341,797</u>	<u>30,241,882</u>
Total Net Position	<u>\$ (2,346,801)</u>	<u>\$ 2,935,416</u>	<u>\$ 92,156,376</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, 2022

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
<u>OPERATING REVENUES</u>			
Charges for services	\$ 1,248,705	\$ 8,207,807	\$ 21,728,079
Grant revenues	53,000	-	-
Other revenues	<u>1,000</u>	<u>-</u>	<u>-</u>
Total Operating Revenue	<u>1,302,705</u>	<u>8,207,807</u>	<u>21,728,079</u>
<u>OPERATING EXPENSES</u>			
Personnel services	537,518	1,899,226	2,198,461
Contractual and professional services	120,815	3,498,617	2,524,264
Supplies and operating costs	299,078	901,818	3,201,107
Utilities	68,588	221,879	1,706,240
Depreciation	<u>1,155,301</u>	<u>897,271</u>	<u>3,876,666</u>
Total Operating Expenses	<u>2,181,300</u>	<u>7,418,811</u>	<u>13,506,738</u>
Operating Income (Loss)	<u>(878,595)</u>	<u>788,996</u>	<u>8,221,341</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	44,543	-	-
Investment income	70,624	7,152	36,732
Interest expense	<u>(144)</u>	<u>(379,219)</u>	<u>(1,913,172)</u>
Total Non-Operating Revenues (Expenses)	<u>115,023</u>	<u>(372,067)</u>	<u>(1,876,440)</u>
Income (Loss) Before Transfers & Capital Contributions	<u>(763,572)</u>	<u>416,929</u>	<u>6,344,901</u>
<u>TRANSFERS & CAPITAL CONTRIBUTIONS</u>			
Transfers out	-	(9,381)	(129,260)
Capital contributions	<u>94,377</u>	<u>-</u>	<u>-</u>
Total Transfers & Capital Contributions	<u>94,377</u>	<u>(9,381)</u>	<u>(129,260)</u>
Change in Net Position	<u>(669,195)</u>	<u>407,548</u>	<u>6,215,641</u>
Total Net Position - July 1, 2021	17,823,619	7,203,275	60,357,252
Prior Period Adjustment (Note 18)	<u>-</u>	<u>229,621</u>	<u>-</u>
Total Net Position - July 1, 2021 Restated	<u>17,823,619</u>	<u>7,432,896</u>	<u>60,357,252</u>
Total Net Position - June 30, 2022	<u>\$ 17,154,424</u>	<u>\$ 7,840,444</u>	<u>\$ 66,572,893</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, 2022

	<u>Street Sweeping</u>	<u>Briggs Building</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for services	\$ 501,515	\$ 132,139	\$ 31,818,245
Grant revenues	-	-	53,000
Other revenues	-	-	1,000
	<u>501,515</u>	<u>132,139</u>	<u>31,872,245</u>
Total Operating Revenue			
<u>OPERATING EXPENSES</u>			
Personnel services	750,598	489	5,386,292
Contractual and professional services	56,505	29,158	6,229,359
Supplies and operating costs	152,432	53,937	4,608,372
Utilities	3,684	22,249	2,022,640
Depreciation	-	119,599	6,048,837
	<u>963,219</u>	<u>225,432</u>	<u>24,295,500</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(461,704)</u>	<u>(93,293)</u>	<u>7,576,745</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	-	-	44,543
Investment income	-	10,528	125,036
Interest expense	-	-	(2,292,535)
	<u>-</u>	<u>10,528</u>	<u>(2,122,956)</u>
Total Non-Operating Revenues (Expenses)			
Income (Loss) Before Transfers & Capital Contributions	<u>(461,704)</u>	<u>(82,765)</u>	<u>5,453,789</u>
<u>TRANSFERS & CAPITAL CONTRIBUTIONS</u>			
Transfers out	-	-	(138,641)
Capital contributions	-	-	94,377
	<u>-</u>	<u>-</u>	<u>(44,264)</u>
Total Transfers & Capital Contributions			
Change in Net Position	<u>(461,704)</u>	<u>(82,765)</u>	<u>5,409,525</u>
Total Net Position - July 1, 2021	(1,885,097)	3,018,181	86,517,230
Prior Period Adjustment (Note 18)	-	-	229,621
Total Net Position - July 1, 2021 Restated	<u>(1,885,097)</u>	<u>3,018,181</u>	<u>86,746,851</u>
Total Net Position - June 30, 2022	<u>\$ (2,346,801)</u>	<u>\$ 2,935,416</u>	<u>\$ 92,156,376</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, 2022**

	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from customers	\$ 1,164,916	\$ 8,807,356	\$ 19,801,163
Cash receipts from operating grants	53,000	-	-
Cash paid to suppliers for goods and services	(490,364)	(4,350,788)	(7,721,576)
Cash paid to employees	<u>(593,592)</u>	<u>(1,766,353)</u>	<u>(2,020,269)</u>
Net Cash Provided by (Used for) Operating Activities	<u>133,960</u>	<u>2,690,215</u>	<u>10,059,318</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers out	-	(9,381)	(129,260)
Interfund loan payments received	-	-	1,356,010
Interfund loan payments made	(208,258)	-	(1,356,010)
Taxes	<u>44,543</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(163,715)</u>	<u>(9,381)</u>	<u>(129,260)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on capital debt	(1,861)	(480,184)	(2,321,269)
Interest paid on capital debt	(144)	(379,219)	(1,922,776)
Bond issuance costs	-	-	(388,095)
Acquisition and construction of capital assets	<u>(33,076)</u>	<u>(228,962)</u>	<u>(703,064)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(35,081)</u>	<u>(1,088,365)</u>	<u>(5,335,204)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends received	<u>64,836</u>	<u>5,493</u>	<u>29,619</u>
Net Cash Provided by Investing Activities	<u>64,836</u>	<u>5,493</u>	<u>29,619</u>
Net Increase in Cash and Cash Equivalents	-	1,597,962	4,624,473
Cash and Cash Equivalents - July 1, 2021	<u>-</u>	<u>4,061,823</u>	<u>23,455,006</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ -</u>	<u>\$ 5,659,785</u>	<u>\$ 28,079,479</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>			
Cash and investments	\$ -	\$ 5,659,785	\$ 28,079,072
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>407</u>
Total Cash and Investments	<u>\$ -</u>	<u>\$ 5,659,785</u>	<u>\$ 28,079,479</u>
Non-Cash Investing and Financing Activities			
Capital contributions	\$ 94,377	\$ -	\$ -

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, 2022**

	<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)	\$ (878,595)	\$ 788,996	\$ 8,221,341
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	1,155,301	897,271	3,876,666
Amortization of lease receivable	409,700	-	-
Deferred inflows - leases	(462,566)	-	-
Pension and OPEB expense	-	134,909	151,551
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(44,896)	(60,850)	(1,962,907)
Increase (decrease) in accounts payable	(1,883)	271,526	(289,965)
Increase in deposits payable	12,973	660,399	35,991
Increase in accrued wages	7,520	46,685	50,074
Decrease in compensated absences	<u>(63,594)</u>	<u>(48,721)</u>	<u>(23,433)</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>133,960</u>	\$ <u>2,690,215</u>	\$ <u>10,059,318</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, 2022**

	<u>Street Sweeping</u>	<u>Briggs Building</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from customers	\$ 497,964	\$ 117,718	\$ 30,389,117
Cash receipts from operating grants	-	-	53,000
Cash paid to suppliers for goods and services	(214,550)	(100,139)	(12,877,417)
Cash paid to employees	<u>(727,918)</u>	<u>(489)</u>	<u>(5,108,621)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(444,504)</u>	<u>17,090</u>	<u>12,456,079</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers out	-	-	(138,641)
Interfund loan payments received	444,504	-	1,800,514
Interfund loan payments made	-	-	(1,564,268)
Taxes	<u>-</u>	<u>-</u>	<u>44,543</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>444,504</u>	<u>-</u>	<u>142,148</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on capital debt	-	-	(2,803,314)
Interest paid on capital debt	-	-	(2,302,139)
Bond issuance costs	-	-	(388,095)
Acquisition and construction of capital assets	<u>-</u>	<u>(18,233)</u>	<u>(983,335)</u>
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(18,233)</u>	<u>(6,476,883)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends received	<u>-</u>	<u>9,714</u>	<u>109,662</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>9,714</u>	<u>109,662</u>
Net Increase in Cash and Cash Equivalents	-	8,571	6,231,006
Cash and Cash Equivalents - July 1, 2021	<u>-</u>	<u>326,538</u>	<u>27,843,367</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ -</u>	<u>\$ 335,109</u>	<u>\$ 34,074,373</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>			
Cash and investments	\$ -	\$ 335,109	\$ 34,073,966
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>407</u>
Total Cash and Investments	<u>\$ -</u>	<u>\$ 335,109</u>	<u>\$ 34,074,373</u>
Non-Cash Investing and Financing Activities			
Capital contributions	\$ -	\$ -	\$ 94,377

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, 2022**

	Street Sweeping	Briggs Building	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (461,704)	\$ (93,293)	\$ 7,576,745
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	119,599	6,048,837
Amortization of lease receivable	-	117,718	527,418
Deferred inflows - leases	-	(132,139)	(594,705)
Pension and OPEB expense	-	-	286,460
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(3,551)	-	(2,072,204)
Increase (decrease) in accounts payable	(1,929)	5,205	(17,046)
Increase in deposits payable	-	-	709,363
Increase in accrued wages	19,008	-	123,287
Decrease in compensated absences	<u>3,672</u>	<u>-</u>	<u>(132,076)</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>(444,504)</u>	\$ <u>17,090</u>	\$ <u>12,456,079</u>

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

**CITY OF HOLLISTER
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Private- Purpose Trust Fund	Custodial Funds
<u>ASSETS</u>		
Cash and investments (Note 2)	\$ 2,431,193	\$ 2,543,229
Restricted cash and investments (Note 2)	2,169,757	198,374
Accounts receivable	-	13,573
Interest receivable	1,338	1,395
Notes receivable, net	1,796,637	-
Land held for resale	4,120,864	-
Total Assets	10,519,789	2,756,571
<u>LIABILITIES</u>		
Accounts payable	-	71,982
Accrued liabilities	-	2,547
Interest payable	273,361	-
Long-term liabilities, net of premium/discount	26,978,519	-
Total Liabilities	27,251,880	74,529
<u>NET POSITION</u>		
Held in trust for private purposes	(16,732,091)	-
Restricted for:		
Individuals, organizations, and other governments	-	2,682,042
Total Net Position	\$ (16,732,091)	\$ 2,682,042

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 YEAR ENDED JUNE 30, 2022**

	Private- Purpose Trust Fund	Custodial Funds
<u>ADDITIONS</u>		
Property taxes	\$ 3,165,146	\$ 1,542,280
Investment earnings	28,306	2,801
Other revenues	-	19,561
Total Additions	3,193,452	1,564,642
<u>DEDUCTIONS</u>		
Contractual services	14,506	5,048
Operating costs	250,049	617,262
Debt service:		
Principal	-	170,000
Interest	881,671	19,238
Total Deductions	1,146,226	811,548
Change in Fiduciary Net Position	2,047,226	753,094
Fiduciary Net Position - July 1, 2021	(18,779,317)	1,928,948
Fiduciary Net Position - June 30, 2022	\$ (16,732,091)	\$ 2,682,042

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

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022**

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 *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 147 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.
- The *Briggs Building Fund* was established to account for the City's costs of running the Briggs Building.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 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, 2022 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.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

Lessee

The City is a lessee for several noncancellable leases for land and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonable certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Lessor

The City is a lessor for noncancellable leases for land, buildings, and, cell tower sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimate and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. 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.

N. 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, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

O. 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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

P. 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 placed 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.
- *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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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.

R. 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.

S. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2021, the City implemented the following accounting and financial reporting standards:

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. The City adopted this accounting guidance for its June 30, 2022 year-end. See notes 4 and 7 for additional details.

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. The City adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the financial statements as a result of this statement.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The City adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the financial statements as a result of this statement.

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. The City adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the financial statements as a result of this statement.

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 City adopted this accounting guidance for its June 30, 2022 year-end. There was no impact to the financial statements as a result of this statement.

T. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later. The City has not determined the effects on the financial statements.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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. 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.

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

Government Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

Government Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 were classified in the accompanying financial statements as follows:

	<u>Cash and investments</u>	<u>Restricted cash and investments</u>	<u>Total</u>
Governmental activities	\$ 72,880,268	\$ 751,586	\$ 73,631,854
Business-type activities	<u>34,073,966</u>	<u>407</u>	<u>34,074,373</u>
Total government-wide cash and investments	<u>106,954,234</u>	<u>751,993</u>	<u>107,706,227</u>
Fiduciary activities	<u>4,974,422</u>	<u>2,368,131</u>	<u>7,342,553</u>
Total cash and investments	<u>\$ 111,928,656</u>	<u>\$ 3,120,124</u>	<u>\$ 115,048,780</u>

Cash and investments as of June 30, 2022 consisted of the following:

Local Area Investment Fund (LAIF)	\$ 31,803,404
Money market funds - held by bond trustee	2,368,538
Deposits with financial institutions	68,594,374
Bonds/Certificates of deposit	2,697,812
Money market mutual fund	8,831,156
Certificates of deposit	751,586
Cash on hand	<u>1,910</u>
Total cash and investments	<u>\$ 115,048,780</u>

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in one Issuer</u>
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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in one Issuer</u>
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, 2022**

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, 2022:

<u>Investments</u>	<u>Fair Value Measurements Using</u>			<u>Total Fair Value</u>
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	
Bonds/Certificates of deposit	\$ -	\$ 2,697,812	\$ -	\$ 2,697,812
Certificates of deposit - bank	-	751,586	-	751,586
Money market mutual fund	-	8,831,156	-	8,831,156
Held by bond trustee:				
Money market funds	-	<u>2,368,538</u>	-	<u>2,368,538</u>
Total	<u>\$ -</u>	<u>\$ 14,649,092</u>	<u>\$ -</u>	<u>\$ 14,649,092</u>

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, 2022:

<u>Investment Type</u>	<u>Remaining Maturity</u>		<u>Fair Value</u>
	<u>12 months or less</u>	<u>1-5 years</u>	
Local Area Investment Pool (LAIF)	\$ 31,803,404	\$ -	\$ 31,803,404
Bonds/Certificates of deposit	2,697,812	-	2,697,812
Certificates of deposit - bank	751,586	-	751,586
Money market mutual fund	8,831,156	-	8,831,156
Held by bond trustee:			
Money market funds	<u>2,368,538</u>	-	<u>2,368,538</u>
	<u>\$ 46,452,496</u>	<u>\$ -</u>	<u>\$ 46,452,496</u>

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, 2022.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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	Rating as of Fiscal Year End	
		Legal	S&P	N/A
		Rating		
Local Area Investment Pool (LAIF)	\$ 31,803,404	N/A		Not rated
Bonds/Certificates of deposit	2,697,812	N/A		Not rated
Certificates of deposit - bank	751,586	N/A		Not rated
Money market mutual funds	8,831,156	N/A		Not rated
Held by bond trustee:				
Money market funds	<u>2,368,538</u>	N/A	AAA	
	<u>\$ 46,452,496</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, 2022.

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, 2022**

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, 2022 was as follows:

	Balance
Notes Receivable	\$ 18,979,854
Allowance for Doubtful Notes	(7,435,426)
Notes Receivable, net	\$ 11,544,428

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, 2022, 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, 2022**

NOTE 4: LEASES RECEIVABLE

The City is reporting leases receivable of \$6,156,244 at June 30, 2022. The leases have terms that range from 36 to 353 months and interest rates that range from 0.2000% to 3.1057%. For the year ended June 30, 2022, the City reported lease revenue of \$808,622 and interest revenue of \$151,981 related to lease payments received for the following agreements:

Description	Monthly Payment	Receivable Balance	Deferred Inflow	Revenue
Governmental Activities:				
Crown Castle	\$ -	\$ -	\$ 1,237,029	\$ 26,331
Tower Point	-	-	1,667,704	2,296
Brown Alley - PGE	401	38,551	38,346	5,022
Waste Solutions Group	<u>1,674</u>	<u>634,340</u>	<u>629,997</u>	<u>24,426</u>
Total Governmental Activities	<u>2,075</u>	<u>672,891</u>	<u>3,573,076</u>	<u>58,075</u>
Business-type Activities:				
155 Skylane Drive, #16	1,894	133,120	132,478	23,363
210 Skylane Drive, #5	5,140	515,891	513,398	64,175
234 Skylane Drive, Heli	4,179	160,183	159,848	50,478
234 Skylane Drive, #4	1,155	4,626	4,622	13,867
365 Fourth Street	9,810	417,810	403,390	132,139
50 Skylane Dr, Unit C	1,722	43,229	43,167	20,720
90 Airport Drive	3,033	76,160	76,051	36,504
90 Skylane #101, Suite 1	4,390	218,050	216,617	54,117
90 Skylane #101, Suite 2	2,456	121,954	121,152	30,267
90 Skylane #101, Suite 3	2,457	119,497	119,181	29,795
90 Skylane #101, Suite 4	1,637	81,303	80,768	20,178
90 Skylane #101, Suite 5	1,637	81,303	80,768	20,178
Hollister Elks Lodge	462	28,264	28,174	5,635
200 Aerostar Wy, #20	4,035	1,730,720	1,718,829	60,310
220 Skylane Drive	2,850	1,125,477	1,117,761	41,916
2300 San Felipe Road	<u>10,083</u>	<u>625,766</u>	<u>599,862</u>	<u>146,905</u>
Total Business-type Activities	<u>56,940</u>	<u>5,483,353</u>	<u>5,416,066</u>	<u>750,547</u>
Total	<u>\$ 59,015</u>	<u>\$ 6,156,244</u>	<u>\$ 8,989,142</u>	<u>\$ 808,622</u>

Future payments due to the City under the non-cancelable agreements are as follows:

Governmental Activities

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 24,269	\$ 11,995	\$ 36,264
2024	24,687	11,576	36,263
2025	25,113	11,150	36,263
2026	25,546	10,717	36,263
2027	25,987	10,276	36,263
2028 - 2032	124,386	44,649	169,035
2033 - 2037	121,232	33,768	155,000
2038 - 2042	132,913	22,087	155,000
2043 - 2047	145,720	9,280	155,000
2048 - 2052	<u>23,038</u>	<u>213</u>	<u>23,251</u>
Total	<u>\$ 672,891</u>	<u>\$ 165,711</u>	<u>\$ 838,602</u>

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: LEASES RECEIVABLE (CONTINUED)

Business-type Activities

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 710,508	\$ 74,763	\$ 785,271
2024	727,793	67,136	794,929
2025	691,711	59,278	750,989
2026	520,332	52,629	572,961
2027	190,442	48,821	239,263
2028 - 2032	651,972	209,073	861,045
2033 - 2037	496,504	161,651	658,155
2038 - 2042	544,486	113,669	658,155
2043 - 2047	597,105	61,050	658,155
2048 - 2052	<u>352,500</u>	<u>10,310</u>	<u>362,810</u>
Total	<u>\$ 5,483,353</u>	<u>\$ 858,380</u>	<u>\$ 6,341,733</u>

NOTE 5: INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2022 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	Road Repair & Accountability Act	Deficit cash balance	\$ 1,199,075
	4th of July Rally	Deficit cash balance	260,614
	SAFER Grant	Deficit cash balance	548,371
	Mello Roos CFD-001	Deficit cash balance	18,556
	2017 CDBG Grant	Deficit cash balance	235,132
	FEMA - COVID 19	Deficit cash balance	741,715
	2020 CDBG	Deficit cash balance	106,304
	<u>Business-Type Funds</u>		
General Fund	Airport Fund	Deficit cash balance	474,924
	Street Sweeping Fund	Deficit cash balance	<u>2,329,042</u>
Total Governmental and Business-type Funds			<u>\$ 5,913,733</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 \$3,826,564 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 148. Intra-fund receivables/payables were a result of deficit cash balances in the payable fund.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

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>			
CIP Traffic Impact Fees	General Fund	Grant matching funds	\$ 232,376
<u>Non-Major Governmental Funds</u>			
Park Dedication	General Fund	Administrative fees	117,374
Mello Roos CFD-001	General Fund	Administrative fees	18,809
Fire Impact Fees	General Fund	Administrative fees	4,309
Police Impact Fees	General Fund	Administrative fees	3,727
City Hall/City Yard Impact Fees	General Fund	Administrative fees	<u>1,817</u>
Total Governmental Interfund Transfers			\$ <u>378,412</u>
<u>Proprietary Funds</u>			
Water	General Fund	Administrative fees	\$ 9,381
Sewer	General Fund	Administrative fees	<u>129,260</u>
Total Proprietary Interfund Transfers			\$ <u>138,641</u>

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: CAPITAL ASSETS

The following is a summary of capital asset transactions related to governmental activities of the City for the year ended June 30, 2022:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2022</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated					
Land	\$ 750,252	\$ -	\$ -	\$ -	\$ 750,252
Construction-in-progress	<u>754,211</u>	<u>5,807,485</u>	<u>-</u>	<u>(3,401,311)</u>	<u>3,160,385</u>
Total capital assets not being depreciated	<u>1,504,463</u>	<u>5,807,485</u>	<u>-</u>	<u>(3,401,311)</u>	<u>3,910,637</u>
Capital assets being depreciated					
Buildings	32,081,361	-	-	-	32,081,361
Equipment	14,945,056	398,394	-	-	15,343,450
Improvements	10,197,197	1,027,208	(94,377)	86,492	11,216,520
Infrastructure	33,613,213	1,523,888	-	3,314,819	38,451,920
Right-to-use lease assets	<u>245,074</u>	<u>135,639</u>	<u>-</u>	<u>-</u>	<u>380,713</u>
Total capital assets being depreciated	<u>91,081,901</u>	<u>3,085,129</u>	<u>(94,377)</u>	<u>3,401,311</u>	<u>97,473,964</u>
Less accumulated depreciation					
Buildings	(17,998,785)	(952,821)	-	-	(18,951,606)
Equipment	(10,220,043)	(1,125,774)	-	-	(11,345,817)
Improvements	(1,789,258)	(511,009)	-	-	(2,300,267)
Infrastructure	(11,746,969)	(1,076,060)	-	-	(12,823,029)
Right-to-use lease assets	<u>-</u>	<u>(90,317)</u>	<u>-</u>	<u>-</u>	<u>(90,317)</u>
Total accumulated depreciation	<u>(41,755,055)</u>	<u>(3,755,981)</u>	<u>-</u>	<u>-</u>	<u>(45,511,036)</u>
Governmental activities capital assets, net	<u>\$ 50,831,309</u>	<u>\$ 5,136,633</u>	<u>\$ (94,377)</u>	<u>\$ -</u>	<u>\$ 55,873,565</u>

Depreciation and amortization were charged to functions based on their usage of the related assets as follows:

Governmental Activities:

General government	\$ 546,653
Public safety	1,413,877
Public works	1,275,372
Recreation	<u>520,079</u>

Total governmental activities depreciation and amortization expense \$ 3,755,981

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: CAPITAL ASSETS (CONTINUED)

The following is a summary of capital asset transactions related to business-type activities of the City for the year ended June 30, 2022:

	(Restated) Balance at July 1, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Business-type Activities:					
Capital assets not being depreciated					
Land	\$ 5,243,600	\$ -	\$ -	\$ -	\$ 5,243,600
Air rights	1,384,584	-	-	-	1,384,584
Construction-in-progress	<u>403,617</u>	<u>747,923</u>	<u>-</u>	<u>(457,606)</u>	<u>693,934</u>
Total capital assets not being depreciated	<u>7,031,801</u>	<u>747,923</u>	<u>-</u>	<u>(457,606)</u>	<u>7,322,118</u>
Capital assets being depreciated					
Buildings	13,138,348	-	-	-	13,138,348
Equipment	7,896,577	235,412	-	-	8,131,989
Improvements and infrastructure	163,081,153	94,377	-	457,606	163,633,136
Water rights	<u>13,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,700,000</u>
Total capital assets being depreciated	<u>197,816,078</u>	<u>329,789</u>	<u>-</u>	<u>457,606</u>	<u>198,603,473</u>
Less accumulated depreciation					
Buildings	(9,545,632)	(269,876)	-	-	(9,815,508)
Equipment	(4,310,206)	(578,654)	-	-	(4,888,860)
Improvements and infrastructure	(54,564,696)	(4,528,638)	-	-	(59,093,334)
Water rights	<u>(4,134,739)</u>	<u>(671,669)</u>	<u>-</u>	<u>-</u>	<u>(4,806,408)</u>
Total accumulated depreciation	<u>(72,555,273)</u>	<u>(6,048,837)</u>	<u>-</u>	<u>-</u>	<u>(78,604,110)</u>
Business-type capital assets, net	<u>\$132,292,606</u>	<u>\$ (4,971,125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,321,481</u>

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

Business-type Activities:

Airport	\$ 1,155,301
Water	897,271
Sewer	3,876,666
Briggs Building	<u>119,599</u>

Total business-type activities depreciation expense \$ 6,048,837

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: 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, 2022:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
CA Energy Commission Loan	\$ 6,749	\$ -	\$ (2,798)	\$ 3,951	\$ 2,825
Tractor Financed Purchase	98,374	-	(42,090)	56,284	43,721
Fire Trucks Financed Purchase	906,808	2,260,597	(345,377)	2,822,028	353,894
Lease liabilities	<u>245,074</u>	<u>135,639</u>	<u>(87,340)</u>	<u>293,373</u>	<u>102,408</u>
Total	<u>1,257,005</u>	<u>2,396,236</u>	<u>(477,605)</u>	<u>3,175,636</u>	<u>502,848</u>
Other liabilities:					
Compensated absences	<u>1,872,165</u>	<u>1,822,486</u>	<u>(2,065,542)</u>	<u>1,629,109</u>	<u>1,589,517</u>
Total Long-term Liabilities	<u>\$ 3,129,170</u>	<u>\$ 4,218,722</u>	<u>\$ (2,543,147)</u>	<u>\$ 4,804,745</u>	<u>\$ 2,092,365</u>

A description of the long-term liabilities related to governmental activities at June 30, 2022 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>
2023	\$ 2,825	\$ 35
2024	<u>1,126</u>	<u>7</u>
Total	<u>\$ 3,951</u>	<u>\$ 42</u>

B. Tractor Financed Purchased

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

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 financed purchase balances have been divided amongst governmental and business-type activities. The outstanding balance included in governmental activities as of June 30, 2022 was \$56,284. The assets acquired through the financed purchases have been recorded with a net book value of \$130,058. Amortization totaling \$20,536 for the year-ended June 30, 2022 is included with depreciation expense. Future payments allocated to governmental activities is as follows:

For the Year Ending, June 30	Principal	Interest
2023	\$ 43,721	\$ 1,456
2024	12,563	98
Total	\$ 56,284	\$ 1,554

C. Fire Trucks Financed Purchase

In April 2017, the City entered into a financed purchase 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 financed purchase were put into service in 2019. In 2022, the City entered into a financed purchase agreement for an additional four fire trucks. The agreement bears interest at 2.176% with monthly payments of principal and interest due beginning February 25, 2022. The assets acquired through the financed purchase were not placed into service and are included in construction-in-progress as of June 30, 2022. The assets have been recorded with a net book value of \$2,872,417 as of June 30, 2022. Amortization totaling \$244,728 for the year-ended June 30, 2022 is included with depreciation expense. Future annual payments on the financed purchase obligation are as follows:

For the Year Ending, June 30	Principal	Interest
2023	\$ 353,894	\$ 66,875
2024	362,626	58,143
2025	371,578	49,191
2026	380,756	40,013
2027	390,164	30,605
2028 - 2032	963,010	52,962
Total	\$ 2,822,028	\$ 297,789

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

D. Lease liabilities

The City, as a lessee, has lease agreements for land and buildings. The leases bear interest that range from 0.239% to 0.704%. The total of the City's right-to-use lease assets are recorded at cost of \$380,713, less accumulated amortization of \$90,317. Amortization totaling \$90,317 for the year-ended June 30, 2022 is included with depreciation expense. Future annual payments on the lease liabilities are as follows:

For the Year Ending, June 30	Principal	Interest
2023	\$ 102,408	\$ 1,567
2024	67,325	1,075
2025	67,774	626
2026	44,387	213
2027	11,479	20
Total	\$ 293,373	\$ 3,501

E. Debt Service Requirements

Total debt service requirements for governmental activities:

For the Year Ending, June 30	Principal	Interest
2023	\$ 502,848	\$ 69,933
2024	443,640	59,323
2025	439,352	49,817
2026	425,143	40,226
2027	401,643	30,625
2028 - 2032	963,010	52,962
Total	\$ 3,175,636	\$ 302,886

F. 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%.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

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, 2022:

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
2016 Wastewater refunding bonds	\$ 52,770,000	\$ -	\$ (2,305,000)	\$ 50,465,000	\$ 2,420,000
Tractor Financed Purchase	81,572	-	(34,399)	47,173	35,720
Bond issuance premium	6,313,832	-	(396,680)	5,917,152	396,680
Contract payable	<u>9,441,984</u>	<u>-</u>	<u>(463,915)</u>	<u>8,978,069</u>	<u>482,298</u>
Total	<u>59,165,404</u>	<u>-</u>	<u>(3,199,994)</u>	<u>65,407,394</u>	<u>3,334,698</u>
Other liabilities:					
Compensated absences	<u>440,171</u>	<u>384,872</u>	<u>(516,948)</u>	<u>308,095</u>	<u>262,105</u>
Total Long-Term Liabilities	<u>\$ 59,605,575</u>	<u>\$ 384,872</u>	<u>\$ (3,716,942)</u>	<u>\$ 65,715,489</u>	<u>\$ 3,596,803</u>

A description of the long-term liabilities related to business-type activities at June 30, 2022 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:

For the Year Ending, June 30	Principal	Interest
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	2,890,000	1,723,900
2028 - 2032	16,740,000	6,313,750
2033 - 2037	<u>20,460,000</u>	<u>2,601,700</u>
Total	<u>\$ 50,465,000</u>	<u>\$ 18,715,100</u>

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: 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 \$128,054. 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, 2022 totaled \$8,585.

B. John Deere Equipment Lease

As described in the governmental activities section, during fiscal year 2019, the City entered into three financed purchase agreements for John Deere equipment. The financed purchase balance has been divided amongst governmental and business-type activities. The outstanding balance included in business-type activities as of June 30, 2022 was \$47,173. The assets acquired through the financed purchases have been recorded with a net book value of \$105,305. Amortization totaling \$16,837 for the year ended June 30, 2022 is included with depreciation expense. Future payments allocated to business-type activities is as follows:

For the Year Ending, June 30	Principal	Interest
2023	\$ 35,720	\$ 1,194
2024	11,453	80
Total	\$ 47,173	\$ 1,274

C. Contract Payable

In August 2013, the City, Sunnyslope County Water District (SSCWD) and the San Benito County Water District (SBCWD) each approved the Hollister Urban Water Supply and Treatment Agreement. The agreement defined the roles and terms of financing for the project which included the upgrade of Lessalt Water Treatment Plant, the design and construction of the West Hills Water Treatment Plant and associated pipelines. SBCWD was to finance, build, own and operate the upgraded Lessalt Water Treatment Plant and the new West Hills Water Treatment Plant.

SBCWD committed to finance up to \$30 million of the project costs to upgrade the surface water treatment process at the Lessalt Water Treatment Plant to meet current water quality regulations, and to construct a second surface water treatment plant called the West Hills Water Treatment Plant. These funds were committed in two tranches. The first tranche of \$13 million was made available on the effective date of the agreement, September 1, 2013. The second tranche of \$17 million was made available effective May 1, 2015, the start of the construction phase of the West Hills Water Treatment Plant.

The actual project cost exceeded \$30 million by \$11.6 million, and these additional project costs were financed with a combination of \$4.2 million in Proposition 84 Grant Funds, \$3.4 million from reserves of the City and SSCWD, and a \$4 million loan procured by SBCWD. The City paid its \$1.7 million share from reserves during fiscal year 2017, which was capitalized as water rights and is being amortized accordingly. The \$4 million loan became tranche 3 and was made available on January 1, 2016. The City and the SSCWD are committed to share equally in the costs associated with these two surface water treatment plants and share in the rights to receive the treated water produced.

SBCWD contributed \$10 million in non-reimbursable funds, of which \$4 million was made available for the first tranche of financing and \$6 million was made available for the second tranche of financing. The City opted to use their share of the non-reimbursable funds to buy down the capital component. The City's share of the first tranche capital cost is \$4.5 million and is spread in equal monthly payments over 30 years at an interest rate of 4.5%. The City's share of the second tranche capital cost is \$5.5 million and is spread in equal monthly payments over 20 years at an interest rate of 4.0%. The City's share of the third tranche capital cost is \$2 million, which is being repaid quarterly over a 15 year period at an interest rate of 3.45%, with the City's monthly payments based on one-third of its share of the quarterly payment.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

In accordance with financial covenants of the agreement, the City shall pledge net water revenues, defined as gross revenues received during any period less the amount required by the City to pay for all operation and maintenance costs during such period. Operation and maintenance costs shall mean the reasonable and necessary costs and expenses for maintaining and operating the water system, excluding depreciation, replacement and obsolescence charges or reserves, amortization of intangibles, payments of principal and interest on all outstanding paity debt or other obligations of teh City and costs of capital additions, replacements or improvements chargeable to a capital account.

In the event of default, the City will be required to pay all direct damages including the City's respective share of all remaining capital costs incurred for development and construction of facilities, including interest, in addition to any obligations that remain unpaid as of the date of default.

<u>For the Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 482,298	\$ 359,665
2024	490,011	337,918
2025	532,719	323,278
2026	542,003	299,960
2027	563,528	278,435
2028 - 2032	2,899,734	1,043,439
2033 - 2037	1,996,781	504,453
2038 - 2042	1,160,584	207,466
2033 - 2047	<u>310,411</u>	<u>8,801</u>
Total	<u>\$ 8,978,069</u>	<u>\$ 3,363,415</u>

D. 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>
2023	\$ 2,938,018	\$ 2,555,309
2024	3,041,464	2,411,448
2025	3,197,719	2,269,728
2026	3,292,003	2,161,360
2027	3,453,528	2,002,335
2028 - 2032	19,639,734	7,357,189
2033 - 2037	22,456,781	3,106,153
2038 - 2042	1,160,584	207,466
2033 - 2047	<u>310,411</u>	<u>8,801</u>
Total	<u>\$ 59,490,242</u>	<u>\$ 22,079,789</u>

E. 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, 2022**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

F. 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, 2022 does not expect to incur a liability.

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, 2022, the outstanding principal amount of the bonds were:

	<u>Original Principal</u>	<u>Origination Date</u>	<u>Maturity</u>	<u>Balance at June 30, 2022</u>
Meridian Street District	\$ <u>355,000</u>	3/2/1994	9/2/2022	\$ <u>185,000</u>

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: FUND BALANCES AND NET POSITION (CONTINUED)

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, 2022.

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.

As of June 30, 2022, fund balances consisted of the following:

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Housing Successor Agency</u>	<u>CIP Traffic Impact Fees</u>		
Nonspendable:					
Prepaid items	\$ 83,410	\$ -	\$ -	\$ -	\$ 83,410
Total Nonspendable	<u>83,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,410</u>
Restricted:					
Grants	-	-	-	9,004,786	9,004,786
Housing	-	1,340,007	-	-	1,340,007
Taxes & assessments	-	-	28,495,763	11,891,288	40,387,051
Loan programs	-	-	-	410,343	410,343
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,486,421</u>	<u>6,486,421</u>
Total Restricted	<u>-</u>	<u>1,340,007</u>	<u>28,495,763</u>	<u>27,792,838</u>	<u>57,628,608</u>
Committed:					
Economic development	1,065,706	-	-	-	1,065,706
Reserves	300,000	-	-	-	300,000
Equipment replacement	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total Committed	<u>1,665,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665,706</u>
Unassigned	<u>14,204,224</u>	<u>-</u>	<u>-</u>	<u>(3,112,559)</u>	<u>11,091,665</u>
Total fund balances	<u>\$ 15,953,340</u>	<u>\$ 1,340,007</u>	<u>\$ 28,495,763</u>	<u>\$ 24,680,279</u>	<u>\$ 70,469,389</u>

Net Position

The government-wide Statement of Net Position reports net position totaling \$196,584,326, of which \$114,612,016 is the net investment in capital assets; \$407 is restricted by debt covenants; \$410,343 is restricted for community improvement; \$9,004,786 is restricted for grant programs; \$1,340,007 is restricted for housing; and \$6,486,421 is restricted for capital projects. \$64,730,346 represents unrestricted net position.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

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, 2022 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	2.50%	2.00%	2.00%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates*	44.57%	10.15%	8.24%

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: PENSION PLAN (CONTINUED)

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	3.00%	3.00%	2.70%
Required Employee Contribution Rates	9.00%	9.00%	13.00%
Required Employer Contribution Rates*	64.82%	23.17%	13.87%

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	3.00%	3.00%	2.70%
Required Employee Contribution Rates	9.00%	9.00%	13.00%
Required Employer Contribution Rates*	41.88%	23.31%	14.06%

*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, 2022 were \$4,843,460.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: PENSION PLAN (CONTINUED)

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

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$19,082,199. \$17,466,095 of the liability is reported in governmental activities, while \$1,616,104 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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.31306%
Proportion - June 30, 2021	0.35283%
Change - Increase (Decrease)	0.03978%

For the year ended June 30, 2022, the City recognized pension expense of \$3,791,900. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 4,843,460	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	-	1,613,022
Differences between actual and expected experience	2,708,340	-
Adjustment due to differences in proportions	1,429,818	-
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>13,968,288</u>
Total	<u>\$ 8,981,618</u>	<u>\$ 15,581,310</u>

\$4,843,460 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>For the Fiscal Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (2,144,018)
2024	(2,428,429)
2025	(3,017,286)
2026	(3,853,419)

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Cost-Sharing Miscellaneous & Safety Plans</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 2020 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, 2021, 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, 2022**

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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Public 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	\$ 38,173,270	\$ 19,082,199	\$ 3,354,656

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, 2022**

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, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Health Plan:

Active employees	185
Inactive plan members currently receiving benefits	30
Inactive plan members entitled to but not receiving benefits	<u>76</u>
Total	<u><u>197</u></u>

Contributions

The City makes contributions based on an actuarially determined rate. For the year ended June 30, 2022, the City paid \$50,963 on behalf of retirees and the estimated implicit subsidy was \$67,713, for a total contribution of \$118,676. The City does not have a trust.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Total OPEB Liability

The City's total net OPEB liability ("NOL") was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
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	2.16%
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 2022 applied generationally from 2015.
Healthcare Trend	5.6% in 2022, fluctuates until ultimate rate of 3.9% 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 PEPRA 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 PEPRA 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 2.16%. 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, 2022**

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:

	Total OPEB Liability
Beginning Balance	\$ 5,445,496
Service cost	430,746
Interest cost	128,130
Benefit payments	(156,978)
Assumption changes	1,739,530
Plan experience	(350,868)
Net change	1,790,560
Ending Balance	\$ 7,236,056

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, 2021:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 8,617,854	\$ 7,236,056	\$ 6,151,396

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, 2021:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 5,993,205	\$ 7,236,056	\$ 8,900,487

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, 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, 2022, the City recognized OPEB expense of \$619,701. As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 118,676	\$ -
Changes in assumptions	2,302,589	462,224
Difference between expected and actual experience	-	801,455
Total	\$ 2,421,265	\$ 1,263,679

\$118,676 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:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2023	\$ 60,825
2024	60,825
2025	60,825
2026	60,825
2027	63,449
Thereafter	732,161

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12: EXCESS OF EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

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

<u>Fund</u>	<u>Excess</u>
General Fund	\$ 5,182,641
CIP Traffic Impact Fees	1,817,527
Local Transportation	10
Road Repair & Accountability	795,666
Federal Aviation Admin Grant	94,377
4th of July Rally	397
Spay/Neuter Education	1,421
Mello Roos CFD-001	278,165
Police Special Law Enforcement	15,258
2013 CDBG	11
2020 CDBG	144,698
FEMA - COVID 19	7,790
CARES Act	8
Fire Impact Fees	4,008
Police Impact Fees	3,402
AB 1600 Santa Ana Storm Drain	11,925
Jail Juvenile Hall	483,949
City Hall/City Yard Impact Fees	835

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

NOTE 13: DEFICIT FUND BALANCE/UNRESTRICTED NET POSITION

As of June 30, 2022, the following governmental funds had a fund deficit:

<u>Fund</u>	<u>Deficit</u>
Local Transportation	\$ 201
Road Repair & Accountability	1,165,798
4th of July Rally	260,795
SAFER Grant	100,708
Mello Roos CFD-001	21,973
2017 CDBG	257,469
2020 CDBG	116,093
FEMA - COVID 19	741,715

As of June 30, 2022, the following proprietary funds had a negative unrestricted net position:

<u>Fund</u>	<u>Deficit</u>
Airport	\$ 484,693
Street Sweeping	2,346,801

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, 2022**

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.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Hollister Urban Area Agreement for Operation and Maintenance Services

In August 2013, SSCWD and SBCWD each approved the Hollister Urban Area Agreement for Operation and Maintenance Services. This agreement establishes SSCWD as the contract operator for the Lessalt Water Treatment Plant. This agreement was established for a term of 5 years with options to renew for subsequent terms of 5 years. SSCWD began operating the Lessalt plant in September 2013 under this agreement. The operation of the West Hills Water Treatment Plant was added to the agreement prior to completion of the plant construction in 2017. The operation and Maintenance Agreement covering the operation of both the Lessalt and West Hills Water Treatment Plant was extended in May 2018.

For the year ended June 30, 2022, SBCWD was billed for actual operations and maintenance costs of the Lessalt Water Treatment Plant of \$1,050,845 and of the West Hills Water Treatment Plant of \$1,688,896, including labor and benefits. One-half of these amounts were charged to the City for its 50% share of the cost to operate the plants.

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, 2022, the City holds funds in the amount of \$751,586 for this purpose.

NOTE 16: RELATED PARTIES

During the fiscal year, the City engaged in transactions with entities that have affiliations with members of the City's Airport Advisory Commission. These transactions meet the criteria for related party disclosures under GASB standards.

- During the fiscal year, the City recognized \$104,348 in lease revenue from lease agreements with Wisk Aero, an entity affiliated with a member of the Airport Advisory Commission.
- The City also incurred \$4,742,514 in expenses under a contract with 4Leaf Engineering, and entity affiliated with a member of the Airport Advisory Commission.

These transactions were conducted in accordance with applicable laws and regulations and were approved through the City's standard procurement and contracting processes. Members of the Airport Advisory Commission did not participate in decisions related to these agreements.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17: TAX ABATEMENT

The City of Hollister has entered into two hotel incentive agreements under the City's Hotel Incentive Program (HIP), established to encourage the development and operation of high-quality lodging facilities within the City. These incentives are authorized under Resolution 2017-223 and governed by the Operations Covenant Agreements with each hotel operator. The purpose of the HIP is to promote tourism, expand visitor-serving amenities, and stimulate economic development by reimbursing a portion of Transient Occupancy Taxes (TOT) generated by qualifying hotels.

A. Marriott Fairfield Inn & Suites - Hollister Hotel LP (390 Gateway Drive)

In 2014, the City Council approved an Impact Fee Deferral Program and directed staff to develop a Transient Occupancy Tax Incentive Program to support the financing of a new three-diamond quality hotel. The Council subsequently approved the Hotel Incentive Program (HIP) and executed an Operations Covenant Agreement with Hollister Hotel LP, developer of the 77-room Fairfield Inn & Suites by Marriott.

Under the agreement, the City remits 70% of annual TOT generated by the hotel until the operator receives a maximum of \$2,000,000, or for 15 years, whichever occurs first.

As of June 30, 2022, the City has rebated \$914,130 in TOT to the hotel operator under the HIP.

B. Holiday Inn Express & Suites - Hollister Gateway Hotel LP (391 Gateway Drive)

In 2020, the City entered into a second Operations Covenant Agreement with Hollister Gateway Hotel LP, developer of the 93-room Holiday Inn Express & Suites, which also qualified as a Quality Service Hotel under the HIP. The program terms mirror those granted to the Marriott project, providing the operator with reimbursement of 70% of annual TOT, a maximum subsidy of \$2,000,000, a term of 10 years, with the potential for a 5-year extension at 33% reimbursement.

Payments commence after the hotel begins operations and submits TOT to the City in accordance with Chapter 3.32 of the Hollister Municipal Code.

As of June 30, 2022, the Holiday Inn project remained within the early stages of program eligibility, and total TOT reimbursements to date is \$3,590.

NOTE 18: PRIOR PERIOD ADJUSTMENTS

Change in Accounting Principle

For June 30, 2022, the City implemented GASB Statement No. 87, *Leases*. These changes were incorporated in the financial statements, but had no effect on the beginning net position of the governmental activities, business-type activities or the beginning fund balance of the governmental funds, since the value of the right-to-use asset equaled the amount of the lease liability and deferred inflows equal the amount of the lease receivable.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 18: PRIOR PERIOD ADJUSTMENTS (CONTINUED)

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 in the governmental funds:

	Beginning Fund Balance	Increase (Decrease) to Fund Balance	Beginning Fund Balance Restated
<u>Governmental Funds - Fund Balance</u>			
Federal Aviation Admin Grant	\$ -	\$ 150,000	\$ 150,000
2013 CDBG	\$ 4,426	<u>142,604</u>	\$ 147,030
Total Governmental Funds Restatement		<u>\$ 292,604</u>	

In addition, as a result of recalculation of accrued interest on notes receivables, the governmental net position has been adjusted as follows:

	Governmental Activities Net Position
Beginning Net Position	\$ 86,297,896
Fund restatements above	292,604
Accrued interest on notes receivable	<u>(471,986)</u>
Beginning Net Position, Restated	<u>\$ 86,118,514</u>

As a result of a Water Fund reconciliation, the City recorded the following prior period adjustments related to an over payment to San Benito County Water District and a water asset and related debt from a 2013 agreement:

	Business-type Activities Net Position
Beginning Net Position	\$ 86,517,230
Record reimbursment	106,344
Record water rights asset and contract payable	<u>123,277</u>
Beginning Net Position, Restated	<u>\$ 86,746,851</u>

NOTE 19: SUBSEQUENT EVENTS

Defeasance & Redemption of the 2016 Wastewater Revenue Refunding Bonds

On October 5, 2022, the City deposited approximately \$5.16 million into an escrow account to defease the \$5 million 2016 Wastewater Revenue Refunding Bonds maturing June 1, 2037. This escrow was funded with U.S. Treasury State and Local Government Series Securities and was independently verified as sufficient to pay all remaining scheduled debt service on the bonds. The bonds were subsequently redeemed on June 1, 2023, which removed the related long-term liability from the City's books and reduced future interest obligations.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 19: SUBSEQUENT EVENTS (CONTINUED)

Acquisition of 190 Maple Street

On May 15, 2023, the City Council approved the purchase of the property located at 190 Maple Street (APN 051-090-027) for a price of \$1,625,000, plus approximately \$1,574 in closing and escrow costs. The acquisition was intended to expand the City's operational space and accommodate future staffing and service needs. Because the transaction took place after June 30, 2022, it is reported as a subsequent event. The property was successfully acquired and title transferred to the City following closing.

190 Maple Street Declared Surplus Land

On June 16, 2025, the City Council adopted a resolution declaring the property at 190 Maple Street to be surplus land under the California Surplus Land Act. This action directed staff to begin mandatory noticing procedures to affordable housing developers, public agencies, and other qualified entities. Although the City previously purchased this property for operational needs, subsequent analysis determined it was no longer required for City use. The financial effect of the eventual disposition will depend on future negotiations and has not yet been determined.

CDBG Grant Award – West Gateway Improvement Project

Following the close of FY2021–22, the City was awarded approximately \$3 million under the State Community Development Block Grant Program for the West Gateway Improvement Project. The project includes roadway, pedestrian, streetscape, and safety enhancements along the City's western entry corridor. On February 21, 2023, the City Council authorized staff to advertise construction bids, initiating the project delivery phase. This award represents a significant outside funding source for capital improvements and is reported as a subsequent event.

Proposition 68 Grant – Fire Station #2 New Park

The City was awarded a Statewide Park Development and Community Revitalization Program (Proposition 68) grant in the amount of \$1,826,125 for the development of Fire Station #2 New Park. Although the Council initially approved acceptance in 2021, the final State grant contract was not fully executed until October–November 2023. The agreement establishes a multi-year project window through June 30, 2028, allowing for land improvements, community amenities, and recreational features. Execution of this grant agreement occurred after FY2021–22.

Airport Runway 6 Safety Improvements – Federal & State Funded Project

Beginning in June 2023, the City received approval for substantial Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding to complete the Runway 6 Safety Improvements Project at the Hollister Municipal Airport. The FAA grant covers approximately 90% of eligible costs, with State Caltrans funding covering an additional 5%, and the remaining 5% funded by Airport revenues. A construction contract valued at approximately \$3.32 million was awarded to Granite rock in June 2023. Updated project appropriations in FY2024–25 reflect a total estimated project cost of \$3.8 million. These actions occurred after FY2021–22 and represent significant capital commitments.

IWTP / Bridge Road Stormwater Improvements – Environmental Compliance Project

In February 2025, the City awarded an \$8.44 million construction contract for the IWTP and Bridge Road Stormwater Improvements Project. The project is required to comply with the State's Trash Amendment to the stormwater permit, which mandates full capture of trash in priority drainage areas. This large-scale infrastructure project is supported in part by a State stormwater grant under Agreement D2112167 and includes design, construction, and environmental compliance elements. The substantial cost and regulatory nature of the project make it a significant subsequent event.

**CITY OF HOLLISTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 19: SUBSEQUENT EVENTS (CONTINUED)

Increase to the Transient Occupancy Tax (TOT)

On April 2, 2024, the City Council placed a measure on the November 5, 2024, ballot proposing to increase the City's Transient Occupancy Tax from 8% to 12%, with revenues directed to the General Fund. The measure was approved by voters, and the City subsequently adopted an ordinance implementing the new rate. The TOT increase is expected to generate approximately \$300,000 in additional annual revenue, beginning upon implementation. The ballot measure, voter approval, and ordinance adoption all occurred after FY2021–22. The new TOT rate of 12% went into effect on July 1, 2025.

Fire Services Restructuring – Terminations and New 2025–2029 Contracts

In June 2024, the City issued formal 270-day termination notices for its fire protection service agreements with the County of San Benito and the City of San Juan Bautista, citing a persistent funding shortfall. The agreements were formally set to end on March 15, 2025, with the City continuing to provide services through that date. Following these terminations, the City executed new 2025–2029 fire protection and emergency services agreements with both jurisdictions. These new agreements establish updated service levels, staffing requirements, response protocols, and cost-sharing terms. Together, the termination of legacy contracts and adoption of new multi-year agreements represent a significant operational and intergovernmental service restructuring.

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, 2022**

	<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	\$ 20,728,500	\$ 20,728,500	\$ 23,303,905	\$ 2,575,405
License and permits	2,442,000	2,442,000	7,334,609	4,892,609
Intergovernmental	963,450	909,450	1,245,412	335,962
Charges for services	6,004,250	6,004,250	8,002,095	1,997,845
Fines and forfeitures	210,200	210,200	171,725	(38,475)
Investment earnings	167,300	167,300	473,731	306,431
Other	<u>994,375</u>	<u>994,375</u>	<u>676,532</u>	<u>(317,843)</u>
Total Revenues	<u>31,510,075</u>	<u>31,456,075</u>	<u>41,208,009</u>	<u>9,751,934</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Personnel	14,300	14,300	7,019	7,281
Services & Supplies	131,800	206,800	507,302	(300,502)
Contractual	<u>774,100</u>	<u>774,100</u>	<u>720,110</u>	<u>53,990</u>
Total Non-Departmental	<u>920,200</u>	<u>995,200</u>	<u>1,234,431</u>	<u>(239,231)</u>
City Council				
Personnel	83,119	83,119	106,926	(23,807)
Services & Supplies	113,181	113,181	94,678	18,503
Contractual	<u>385,000</u>	<u>385,000</u>	<u>277,260</u>	<u>107,740</u>
Total City Council	<u>581,300</u>	<u>581,300</u>	<u>478,864</u>	<u>102,436</u>
City Clerk				
Personnel	335,422	335,422	386,253	(50,831)
Services & Supplies	37,100	93,600	32,387	61,213
Contractual	<u>66,610</u>	<u>71,610</u>	<u>156,931</u>	<u>(85,321)</u>
Total City Clerk	<u>439,132</u>	<u>500,632</u>	<u>575,571</u>	<u>(74,939)</u>
City Manager				
Personnel	503,665	503,665	509,855	(6,190)
Services & Supplies	38,506	38,506	87,290	(48,784)
Contractual	<u>2,500</u>	<u>2,500</u>	<u>5,210</u>	<u>(2,710)</u>
Total City Manager	<u>544,671</u>	<u>544,671</u>	<u>602,355</u>	<u>(57,684)</u>
City Treasurer				
Personnel	<u>34,823</u>	<u>34,823</u>	<u>37,135</u>	<u>(2,312)</u>
Total City Treasurer	<u>34,823</u>	<u>34,823</u>	<u>37,135</u>	<u>(2,312)</u>
Finance				
Personnel	624,515	624,515	729,695	(105,180)
Services & Supplies	58,023	58,023	76,695	(18,672)
Contractual	39,800	39,800	31,883	7,917
Capital	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
Total Finance	<u>730,838</u>	<u>730,838</u>	<u>838,273</u>	<u>(107,435)</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Information Systems				
Personnel	367,430	367,430	253,957	113,473
Services & Supplies	68,800	68,800	52,732	16,068
Contractual	<u>187,570</u>	<u>187,570</u>	<u>145,007</u>	<u>42,563</u>
Total Information Systems	<u>623,800</u>	<u>623,800</u>	<u>451,696</u>	<u>172,104</u>
Human Resources				
Personnel	544,875	544,875	359,374	185,501
Services & Supplies	57,050	57,050	148,810	(91,760)
Contractual	<u>11,500</u>	<u>11,500</u>	<u>9,801</u>	<u>1,699</u>
Total Human Resources	<u>613,425</u>	<u>613,425</u>	<u>517,985</u>	<u>95,440</u>
Redevelopment				
Personnel	172,651	172,651	20,960	151,691
Services & Supplies	43,900	43,900	12,116	31,784
Contractual	<u>33,449</u>	<u>33,449</u>	<u>10,596</u>	<u>22,853</u>
Total Redevelopment	<u>250,000</u>	<u>250,000</u>	<u>43,672</u>	<u>206,328</u>
Planning				
Personnel	1,114,196	1,114,196	795,211	318,985
Services & Supplies	472,379	536,379	1,253,226	(716,847)
Contractual	<u>269,500</u>	<u>269,500</u>	<u>4,139,670</u>	<u>(3,870,170)</u>
Total Planning	<u>1,856,075</u>	<u>1,920,075</u>	<u>6,188,107</u>	<u>(4,268,032)</u>
Risk Management				
Personnel	20,000	20,000	2,461	17,539
Services & Supplies	<u>31,450</u>	<u>31,450</u>	<u>133,534</u>	<u>(102,084)</u>
Total Risk Management	<u>51,450</u>	<u>51,450</u>	<u>135,995</u>	<u>(84,545)</u>
Total General Government	<u>6,645,714</u>	<u>6,846,214</u>	<u>11,104,084</u>	<u>(4,257,870)</u>
Public Safety				
Animal Control				
Personnel	670,679	670,679	545,683	124,996
Services & Supplies	156,590	210,590	223,558	(12,968)
Contractual	<u>32,300</u>	<u>32,300</u>	<u>43,482</u>	<u>(11,182)</u>
Total Animal Control	<u>859,569</u>	<u>913,569</u>	<u>812,723</u>	<u>100,846</u>
Fire				
Personnel	7,620,714	7,620,714	7,059,029	561,685
Services & Supplies	643,706	643,706	814,788	(171,082)
Contractual	<u>591,754</u>	<u>591,754</u>	<u>532,080</u>	<u>59,674</u>
Total Fire	<u>8,856,174</u>	<u>8,856,174</u>	<u>8,405,897</u>	<u>450,277</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety (continued)				
Police				
Personnel	8,275,371	8,275,371	5,192,811	3,082,560
Services & Supplies	678,971	678,971	926,844	(247,873)
Contractual	<u>584,274</u>	<u>584,274</u>	<u>607,618</u>	<u>(23,344)</u>
Total Police	<u>9,538,616</u>	<u>9,538,616</u>	<u>6,727,273</u>	<u>2,811,343</u>
Total Public Safety	<u>19,254,359</u>	<u>19,308,359</u>	<u>15,945,893</u>	<u>3,362,466</u>
Public Works				
Solid Waste				
Personnel	11,193	11,193	8,028	3,165
Services & Supplies	21,100	21,100	15,964	5,136
Contractual	<u>250,000</u>	<u>250,000</u>	<u>215,808</u>	<u>34,192</u>
Total Solid Waste	<u>282,293</u>	<u>282,293</u>	<u>239,800</u>	<u>42,493</u>
Engineering				
Personnel	491,658	491,658	614,065	(122,407)
Services & Supplies	66,944	84,640	618,639	(533,999)
Contractual	<u>122,500</u>	<u>122,500</u>	<u>909,919</u>	<u>(787,419)</u>
Total Engineering	<u>681,102</u>	<u>698,798</u>	<u>2,142,623</u>	<u>(1,443,825)</u>
Building				
Services & Supplies	<u>1,700</u>	<u>1,700</u>	<u>2,608</u>	<u>(908)</u>
Total Building	<u>1,700</u>	<u>1,700</u>	<u>2,608</u>	<u>(908)</u>
Code Enforcement				
Personnel	305,416	305,416	270,147	35,269
Services & Supplies	14,250	14,250	27,826	(13,576)
Contractual	<u>300</u>	<u>300</u>	<u>327</u>	<u>(27)</u>
Total Code Enforcement	<u>319,966</u>	<u>319,966</u>	<u>298,300</u>	<u>21,666</u>
Vehicle Maintenance				
Personnel	250,678	237,498	259,817	(22,319)
Services & Supplies	233,911	247,091	457,584	(210,493)
Contractual	<u>16,300</u>	<u>16,300</u>	<u>18,062</u>	<u>(1,762)</u>
Total Vehicle Maintenance	<u>500,889</u>	<u>500,889</u>	<u>735,463</u>	<u>(234,574)</u>
Street Maintenance				
Personnel	61,214	142,578	178,417	(35,839)
Supplies & Services	442,743	361,379	364,208	(2,829)
Contractual	<u>2,000</u>	<u>2,000</u>	<u>28,026</u>	<u>(26,026)</u>
Total Street Maintenance	<u>505,957</u>	<u>505,957</u>	<u>570,651</u>	<u>(64,694)</u>
Total Public Works	<u>2,291,907</u>	<u>2,309,603</u>	<u>3,989,445</u>	<u>(1,679,842)</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, 2022**

	<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	388,897	388,897	534,171	(145,274)
Services & Supplies	228,461	228,461	384,187	(155,726)
Contractual	<u>350,600</u>	<u>350,600</u>	<u>352,041</u>	<u>(1,441)</u>
Total Parks	<u>967,958</u>	<u>967,958</u>	<u>1,270,399</u>	<u>(302,441)</u>
Veteran's Building				
Services & Supplies	24,302	24,302	36,541	(12,239)
Contractual	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total Veteran's Building	<u>134,302</u>	<u>134,302</u>	<u>146,541</u>	<u>(12,239)</u>
Recreation				
Personnel	645,072	645,072	722,701	(77,629)
Services & Supplies	279,353	313,353	319,535	(6,182)
Contractual	<u>47,200</u>	<u>47,200</u>	<u>42,792</u>	<u>4,408</u>
Total Recreation	<u>971,625</u>	<u>1,005,625</u>	<u>1,085,028</u>	<u>(79,403)</u>
Total Recreation	<u>2,073,885</u>	<u>2,107,885</u>	<u>2,501,968</u>	<u>(394,083)</u>
Capital outlay	<u>769,950</u>	<u>1,232,350</u>	<u>3,102,137</u>	<u>(1,869,787)</u>
Debt Service:				
Principal	178,156	178,156	470,514	(292,358)
Interest	<u>30,407</u>	<u>30,407</u>	<u>81,574</u>	<u>(51,167)</u>
Total Debt Service	<u>208,563</u>	<u>208,563</u>	<u>552,088</u>	<u>(343,525)</u>
Total Expenditures	<u>31,244,378</u>	<u>32,012,974</u>	<u>37,195,615</u>	<u>(5,182,641)</u>
Excess (deficiency) of revenues over expenditures	<u>265,697</u>	<u>(556,899)</u>	<u>4,012,394</u>	<u>4,569,293</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from financed purchase	254,000	254,000	2,396,236	2,142,236
Transfers in	-	-	517,053	517,053
Transfers out	<u>(524,697)</u>	<u>(524,697)</u>	<u>-</u>	<u>524,697</u>
Total Other Financing Sources (Uses)	<u>(270,697)</u>	<u>(270,697)</u>	<u>2,913,289</u>	<u>3,183,986</u>
Net change in fund balance	<u>\$ (5,000)</u>	<u>\$ (827,596)</u>	<u>6,925,683</u>	<u>\$ 7,753,279</u>
Fund balance - July 1, 2021			<u>9,027,657</u>	
Fund balance - June 30, 2022			<u>\$ 15,953,340</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, 2022**

	<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	\$ 3,000	\$ 3,000	\$ 49,118	\$ 46,118
Other revenues	<u>-</u>	<u>-</u>	<u>148,382</u>	<u>148,382</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>197,500</u>	<u>194,500</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>3,000</u>	<u>3,000</u>	<u>96</u>	<u>2,904</u>
Housing				
Personnel	162,373	162,373	112,466	49,907
Services & Supplies	17,050	17,050	5,025	12,025
Contractual	9,000	9,000	9,608	(608)
Capital	<u>2,000</u>	<u>2,000</u>	<u>14,197</u>	<u>(12,197)</u>
Total Housing	<u>190,423</u>	<u>190,423</u>	<u>141,296</u>	<u>49,127</u>
Finance				
Personnel	<u>20,557</u>	<u>20,557</u>	<u>22,149</u>	<u>(1,592)</u>
Total General Government	<u>213,980</u>	<u>213,980</u>	<u>163,541</u>	<u>50,439</u>
Debt Service:				
Principal	-	-	7,091	(7,091)
Interest	<u>-</u>	<u>-</u>	<u>23</u>	<u>(23)</u>
Total Debt Service	<u>-</u>	<u>-</u>	<u>7,114</u>	<u>(7,114)</u>
Total Expenditures	<u>213,980</u>	<u>213,980</u>	<u>170,655</u>	<u>43,325</u>
Net change in fund balance	<u>\$ (210,980)</u>	<u>\$ (210,980)</u>	<u>26,845</u>	<u>\$ 237,825</u>
Fund balance - July 1, 2021			<u>1,313,162</u>	
Fund balance - June 30, 2022			<u>\$ 1,340,007</u>	

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
License and permits	\$ 200,000	\$ 200,000	\$ 6,640,442	\$ 6,440,442
Investment earnings	<u>15,000</u>	<u>15,000</u>	<u>35,145</u>	<u>20,145</u>
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>6,675,587</u>	<u>6,460,587</u>
EXPENDITURES				
General Government				
Non-Departmental				
Contractual	<u>10,000</u>	<u>10,000</u>	<u>1,746</u>	<u>8,254</u>
Total General Government	<u>10,000</u>	<u>10,000</u>	<u>1,746</u>	<u>8,254</u>
Public Works				
Engineering				
Supplies & Services	80,000	80,000	132,162	(52,162)
Capital	<u>-</u>	<u>-</u>	<u>1,541,243</u>	<u>(1,541,243)</u>
Total Engineering	<u>80,000</u>	<u>80,000</u>	<u>1,673,405</u>	<u>(1,593,405)</u>
Total Public Works	<u>80,000</u>	<u>80,000</u>	<u>1,673,405</u>	<u>(1,593,405)</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>1,675,151</u>	<u>(1,585,151)</u>
Excess (deficiency) of revenues over expenditures	<u>125,000</u>	<u>125,000</u>	<u>5,000,436</u>	<u>4,875,436</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(232,376)</u>	<u>(232,376)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(232,376)</u>	<u>(232,376)</u>
Net change in fund balance	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>4,768,060</u>	<u>\$ 4,643,060</u>
Fund balance - July 1, 2021			<u>23,727,703</u>	
Fund balance - June 30, 2022			<u>\$ 28,495,763</u>	

CITY OF HOLLISTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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, 2021 (MEASUREMENT DATE)
LAST 10 YEARS ***

	Measurement Date			
	2021	2020	2019	2018
Proportion of the net pension liability	0.35283 %	0.31306 %	0.30202 %	0.29525 %
Proportionate share of the net pension liability	\$ 19,082,199	\$ 34,061,952	\$ 30,947,803	\$ 28,451,236
Covered payroll	\$ 15,935,909	\$ 15,644,085	\$ 14,875,106	\$ 12,196,775
Proportionate share of the net pension liability as a percentage of covered payroll	119.74 %	217.73 %	208.05 %	233.27 %
Plan fiduciary net position as a percentage of the total pension liability	75.10 %	75.10 %	75.30 %	73.69 %

Notes to Schedule:

Changes in assumptions: In 2021, 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 eight years are shown. Additional years' information will be displayed as it becomes available.

**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 (CONTINUED)
AS OF JUNE 30, 2027 (MEASUREMENT DATE)
LAST 10 YEARS ***

	Measurement Period			
	2017	2016	2015	2014
Proportion of the net pension liability	0.31467 %	0.35227 %	0.40408 %	0.40699 %
Proportionate share of the net pension liability	\$ 31,206,329	\$ 30,481,960	\$ 27,735,606	\$ 25,324,873
Covered payroll	\$ 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	234.26 %	265.73 %	272.71 %	293.17 %
Plan fiduciary net position as a percentage of the total pension liability	73.30 %	74.06 %	78.40 %	79.82 %

**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, 2022
LAST 10 YEARS ***

	Fiscal Year-End			
	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 4,843,460	\$ 4,433,918	\$ 3,987,986	\$ 3,320,549
Contributions in relation to the actuarially determined contributions	<u>4,843,460</u>	<u>4,433,918</u>	<u>3,987,986</u>	<u>3,320,549</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,609,771	\$ 15,935,909	\$ 15,644,085	\$ 14,875,106
Contributions as a percentage of covered payroll	29.16 %	27.82 %	25.49 %	22.32 %

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only eight 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 (CONTINUED)
AS OF JUNE 30, 2022
LAST 10 YEARS ***

	<u>Fiscal Year-End</u>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 3,046,562	\$ 2,937,927	\$ 3,069,884	\$ 2,119,208
Contributions in relation to the actuarially determined contributions	<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>\$ (2,183,808)</u></u>	<u><u>\$ (2,754,747)</u></u>	<u><u>\$ (2,260,362)</u></u>	<u><u>\$ (830,000)</u></u>
Covered payroll	\$ 12,196,775	\$ 13,320,993	\$ 11,471,107	\$ 10,170,308
Contributions as a percentage of covered payroll	42.88 %	42.73 %	46.47 %	29.00 %

**CITY OF HOLLISTER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2021 (MEASUREMENT DATE)
LAST 10 YEARS***

	Measurement Period				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 430,746	\$ 311,298	\$ 303,940	\$ 319,491	\$ 362,207
Interest	128,130	157,460	190,760	170,204	139,325
Difference between expected and actual experience	(350,868)	-	(655,107)	-	-
Changes in assumptions	1,739,530	869,227	(152,087)	(224,924)	(434,756)
Benefit payments	<u>(156,978)</u>	<u>(134,485)</u>	<u>(141,531)</u>	<u>(141,825)</u>	<u>(40,162)</u>
Net change in total OPEB liability	<u>1,790,560</u>	<u>1,203,500</u>	<u>(454,025)</u>	<u>122,946</u>	<u>26,614</u>
Total OPEB liability, beginning	<u>5,445,496</u>	<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>\$ 7,236,056</u>	<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	\$ 19,071,905	\$ 14,378,254	\$ 13,591,192	\$ 14,387,356	\$ 13,320,993
City's total OPEB liability as a percentage of covered-employee payroll	37.94 %	37.87 %	31.21 %	32.64 %	34.33 %

Notes to Schedule:

Changes in assumption:

For the measurement period ended June 30, 2021, the discount rate changed from 2.21% to 2.16%, and the healthcare trend rate changed from 5.4% to 5.6%. 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 five 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, 2022
LAST 10 YEARS ***

	Fiscal Year				
	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 118,676	\$ 156,978	\$ 134,485	\$ 141,531	\$ 141,825
Contributions in relation to the ADC	<u>(118,676)</u>	<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>	<u>\$ -</u>
Covered-employee payroll	\$ 19,965,239	\$ 19,071,905	\$ 14,378,254	\$ 13,591,152	\$ 14,387,356
Contributions as a percentage of covered-employee payroll	0.59 %	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 five 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.

Local Transportation - This fund accounts for the receipt and distribution of the City's local funding provided by State funds.

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.

Transportation Development Act - This fund was established to account for the activities of the Transportation Development Act funding from the State of California.

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.

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.

ARPA - This fund accounts for funds received through the American Rescue Plan Act (ARPA) via the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program.

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, 2022**

	SPECIAL REVENUE FUNDS					
	CDBG Low Income Housing Rehab	Gas Tax	Park Dedication	Local Transportation	Road Repair & Accountability	Federal Aviation Admin Grant
ASSETS						
Cash and investments	\$ 158,818	\$ 67,411	\$ 6,511,573	\$ -	\$ -	\$ 127,914
Accounts receivable	-	176,603	-	-	145,879	-
Interest receivable	87	-	3,600	(201)	(458)	-
Notes receivable	<u>224,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 383,797</u>	<u>\$ 244,014</u>	<u>\$ 6,515,173</u>	<u>\$ (201)</u>	<u>\$ 145,421</u>	<u>\$ 127,914</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ 34,132	\$ 1,243	\$ -	\$ 112,144	\$ -
Accrued payroll and benefits	-	16,958	-	-	-	-
Deposits	-	-	179,000	-	-	-
Due to other funds	-	-	-	-	1,199,075	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>51,090</u>	<u>180,243</u>	<u>-</u>	<u>1,311,219</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	<u>224,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):						
Restricted	158,906	192,924	6,334,930	-	-	127,914
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>(1,165,798)</u>	<u>-</u>
Total Fund Balance (Deficits)	<u>158,906</u>	<u>192,924</u>	<u>6,334,930</u>	<u>(201)</u>	<u>(1,165,798)</u>	<u>127,914</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 383,797</u>	<u>\$ 244,014</u>	<u>\$ 6,515,173</u>	<u>\$ (201)</u>	<u>\$ 145,421</u>	<u>\$ 127,914</u>

**CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2022**

	SPECIAL REVENUE FUNDS					
	<u>4th of July Rally</u>	<u>SAFER Grant</u>	<u>Transportation Development Act</u>	<u>Spay/ Neuter Education</u>	<u>Mello Roos CFD-001</u>	<u>Police Special Law Enforcement Safety</u>
ASSETS						
Cash and investments	\$ -	\$ -	\$ 7,984,444	\$ 21,668	\$ -	\$ 113,946
Accounts receivable	-	-	930,608	-	13,279	-
Interest receivable	-	-	4,388	12	-	63
Notes receivable	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919,440</u>	<u>\$ 21,680</u>	<u>\$ 13,279</u>	<u>\$ 114,009</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 38	\$ -	\$ 379,498	\$ 935	\$ 194	\$ -
Accrued payroll and benefits	143	144	(8)	-	16,502	-
Deposits	-	-	-	1,034	-	-
Due to other funds	260,614	548,371	-	-	18,556	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>260,795</u>	<u>548,515</u>	<u>379,490</u>	<u>1,969</u>	<u>35,252</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Restricted	-	-	8,539,950	19,711	-	114,009
Unassigned	(260,795)	(548,515)	-	-	(21,973)	-
Total Fund Balance (Deficits)	<u>(260,795)</u>	<u>(548,515)</u>	<u>8,539,950</u>	<u>19,711</u>	<u>(21,973)</u>	<u>114,009</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919,440</u>	<u>\$ 21,680</u>	<u>\$ 13,279</u>	<u>\$ 114,009</u>

**CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2022**

SPECIAL REVENUE FUNDS						
	Office of Traffic Safety	Animal Welfare	SB 1186	Off Street Parking	2013 CDBG	2017 CDBG
ASSETS						
Cash and investments	\$ 57,849	\$ 24,585	\$ 45,955	\$ 91,866	\$ 147,095	\$ -
Accounts receivable	-	-	-	-	-	209,620
Interest receivable	31	14	25	50	-	-
Notes receivable	-	-	-	-	573,025	-
Total Assets	\$ 57,880	\$ 24,599	\$ 45,980	\$ 91,916	\$ 720,120	\$ 209,620
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	-	-	574	-	-	22,000
Accrued payroll and benefits	-	-	-	-	-	337
Deposits	-	-	(2)	-	-	-
Due to other funds	-	-	-	-	-	235,132
Unearned revenue	26,461	-	-	-	-	-
Total Liabilities	26,461	-	572	-	-	257,469
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	-	-	-	-	573,025	209,620
FUND BALANCES (DEFICITS):						
Restricted	31,419	24,599	45,408	91,916	147,095	-
Unassigned	-	-	-	-	-	(257,469)
Total Fund Balance (Deficits)	31,419	24,599	45,408	91,916	147,095	(257,469)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ 57,880	\$ 24,599	\$ 45,980	\$ 91,916	\$ 720,120	\$ 209,620

**CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2022**

	SPECIAL REVENUE FUNDS					
	<u>2020 CDBG</u>	<u>FEMA - COVID 19</u>	<u>CARES Act</u>	<u>ARPA</u>	<u>Signal Improvement Fee on Flynn</u>	<u>Traffic Impact Fees</u>
<u>ASSETS</u>						
Cash and investments	\$ -	\$ -	\$ 111,269	\$ 417	\$ 14,159	\$ 48,392
Accounts receivable	116,091	-	-	-	-	-
Interest receivable	-	-	-	-	8	27
Notes receivable	-	-	-	-	-	-
Total Assets	<u>\$ 116,091</u>	<u>\$ -</u>	<u>\$ 111,269</u>	<u>\$ 417</u>	<u>\$ 14,167</u>	<u>\$ 48,419</u>
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable	\$ 9,789	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other funds	106,304	741,715	-	-	-	-
Unearned revenue	-	-	111,180	-	-	-
Total Liabilities	<u>116,093</u>	<u>741,715</u>	<u>111,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenues	<u>116,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):						
Restricted	-	-	89	417	14,167	48,419
Unassigned	<u>(116,093)</u>	<u>(741,715)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance (Deficits)	<u>(116,093)</u>	<u>(741,715)</u>	<u>89</u>	<u>417</u>	<u>14,167</u>	<u>48,419</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 116,091</u>	<u>\$ -</u>	<u>\$ 111,269</u>	<u>\$ 417</u>	<u>\$ 14,167</u>	<u>\$ 48,419</u>

CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2022

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS		
	AFG Grant	Home Program Revolving Loans	Fire Impact Fees	Police Impact Fees	Storm Drain Fees
ASSETS					
Cash and investments	\$ 1,810	\$ 251,299	\$ 1,650,110	\$ 1,276,403	\$ 240,168
Accounts receivable	-	-	-	-	-
Interest receivable	-	138	909	703	132
Notes receivable	-	2,140,537	-	-	-
Total Assets	<u>\$ 1,810</u>	<u>\$ 2,391,974</u>	<u>\$ 1,651,019</u>	<u>\$ 1,277,106</u>	<u>\$ 240,300</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	1,810	-	-	-	-
Total Liabilities	<u>1,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:					
Unavailable revenues	-	2,140,537	-	-	-
FUND BALANCES (DEFICITS):					
Restricted	-	251,437	1,651,019	1,277,106	240,300
Unassigned	-	-	-	-	-
Total Fund Balance (Deficits)	<u>-</u>	<u>251,437</u>	<u>1,651,019</u>	<u>1,277,106</u>	<u>240,300</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 1,810</u>	<u>\$ 2,391,974</u>	<u>\$ 1,651,019</u>	<u>\$ 1,277,106</u>	<u>\$ 240,300</u>

**CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2022**

	CAPITAL PROJECT FUNDS				Total Non-Major Governmental Funds
	Storm Drain Impact Fees	AB 1600 Santa Ana Storm Drain	Jail Juvenile Hall	City Hall/City Yard Impact Fees	
ASSETS					
Cash and investments	\$ 6,136,789	\$ 2,000,548	\$ 597,958	\$ 341,680	\$ 28,024,126
Accounts receivable	-	-	-	-	1,592,080
Interest receivable	3,331	1,099	329	189	14,476
Notes receivable	-	-	-	-	2,938,454
Total Assets	<u>\$ 6,140,120</u>	<u>\$ 2,001,647</u>	<u>\$ 598,287</u>	<u>\$ 341,869</u>	<u>\$ 32,569,136</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 14,886	\$ -	\$ 576,449	\$ -	\$ 1,151,882
Accrued payroll and benefits	9,485	-	-	-	43,561
Deposits	-	-	-	-	180,032
Due to other funds	-	-	-	-	3,109,767
Unearned revenue	-	-	-	-	139,451
Total Liabilities	<u>24,371</u>	<u>-</u>	<u>576,449</u>	<u>-</u>	<u>4,624,693</u>
DEFERRED INFLOW OF RESOURCES:					
Unavailable revenues	-	-	-	-	3,264,164
FUND BALANCES (DEFICITS):					
Restricted	6,115,749	2,001,647	21,838	341,869	27,792,838
Unassigned	-	-	-	-	(3,112,559)
Total Fund Balance (Deficits)	<u>6,115,749</u>	<u>2,001,647</u>	<u>21,838</u>	<u>341,869</u>	<u>24,680,279</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 6,140,120</u>	<u>\$ 2,001,647</u>	<u>\$ 598,287</u>	<u>\$ 341,869</u>	<u>\$ 32,569,136</u>

**CITY OF HOLLISTER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS					
	CDBG Low Income Housing Rehab	Gas Tax	Park Dedication	Local Transportati on	Road Repair & Accountability	Federal Aviation Admin Grant
<u>REVENUES</u>						
Taxes	\$ -	\$ 972,036	\$ -	\$ -	\$ 836,402	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	72,291
Charges for service	-	-	2,608,312	-	-	-
Investment earnings (loss)	762	148	7,518	(191)	85	-
Other revenues	7,554	126	-	-	-	-
Total Revenues	<u>8,316</u>	<u>972,310</u>	<u>2,615,830</u>	<u>(191)</u>	<u>836,487</u>	<u>72,291</u>
<u>EXPENDITURES</u>						
Current:						
General government	11	18	312	-	72	-
Public safety	-	-	-	-	-	-
Public works	-	975,346	-	-	-	-
Capital Outlay	-	-	183,515	10	3,105,433	94,377
Total Expenditures	<u>11</u>	<u>975,364</u>	<u>183,827</u>	<u>10</u>	<u>3,105,505</u>	<u>94,377</u>
Excess (deficiency) of revenues over expenditures	<u>8,305</u>	<u>(3,054)</u>	<u>2,432,003</u>	<u>(201)</u>	<u>(2,269,018)</u>	<u>(22,086)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers out	-	-	(117,374)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(117,374)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>8,305</u>	<u>(3,054)</u>	<u>2,314,629</u>	<u>(201)</u>	<u>(2,269,018)</u>	<u>(22,086)</u>
Fund balances (deficits) - July 1, 2021	150,601	195,978	4,020,301	-	1,103,220	-
Prior period adjustment (Note 18)	-	-	-	-	-	150,000
Fund balances (deficits) - July 1, 2021, restated	<u>150,601</u>	<u>195,978</u>	<u>4,020,301</u>	<u>-</u>	<u>1,103,220</u>	<u>150,000</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 158,906</u>	<u>\$ 192,924</u>	<u>\$ 6,334,930</u>	<u>\$ (201)</u>	<u>\$ (1,165,798)</u>	<u>\$ 127,914</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, 2022**

	SPECIAL REVENUE FUNDS					
	<u>4th of July Rally</u>	<u>SAFER Grant</u>	<u>Transportation Development Act</u>	<u>Spay/ Neuter Education</u>	<u>Mello Roos CFD-001</u>	<u>Police Special Law Enforcement Safety</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 3,451,815	\$ -	\$ 1,278,255	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,396,622	-	-	-	109,959
Charges for service	-	-	-	7,519	-	-
Investment earnings (loss)	(340)	-	8,800	32	108	144
Other revenues	165	-	850,399	-	-	-
Total Revenues	<u>(175)</u>	<u>1,396,622</u>	<u>4,311,014</u>	<u>7,551</u>	<u>1,278,363</u>	<u>110,103</u>
EXPENDITURES						
Current:						
General government	53	-	(11)	3	757	9
Public safety	344	789,642	-	11,443	1,284,228	-
Public works	-	-	564,720	-	-	-
Capital Outlay	-	-	1,001,913	-	-	115,324
Total Expenditures	<u>397</u>	<u>789,642</u>	<u>1,566,622</u>	<u>11,446</u>	<u>1,284,985</u>	<u>115,333</u>
Excess (deficiency) of revenues over expenditures	<u>(572)</u>	<u>606,980</u>	<u>2,744,392</u>	<u>(3,895)</u>	<u>(6,622)</u>	<u>(5,230)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	(18,809)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,809)</u>	<u>-</u>
Net change in fund balances	<u>(572)</u>	<u>606,980</u>	<u>2,744,392</u>	<u>(3,895)</u>	<u>(25,431)</u>	<u>(5,230)</u>
Fund balances (deficits) - July 1, 2021	(260,223)	(1,155,495)	5,795,558	23,606	3,458	119,239
Prior period adjustment (Note 18)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>(260,223)</u>	<u>(1,155,495)</u>	<u>5,795,558</u>	<u>23,606</u>	<u>3,458</u>	<u>119,239</u>
Fund balances (deficits) - June 30, 2022	<u>\$ (260,795)</u>	<u>\$ (548,515)</u>	<u>\$ 8,539,950</u>	<u>\$ 19,711</u>	<u>\$ (21,973)</u>	<u>\$ 114,009</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, 2022**

SPECIAL REVENUE FUNDS						
	<u>Office of Traffic Safety</u>	<u>Animal Welfare</u>	<u>SB 1186</u>	<u>Off Street Parking</u>	<u>2013 CDBG</u>	<u>2017 CDBG</u>
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	7,387	-	-	-
Intergovernmental	24,869	-	-	-	-	15,814
Charges for service	-	-	-	-	-	-
Investment earnings (loss)	68	31	54	120	76	-
Other revenues	-	3,356	-	-	-	-
Total Revenues	<u>24,937</u>	<u>3,387</u>	<u>7,441</u>	<u>120</u>	<u>76</u>	<u>15,814</u>
<u>EXPENDITURES</u>						
Current:						
General government	2	2	-	8	11	94,226
Public safety	28,537	2,200	-	-	-	-
Public works	-	-	-	-	-	-
Capital Outlay	<u>2,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,125</u>
Total Expenditures	<u>31,537</u>	<u>2,202</u>	<u>-</u>	<u>8</u>	<u>11</u>	<u>173,351</u>
Excess (deficiency) of revenues over expenditures	<u>(6,600)</u>	<u>1,185</u>	<u>7,441</u>	<u>112</u>	<u>65</u>	<u>(157,537)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(6,600)</u>	<u>1,185</u>	<u>7,441</u>	<u>112</u>	<u>65</u>	<u>(157,537)</u>
Fund balances (deficits) - July 1, 2021	38,019	23,414	37,967	91,804	4,426	(99,932)
Prior period adjustment (Note 18)	-	-	-	-	142,604	-
Fund balances (deficits) - July 1, 2021, restated	<u>38,019</u>	<u>23,414</u>	<u>37,967</u>	<u>91,804</u>	<u>147,030</u>	<u>(99,932)</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 31,419</u>	<u>\$ 24,599</u>	<u>\$ 45,408</u>	<u>\$ 91,916</u>	<u>\$ 147,095</u>	<u>\$ (257,469)</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, 2022**

	SPECIAL REVENUE FUNDS					
	<u>2020 CDBG</u>	<u>FEMA - COVID 19</u>	<u>CARES Act</u>	<u>ARPA</u>	<u>Signal Improvement Fee on Flynn</u>	<u>Traffic Impact Fees</u>
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	103,837	-	-	4,872,937	-	-
Charges for service	-	-	-	-	-	-
Investment earnings (loss)	(2)	(379)	57	417	18	64
Other revenues	-	-	-	-	-	-
Total Revenues	<u>103,835</u>	<u>(379)</u>	<u>57</u>	<u>4,873,354</u>	<u>18</u>	<u>64</u>
<u>EXPENDITURES</u>						
Current:						
General government	144,698	(54)	8	-	1	4
Public safety	-	7,844	-	4,872,937	-	-
Public works	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>144,698</u>	<u>7,790</u>	<u>8</u>	<u>4,872,937</u>	<u>1</u>	<u>4</u>
Excess (deficiency) of revenues over expenditures	<u>(40,863)</u>	<u>(8,169)</u>	<u>49</u>	<u>417</u>	<u>17</u>	<u>60</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balances	<u>(40,863)</u>	<u>(8,169)</u>	<u>49</u>	<u>417</u>	<u>17</u>	<u>60</u>
Fund balances (deficits) - July 1, 2021	(75,230)	(733,546)	40	-	14,150	48,359
Prior period adjustment (Note 18)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>(75,230)</u>	<u>(733,546)</u>	<u>40</u>	<u>-</u>	<u>14,150</u>	<u>48,359</u>
Fund balances (deficits) - June 30, 2022	<u>\$ (116,093)</u>	<u>\$ (741,715)</u>	<u>\$ 89</u>	<u>\$ 417</u>	<u>\$ 14,167</u>	<u>\$ 48,419</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, 2022**

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS		
	AFG Grant	Home Program Revolving Loans	Fire Impact Fees	Police Impact Fees	Storm Drain Fees
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	287,283	-	-
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	248,451	-
Investment earnings (loss)	-	1,944	2,063	1,581	314
Other revenues	-	150,444	-	-	-
Total Revenues	<u>-</u>	<u>152,388</u>	<u>289,346</u>	<u>250,032</u>	<u>314</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	7	99	75	18
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>7</u>	<u>99</u>	<u>75</u>	<u>18</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>152,381</u>	<u>289,247</u>	<u>249,957</u>	<u>296</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers out	-	-	(4,309)	(3,727)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,309)</u>	<u>(3,727)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>152,381</u>	<u>284,938</u>	<u>246,230</u>	<u>296</u>
Fund balances (deficits) - July 1, 2021	-	99,056	1,366,081	1,030,876	240,004
Prior period adjustment (Note 18)	-	-	-	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>-</u>	<u>99,056</u>	<u>1,366,081</u>	<u>1,030,876</u>	<u>240,004</u>
Fund balances (deficits) - June 30, 2022	<u>\$ -</u>	<u>\$ 251,437</u>	<u>\$ 1,651,019</u>	<u>\$ 1,277,106</u>	<u>\$ 240,300</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, 2022**

	CAPITAL PROJECT FUNDS				Total Non- major Governmental Funds
	Storm Drain Impact Fees	AB 1600 Santa Ana Storm Drain	Jail Juvenile Hall	City Hall/City Yard Impact Fees	
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,538,508
Licenses and permits	-	-	576,449	121,148	992,267
Intergovernmental	-	-	-	-	6,596,329
Charges for service	1,068,837	-	-	-	3,933,119
Investment earnings (loss)	7,706	2,622	511	401	34,732
Other revenues	-	-	-	-	1,012,044
Total Revenues	<u>1,076,543</u>	<u>2,622</u>	<u>576,960</u>	<u>121,549</u>	<u>19,106,999</u>
<u>EXPENDITURES</u>					
Current:					
General government	1,001	150	576,449	18	817,947
Public safety	-	-	-	-	6,997,175
Public works	295,970	-	-	-	1,836,036
Capital Outlay	-	14,275	-	-	4,596,970
Total Expenditures	<u>296,971</u>	<u>14,425</u>	<u>576,449</u>	<u>18</u>	<u>14,248,128</u>
Excess (deficiency) of revenues over expenditures	<u>779,572</u>	<u>(11,803)</u>	<u>511</u>	<u>121,531</u>	<u>4,858,871</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers out	-	-	-	(1,817)	(146,036)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,817)</u>	<u>(146,036)</u>
Net change in fund balances	<u>779,572</u>	<u>(11,803)</u>	<u>511</u>	<u>119,714</u>	<u>4,712,835</u>
Fund balances (deficits) - July 1, 2021	5,336,177	2,013,450	21,327	222,155	19,674,840
Prior period adjustment (Note 18)	-	-	-	-	292,604
Fund balances (deficits) - July 1, 2021, restated	<u>5,336,177</u>	<u>2,013,450</u>	<u>21,327</u>	<u>222,155</u>	<u>19,967,444</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 6,115,749</u>	<u>\$ 2,001,647</u>	<u>\$ 21,838</u>	<u>\$ 341,869</u>	<u>\$ 24,680,279</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, 2022**

	<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	\$ 600	\$ 600	\$ 762	\$ 162
Other revenues	<u>-</u>	<u>-</u>	<u>7,554</u>	<u>7,554</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>8,316</u>	<u>7,716</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>600</u>	<u>600</u>	<u>11</u>	<u>589</u>
Total General Government	<u>600</u>	<u>600</u>	<u>11</u>	<u>589</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>11</u>	<u>589</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,305</u>	<u>8,305</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>8,305</u>	<u>\$ 33,305</u>
Fund balance - July 1, 2021			<u>150,601</u>	
Fund balance - June 30, 2022			<u>\$ 158,906</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, 2022**

	<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	\$ 1,057,659	\$ 1,057,659	\$ 972,036	\$ (85,623)
Investment earnings	800	800	148	(652)
Other revenues	-	-	126	126
Total Revenues	<u>1,058,459</u>	<u>1,058,459</u>	<u>972,310</u>	<u>(86,149)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>800</u>	<u>800</u>	<u>18</u>	<u>782</u>
Total General Government	<u>800</u>	<u>800</u>	<u>18</u>	<u>782</u>
Public Works				
Street Maintenance				
Personnel	610,504	603,268	478,071	125,197
Services & Supplies	372,155	379,391	392,947	(13,556)
Contractual	<u>5,000</u>	<u>5,000</u>	<u>4,567</u>	<u>433</u>
Total Street Maintenance	<u>987,659</u>	<u>987,659</u>	<u>875,585</u>	<u>112,074</u>
Engineering				
Services & Supplies	<u>70,000</u>	<u>70,000</u>	<u>99,761</u>	<u>(29,761)</u>
Total Public Works	<u>1,057,659</u>	<u>1,057,659</u>	<u>975,346</u>	<u>82,313</u>
Total Expenditures	<u>1,058,459</u>	<u>1,058,459</u>	<u>975,364</u>	<u>83,095</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>(3,054)</u>	\$ <u>(3,054)</u>
Fund balance - July 1, 2021			<u>195,978</u>	
Fund balance - June 30, 2022			\$ <u>192,924</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, 2022**

	<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>				
Charges for services	\$ 400,000	\$ 400,000	\$ 2,608,312	\$ 2,208,312
Investment earnings	<u>6,000</u>	<u>6,000</u>	<u>7,518</u>	<u>1,518</u>
Total Revenues	<u>406,000</u>	<u>406,000</u>	<u>2,615,830</u>	<u>2,209,830</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>4,000</u>	<u>4,000</u>	<u>312</u>	<u>3,688</u>
Total General Government	<u>4,000</u>	<u>4,000</u>	<u>312</u>	<u>3,688</u>
Recreation				
Parks Capital	<u>440,559</u>	<u>440,559</u>	<u>183,515</u>	<u>257,044</u>
Total Recreation	<u>440,559</u>	<u>440,559</u>	<u>183,515</u>	<u>257,044</u>
Total Expenditures	<u>444,559</u>	<u>444,559</u>	<u>183,827</u>	<u>260,732</u>
Excess (deficiency) of revenues over expenditures	<u>(38,559)</u>	<u>(38,559)</u>	<u>2,432,003</u>	<u>2,470,562</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(117,374)</u>	<u>(117,374)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(117,374)</u>	<u>(117,374)</u>
Net change in fund balance	<u>\$ (38,559)</u>	<u>\$ (38,559)</u>	<u>2,314,629</u>	<u>\$ 2,353,188</u>
Fund balance - July 1, 2021			<u>4,020,301</u>	
Fund balance - June 30, 2022			<u>\$ 6,334,930</u>	

**CITY OF HOLLISTER
LOCAL TRANSPORTATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<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 (loss)	-	-	(191)	(191)
Total Revenues	-	-	(191)	(191)
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Capital	-	-	10	(10)
Total General Government	-	-	10	(10)
Total Expenditures	-	-	10	(10)
Net change in fund balance	\$ -	\$ -	(201)	\$ (201)
Fund balance - July 1, 2021			-	
Fund balance (deficit) - June 30, 2022			\$ (201)	

* The City did not adopt a budget for the Local Transportation fund for the fiscal year ended June 30, 2022.

**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, 2022**

	<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	\$ 784,700	\$ 784,700	\$ 836,402	\$ 51,702
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>85</u>	<u>(2,415)</u>
Total Revenues	<u>787,200</u>	<u>787,200</u>	<u>836,487</u>	<u>49,287</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>-</u>	<u>-</u>	<u>72</u>	<u>(72)</u>
Total General Government	<u>-</u>	<u>-</u>	<u>72</u>	<u>(72)</u>
Capital outlay	<u>-</u>	<u>2,309,839</u>	<u>3,105,433</u>	<u>(795,594)</u>
Total Expenditures	<u>-</u>	<u>2,309,839</u>	<u>3,105,505</u>	<u>(795,666)</u>
Net change in fund balance	<u>\$ 787,200</u>	<u>\$ (1,522,639)</u>	<u>(2,269,018)</u>	<u>\$ (746,379)</u>
Fund balance - July 1, 2021			<u>1,103,220</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (1,165,798)</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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original*	Final*		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 72,291	\$ 72,291
Total Revenues	-	-	72,291	72,291
<u>EXPENDITURES</u>				
Public Works				
Airport Runway Capital	-	-	94,377	(94,377)
Total Expenditures	-	-	94,377	(94,377)
Net change in fund balance	\$ -	\$ -	(22,086)	\$ (22,086)
Fund balance - July 1, 2021			-	
Prior period adjustment			150,000	
Fund balance - July 1, 2021, restated			150,000	
Fund balance - June 30, 2022			\$ 127,914	

* The City did not adopt a budget for the Federal Aviation Admin fund for the fiscal year ended June 30, 2022.

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, 2022

	<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 (loss)	\$ -	\$ -	\$ (340)	\$ (340)
Other revenues	-	-	165	165
Total Revenues	-	-	(175)	(175)
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Services & Supplies	-	-	72	(72)
Contractual	-	-	(19)	19
Total General Government	-	-	53	(53)
Public Safety				
Police				
Service & Supplies	-	-	344	(344)
Total Public Safety	-	-	344	(344)
Total Expenditures	-	-	397	(397)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(572)</u>	<u>\$ (572)</u>
Fund balance (deficit) - July 1, 2021			<u>(260,223)</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (260,795)</u>	

*The City did not adopt a budget for the 4th of July Rally Fund for the year ended June 30, 2022.

**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, 2022**

	<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	\$ 734,577	\$ 734,577	\$ 1,396,622	\$ 662,045
Total Revenues	<u>734,577</u>	<u>734,577</u>	<u>1,396,622</u>	<u>662,045</u>
<u>EXPENDITURES</u>				
Public Safety				
Fire				
Personnel	<u>1,259,274</u>	<u>1,259,274</u>	<u>789,642</u>	<u>469,632</u>
Total Public Safety	<u>1,259,274</u>	<u>1,259,274</u>	<u>789,642</u>	<u>469,632</u>
Total Expenditures	<u>1,259,274</u>	<u>1,259,274</u>	<u>789,642</u>	<u>469,632</u>
Excess (deficiency) of revenues over expenditures	<u>(524,697)</u>	<u>(524,697)</u>	<u>606,980</u>	<u>1,131,677</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>524,697</u>	<u>524,697</u>	<u>-</u>	<u>(524,697)</u>
Total Other Financing Sources (Uses)	<u>524,697</u>	<u>524,697</u>	<u>-</u>	<u>(524,697)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>606,980</u>	<u>\$ 606,980</u>
Fund balance (deficit) - July 1, 2021			<u>(1,155,495)</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (548,515)</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, 2022**

	<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	\$ -	\$ -	\$ 3,451,815	\$ 3,451,815
Intergovernmental	10,636	10,636	-	(10,636)
Investment earnings	-	-	8,800	8,800
Other	-	-	<u>850,399</u>	<u>850,399</u>
Total Revenues	<u>10,636</u>	<u>10,636</u>	<u>4,311,014</u>	<u>4,300,378</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	-	-	(11)	11
Total General Government	-	-	(11)	11
Public Works				
Engineering				
Personnel	10,636	10,636	811	9,825
Services & Supplies	-	2,921,812	563,909	2,357,903
Capital	<u>35,483</u>	<u>720,820</u>	<u>1,001,913</u>	<u>(281,093)</u>
Total Engineering	<u>46,119</u>	<u>3,653,268</u>	<u>1,566,633</u>	<u>2,086,635</u>
Total Public Works	<u>46,119</u>	<u>3,653,268</u>	<u>1,566,633</u>	<u>2,086,635</u>
Total Expenditures	<u>46,119</u>	<u>3,653,268</u>	<u>1,566,622</u>	<u>2,086,646</u>
Net change in fund balance	<u>\$ (35,483)</u>	<u>\$ (3,642,632)</u>	<u>2,744,392</u>	<u>\$ 6,387,024</u>
Fund balance - July 1, 2021			<u>5,795,558</u>	
Fund balance - June 30, 2022			<u>\$ 8,539,950</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, 2022**

	<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>				
Charges for services	\$ 8,000	\$ 8,000	\$ 7,519	\$ (481)
Investment earnings	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>7,551</u>	<u>(449)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>25</u>	<u>25</u>	<u>3</u>	<u>22</u>
Total General Government	<u>25</u>	<u>25</u>	<u>3</u>	<u>22</u>
Public Safety				
Animal Control				
Services & Supplies	<u>10,000</u>	<u>10,000</u>	<u>11,443</u>	<u>(1,443)</u>
Total Public Safety	<u>10,000</u>	<u>10,000</u>	<u>11,443</u>	<u>(1,443)</u>
Total Expenditures	<u>10,025</u>	<u>10,025</u>	<u>11,446</u>	<u>(1,421)</u>
Net change in fund balance	<u>\$ (2,025)</u>	<u>\$ (2,025)</u>	<u>(3,895)</u>	<u>\$ (1,870)</u>
Fund balance - July 1, 2021			<u>23,606</u>	
Fund balance - June 30, 2022			<u>\$ 19,711</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, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 1,020,000	\$ 1,020,000	\$ 1,278,255	\$ 258,255
Investment earnings	<u>2,170</u>	<u>2,170</u>	<u>108</u>	<u>(2,062)</u>
Total Revenues	<u>1,022,170</u>	<u>1,022,170</u>	<u>1,278,363</u>	<u>256,193</u>
EXPENDITURES				
General Government				
Non-Departmental				
Contractual	<u>1,025</u>	<u>1,025</u>	<u>757</u>	<u>268</u>
Total General Government	<u>1,025</u>	<u>1,025</u>	<u>757</u>	<u>268</u>
Public Safety				
Fire				
Personnel	<u>476,199</u>	<u>476,199</u>	<u>606,919</u>	<u>(130,720)</u>
Police				
Personnel	<u>548,405</u>	<u>548,405</u>	<u>677,309</u>	<u>(128,904)</u>
Total Public Safety	<u>1,024,604</u>	<u>1,024,604</u>	<u>1,284,228</u>	<u>(259,624)</u>
Total Expenditures	<u>1,025,629</u>	<u>1,025,629</u>	<u>1,284,985</u>	<u>(259,356)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,459)</u>	<u>(3,459)</u>	<u>(6,622)</u>	<u>(3,163)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(18,809)</u>	<u>(18,809)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(18,809)</u>	<u>(18,809)</u>
Net change in fund balance	<u>\$ (3,459)</u>	<u>\$ (3,459)</u>	<u>(25,431)</u>	<u>\$ (21,972)</u>
Fund balance - July 1, 2021			<u>3,458</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (21,973)</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, 2022**

	<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	\$ 100,000	\$ 100,000	\$ 109,959	\$ 9,959
Investment earnings	<u>-</u>	<u>-</u>	<u>144</u>	<u>144</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>110,103</u>	<u>10,103</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>75</u>	<u>75</u>	<u>9</u>	<u>66</u>
Total General Government	<u>75</u>	<u>75</u>	<u>9</u>	<u>66</u>
Public Safety				
Police				
Capital	<u>100,000</u>	<u>100,000</u>	<u>115,324</u>	<u>(15,324)</u>
Total Public Safety	<u>100,000</u>	<u>100,000</u>	<u>115,324</u>	<u>(15,324)</u>
Total Expenditures	<u>100,075</u>	<u>100,075</u>	<u>115,333</u>	<u>(15,258)</u>
Net change in fund balance	<u>\$ (75)</u>	<u>\$ (75)</u>	<u>(5,230)</u>	<u>\$ (5,155)</u>
Fund balance - July 1, 2021			<u>119,239</u>	
Fund balance - June 30, 2022			<u>\$ 114,009</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, 2022**

	<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	\$ 22,990	\$ 114,190	\$ 24,869	\$ (89,321)
Investment earnings	<u>-</u>	<u>-</u>	<u>68</u>	<u>68</u>
Total Revenues	<u>22,990</u>	<u>114,190</u>	<u>24,937</u>	<u>(89,253)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>50</u>	<u>50</u>	<u>2</u>	<u>48</u>
Total General Government	<u>50</u>	<u>50</u>	<u>2</u>	<u>48</u>
Public Safety				
Fire				
Capital	<u>-</u>	<u>114,000</u>	<u>-</u>	<u>114,000</u>
Police				
Personnel	61,000	61,000	28,537	32,463
Capital	<u>-</u>	<u>-</u>	<u>2,998</u>	<u>(2,998)</u>
Total Police	<u>61,000</u>	<u>61,000</u>	<u>31,535</u>	<u>29,465</u>
Total Public Safety	<u>61,000</u>	<u>175,000</u>	<u>31,535</u>	<u>143,465</u>
Total Expenditures	<u>61,050</u>	<u>175,050</u>	<u>31,537</u>	<u>143,513</u>
Net change in fund balance	<u>\$ (38,060)</u>	<u>\$ (60,860)</u>	<u>(6,600)</u>	<u>\$ 54,260</u>
Fund balance - July 1, 2021			<u>38,019</u>	
Fund balance - June 30, 2022			<u>\$ 31,419</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, 2022**

	<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	\$ 40	\$ 40	\$ 31	\$ (9)
Other revenues	<u>3,500</u>	<u>3,500</u>	<u>3,356</u>	<u>(144)</u>
Total Revenues	<u>3,540</u>	<u>3,540</u>	<u>3,387</u>	<u>(153)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>40</u>	<u>40</u>	<u>2</u>	<u>38</u>
Total General Government	<u>40</u>	<u>40</u>	<u>2</u>	<u>38</u>
Public Safety				
Animal Control				
Services & Supplies	<u>23,600</u>	<u>23,600</u>	<u>2,200</u>	<u>21,400</u>
Total Public Safety	<u>23,600</u>	<u>23,600</u>	<u>2,200</u>	<u>21,400</u>
Total Expenditures	<u>23,640</u>	<u>23,640</u>	<u>2,202</u>	<u>21,438</u>
Net change in fund balance	\$ <u>(20,100)</u>	\$ <u>(20,100)</u>	<u>1,185</u>	\$ <u>21,285</u>
Fund balance - July 1, 2021			<u>23,414</u>	
Fund balance - June 30, 2022			\$ <u>24,599</u>	

**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, 2022**

	<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	\$ 7,387	\$ (1,613)
Investment earnings	<u>250</u>	<u>250</u>	<u>54</u>	<u>(196)</u>
Total Revenues	<u>9,250</u>	<u>9,250</u>	<u>7,441</u>	<u>(1,809)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 9,250</u>	<u>\$ 9,250</u>	<u>7,441</u>	<u>\$ (1,809)</u>
Fund balance - July 1, 2021			<u>37,967</u>	
Fund balance - June 30, 2022			<u>\$ 45,408</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, 2022**

	<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>500</u>	\$ <u>500</u>	\$ <u>120</u>	\$ <u>(380)</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>120</u>	<u>(380)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>200</u>	<u>200</u>	<u>8</u>	<u>192</u>
Total General Government	<u>200</u>	<u>200</u>	<u>8</u>	<u>192</u>
Total Expenditures	<u>200</u>	<u>200</u>	<u>8</u>	<u>192</u>
Net change in fund balance	\$ <u>300</u>	\$ <u>300</u>	<u>112</u>	\$ <u>(188)</u>
Fund balance - July 1, 2021			<u>91,804</u>	
Fund balance - June 30, 2022			\$ <u><u>91,916</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, 2022**

	<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	\$ -	\$ -	\$ 76	\$ 76
Total Revenues	-	-	76	76
<u>EXPENDITURES</u>				
General Government				
Planning				
Contractual	-	-	11	(11)
Total General Government	-	-	11	(11)
Total Expenditures	-	-	11	(11)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>65</u>	<u>\$ 65</u>
Fund balance - July 1, 2021			<u>4,426</u>	
Fund balance - June 30, 2022			<u>\$ 4,491</u>	

* The City did not adopt a budget for the 2013 CDBG fund for the fiscal year ended June 30, 2022.

**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, 2022**

	<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	\$ 339,331	\$ 339,331	\$ 15,814	\$ (323,517)
Total Revenues	<u>339,331</u>	<u>339,331</u>	<u>15,814</u>	<u>(323,517)</u>
<u>EXPENDITURES</u>				
General Government				
Planning				
Personnel	-	-	1,583	(1,583)
Services & Supplies	129,000	129,000	4,464	124,536
Contractual	<u>109,000</u>	<u>109,000</u>	<u>88,179</u>	<u>20,821</u>
Total Planning	<u>238,000</u>	<u>238,000</u>	<u>94,226</u>	<u>143,774</u>
Total General Government	<u>238,000</u>	<u>238,000</u>	<u>94,226</u>	<u>143,774</u>
Recreation				
Engineering				
Capital	<u>1,400</u>	<u>1,400</u>	<u>79,125</u>	<u>(77,725)</u>
Total Recreation	<u>1,400</u>	<u>1,400</u>	<u>79,125</u>	<u>(77,725)</u>
Total Expenditures	<u>239,400</u>	<u>239,400</u>	<u>173,351</u>	<u>66,049</u>
Net change in fund balance	<u>\$ 99,931</u>	<u>\$ 99,931</u>	<u>(157,537)</u>	<u>\$ (257,468)</u>
Fund balance (deficit) - July 1, 2021			<u>(99,932)</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (257,469)</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, 2022**

	<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	\$ -	\$ -	\$ 103,837	\$ 103,837
Investment earnings (loss)	-	-	(2)	(2)
Total Revenues	\$ -	\$ -	\$ 103,835	\$ 103,835
<u>EXPENDITURES</u>				
General Government				
Planning				
Services & Supplies	-	-	6,088	(6,088)
Contractual	-	-	138,610	(138,610)
Total Planning	-	-	144,698	(144,698)
Total General Government	-	-	144,698	(144,698)
Total Expenditures	-	-	144,698	(144,698)
Net change in fund balance	\$ -	\$ -	(40,863)	\$ (40,863)
Fund balance (deficit) - July 1, 2021			(75,230)	
Fund balance (deficit) - June 30, 2022			\$ (116,093)	

* The City did not adopt a budget for the 2020 CDBG fund for the fiscal year ended June 30, 2022.

**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, 2022**

	<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 (loss)	\$ -	\$ -	\$ (379)	\$ (379)
Total Revenues	-	-	(379)	(379)
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	-	-	(54)	54
Total General Government	-	-	(54)	54
Public Safety				
Fire				
Services & Supplies	-	-	7,844	(7,844)
Total Public Safety	-	-	7,844	(7,844)
Total Expenditures	-	-	7,790	(7,790)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(8,169)	<u>\$ (8,169)</u>
Fund balance (deficit) - July 1, 2021			(733,546)	
Fund balance (deficit) - June 30, 2022			<u>\$ (741,715)</u>	

* The City did not adopt a budget for the FEMA - COVID 19 fund for the fiscal year ended June 30, 2022.

**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, 2022**

	<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	\$ -	\$ -	\$ 57	\$ 57
Total Revenues	-	-	57	57
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	-	-	8	(8)
Total General Government	-	-	8	(8)
Total Expenditures	-	-	8	(8)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	49	<u>\$ 49</u>
Fund balance - July 1, 2021			40	
Fund balance - June 30, 2022			<u>\$ 89</u>	

* The City did not adopt a budget for the CARES Act fund for the fiscal year ended June 30, 2022.

**CITY OF HOLLISTER
 ARPA - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	<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	\$ -	\$ 9,745,874	\$ 4,872,937	\$ (4,872,937)
Investment earnings	-	-	417	417
Total Revenues	-	9,745,874	4,873,354	(4,872,520)
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	-	9,745,874	-	9,745,874
Total General Government	-	9,745,874	-	19,491,748
Public Safety				
Fire				
Personnel	-	-	2,328,902	(2,328,902)
Police				
Personnel	-	-	2,544,035	(2,544,035)
Total Public Safety	-	-	4,872,937	(4,872,937)
Total Expenditures	-	9,745,874	4,872,937	4,872,937
Net change in fund balance	\$ -	\$ -	417	\$ 417
Fund balance - July 1, 2021			-	
Fund balance - June 30, 2022			\$ 417	

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, 2022

	<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>50</u>	\$ <u>50</u>	\$ <u>18</u>	\$ <u>(32)</u>
Total Revenues	<u>50</u>	<u>50</u>	<u>18</u>	<u>(32)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>50</u>	<u>50</u>	<u>1</u>	<u>49</u>
Total General Government	<u>50</u>	<u>50</u>	<u>1</u>	<u>49</u>
Total Expenditures	<u>50</u>	<u>50</u>	<u>1</u>	<u>49</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>17</u>	<u>\$ 17</u>
Fund balance - July 1, 2021			<u>14,150</u>	
Fund balance - June 30, 2022			<u>\$ 14,167</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, 2022**

	<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	\$ 200	\$ 200	\$ 64	\$ (136)
Total Revenues	<u>200</u>	<u>200</u>	<u>64</u>	<u>(136)</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>200</u>	<u>200</u>	<u>4</u>	<u>196</u>
Total General Government	<u>200</u>	<u>200</u>	<u>4</u>	<u>196</u>
Total Expenditures	<u>200</u>	<u>200</u>	<u>4</u>	<u>196</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>60</u>	<u>\$ 60</u>
Fund balance - July 1, 2021			<u>48,359</u>	
Fund balance - June 30, 2022			<u>\$ 48,419</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, 2022

	<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>				
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<u>EXPENDITURES</u>				
Total Expenditures	_____ -	_____ -	_____ -	_____ -
Net change in fund balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	_____ -	\$ <u>_____ -</u>
Fund balance - July 1, 2021			_____ -	
Fund balance - June 30, 2022			\$ <u>_____ -</u>	

* The City did not adopt a budget for the AFG Grant fund for the fiscal year ended June 30, 2022.

**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, 2022**

	<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	\$ 3,000	\$ 3,000	\$ 1,944	\$ (1,056)
Other revenues	<u>-</u>	<u>-</u>	<u>150,444</u>	<u>150,444</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>152,388</u>	<u>149,388</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>3,000</u>	<u>3,000</u>	<u>7</u>	<u>2,993</u>
Planning				
Total General Government	<u>3,000</u>	<u>3,000</u>	<u>7</u>	<u>2,993</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>7</u>	<u>2,993</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>152,381</u>	<u>\$ 152,381</u>
Fund balance - July 1, 2021			<u>99,056</u>	
Fund balance - June 30, 2022			<u>\$ 251,437</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, 2022**

	<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	\$ 280,000	\$ 280,000	\$ 287,283	\$ 7,283
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>2,063</u>	<u>563</u>
Total Revenues	<u>281,500</u>	<u>281,500</u>	<u>289,346</u>	<u>7,846</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>400</u>	<u>400</u>	<u>99</u>	<u>301</u>
Total General Government	<u>400</u>	<u>400</u>	<u>99</u>	<u>301</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>99</u>	<u>301</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(4,309)</u>	<u>(4,309)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,309)</u>	<u>(4,309)</u>
Net change in fund balance	<u>\$ 281,100</u>	<u>\$ 281,100</u>	<u>284,938</u>	<u>\$ 3,838</u>
Fund balance - July 1, 2021			<u>1,366,081</u>	
Fund balance - June 30, 2022			<u>\$ 1,651,019</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, 2022**

	<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>				
Charges for services	\$ 175,000	\$ 175,000	\$ 248,451	\$ 73,451
Investment earnings	<u>1,200</u>	<u>1,200</u>	<u>1,581</u>	<u>381</u>
Total Revenues	<u>176,200</u>	<u>176,200</u>	<u>250,032</u>	<u>73,832</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental Contractual	<u>400</u>	<u>400</u>	<u>75</u>	<u>325</u>
Total General Government	<u>400</u>	<u>400</u>	<u>75</u>	<u>325</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>75</u>	<u>325</u>
Excess (deficiency) of revenues over expenditures	<u>175,800</u>	<u>175,800</u>	<u>249,957</u>	<u>74,157</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(3,727)</u>	<u>(3,727)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,727)</u>	<u>(3,727)</u>
Net change in fund balance	<u>\$ 175,800</u>	<u>\$ 175,800</u>	<u>246,230</u>	<u>\$ 70,430</u>
Fund balance - July 1, 2021			<u>1,030,876</u>	
Fund balance - June 30, 2022			<u>\$ 1,277,106</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, 2022**

	<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	\$ -	\$ -	\$ 314	\$ 314
Total Revenues	<u>-</u>	<u>-</u>	<u>314</u>	<u>314</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>400</u>	<u>400</u>	<u>18</u>	<u>382</u>
Total General Government	<u>400</u>	<u>400</u>	<u>18</u>	<u>382</u>
Public Works				
Engineering				
Services & Supplies	<u>-</u>	<u>166,655</u>	<u>-</u>	<u>166,655</u>
Total Public Works	<u>-</u>	<u>166,655</u>	<u>-</u>	<u>166,655</u>
Total Expenditures	<u>400</u>	<u>167,055</u>	<u>18</u>	<u>167,037</u>
Net change in fund balance	<u>\$ (400)</u>	<u>\$ (167,055)</u>	<u>296</u>	<u>\$ 167,351</u>
Fund balance - July 1, 2021			<u>240,004</u>	
Fund balance - June 30, 2022			<u>\$ 240,300</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, 2022

	<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>				
Charges for services	\$ 500,000	\$ 500,000	\$ 1,068,837	\$ 568,837
Investment earnings	<u>6,000</u>	<u>6,000</u>	<u>7,706</u>	<u>1,706</u>
Total Revenues	<u>506,000</u>	<u>506,000</u>	<u>1,076,543</u>	<u>570,543</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Services & Supplies	-	-	600	(600)
Contractual	<u>19,000</u>	<u>19,000</u>	<u>401</u>	<u>18,599</u>
Total Non-Departmental	<u>19,000</u>	<u>19,000</u>	<u>1,001</u>	<u>17,999</u>
Total General Government	<u>19,000</u>	<u>19,000</u>	<u>1,001</u>	<u>17,999</u>
Public Works				
Engineering				
Personnel	163,241	163,241	-	163,241
Supplies & Services	349,066	349,066	243,921	105,145
Contractual	<u>15,000</u>	<u>15,000</u>	<u>10,731</u>	<u>4,269</u>
Total Engineering	<u>527,307</u>	<u>527,307</u>	<u>254,652</u>	<u>272,655</u>
Sewer Collection				
Supplies & Services	47,300	47,300	39,570	7,730
Total Sewer Collection	<u>47,300</u>	<u>47,300</u>	<u>39,570</u>	<u>7,730</u>
Storm Drain Maintenance				
Supplies & Services	<u>2,000</u>	<u>2,000</u>	<u>1,748</u>	<u>252</u>
Total Public Works	<u>576,607</u>	<u>576,607</u>	<u>295,970</u>	<u>272,655</u>
Total Expenditures	<u>595,607</u>	<u>595,607</u>	<u>296,971</u>	<u>298,636</u>
Net change in fund balance	<u>\$ (89,607)</u>	<u>\$ (89,607)</u>	<u>779,572</u>	<u>\$ 869,179</u>
Fund balance - July 1, 2021			<u>5,336,177</u>	
Fund balance - June 30, 2022			<u>\$ 6,115,749</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, 2022

	<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	\$ 2,500	\$ 2,500	\$ 2,622	\$ 122
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>2,622</u>	<u>122</u>
<u>EXPENDITURES</u>				
General Government				
Non-Departmental				
Contractual	<u>2,500</u>	<u>2,500</u>	<u>150</u>	<u>2,350</u>
Total General Government	<u>2,500</u>	<u>2,500</u>	<u>150</u>	<u>2,350</u>
Public Safety				
Police				
Capital outlay	<u>-</u>	<u>-</u>	<u>14,275</u>	<u>(14,275)</u>
Total Public Safety	<u>-</u>	<u>-</u>	<u>14,275</u>	<u>(14,275)</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>14,425</u>	<u>(11,925)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(11,803)</u>	<u>\$ (11,803)</u>
Fund balance - July 1, 2021			<u>2,013,450</u>	
Fund balance - June 30, 2022			<u>\$ 2,001,647</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, 2022**

	<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	\$ 90,000	\$ 90,000	\$ 576,449	\$ 486,449
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>511</u>	<u>(1,989)</u>
Total Revenues	<u>92,500</u>	<u>92,500</u>	<u>576,960</u>	<u>484,460</u>
<u>EXPENDITURES</u>				
General Governmental				
Non-Departmental Contractual	<u>92,500</u>	<u>92,500</u>	<u>576,449</u>	<u>(483,949)</u>
Total General Government	<u>92,500</u>	<u>92,500</u>	<u>576,449</u>	<u>(483,949)</u>
Total Expenditures	<u>92,500</u>	<u>92,500</u>	<u>576,449</u>	<u>(483,949)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>511</u>	<u>\$ 511</u>
Fund balance - July 1, 2021			<u>21,327</u>	
Fund balance - June 30, 2022			<u>\$ 21,838</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, 2022

	<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	\$ 121,148	\$ 71,148
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>401</u>	<u>(599)</u>
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>121,549</u>	<u>70,549</u>
<u>EXPENDITURES</u>				
General Governmental				
Non-Departmental				
Contractual	<u>1,000</u>	<u>1,000</u>	<u>18</u>	<u>982</u>
Total General Government	<u>1,000</u>	<u>1,000</u>	<u>18</u>	<u>982</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>18</u>	<u>982</u>
Excess (deficiency) of revenues over expenditures	<u>50,000</u>	<u>50,000</u>	<u>121,531</u>	<u>71,531</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,817)</u>	<u>(1,817)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,817)</u>	<u>(1,817)</u>
Net change in fund balance	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>119,714</u>	<u>\$ 69,714</u>
Fund balance - July 1, 2021			<u>222,155</u>	
Fund balance - June 30, 2022			<u>\$ 341,869</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, 2022**

	<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	\$ 3,333	\$ 464,119	\$ 144,467	\$ 144,671
Restricted cash and investments	-	-	-	198,374	-
Accounts receivable	-	-	-	-	-
Interest receivable	-	2	255	79	79
	<u>15</u>	<u>3,335</u>	<u>464,374</u>	<u>342,920</u>	<u>144,750</u>
Total Assets					
<u>LIABILITIES</u>					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities					
<u>NET POSITION</u>					
Restricted for Individuals, organizations, and other governments	<u>15</u>	<u>3,335</u>	<u>464,374</u>	<u>342,920</u>	<u>144,750</u>
Total Net Position	<u>\$ 15</u>	<u>\$ 3,335</u>	<u>\$ 464,374</u>	<u>\$ 342,920</u>	<u>\$ 144,750</u>

**CITY OF HOLLISTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2022**

	<u>Hollister Business Park</u>	<u>Landscaping and Lighting</u>	<u>Sunnyslope Village</u>	<u>Gateway Auto Mall</u>	<u>CFD#4</u>
<u>ASSETS</u>					
Cash and investments	\$ 166,885	\$ -	\$ 957	\$ 112,357	\$ 1,098,514
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	2,721	-	-	10,852
Interest receivable	<u>92</u>	<u>(13)</u>	<u>-</u>	<u>62</u>	<u>612</u>
Total Assets	<u>166,977</u>	<u>2,708</u>	<u>957</u>	<u>112,419</u>	<u>1,109,978</u>
<u>LIABILITIES</u>					
Accounts payable	-	51,578	-	-	20,404
Accrued liabilities	<u>-</u>	<u>1,909</u>	<u>-</u>	<u>-</u>	<u>638</u>
Total Liabilities	<u>-</u>	<u>53,487</u>	<u>-</u>	<u>-</u>	<u>21,042</u>
<u>NET POSITION</u>					
Restricted for Individuals, organizations, and other governments	<u>166,977</u>	<u>(50,779)</u>	<u>957</u>	<u>112,419</u>	<u>1,088,936</u>
Total Net Position	<u>\$ 166,977</u>	<u>\$ (50,779)</u>	<u>\$ 957</u>	<u>\$ 112,419</u>	<u>\$ 1,088,936</u>

**CITY OF HOLLISTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2022**

	CFD#5 Public Safety	Santana Ranch CFD	Total
<u>ASSETS</u>			
Cash and investments	\$ 370,153	\$ 37,758	\$ 2,543,229
Restricted cash and investments	-	-	198,374
Accounts receivable	-	-	13,573
Interest receivable	206	21	1,395
Total Assets	<u>370,359</u>	<u>37,779</u>	<u>2,756,571</u>
<u>LIABILITIES</u>			
Accounts payable	-	-	71,982
Accrued liabilities	-	-	2,547
Total Liabilities	<u>-</u>	<u>-</u>	<u>74,529</u>
<u>NET POSITION</u>			
Restricted for Individuals, organizations, and other governments	<u>370,359</u>	<u>37,779</u>	<u>2,682,042</u>
Total Net Position	<u>\$ 370,359</u>	<u>\$ 37,779</u>	<u>\$ 2,682,042</u>

**CITY OF HOLLISTER
COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<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>ADDITIONS</u>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings (loss)	-	4	600	387	189
Other revenues	-	1,651	17,908	-	-
Total Additions	<u>-</u>	<u>1,655</u>	<u>18,508</u>	<u>387</u>	<u>189</u>
<u>DELETIONS</u>					
Contract services	\$ -	\$ -	\$ -	\$ 3,025	\$ 11
Operating costs	-	2,250	-	-	-
Debt service:					
Principal	-	-	-	170,000	-
Interest	-	-	-	19,238	-
Total Deletions	<u>-</u>	<u>2,250</u>	<u>-</u>	<u>192,263</u>	<u>11</u>
Change in Fiduciary Net Position	-	(595)	18,508	(191,876)	178
Fiduciary Net Position- Beginning	<u>15</u>	<u>3,930</u>	<u>445,866</u>	<u>534,796</u>	<u>144,572</u>
Fiduciary Net Position - Ending	<u>\$ 15</u>	<u>\$ 3,335</u>	<u>\$ 464,374</u>	<u>\$ 342,920</u>	<u>\$ 144,750</u>

**CITY OF HOLLISTER
 COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION (CONTINUED)
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Hollister Business Park</u>	<u>Landscaping and Lighting</u>	<u>Sunnyslope Village</u>	<u>Gateway Auto Mall</u>	<u>CFD#4</u>
<u>ADDITIONS</u>					
Property taxes	\$ -	\$ 217,715	\$ -	\$ -	\$ 1,003,605
Investment earnings (loss)	218	(63)	1	147	971
Other revenues	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Additions	<u>218</u>	<u>217,654</u>	<u>1</u>	<u>147</u>	<u>1,004,576</u>
<u>DELETIONS</u>					
Contract services	\$ 11	\$ 1,296	\$ -	\$ 9	\$ 586
Operating costs	-	306,209	-	-	303,989
Debt service:					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deletions	<u>11</u>	<u>307,505</u>	<u>-</u>	<u>9</u>	<u>304,575</u>
Change in Fiduciary Net Position	207	(89,851)	1	138	700,001
Fiduciary Net Position- Beginning	<u>166,770</u>	<u>39,072</u>	<u>956</u>	<u>112,281</u>	<u>388,935</u>
Fiduciary Net Position - Ending	<u>\$ 166,977</u>	<u>\$ (50,779)</u>	<u>\$ 957</u>	<u>\$ 112,419</u>	<u>\$ 1,088,936</u>

**CITY OF HOLLISTER
 COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION (CONTINUED)
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>CFD#5 Public Safety</u>	<u>CFD#5 Public Safety</u>	<u>Total</u>
<u>ADDITIONS</u>			
Property taxes	\$ 320,960	\$ -	\$ 1,542,280
Investment earnings (loss)	297	50	2,801
Other revenues	<u>-</u>	<u>-</u>	<u>19,561</u>
Total Additions	<u>321,257</u>	<u>50</u>	<u>1,564,642</u>
<u>DELETIONS</u>			
Contract services	\$ 107	\$ 3	\$ 5,048
Operating costs	4,814	-	617,262
Debt service:			
Principal	-	-	170,000
Interest	<u>-</u>	<u>-</u>	<u>19,238</u>
Total Deletions	<u>4,921</u>	<u>3</u>	<u>811,548</u>
Change in Fiduciary Net Position	316,336	47	753,094
Fiduciary Net Position- Beginning	<u>54,023</u>	<u>37,732</u>	<u>1,928,948</u>
Fiduciary Net Position - Ending	<u>\$ 370,359</u>	<u>\$ 37,779</u>	<u>\$ 2,682,042</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, 2022**

	<u>Sewer Enterprise</u>	<u>Sewer Expansion</u>	<u>Sewer Industrial</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 2,787,950	\$ 25,291,122	\$ -	\$ 28,079,072
Accounts receivable, net of allowance	2,411,900	20,349	987,299	3,419,548
Interest receivable	3,674	13,933	(2,103)	15,504
Due from other funds	3,826,564	-	-	3,826,564
Deferred charges, net	<u>128,054</u>	<u>-</u>	<u>-</u>	<u>128,054</u>
Total Current Assets	<u>9,158,142</u>	<u>25,325,404</u>	<u>985,196</u>	<u>35,468,742</u>
Non-Current Assets				
Restricted cash and investments	407	-	-	407
Capital assets				
Nondepreciable	5,300,970	-	-	5,300,970
Depreciable, net of accumulated depreciation	<u>88,574,785</u>	<u>-</u>	<u>-</u>	<u>88,574,785</u>
Total Non-Current Assets	<u>93,876,162</u>	<u>-</u>	<u>-</u>	<u>93,876,162</u>
Total Assets	<u>103,034,304</u>	<u>25,325,404</u>	<u>985,196</u>	<u>129,344,904</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
2022 Pension contributions	294,790	-	-	294,790
Changes in total OPEB liability	167,743	-	-	167,743
Changes in the net pension liability	<u>259,382</u>	<u>-</u>	<u>-</u>	<u>259,382</u>
Total Deferred Outflows of Resources	<u>721,915</u>	<u>-</u>	<u>-</u>	<u>721,915</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	\$ 367,643	\$ -	\$ 53,650	\$ 421,293
Accrued payroll & benefits	84,337	1	-	84,338
Interest payable	182,871	-	-	182,871
Due to other funds	-	-	3,826,564	3,826,564
Deposits	301,446	-	-	301,446
Compensated absences - current	109,882	-	-	109,882
Bonds & finance purchases - current portion	<u>2,833,570</u>	<u>-</u>	<u>-</u>	<u>2,833,570</u>
Total Current Liabilities	<u>3,879,749</u>	<u>1</u>	<u>3,880,214</u>	<u>7,759,964</u>
Non-Current Liabilities				
Compensated absences - noncurrent	19,280	-	-	19,280
Bonds & finance purchases - noncurrent	53,570,950	-	-	53,570,950
Total OPEB obligation	555,763	-	-	555,763
Net pension liability	<u>781,154</u>	<u>-</u>	<u>-</u>	<u>781,154</u>
Total Non-Current Liabilities	<u>54,927,147</u>	<u>-</u>	<u>-</u>	<u>54,927,147</u>
Total Liabilities	<u>58,806,896</u>	<u>1</u>	<u>3,880,214</u>	<u>62,687,111</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Changes in the net pension liability	713,777	-	-	713,777
Changes in the total OPEB liability	<u>93,038</u>	<u>-</u>	<u>-</u>	<u>93,038</u>
Total Deferred Inflows of Resources	<u>806,815</u>	<u>-</u>	<u>-</u>	<u>806,815</u>
<u>NET POSITION</u>				
Net investment in capital assets	37,471,235	-	-	37,471,235
Restricted for debt services	407	-	-	407
Unrestricted	<u>6,670,866</u>	<u>25,325,403</u>	<u>(2,895,018)</u>	<u>29,101,251</u>
Total Net Position	<u>\$ 44,142,508</u>	<u>\$ 25,325,403</u>	<u>\$ (2,895,018)</u>	<u>\$ 66,572,893</u>

**CITY OF HOLLISTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Sewer Enterprise</u>	<u>Sewer Expansion</u>	<u>Sewer Industrial</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 15,963,843	\$ 4,214,522	\$ 1,549,714	\$ 21,728,079
Total Operating Revenue	<u>15,963,843</u>	<u>4,214,522</u>	<u>1,549,714</u>	<u>21,728,079</u>
<u>OPERATING EXPENSES</u>				
Personnel services	2,196,161	272	2,028	2,198,461
Contractual and professional services	2,131,538	343,220	49,506	2,524,264
Supplies and operating costs	2,321,993	1,577	877,537	3,201,107
Utilities	1,086,584	-	619,656	1,706,240
Depreciation	<u>3,876,666</u>	<u>-</u>	<u>-</u>	<u>3,876,666</u>
Total Operating Expenses	<u>11,612,942</u>	<u>345,069</u>	<u>1,548,727</u>	<u>13,506,738</u>
Operating Income (Loss)	<u>4,350,901</u>	<u>3,869,453</u>	<u>987</u>	<u>8,221,341</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Investment income (loss)	9,280	32,036	(4,584)	36,732
Interest expense	<u>(1,913,172)</u>	<u>-</u>	<u>-</u>	<u>(1,913,172)</u>
Total Non-Operating Revenues (Expenses)	<u>(1,903,892)</u>	<u>32,036</u>	<u>(4,584)</u>	<u>(1,876,440)</u>
Income (Loss) Before Transfers	<u>2,447,009</u>	<u>3,901,489</u>	<u>(3,597)</u>	<u>6,344,901</u>
<u>TRANSFERS</u>				
Transfers out	<u>-</u>	<u>(129,260)</u>	<u>-</u>	<u>(129,260)</u>
Total Transfers	<u>-</u>	<u>(129,260)</u>	<u>-</u>	<u>(129,260)</u>
Change in Net Position	2,447,009	3,772,229	(3,597)	6,215,641
Total Net Position - July 1, 2021	<u>41,695,499</u>	<u>21,553,174</u>	<u>(2,891,421)</u>	<u>60,357,252</u>
Total Net Position - June 30, 2022	<u>\$ 44,142,508</u>	<u>\$ 25,325,403</u>	<u>\$ (2,895,018)</u>	<u>\$ 66,572,893</u>

**CITY OF HOLLISTER
COMBINING SCHEDULE OF CASH FLOWS
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<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	\$ 15,024,226	\$ 4,214,522	\$ 562,415	\$ 19,801,163
Cash paid to suppliers for goods and services	(5,463,679)	(344,797)	(1,913,100)	(7,721,576)
Cash paid to employees	<u>(2,017,969)</u>	<u>(272)</u>	<u>(2,028)</u>	<u>(2,020,269)</u>
Net Cash Provided by (Used for) Operating Activities	<u>7,542,578</u>	<u>3,869,453</u>	<u>(1,352,713)</u>	<u>10,059,318</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfer out	-	(129,260)	-	(129,260)
Interfund receipts - reimbursements	-	-	1,356,010	1,356,010
Interfund loans made	<u>(1,356,010)</u>	<u>-</u>	<u>-</u>	<u>(1,356,010)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(1,356,010)</u>	<u>(129,260)</u>	<u>1,356,010</u>	<u>(129,260)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Principal paid on capital debt	(2,321,269)	-	-	(2,321,269)
Interest paid on capital debt	(1,922,776)	-	-	(1,922,776)
Bond issuance costs	(388,095)	-	-	(388,095)
Acquisition and construction of capital assets	<u>(703,064)</u>	<u>-</u>	<u>-</u>	<u>(703,064)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(5,335,204)</u>	<u>-</u>	<u>-</u>	<u>(5,335,204)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends received	<u>7,136</u>	<u>25,780</u>	<u>(3,297)</u>	<u>29,619</u>
Net Cash Provided by (Used for) Investing Activities	<u>7,136</u>	<u>25,780</u>	<u>(3,297)</u>	<u>29,619</u>
Net Increase in Cash and Cash Equivalents	858,500	3,765,973	-	4,624,473
Cash and Cash Equivalents - July 1, 2021	<u>1,929,857</u>	<u>21,525,149</u>	<u>-</u>	<u>23,455,006</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ 2,788,357</u>	<u>\$ 25,291,122</u>	<u>\$ -</u>	<u>\$ 28,079,479</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u>				
Cash and investments	\$ 2,787,950	\$ 25,291,122	\$ -	\$ 28,079,072
Restricted cash and investments	<u>407</u>	<u>-</u>	<u>-</u>	<u>407</u>
Total Cash and Investments	<u>\$ 2,788,357</u>	<u>\$ 25,291,122</u>	<u>\$ -</u>	<u>\$ 28,079,479</u>

**CITY OF HOLLISTER
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Sewer Enterprise	Sewer Expansion	Sewer Industrial	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income	\$ 4,350,901	\$ 3,869,453	\$ 987	\$ 8,221,341
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation expense	3,876,666	-	-	3,876,666
Pension and OPEB expense	151,551	-	-	151,551
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(975,608)	-	(987,299)	(1,962,907)
Increase (decrease) in accounts payable	76,436	-	(366,401)	(289,965)
Increase (decrease) in deposits payable	35,991	-	-	35,991
Increase (decrease) in accrued payroll and benefits	50,074	-	-	50,074
Increase (decrease) in compensated absences	(23,433)	-	-	(23,433)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 7,542,578</u>	<u>\$ 3,869,453</u>	<u>\$ (1,352,713)</u>	<u>\$ 10,059,318</u>