



BOARD OF DIRECTORS
Sutter Animal Services Authority

MEETING AGENDA SUMMARY
Regular

April 25, 2022
Regular Meeting 4:00 P.M.
Council Chambers – 1201 Civic Center Blvd
Yuba City CA 95993

Mike Ziegenmeyer - Chairman
Sutter County

Marc Boomgaarden
City of Yuba City

Grace Espindola
City of Yuba City

Lakhvir Ghag
City of Live Oak

Karm Bains
Sutter County

Bob Woten
City of Live Oak

Alternate:
Mat Conant, Sutter County
Shon Harris, Yuba City

PROCEDURE FOR PUBLIC COMMENT

The Sutter Animal Services Authority Board of Directors welcomes comments from the Public on any items on the agenda as they are discussed. In the interest of time, individuals will be limited to 3 minutes. Comments from the public on items, not part of the Agenda may be made under Public Participation. If you wish to speak on any item, they may email public comments to mlaffond@yubacity.net and comments will be read from each member of the public.



BOARD OF DIRECTORS
Sutter Animal Services Authority

April 25, 2022
Regular Meeting: 4:00 P.M.
Council Chambers – 1201 Civic Center Blvd
Yuba City CA 95993

4:00 P.M. CALL TO ORDER

Roll Call

_____ Chairman Ziegenmeyer

_____ Director Boomgaarden

_____ Director Espindola

_____ Director Ghag

_____ Director Bains

_____ Director Woten

Pledge of Allegiance

GENERAL ITEMS

1. Election of Board Chairman and Vice Chairman for 2022

Recommendation: Per the Joint Powers Agreement, staff recommends the Board elect a Chair and a Vice Chair for 2022

2. Minutes October 25, 2021

Recommendation: Approve the Minutes of October 25, 2021

3. Annual Financial Report – Fiscal Year Ended June 30, 2021

Recommendation: Note and file the Annual Financial Report for fiscal year ended June 30, 2021

4. Proposed Operational Budget for Fiscal Year 2022/23

Recommendation: Review the Proposed Operational Budget for Sutter Animal Services Authority for Fiscal Year 2022/23

5. Manager Presentation – Megan Anderson

6. Business from the Board

a. Next meeting – June 27, 2022 at 4:00pm

PUBLIC COMMENT

Members of the public will be allowed to address the Sutter Animal Services Authority Board of Directors on any item mentioned that has been described in the notice of this meeting. In the interest of time, individuals will be limited to 3 minutes.

ADJOURNMENT



BOARD OF DIRECTORS
Sutter Animal Services Authority

Date: Monday, April 25, 2022
To: Sutter Animal Services Authority Board of Directors
From: Brad McIntire, Executive Director

Subject: Election of Board Chair and Vice Chair for 2022
Recommendation: Per the Joint Powers Agreement, staff recommends the Board elect a Chair and Vice Chair for 2022.
Fiscal Impact: There is no fiscal impact associated with this proposal

Background:

Per Section 3.1 of the Joint Powers Agreement, it states that the Board shall elect a Chair and Vice Chair at the first regular meeting of the Board for each calendar year.

Fiscal Impact:

There are no fiscal impacts associated with electing a Chair and Vice Chair.

Recommendation:

Per the Joint Powers Agreement, staff recommends the Board elects a Chair and Vice Chair for 2022.

Prepared and Submitted By:

[/s/ Brad McIntire](#)

Brad McIntire
Executive Director

MINUTES (DRAFT)

Sutter Animal Services Authority

October 25, 2021

Regular Meeting 4:00 P.M.

Council Chambers – 1201 Civic Center Blvd

Yuba City CA 95993

CALL TO ORDER

The Sutter Animal Services Authority Board of Director's meeting was called to order by Chairman Ziegenmeyer at 4:01pm

Roll Call

Present: Chairman Ziegenmeyer and Directors Shaw, Kircher, Bails and Woten

Absent: Director Ghag

Pledge of Allegiance led by Chairman Ziegenmeyer

GENERAL ITEMS

1. Minutes June 21, 2021

Director Shaw moved to approve the Minutes of June 21, 2021. Director Bains seconded the motion, motion passed.

2. Business from the Board

Director Kirchner moved to approve the 2022 Proposed Meeting Schedule with moving the October 31st meeting to October 24th. Director Shaw seconded the motion, motion passed.

3. Executive Director Presentation – Brad McIntire

Brad McIntire, Executive Director, presented information regarding feral chickens throughout the City. No action was taken, just an overview of the Feathers to Farm program.

PUBLIC COMMENT – None

ADJOURNMENT – meeting was adjourned at 4:43 pm

ATTEST:

Mike Ziegenmeyer, Chairman

Judy Sanchez, Secretary



BOARD OF DIRECTORS
Sutter Animal Services Authority

Date: April 25, 2022
To: SASA Board Chairman and Members of the Board
From: Yuba City Finance/IT Department
Presented by: Lynn Haile, Accounting Manager

Subject: Annual Financial Report, Fiscal Year Ended June 30, 2021
Recommendation: Note and file the Annual Financial Report for fiscal year ended June 30, 2021
Fiscal Impact: Informational item only

Purpose:

To receive and file the Annual Financial Report for fiscal year ended June 30, 2021

Background:

In accordance with the Joint Powers Agreement bylaws and sound fiscal practice, Sutter Animal Services Authority (SASA) has an independent audit conducted on an annual basis. It is customary that the resulting financial report be submitted to the board.

Highlights from this fiscal year's report are:

- This fiscal year, SASA completed its seventh full fiscal year in the facility located at 200 Garden Highway, Yuba City, CA, under management and oversight by the City of Yuba City.
- SASA's net position is \$5,277,016 comprised of \$4,934,895 of investment in capital assets and \$342,121 of unrestricted net position.
- Total assets include the facility, \$5,973,394, vehicles and equipment, \$482,705, with a total accumulated depreciation of (\$1,521,204). Other assets of \$456,203 include cash and investments of \$255,219 and accounts receivable of \$167,684.
- Total current liabilities are \$105,651 due to accounts payable of \$70,714 as of June 30, 2021, and compensated absences, \$34,937.
- Total operating expenses were \$1,421,123 and total operating revenues were \$1,275,182.

Fiscal Impact:

Informational item only

Alternative:

Not applicable

Recommendation:

Staff recommends that the SASA Board accept the fiscal year 2020-21 Financial Report to note and file.

Attachment:

1. SASA Basic Financial Statements & Independent Auditors' Report

Prepared By:

/s/ Lynn Haile

Lynn Haile
Accounting Manager

Submitted By:

/s/ Brad McIntire

Brad McIntire
Executive Director

Sutter Animal Services Authority

Yuba City, California

*Basic Financial Statements
and Independent Auditors' Reports*

For the fiscal year ended June 30, 2021

Sutter Animal Services Authority

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Sutter Animal Services Authority
Yuba City, California

We have audited the accompanying financial statements of the Sutter Animal Services Authority (Authority), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2021, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

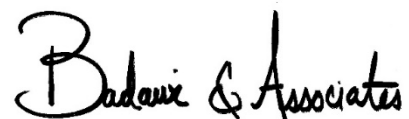
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 and 4 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.

Report on Summarized Comparative Information

We have previously audited the Authority's 2020 financial statements, and our report dated February 3, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Badawi and Associates, CPAs
Berkeley, California
January 31, 2022

**Sutter Animal Services Authority
Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

Management's Discussion and Analysis

As management of the Sutter Animal Services Authority (SASA), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the SASA for the fiscal year ended June 30, 2021. This document has been prepared as required by the Governmental Accounting Standards Board Statement No. 34 (GASB No. 34). We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes to those financial statements.

I. Financial Highlights

- This fiscal year, SASA completed its seventh full fiscal year of operations in the facility at 200 Garden Highway, Yuba City, CA, under management and oversight by the City of Yuba City.
- SASA's net position is \$5,277,016, comprised of \$4,934,895 of investment in capital assets and \$342,121 of unrestricted net position.
- Total assets include the facility, \$5,973,394, vehicles and equipment, \$482,705, with a total accumulated depreciation of (\$1,521,204). Other assets of \$456,203 include cash and investments of \$255,219 and accounts receivable of \$167,684.
- Total current liabilities are \$105,651 due to accounts payable of \$70,714 as of June 30, 2021, and compensated absences, \$34,937.
- Total operating expenses were \$1,421,123 and total operating revenues were \$1,275,182.

II. Basic Financial Statements

The *Basic Financial Statements* provide a view of SASA's activities as a whole, and comprise the *Statement of Net Position*, *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*.

The *Statement of Net Position* provides information about the financial position of SASA as a whole, including all capital assets and liabilities on a full accrual basis. Over time, increases or decreases in SASA's net position may serve as one useful indicator of the Agency's overall financial position. In the case of SASA, total assets exceeded liabilities (surplus) by \$5,277,016 as of the close of the fiscal year.

The *Statement of Revenues, Expenses, and Changes in Net Position* provides information about how SASA's net position changed during the most recent 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, the revenues and all of the expenses are reported in this statement for some items that will only result cash flows in future fiscal periods. The Government-Wide Financial Statements are prepared on the accrual basis, which is similar to the accounting used by most private-sector companies.

The *Statement of Cash Flows* provides itemized categories of cash flows formatted on the direct method in computing cash flows from operating activities.

In the *Statement of Net Position*, *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*, all of SASA's activities are considered to be business-type activities.

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. SASA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, particularly those conditions related to grants. All of the funds of SASA are treated as proprietary funds and the Fund Financial Statements provide detailed information about all of SASA's funds.

Enterprise Funds - All of SASA's services are reported as enterprise funds, which are used to report any activity for which a fee is charged to external users for goods or services. These funds are reported using an accounting method called the accrual basis of accounting and the flow of economic resources measurement focus. Under this method, revenue is recognized when earned and expenses are recognized when the related liability is incurred.

SASA currently maintains two major funds with the City of Yuba City: The Animal Services Operating Fund and Animal Services Capital Asset Fund. Information is presented jointly for each of the funds in the Basic Financial Statements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements.

III. Capital Asset and Long-Term Obligations

Capital Assets – SASA has a facility constructed in Fiscal Year 2013-2014 valued at \$5,973,394 and vehicles and equipment either newly purchased or brought over from the old animal services facility, valued at \$482,705. The accumulated depreciation is (\$1,521,204) for all capital assets.

Long-Term Obligations – SASA's only long-term obligation is compensated absences, \$43,368, with an estimated \$8,431 due in more than one year.

IV. Economic Factors and Next Year's Budget

Staff believes there are no changes in the economy, local or otherwise, that will have a material impact on Animal Services operations. There are no foreseen policy changes or legislation that will affect operations.

V. Requests for Information

This financial report is designed to provide a general overview for all those with an interest in SASA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Sutter Animal Services Authority, 1201 Civic Center Boulevard, Yuba City, CA 95993.

Sutter Animal Services Authority
Statement of Net Position
June 30, 2021
With Comparative Statement as of June 30, 2020

	2021	2020
ASSETS		
Current assets:		
Cash and investments	\$ 255,219	\$ 267,345
Accounts receivable	167,684	144,036
Prepaid expenses	33,300	-
Total current assets	<u>456,203</u>	<u>411,381</u>
Noncurrent assets:		
Capital assets:		
Buildings	5,973,394	5,973,394
Machinery and equipment	482,705	482,705
Accumulated depreciation	(1,521,204)	(1,335,233)
Total noncurrent assets	<u>4,934,895</u>	<u>5,120,866</u>
Total assets	<u>5,391,098</u>	<u>5,532,247</u>
LIABILITIES		
Current liabilities:		
Accounts payable	70,714	69,237
Compensated absences, due within one year	34,937	39,823
Total current liabilities	<u>105,651</u>	<u>109,060</u>
Noncurrent liabilities:		
Compensated absences, due in more than one year	8,431	520
Total noncurrent liabilities	<u>8,431</u>	<u>520</u>
Total liabilities	<u>114,082</u>	<u>109,580</u>
NET POSITION		
Net investment in capital assets	4,934,895	5,120,866
Unrestricted	342,121	301,801
Net position	<u>\$ 5,277,016</u>	<u>\$ 5,422,667</u>

See accompanying Notes to Basic Financial Statements.

Sutter Animal Services Authority
Statement of Revenues, Expenses and Changes in Net Position
For the fiscal year ended June 30, 2021
With Comparative Statement for the fiscal year ended June 30, 2020

	2021	2020
OPERATING REVENUES:		
Member contributions	\$ 1,045,776	\$1,199,848
Adoption fees	3,801	3,274
Microchip fees	7,048	5,732
Animal license fees	117,341	109,358
Impound/boarding fees	50,586	44,226
Vaccination fees	15,801	14,380
Spay/neuter fines	6,859	5,764
Other income	14,125	8,237
Restricted spay/neuter revenue	13,845	16,848
Total operating revenues	1,275,182	1,407,667
OPERATING EXPENSES:		
Salaries	474,618	585,205
Employee benefits	262,760	272,145
Utilities and telephone	59,381	58,612
Insurance	36,552	29,955
Program expenses	2,676	4,846
Supplies	62,742	57,504
Printing and photocopying	2,659	4,222
Professional and management fees	100,574	93,386
Postage	9,182	9,411
Repairs and maintenance	117,367	121,746
Fees and licenses	3,301	758
Credit card processing fees	2,561	1,972
Conferences and travel	12	2,929
Dues and subscriptions	1,660	1,728
Outside services	5,211	6,142
Overhead charges	93,896	93,802
Depreciation	185,971	186,669
Total operating expenses	1,421,123	1,531,032
OPERATING INCOME (LOSS)	(145,941)	(123,365)
NONOPERATING REVENUES (EXPENSES):		
Intergovernmental revenue	290	730
Total nonoperating revenues (expenses)	290	730
Change in net position	(145,651)	(122,635)
NET POSITION:		
Beginning of year	5,422,667	5,545,302
End of year	\$ 5,277,016	\$ 5,422,667

See accompanying Notes to Basic Financial Statements.

Sutter Animal Services Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2021
With Comparative Statement for the fiscal year ended June 30, 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 205,758	\$ 224,755
Contributions received from members	1,045,776	1,199,848
Payments to suppliers for goods and services	(529,597)	(578,746)
Payments to employees for services	(734,353)	(854,180)
Net cash provided by (used in) operating activities	<u>(12,416)</u>	<u>(8,323)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Intergovernmental revenues	290	730
Net cash provided by noncapital and related financing activities	<u>290</u>	<u>730</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,126)	(7,593)
CASH AND CASH EQUIVALENTS:		
Beginning of year	267,345	274,938
End of year	<u>\$ 255,219</u>	<u>\$ 267,345</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (145,941)	\$ (123,365)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	185,971	186,669
Accounts receivable	(23,648)	16,936
Prepaid expenses	(33,300)	-
Accounts payable	1,477	(14,686)
Deposits payable	-	(5,950)
Due to City of Yuba City	-	(71,097)
Compensated absences	3,025	3,170
Total adjustments	<u>133,525</u>	<u>115,042</u>
Net cash provided by (used in) operating activities	<u>(12,416)</u>	<u>(8,323)</u>

See accompanying Notes to Basic Financial Statements.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Sutter Animal Services Authority (Authority) is a joint powers authority formed on November 17, 2011 by the County of Sutter, the City of Yuba City, and the City of Live Oak. The Authority is a not-for-profit organization that provides a variety of services designed to reflect the commitment to animal health and welfare. The Authority provides for the animal control services, including animal field services, animal shelter services, and dead animal services within their respective jurisdictional area.

This summary of significant accounting policies is presented to assist in the understanding of the Authority's financial statements. The financial statements and notes are the representation of the Authority's management, which is responsible for their integrity and objectivity.

Employees of the Authority are provided by the City of Yuba City and the County of Sutter. All salaries and benefits, including pension obligations, are charged to the Authority by the respective employers.

B. Basis of Presentation and Accounting Measurement Focus

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The Authority only has one fund as of June 30, 2020.

Operating revenues of the Authority are those revenues that are generated from the primary operations of the Authority. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the Authority. All other expenses are reported as non-operating expenses.

C. Net Position

GASB Statement No. 63 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. Net position is divided into three captions under GASB Statements No. 34 and 63. These captions apply only to Net Position as determined at the government-wide level, and are described below:

- *Net Investment in Capital Assets* describes the portion of net position, which is represented by the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets.
- *Restricted* describes the portion of net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include debt service requirements and capital projects.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Net Position, Continued

- *Unrestricted* describes the portion of net position, which is not restricted as to use.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

D. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

E. Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Buildings	12-40 years
Equipment, Furniture, & Vehicles	5-25 years

F. Compensated Absences

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from the Authority.

G. Allocation of Costs

Prior to April 1 of each year, the Authority shall promptly furnish to each of the member agencies, an estimate of the total annual maintenance and operation costs, capital cost, costs of special services and debt service payments. The percentage of operating costs to be borne by member agencies shall be determined by the Board of Directors and any changes thereto shall require a five sixths (5/6) vote of the Board Directors.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less. All of the Authority's cash and cash equivalents are held in the City of Yuba City's pooled cash.

I. Investments

Investments are reported in the accompanying Statement of Net Position at fair value. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those reported.

K. Comparative Data

Comparative total data for the prior fiscal year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Authority's financial position, operations, and cash flows.

L. New Pronouncements

In 2021, the Authority adopted the new accounting standards to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 84, *Fiduciary Activities* – The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local government. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. There was no impact on net position as a result of implementation of this statement.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. New Pronouncements, Continued

- GASB Statement No. 90, Majority Equity Interest - The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. There was no impact on net position as a result of implementation of this statement.
- GASB Statement No. 93, Replacement of Interbank Offered Rates - The objective of this statement is to address the accounting and financial reporting implications that result from the elimination of the London Interbank Offered Rate (LIBOR) that is notably used in most agreements in which variable payments made or received depend on an interbank offered rate (IBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. There was no impact on net position as a result of implementation of this statement.
- GASB 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 objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential 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 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 that meet the definition of a pension plan and for benefits provided through those plans. There was no impact on net position as a result of implementation of this statement.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

2. CASH AND INVESTMENTS

The cash and investments are classified in the financial statements as shown below:

Statement of Net Position	
Cash and investments	\$ <u>255,219</u>

Cash and investments held by the Authority at June 30, 2021 consisted of the following:

Cash in the City of Yuba City pooled cash	\$ <u>255,219</u>
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Investments Authorized by the California Government Cod and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$50 Million
U.S Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	20%	None
State of California and Local Agency Obligations	5 years	None	15%
Yuba City and Yuba City RDA Obligations	None	None	15%
Special Assessment District Obligations	30 years	None	15%
Bankers' Acceptance (must be dollar denominated)	180 days	40%	30%
Commercial Paper	270 days	10%	25%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	5 years	None	None
Medium Term Notes	5 years	30%	10%
Asset Backed Obligations	5 years	20%	None
Money Market Funds	N/A	20%	None
Corporate Bonds	5 years	30%	10%
California Asset Management Program	N/A	None	None
City Cash Pool	None	None	None

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 possession of another requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; the California Government

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

2. CASH AND INVESTMENTS, Continued

Custodial Credit Risk, Continued

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 fair 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 Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The Authority had no deposits with financial institutions in excess of federal depository insurance limits as of June 30, 2021.

The Authority categorizes its fair value measurements within the fair value hierarchy established generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are a significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority had cash in the City of Yuba City pooled cash.

See the City's Comprehensive Annual Financial Report for disclosures related to the pooled cash and investments and the related interest rate risk, credit risk, custodial risk, and concentration of risk.

3. CAPITAL ASSETS

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

	Balance July 1 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, Being Depreciated				
Buildings	\$5,973,394	\$ -	\$ -	\$5,973,394
Machinery and equipment	482,705	-	-	482,705
Total Capital Assets, Being Depreciated	<u>6,456,099</u>	<u>-</u>	<u>-</u>	<u>6,456,099</u>
Less Accumulated Depreciation for:				
Buildings	(1,075,052)	(161,258)	-	(1,236,310)
Machinery and equipment	(260,181)	(24,713)	-	(284,894)
Total Accumulated Depreciation	<u>(1,335,233)</u>	<u>(185,971)</u>	<u>-</u>	<u>(1,521,204)</u>
Capital Assets, Net	<u>\$5,120,866</u>	<u>\$ (185,971)</u>	<u>\$ -</u>	<u>\$4,934,895</u>

Depreciation for the fiscal year ended June 30, 2021 was \$185,971.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2021

4. LONG-TERM DEBT

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

	Balance			Due		
	July 1 2020	Additions	Deletions	Balance	Within	Due in
				June 30, 2021	One Year	More Than
					One Year	One Year
Compensated Absences	\$ 40,343	\$ 59,619	\$ (56,594)	\$ 43,368	\$ 34,937	\$ 8,431
	<u>\$ 40,343</u>	<u>\$ 59,619</u>	<u>\$ (56,594)</u>	<u>\$ 43,368</u>	<u>\$ 34,937</u>	<u>\$ 8,431</u>

5. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the Special Liability Insurance Program through Associated Industries Insurance Company. This program provides coverage up to \$1,000,000 with a \$1,000 deductible. Coverage includes personal injury, non-owned and hired automobile liability, public officials' errors and omissions, and fire damage liability (up to \$1,000,000).

6. COMMITMENTS AND CONTINGENCIES

The Authority is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of Authority operations. To the extent the outcome of such litigation may be determined to result in financial loss to the Authority, in the opinion of Authority management, any potential liability for these actions is adequately provided for in the basic financial statements.

7. NET POSITION RESERVES

The Authority's unrestricted net position includes \$342,121 in reserve funds that are set aside specifically for future vehicle and technology acquisitions.



BOARD OF DIRECTORS
Sutter Animal Services Authority

Date: April 25, 2022
To: Sutter Animal Services Authority Board of Directors
From: Brad McIntire, Executive Director

Subject: Proposed Operational Budget for Fiscal Year 2022-2023

Recommendations: Review the Proposed Operational Budget for Sutter Animal Services Authority for Fiscal Year 2022-2023.

Fiscal Impact: For the Fiscal Year 2022-2023, staff anticipates an operating expenditure increase of \$122,119.

FY 2022/2023 Recommendations:

For FY 2022/23 staff recommends that the operational budget be increased from \$1,212,705 to 1,367,117. The increase of \$122,119 includes the changes below:

- \$82,754 associated with backfilling our Registered Vet Tech Position
- \$48,921 associated with increased Benefits (health insurance, PERS & FICA) for all employees.
- \$16,200 in Materials and Supplies

Cost Allocation to Member Agencies:

It is recommended that operational costs continue to be allocated to member agencies based on jurisdictional population as estimated by the State Department of Finance. The projected net operating costs (which includes projected revenue) for each jurisdiction for the FY 22/23 are as follows:

	Proposed Budget FY 2022/23	Projected Budget FY 2022/23 Increases
Yuba City – 69%	\$ 943,311	\$ 106,683
Sutter County – 22%	\$ 300,766	\$ 34,015
Live Oak – 9%	\$ 123,041	\$ 13,916

Attachments:

- Sutter Animal Services Authority Proposed Budget for FY 2022-23

Prepared and Submitted By:

[/s/ Brad McIntire](#)

Brad McIntire
Executive Director

Sutter Animal Services Authority				
Animal Control Operating Budget FY 2022-2023				
	Adopted	Proposed	Proposed	Total SASA
	Budget 21/22	SC Budget	YC Budget	PROPOSED
Salaries & Benefits:	Budget 21/22	FY 22/23	FY 22/23	Budget FY 22/23
Salary Regular	\$ 466,774	\$ 45,725	\$ 503,803	\$ 549,528
Management Leave	1,670	-	1,815	1,815
Extra Help	96,900	-	96,900	96,900
Overtime	18,000	-	18,000	18,000
Medicare	8,511	640	9,078	9,718
Health Insurance	47,951	10,477	67,635	78,112
PERS/FICA	174,313	17,770	175,303	193,073
Workers Compensation	16,061	-	15,413	15,413
Life Insurance	1,057	-	1,148	1,148
Unemployment	4,805	-	1,046	1,046
Vision/Dental Insurance	13,572	-	14,290	14,290
Premium Incentive - Health	5,658	-	5,556	5,556
Sub-Total S & B	\$ 855,272	\$ 74,612	\$ 909,987	\$ 984,599
	Adopted	Proposed	Proposed	Total SASA
	Budget 21/22	SC Budget	YC Budget	PROPOSED
Materials, Supplies & Services:	Budget 21/22	FY 22/23	FY 22/23	Budget FY 22/23
Heat/Power-Electric	\$ 50,000	\$ -	55,000	55,000
Telephone Expense	1,800	-	1,800	1,800
Telephone-Cellular	5,000	-	5,000	5,000
Telephone-Internet (ISF)	3,400	-	3,400	3,400
Postage & Freight	10,000	-	10,000	10,000
Office Expense	10,000	-	10,000	10,000
Printing & Binding	3,000	-	2,500	2,500
Professional Services	105,000	-	105,000	105,000
PARS Admin Fee	850	-	850	850
Testing	-	-	-	-
Annual Audit	5,500	-	6,000	6,000
Levee Assessments/Property Taxes	2,200	-	2,200	2,200
Veterinary/Medical Supplies	50,000	-	50,000	50,000
Dr/Credit Card Processing Fees	3,000	-	3,000	3,000
Finger Printing Services	-	-	-	-
Legal Fees	25,000	-	25,000	25,000
Professional Development	6,000	-	6,000	6,000
Dues & Subscriptions	850	-	850	850
O&M Outside Repair	10,000	-	10,000	10,000
O&M-Computer System	18,000	-	18,000	18,000
Vehicle Maintenance (ISF)	17,500	-	10,200	10,200
Vehicle Maintenance-O/S Purchase	500	-	500	500
Vehicle Maintenance Fuel	15,000	-	20,000	20,000
Vehicle/Equip. Replacement Fee (ISF)	21,000	-	28,200	28,200
Bldg O&M-Mtce.	32,000	-	32,000	32,000
Bldg O&M-Facility O/S Purchase	5,000	-	8,000	8,000
Tools, Supplies, Equip <5K	16,000	-	16,000	16,000

Training Programs/Aids	2,000	-	2,000	2,000
Raw Water Purchases	4,000	-	4,000	4,000
City Facility Sewer Charges	1,500	-	1,500	1,500
Uniform/Clothing	3,700	-	3,700	3,700
Insurance	35,300	-	36,000	36,000
Computer Maint/Rep (ISF)	30,700	-	33,300	33,300
Other Material & Supplies	1,000	-	1,000	1,000
Equipment	-	-	-	-
Total Materials, Supplies & Services	\$ 494,800	\$ -	\$ 511,000	\$ 511,000
Total Expenditures	\$ 1,350,072	\$ 74,612	\$ 1,420,987	\$ 1,495,599
		Proposed	Proposed	Total SASA
	Adopted	SC Budget	YC Budget	PROPOSED
Revenues:	Budget 21/22	FY 22/23	FY 22/23	Budget FY 22/23
Animal Licenses	\$ 120,000	\$ -	\$ 120,000	\$ 120,000
Admin Service Revenue	10,000	-	-	-
Vaccination Fee	20,000	-	16,000	16,000
Impounds/Boarding	50,000	-	60,000	60,000
Spay/Neuter Fines	7,000	-	10,000	10,000
Adoption (Rev/Adm) Fees	4,000	-	4,000	4,000
Microchip Revenue	7,500	-	10,000	10,000
Legal Reimbursement	1,500	-	1,500	1,500
Special Case Revenue	1,500	-	1,500	1,500
Restricted Spay/Neuter Rev	10,200	-	13,000	13,000
Total User Pay Revenues	\$ 231,700	\$ -	\$ 236,000	\$ 236,000
Net Operating Costs	\$ 1,118,372	\$ 74,612	\$ 1,184,987	\$ 1,259,599
Overhead Costs:				
SC 5% OH Charge	\$ 3,298	\$ 3,731		\$ 3,731
YC 10% OH Charge	90,835		\$ 103,787	103,787
Total Overhead Costs	\$ 94,133	\$ 3,731	\$ 103,787	\$ 107,518
Total Net Operating Costs	\$ 1,212,505	\$ 78,343	\$ 1,288,774	\$ 1,367,117
		Proposed	Proposed	Total SASA
	Adopted	SC Budget	YC Budget	PROPOSED
	Budget 21/22	FY 22/23	FY 22/23	Budget FY 22/23
Yuba City's Share	69.0%			69.0%
Live Oak's Share	9.0%			9.0%
Sutter County's Share	22.0%			22.0%
YC Net Cost	\$ 836,628	\$ 54,056	\$ 889,254	\$ 943,311
LO Net Cost	109,125	7,051	115,990	123,041
SC Net Cost	266,751	17,235	283,530	300,766
	\$ 1,212,505	\$ 78,343	\$ 1,288,774	\$ 1,367,117



Report by:

Megan Anderson

SASA Manager

