



BOARD OF DIRECTORS
Sutter Animal Services Authority

SPECIAL NOTICE

Precautions to address COVID-19 (a.k.a. the “Coronavirus”) will apply to this meeting. See below for additional details.

MEETING AGENDA SUMMARY

Regular / Virtual

April 26, 2021
Regular Meeting 4:00 P.M.
Council Chambers – 1201 Civic Center Blvd
Yuba City CA 95993

Mike Ziegenmeyer - Chairman
Sutter County

Dave Shaw – Vice Chairman
City of Yuba City

Wade Kirchner
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

The Governor has declared a State of Emergency to exist in California as a result of the threat of COVID-19 (aka the “Coronavirus”). The Governor also issued **Executive Order N-33-20**, which directs Californians to follow public health directives including canceling large gatherings. The Executive Order also allows local legislative bodies to hold meetings via conference calls while still meeting state transparency requirements.

The Public’s health and well-being are the top priority for the Sutter Animal Services Authority and you are urged to take all appropriate health safety precautions. To facilitate this process, the meeting will be available by:

Conference Call: The meeting will be conducted live via conference call.

Dial in Number : [1-866-730-7514](tel:1-866-730-7514)

Participant Pin: 641788

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 cityclerk@yubacity.net and comments will be read from each member of the public.



BOARD OF DIRECTORS
Sutter Animal Services Authority

April 26, 2021

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
_____ Vice-Chairman Shaw
_____ Director Kirchner

_____ Director Ghag
_____ Director Bains
_____ Director Woten

Pledge of Allegiance

GENERAL ITEMS

1. Election of Board Chairman and Vice Chairman for 2021

Recommendation: Per the Joint Powers Agreement, staff recommends the Board elect a Chairman and Vice Chairman for 2021

2. Minutes October 19, 2020

Recommendation: Approve the Minutes of October 19, 2020

3. Annual Financial Report – Fiscal Year Ended June 30, 2020

Recommendation: Note and file the Annual Financial Report for fiscal year ended June 30, 2020

4. Proposed Operational Budget for Fiscal Year 2021/22

Recommendation: Review the Proposed Operational Budget for Sutter Animal Services Authority for Fiscal Year 2021/22

5. 2020 Operational Report – Presented by staff

6. Executive Director Report – Brad McIntire

7. Business from the Board

a. Next Meeting – June 21 at 4:00 pm

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 26, 2021
To: Sutter Animal Services Authority Board of Directors
From: Brad McIntire, Executive Director

Subject: Election of Board Chair and Vice Chair for 2021
Recommendation: Per the Joint Powers Agreement, staff recommends the Board elect a Chair and Vice Chair for 2021.
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 2021.

Prepared and Submitted By:

[/s/ Brad McIntire](#)

Brad McIntire
Executive Director

Reviewed By:

Treasurer: [SM](#)

SASA Attorney: [TG by email](#)

MINUTES – DRAFT

**October 19, 2020
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 4:03 pm

Roll Call

Present: Directors Boomgaarden, Shaw, Woten and Chairman Ziegenmeyer

Absent: Directors Ghag and Whitaker

Pledge of Allegiance led by Chairman Ziegenmeyer

GENERAL ITEMS

1. Minutes June 15, 2020

Director Shaw moved to approve minutes of June 15, 2020. Director Woten seconded the motion with a unanimous vote.

2. Business from the Board

Director Shaw moved to approve the 2021 Proposed Meeting Schedule. Director Boomgaarden seconded the motion with a unanimous vote.

3. Animal Services Manager Report – Megan Anderson gave a presentation on the Sutter Animal Services Authority

4. Executive Director Report – Brad McIntire provided an update to the Board.

PUBLIC COMMENT - None

ADJOURNMENT

Chairman Ziegenmeyer adjourned the Regular Meeting of the Sutter Animal Services Authority at 4:29 pm

Mike Ziegenmeyer, Chairman

ATTEST:

Judy Sanchez, Secretary
Prepared by Judy Sanchez



BOARD OF DIRECTORS
Sutter Animal Services Authority

Date: April 26, 2021
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, 2020
Recommendation: Note and file the Annual Financial Report for fiscal year ended June 30, 2020
Fiscal Impact: Informational item only

Purpose:

To receive and file the Annual Financial Report for fiscal year ended June 30, 2020

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 another successful year of operations located at 200 Garden Highway, Yuba City, CA, under management and oversight by the City of Yuba City. SASA's net position is \$5,422,667 comprised of \$5,120,866 of investment in capital assets and \$301,801 of unrestricted assets.
- Total assets include the new facility, \$5,973,394, vehicles and equipment, \$482,705, with a total accumulated depreciation of (\$1,335,233). Other assets of \$411,381 include cash and investments of \$267,345 and accounts receivable of \$144,036.
- Total liabilities are \$109,060 mostly due to accounts payable as of June 30, 2020. These payables are primarily associated with operations.
- SASA's operating expenses were \$1,531,032 and operating revenues were \$1,407,667, for a change in net position of (\$123,365).

Fiscal Impact:

Informational item only

Alternative:

Not applicable

Recommendation:

Staff recommends that the SASA Board accept the fiscal year 2019-20 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

Reviewed By:

Treasurer: SM

SASA Attorney: TG by email

ATTACHMENT 1

Sutter Animal Services Authority

Yuba City, California

*Basic Financial Statements
and Independent Auditors' Reports*

For the fiscal year ended June 30, 2020

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, 2020, 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, 2020, 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.

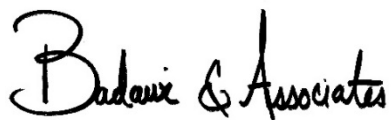
Other Matters

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 2019 financial statements, and our report dated February 12, 2020, 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, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped initial "B" and a cursive script for the rest of the name.

Badawi and Associates, CPAs
Berkeley, California
February 3, 2021

**Sutter Animal Services Authority
Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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, 2020. 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 sixth 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 \$5,422,667, comprised of \$5,120,866 of investment in capital assets and \$301,801 of unrestricted net position.
- Total assets include the facility, \$5,973,394, vehicles and equipment, \$482,705, with a total accumulated depreciation of (\$1,335,233). Other assets of \$411,381 include cash and investments of \$267,345 and accounts receivable of \$144,036.
- Total current liabilities are \$109,060 due to accounts payable of \$69,237 as of June 30, 2020, and compensated absences, \$39,823.
- Total operating expenses were \$1,531,032 and total operating revenues were \$1,407,667.

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 \$5,422,667 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 (\$1,335,233) for all capital assets.

Long-Term Obligations – SASA's only long-term obligation is compensated absences, \$40,343, with \$520 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, 2020
With Comparative Statement as of June 30, 2019

| | 2020 | 2019 |
|---|--------------|--------------|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | 267,345 | \$ 274,938 |
| Accounts receivable | 144,036 | 160,970 |
| Total current assets | 411,381 | 435,908 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Buildings | 5,973,394 | 5,973,394 |
| Machinery and equipment | 482,705 | 482,705 |
| Accumulated depreciation | (1,335,233) | (1,148,562) |
| Total noncurrent assets | 5,120,866 | 5,307,537 |
| Total assets | 5,532,247 | 5,743,445 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 69,237 | 83,923 |
| Deposits payable | - | 5,950 |
| Due to City of Yuba City | - | 71,097 |
| Compensated absences, due within one year | 39,823 | 36,298 |
| Total current liabilities | 109,060 | 197,268 |
| Noncurrent liabilities: | | |
| Compensated absences, due in more than one year | 520 | 875 |
| Total noncurrent liabilities | 520 | 875 |
| Total liabilities | 109,580 | 198,143 |
| NET POSITION | | |
| Net investment in capital assets | 5,120,866 | 5,307,537 |
| Unrestricted | 301,801 | 237,765 |
| Net position | \$ 5,422,667 | \$ 5,545,302 |

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, 2020
With Comparative Statement for the fiscal year ended June 30, 2019

| | 2020 | 2019 |
|---|------------------|------------------|
| OPERATING REVENUES: | | |
| Member contributions | \$ 1,199,848 | \$1,233,782 |
| Adoption fees | 3,274 | 4,087 |
| Microchip fees | 5,732 | 7,522 |
| Animal license fees | 109,358 | 126,484 |
| Impound/boarding fees | 44,226 | 46,385 |
| Vaccination fees | 14,380 | 18,483 |
| Spay/neuter fines | 5,764 | 6,400 |
| Other income | 8,237 | 8,178 |
| Restricted spay/neuter revenue | 16,848 | 14,774 |
| Total operating revenues | 1,407,667 | 1,466,095 |
| OPERATING EXPENSES: | | |
| Salaries | 585,205 | 579,038 |
| Employee benefits | 272,145 | 296,276 |
| Utilities and telephone | 58,612 | 57,986 |
| Insurance | 29,955 | 31,530 |
| Program expenses | 4,846 | 3,668 |
| Supplies | 57,504 | 60,897 |
| Printing and photocopying | 4,222 | 2,971 |
| Professional and management fees | 93,386 | 116,422 |
| Postage | 9,411 | 9,603 |
| Repairs and maintenance | 121,746 | 203,948 |
| Fees and licenses | 758 | 1,738 |
| Credit card processing fees | 1,972 | 2,065 |
| Conferences and travel | 2,929 | 297 |
| Dues and subscriptions | 1,728 | 1,612 |
| Outside services | 6,142 | 5,447 |
| Overhead charges | 93,802 | 84,959 |
| Depreciation | 186,669 | 193,537 |
| Total operating expenses | 1,531,032 | 1,651,994 |
| OPERATING INCOME (LOSS) | (123,365) | (185,899) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Transfers from City of Yuba City | - | 67,825 |
| Intergovernmental revenue | 730 | 900 |
| Total nonoperating revenues (expenses) | 730 | 68,725 |
| Change in net position | (122,635) | (117,174) |
| NET POSITION: | | |
| Beginning of year | 5,545,302 | 5,662,476 |
| End of year | \$ 5,422,667 | \$ 5,545,302 |

See accompanying Notes to Basic Financial Statements.

Sutter Animal Services Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2020
With Comparative Statement for the fiscal year ended June 30, 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 224,755 | \$ 194,578 |
| Contributions received from members | 1,199,848 | 1,233,782 |
| Payments to suppliers for goods and services | (578,746) | (545,409) |
| Payments to employees for services | (854,180) | (879,986) |
| Net cash provided by (used in) operating activities | (8,323) | 2,965 |
| CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Transfers from City of Yuba City | - | 67,825 |
| Intergovernmental revenues | 730 | 900 |
| Net cash provided by noncapital and related financing activities | 730 | 68,725 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (7,593) | 71,690 |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 274,938 | 203,248 |
| End of year | <u>\$ 267,345</u> | <u>\$ 274,938</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ (123,365) | \$ (185,899) |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | |
| Depreciation | 186,669 | 193,537 |
| Accounts receivable | 16,936 | (37,735) |
| Accounts payable | (14,686) | 26,377 |
| Deposits payable | (5,950) | (2,080) |
| Due to City of Yuba City | (71,097) | 13,437 |
| Compensated absences | 3,170 | (4,672) |
| Total adjustments | 115,042 | 188,864 |
| Net cash provided by (used in) operating activities | (8,323) | 2,965 |

See accompanying Notes to Basic Financial Statements.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2020

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:

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Net Position, Continued

- *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.
- *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.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2020

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>267,345</u> |

Cash and investments held by the Authority at June 30, 2020 consisted of the following:

| | |
|---|-------------------|
| Cash in the City of Yuba City pooled cash | \$ <u>267,345</u> |
|---|-------------------|

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, 2020

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, 2020.

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, 2020 was as follows:

| | Balance July 1 2019 | Additions | Deletions | Balance June 30, 2020 |
|---|------------------------|--------------|-----------|--------------------------|
| Capital Assets, Being Depreciated | | | | |
| Buildings | \$5,973,394 | \$ - | \$ - | \$5,973,394 |
| Machinery and equipment | 482,705 | - | - | 482,705 |
| Total Capital Assets, Being Depreciated | 6,456,099 | - | - | 6,456,099 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (913,794) | (161,258) | - | (1,075,052) |
| Machinery and equipment | (234,768) | (25,413) | - | (260,181) |
| Total Accumulated Depreciation | (1,148,562) | (186,671) | - | (1,335,233) |
| Capital Assets, Net | \$5,307,537 | \$ (186,671) | \$ - | \$5,120,866 |

Depreciation for the fiscal year ended June 30, 2020 was \$186,671.

Sutter Animal Services Authority
Notes to Basic Financial Statements
June 30, 2020

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, 2020:

| | Balance | | | Balance | Due | Due in |
|----------------------|------------------|------------------|--------------------|------------------|------------------|---------------|
| | July 1 2019 | Additions | Deletions | June 30, 2020 | Within | More Than |
| | | | | | One Year | One Year |
| Compensated Absences | \$ 37,173 | \$ 59,619 | \$ (56,449) | \$ 40,343 | \$ 39,823 | \$ 520 |
| | <u>\$ 37,173</u> | <u>\$ 59,619</u> | <u>\$ (56,449)</u> | <u>\$ 40,343</u> | <u>\$ 39,823</u> | <u>\$ 520</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 \$268,139 in reserve funds that are set aside specifically for future vehicle and technology acquisitions.



BOARD OF DIRECTORS
Sutter Animal Services Authority

Date: April 26, 2021
To: Sutter Animal Services Authority Board of Directors
From: Brad McIntire, Executive Director

Subject: Proposed Operational Budget for Fiscal Year 2021-2022

Recommendations: Review the Proposed Operational Budget for Sutter Animal Services Authority for Fiscal Year 2021-2022.

Fiscal Impact: For the Fiscal Year 2021-2022, staff anticipates a net operating expenditure and overhead increase of \$31,440.

FY 2021/2022 Recommendations:

For FY 2021/22 staff recommends that the operational budget be increased from \$1,181,065 to \$1,212,705. The increase of \$31,440 includes the change below:

- \$31,440 associated with increases in Salary and Benefits

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 21/22 are as follows:

| | Proposed Budget FY 2021/22 | Projected Budget FY 2021/22 Increases |
|----------------------------|---|--|
| Yuba City – 69% | \$ 836,629 | \$ 21,694 |
| Sutter County – 22% | \$ 266,751 | \$ 6,917 |
| Live Oak – 9% | \$ 109,125 | \$ 2,828 |

Attachments:

1. Sutter Animal Services Authority Proposed Budget for FY 2021-22

Prepared and Submitted By:

/s/ Brad McIntire

Brad McIntire
Executive Director

ATTACHMENT 1

Sutter Animal Services Authority
Animal Control Operating Budget FY 2021-2022

| | Adopted Budget 20/21 | Proposed SC Budget FY 21/22 | Proposed YC Budget FY 21/22 | Total SASA Proposed Budget FY 21/22 |
|--|---------------------------------|--|--|--|
| Salaries & Benefits: | | | | |
| Salary Regular | \$ 449,921 | \$ 40,126 | \$ 426,648 | \$ 466,774 |
| Management Leave | 1,754 | - | 1,670 | 1,670 |
| Extra Help | 80,000 | - | 96,900 | 96,900 |
| Overtime | 18,000 | - | 18,000 | 18,000 |
| Medicare | 8,053 | 552 | 7,959 | 8,511 |
| Health Insurance | 68,591 | - | 47,951 | 47,951 |
| PERS/FICA | 154,679 | 25,277 | 149,036 | 174,313 |
| W/C (YC = 5% of Payroll) | 19,155 | - | 16,061 | 16,061 |
| Life Insurance | 1,046 | - | 1,057 | 1,057 |
| Unemployment | - | - | 4,805 | 4,805 |
| Vision/Dental Insurance | 13,653 | - | 13,572 | 13,572 |
| Premium Incentive - Health | 5,703 | - | 5,658 | 5,658 |
| Sub-Total S & B | \$ 820,555 | \$ 65,955 | \$ 789,317 | \$ 855,272 |
| | | | | |
| | | | | |
| | Adopted Budget 20/21 | Proposed SC Budget FY 21/22 | Proposed YC Budget FY 21/22 | Total SASA Proposed Budget FY 21/22 |
| Materials, Supplies & Services: | | | | |
| Heat/Power-Electric | \$ 50,000 | \$ - | 50,000 | 50,000 |
| Telephone Expense | 1,800 | - | 1,800 | 1,800 |
| Telephone-Cellular | 5,000 | - | 5,000 | 5,000 |
| Telephone-Internet (ISF) | 3,002 | - | 3,400 | 3,400 |
| Postage & Freight | 10,000 | - | 10,000 | 10,000 |
| Office Expense | 10,000 | - | 10,000 | 10,000 |
| Printing & Binding | 3,000 | - | 3,000 | 3,000 |
| Professional Services | 95,000 | - | 105,000 | 105,000 |
| PARS Admin Fee | 250 | - | 850 | 850 |
| Testing | 3,000 | - | - | - |
| Annual Audit | 5,500 | - | 5,500 | 5,500 |
| Levee Assessments/Property Taxes | 2,200 | - | 2,200 | 2,200 |
| Veterinary/Medical Supplies | 40,000 | - | 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 | 5,000 | - | 10,000 | 10,000 |
| O&M-Computer System | 18,000 | - | 18,000 | 18,000 |
| Vehicle Maintenance (ISF) | 17,310 | - | 17,500 | 17,500 |
| Vehicle Maintenance-O/S Purchase | 500 | - | 500 | 500 |
| Vehicle Maintenance Fuel | 15,000 | - | 15,000 | 15,000 |
| Vehicle/Equip. Replacement Fee (ISF) | 36,908 | - | 21,000 | 21,000 |
| Bldg O&M-Mtce. | 32,000 | - | 32,000 | 32,000 |
| Bldg O&M-Facility O/S Purchase | 5,000 | - | 5,000 | 5,000 |
| Tools, Supplies, Equip <5K | 13,000 | - | 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 | 35,000 | - | 35,300 | 35,300 |
| Computer Maint/Rep (ISF) | 33,209 | - | 30,700 | 30,700 |
| Other Material & Supplies | 1,000 | - | 1,000 | 1,000 |
| Equipment | - | - | - | - |
| Total Materials, Supplies & Services | \$ 486,729 | \$ - | \$ 494,800 | \$ 494,800 |
| Total Expenditures | \$ 1,307,284 | \$ 65,955 | \$ 1,284,117 | \$ 1,350,072 |
| | | | | |
| | Adopted | Proposed | Proposed | Total SASA |
| | Budget 20/21 | SC Budget | YC Budget | Proposed |
| Revenues: | | FY 21/22 | FY 21/22 | Budget FY 21/22 |
| Animal Licenses | \$ 120,000 | \$ - | \$ 120,000 | \$ 120,000 |
| Admin Service Revenue | 10,000 | - | 10,000 | 10,000 |
| Vaccination Fee | 20,000 | - | 20,000 | 20,000 |
| Impounds/Boarding | 50,000 | - | 50,000 | 50,000 |
| Spay/Neuter Fines | 7,000 | - | 7,000 | 7,000 |
| Adoption (Rev/Adm) Fees | 4,000 | - | 4,000 | 4,000 |
| Microchip Revenue | 7,500 | - | 7,500 | 7,500 |
| Legal Reimbursement | 1,500 | - | 1,500 | 1,500 |
| Special Case Revenue | 1,500 | - | 1,500 | 1,500 |
| Restricted Spay/Neuter Rev | - | - | 10,200 | 10,200 |
| Total User Pay Revenues | \$ 221,500 | \$ - | \$ 231,700 | \$ 231,700 |
| | | | | |
| Net Operating Costs | \$ 1,085,784 | \$ 65,955 | \$ 1,052,417 | \$ 1,118,372.00 |
| | | | | |
| Overhead Costs: | | | | |
| SC 5% OH Charge | \$ 3,211 | \$ 3,298 | | \$ 3,298 |
| YC 10% OH Charge | 92,070 | | \$ 90,836 | 90,836 |
| Total Overhead Costs | \$ 95,281 | \$ 3,298 | \$ 90,836 | \$ 94,133 |
| | | | | |
| Total Net Operating Costs | \$ 1,181,065 | \$ 69,253 | \$ 1,143,253 | \$ 1,212,505 |
| | | | | |
| | Adopted | Proposed | Proposed | Total SASA |
| | Budget 20/21 | SC Budget | YC Budget | Proposed |
| | | FY 21/22 | FY 21/22 | Budget FY 21/22 |
| 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 | \$ 814,935 | \$ 47,784 | \$ 788,844 | \$ 836,629 |
| LO Net Cost | 106,296 | 6,233 | 102,893 | 109,125 |
| SC Net Cost | 259,834 | 15,236 | 251,516 | 266,751 |
| | \$ 1,181,065 | \$ 69,253 | \$ 1,143,253 | \$ 1,212,505 |
| | | | | |



Report by:

Megan Anderson

Animal Services Manager





Sutter Animal Services Authority

Report by:

Brad McIntire

Executive Director

