



# Santa Cruz County Animal Shelter

2200 7<sup>th</sup> Ave., Santa Cruz, CA 95062  
580 Airport Boulevard, Watsonville, CA 95076  
Phone: (831) 454-7200 Fax: (831) 454-7210

Melanie Sobel  
General Manager

**SANTA CRUZ COUNTY ANIMAL SHELTER  
BOARD OF DIRECTORS MEETING  
June 8, 2020 – 11:00 a.m.  
Board of Supervisors Chambers, Fifth Floor  
701 Ocean Street, Santa Cruz, CA 95060**

- 1.0 Call to Order and Roll Call**
- 2.0 Introductions**
- 3.0 Consideration of Late Additions or Changes to the Agenda**
- 4.0 Oral Communications – Any person may address the Santa Cruz County Animal Shelter Board of Directors during the Oral Communications period. All Oral Communications should be directed to items or issues that would be within the jurisdiction of the Santa Cruz County Animal Shelter but not on today’s Agenda. Board members will not take actions or respond immediately to Oral Communications presented, but may choose to follow-up at a later time, either individually or on a subsequent Agenda.**
  
- 5.0 Consent Agenda**
  - Pg 1 **5.1 Approve minutes of the May 11, 2020 meeting**
  - Pg 5 **5.2 Accept reports of the General Manager and the Management Team for May 2020**
  - Pg 9 **5.3 Accept and file the statistics for the month of May 2020**
  - Pg 11 **5.4 Appoint officers of the Board of Directors for FY 2020-21**
  - Pg 15 **5.5 Approve continuing agreements for FY 2020-21**
  
- 6.0 Regular Agenda**
  - Pg 17 **6.1 General Manager’s oral report**
  - Pg 18 **6.2 Consider and approve financial report for the month of May 2020 and take related actions**
  - Pg 23 **6.3 Consider and approve report on audit of Santa Cruz County Animal Shelter for the year ended June 30, 2019**
  - Pg 71 **6.4 Consider and approve General Manager’s proposed budget for FY 2020-21**
  
- 7.0 Adjourn Regular Meeting  
Correspondence**

***ACCOMMODATIONS FOR PERSONS WITH DISABILITIES***

The Santa Cruz County Animal Services Authority does not discriminate on the basis of disability and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board holds all public meetings in accessible facilities. If you wish to attend the meeting and you require special assistance, please contact Juanita Gunter at 831/454-7209 (TDD 831/454-2123) at least 72 hours in advance of the meeting in order to make arrangements. As a courtesy, please attend the meeting smoke and scent free.

**Consent Agenda Item 5.1**

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Approve Minutes of May 11, 2020 Meeting

**Recommendation:**

Approve the minutes from the Santa Cruz County Animal Shelter Board of Directors meeting of May 11, 2020.

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**BOARD OF DIRECTORS MEETING**  
 Minutes of Monday, May 11, 2020, 11:00 AM  
 Santa Cruz County Board of Supervisors Chambers  
 701 Ocean Street, 5<sup>th</sup> Floor, Santa Cruz, CA 95060

VOTING KEY: C=Coburn, V= Vides, M=McKinley, W=Walpole, R=Randolph, S=Schmidt, Cl=Clark, D=Dally, E=Escalante

First initial indicates maker of motion, second initial indicates the "second"; upper case letter = "yes" vote; lower case letter = "no" vote; () = abstain; // = absent

- 1.0 Call to Order and Roll Call: Board Chair Mike McKinley called the meeting to order at 11:00am. Board Members Vides, Walpole, Randolph, Schmidt, Clark, Dally and Escalante joined the meeting via remote connection.
- 2.0 Introductions: none
- 3.0 Late Additions or changes to agenda: on Page 22 of the packet in the cover sheet for the Financial Report, the second paragraph should be removed from the report.
- 4.0 ORAL COMMUNICATION – none
- 5.0 CONSENT AGENDA
  - 5.1 Approved minutes of the February 10, 2020 ASA Board Meeting
  - 5.2 Accepted reports of the General Manager and Management Team for February, March and April 2020
  - 5.3 Accepted the statistics for the months of February, March and April 2020
  - 5.4 Approved quarterly report for all claims under \$10,000
  - 5.5 Approved Journal Entry payment with the County of Santa Cruz
  - 5.6 Accepted a donation in the amount of \$5,000 to the Campus Expansion Fund from an anonymous donor
  - 5.7 Accepted a donation in the amount of \$5,000 from the SCCAS Foundation for St. Pittie’s Day merchandise purchase
  - 5.8 Accepted an unrestricted donation in the amount of \$10,000 from the Robert C. and Robin Fox Fund via Silicon Valley Community Foundation
  - 5.9 Accepted a donation in the amount of \$20,000 to the Campus Expansion Fund from Vera M. Wilson in honor of her late husband Robert “Red” Wilson of Madison, WI

Board action on Consent Agenda 5.0: W C V M R S Cl D E

## 6.0 REGULAR AGENDA

### 6.1 General Manager's Oral report

General Manager Melanie Sobel gave a re-cap of current services being provided to the community. She reported that the Watsonville Shelter is currently closed, and all services are being provided through the Santa Cruz facility in Live Oak.

The Santa Cruz Shelter continues to be open 7 days a week for the public and the hours of operation have not changed. Animal Control Officers are currently only handling essential services. We have been continuing to offer our service curbside for surrender, stray drop-off and lost pet search. Adoptions are being offered by appointment only, fosters and transfers by appointment as well. Volunteers are on a scheduled basis due to low animal population at the Shelter.

Low cost spay/neuter surgeries and in person licensing, vaccination and microchips are not currently being offered.

Ms. Sobel reported that she hopes to resume the spay/neuter program slowly. Staff will try to re-schedule surgeries that were previously scheduled but were cancelled due to COVID situation.

All Training and Humane Education programs have been cancelled. The Shelter's free pet food pantry has serviced about 300 people and the program continues to grow each week.

ASA staff continue to serve as Disaster Service Workers for the County. Each employee is scheduled for one day each week at different service sites. Animal Control Officers are delivering meals to the emergency shelters.

Lindsay McCall, the new Shelter Manager is scheduled to start work on June 1.

The only current vacancy is for an Animal Care Worker position and recruitment is in process for that position.

The Capital Improvement Project plan is being re-considered. Staff is currently assessing costs and looking at phases to determine a reasonable plan going forward. The SCCAS Foundation did a spring donation campaign. The Foundation has raised about \$200,000 to date to help fund the expansion project. Donations have declined significantly during the COVID-19 crisis.

The new Model Ordinance was scheduled to go before the Board of Supervisors on May 12, 2020. Since there was some confusion regarding some of the language in the ordinance, the decision was made to pull the Model Ordinance from the BOS agenda in order to clarify some of the language. Ms. Sobel thanked Melissa Shaw for her help with the model ordinance.

Board Chair McKinley asked when the Watsonville Shelter is expected to re-open. General Manager Sobel replied that at this time we are taking it day by day. The Shelter's animal population is quite low right now. She also noted that we have one Animal Control Officer stationed at the Watsonville Shelter in case anyone does come to that shelter. The Office also handles calls in the Watsonville area. The decision as to when to open will depend on how the animal flow progresses.

## 6.2 Approved financial report for the months of March and April 2020.

Ms. Sobel reported that revenue had been going strong before the crisis happened. Revenue is currently at 92% of potential 83% and expenditures at 77%. Revenues for spay/neuter and for licensing were up before the crisis, so we had a little bit of a cushion.

Shelter has had some salary savings with the Shelter Manager position being vacant and an Animal Care Worker position being vacant.

Ms. Sobel stated that revenue across the board has been hit due to the crisis. Ms. Sobel stated that she feels the overall revenue is in a downward trend at this time. License revenue dropped from March to April, there have been few animals adopted, very few animals returned to their owners and Officers are not issuing citations.

Board action on Regular Agenda Item 6.2: C W V M R S C I D E

## 6.3 General Manager's presentation on budget for FY 2020-21

Ms. Sobel reported that the spreadsheet included in the packet is information about our current state. The budget was prepared with status quo and staff tried to project revenue loss which is very difficult since we do not know when things will be back up and running or if there will be another shelter-in-place in the fall. Right now, revenue is decreasing rapidly. The numbers were kept in place to show what the deficit is going to be with those numbers.

Staff is currently waiting for County to give direction regarding budget scenarios going into the next fiscal year. If budget is adopted, we may have to come back in August and adjust it depending on how revenues and expenditures are being played out.

Motion was made to direct staff to develop a FY20-21 budget proposal with various scenarios including one with the status quo and one with a 10% reduction.

Board action on Regular Agenda Item 6.3: C V M W R S C I D E

## 7.0 Regular meeting was adjourned at 11:26 am to closed session.

The next regular meeting is scheduled for Monday, June 8, 2020 at 11:00am at the Board of Supervisors Chambers, 701 Ocean Street, 5<sup>th</sup> Floor, Santa Cruz.

## Consent Agenda Item 5.2

TO: Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Reports from the Management Team for the Month of May 2020

This report is provided to give you a brief synopsis of the programs provided and services rendered through the dedication and commitment of Santa Cruz County Animal Shelter's (SCCAS) staff and volunteers.

### **General**

SCCAS' Santa Cruz shelter has remained open for business during the COVID-19 Shelter in Place Order. The Watsonville shelter is closed.

Our animal control officers are handling only essential services:

- Assisting law enforcement or other first responders
- Vicious or dangerous animal investigations
- Animal bite investigations
- Cruelty or neglect investigations
- Injured or sick animal response
- Dead animal removal and stray confined animals

Officers are doing limited patrols for off-leash dogs at various County Parks, including Live Oak beaches, Siltanan Park in Scotts Valley, Ramsey Park in Watsonville, Capitola main City beach, wharf and adjacent walkways, as well as Reggie Wong Memorial Park (Monterey Park). Officers are maintaining social distancing and are not issuing citations to avoid contact.

The following services are monitored at point of entry adhering to the social distancing requirements:

- Surrendering animals
- Redeeming lost pets
- Stray animal drop-off
- Lost pet searches

The following services are provided on a limited basis adhering to the social distancing requirements:

- Adoptions by appointment
- Fosters and Transfers by appointment
- Volunteers by schedule
- Planned Pethood Spay/Neuter services
- One Stop services (i.e., Vaccinations, Microchips)
- In person license renewal and donations
- Benefit Shop

The following services were suspended:

- Trainings and Group meetings
- Non-emergency Officer responses
- Humane education presentations and Summer Camp

SCCAS staff are considered disaster relief workers. Most of our staff have volunteered to serve one day a week in this capacity. Staff are assisting at shelters for people currently experiencing homelessness located at the Santa Cruz Veterans Hall and Watsonville Veterans Hall. Officers are also handling food delivery to these shelters and other facilities that are serving the public during the COVID-19 crisis. SCCAS has stopped going DSW work on June 1, 2020.

SCCAS has been hosting free pet food pantries every Tuesday.

### **SCCAS Staff**

SCCAS currently has one vacant position: Animal Care Worker.

### **Statistics**

Please see attached.

Melanie Sobel  
General Manager

Recommendation:

Accept and file the reports of the management team for the month of May 2020.

Animal Control Report  
May 2020  
Todd Stosuy, Field Services Manager

1. Due to Covid-19 we limited or response to animal control related calls and are only handling essential services. We defined essential calls for service as: vicious or dangerous animal investigations, animal bite investigations, cruelty or neglect investigations, injured or sick animal response, assisting law enforcement or other first responders, dead animal removal and stray confined animals (including SCVH). Our officers are doing limited patrols for off leash at various County Parks, including Live Oak beaches, but are maintaining social distancing and are not issuing citations to avoid contact.
2. We received a call from the Capitola Police Chief regarding a number of off leash complaints coming into various locations in the City. We began patrolling, and continue to patrol, Capitola main city beach, wharf and adjacent walkways and park as well as Reggie Wong Memorial Park (Monterey Park).
3. We seized a dog in the City of Santa Cruz for violating its Vicious Animal Order. The dog had previous incidents of attacking other dogs and was declared Vicious. It recently jumped out of a busted window in a motorhome and attacked another dog. We currently have an order for Destruction hearing scheduled for June 9, 2020.
4. We issued a Notice of Intent to seize an aggressive dog in Boulder Creek. A hearing was held, and the Hearing Officer agreed we could seize the dog. We are working with County Counsel on obtaining an Administrative Warrant and will work closely with the sheriff in executing the warrant. The animal owner is prone to fight with law enforcement. We have another hearing scheduled with this animal owner in June based on his appeal to a Vicious Animal Order we issued.
5. We held a Potentially Dangerous Dog Hearing in the City of Watsonville and the dog was declared Potentially Dangerous. The animal owner appealed that decision.
6. We investigated a case regarding several day-old puppies buried behind the Kmart in the City of Watsonville. During the investigation we discovered the puppies had been rejected by the mother and no criminal neglect occurred. The animal owner was a local transient and we assisted in spaying and neutering his adult dogs to prevent future litters. Watsonville Police assisted us on this case, as the animal owner has been prone to fight law enforcement.



**Board Report**  
**May 2020**  
**Erika Anderson, Program and Development Manager**

Board Report

- Moving the Shelter Online
  - All forms are available to be completed and turned in on our website to limit contact with public.
  - Filmed videos for spay/neuter clinic post operation procedures.
- Healthy Pets for All
  - Weekly spay/neuter clinic doing 15 dogs and training staff to perform up to 30 surgeries per day.
  - Restarted One Stop vaccination program.
  - Free Pet Food Pantry has been held weekly providing pet food for over 500 animals. Staff and animal control officers have also been giving out free pet food as needed.
- Humane Education
  - Summer Camp is cancelled. We are looking to plan smaller group sizes for day camps at the Shelter for children of essential workers.
- Grants/Fundraising
  - State of California Department of Food and Agriculture grant request
  - Santa Cruz County Bank request for Planned Pethood
  - Santa Cruz Rotary request for Planned Pethood
  - ASPCA COVID relief fund
  - Lee Kahn Family Foundation
  - American Humane Foundation
    - Upcoming grant requests
      - Petsmart Charities
      - Santa Cruz Sunrise Rotary
      - Watsonville Rotary

**Consent Agenda Item 5.3**

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Statistics for the Month of May 2020

Recommendation:

Accept and file the reports of statistics for the month of May 2020.



Santa Cruz County's Open-Door  
**ANIMAL SHELTER**  
 Serving Our Community's Neediest Animals

### All Jurisdictions Combined 5/1/2020 through 5/31/2020

	CAT	DOG	KITTEN	OTHER	PUPPY	TOTAL
<b>Total Intake</b>	<b>109</b>	<b>76</b>	<b>52</b>	<b>96</b>	<b>5</b>	<b>338</b>
	CAT	DOG	KITTEN	OTHER	PUPPY	<b>TOTAL</b>
<b>Adopted</b>	29	7	19	41	4	<b>100</b>
<b>Died</b>	0	0	2	0	0	<b>2</b>
<b>Euthanized</b>	14	9	1	2	0	<b>26</b>
<b>Returned to Owner</b>	15	42	0	0	1	<b>58</b>
<b>Transferred</b>	33	4	10	9	0	<b>56</b>
<b>Total Outcome</b>	<b>91</b>	<b>62</b>	<b>32</b>	<b>52</b>	<b>5</b>	<b>242</b>

Intakes of Owner Requested Euthanasia From All Jurisdictions During 5/1/20 to 5/31/20 = **55**

Animals on hand on May 31, 2020 = 121

<b>Patrols by Jurisdiction</b>	<b>Patrols</b>	<b>Total Minutes</b>
Capitola	18	799
County	21	629
Scotts Valley	1	35
Watsonville	9	270
<b>Total Citations issued</b>	<b>12</b>	

### License Compliance and Revenue

	<b>Tags Sold</b>	<b>Revenue</b>
CAPITOLA	16	\$535
COUNTY	228	\$6,492
SANTA CRUZ	85	\$2,909
SCOTTS VALLEY	22	\$651
WATSONVILLE	36	\$1,157
<b>TOTAL</b>	<b>387</b>	<b>\$11,744</b>

### **Consent Agenda Item 5.4**

TO: Animal Services Board of Directors  
 FROM: Melanie Sobel, General Manager  
 DATE: June 8, 2020  
 SUBJECT: ASA Board Officer Positions for FY2020-21

Recommendation: Appoint Officers of the Santa Cruz County Animal Services Authority Board of Directors as recommended by the General Manager, effective for the first meeting of 2020-21.

Discussion: In accordance with Section 3., Paragraph A., Subparagraph 4. 1. (e) of the ASA Joint Powers Agreement, the officers of the Board of Directors are to rotate on an annual basis beginning with the first meeting of the new fiscal year. While the schedule in which Board members rotate into officer positions is not defined within the JPA agreement, your Board appointed officers in the following rotation, effective with the 2003-04 fiscal year, based on the recommendation of staff, I recommend the same rotation.

- 1) Chair rotates out of an officer position to the bottom of the Board Member positions
- 2) Vice Chair rotates into Chair position
- 3) Secretary rotates into Vice Chair position
- 4) Board members 4-9 rotate in order up into officer positions

Based on this rotation, the Officers of the Board of Directors are the following for 2020-21:

Chair: Santa Cruz Representative #1 (City Manager)  
 Vice Chair: Scotts Valley Representative #1 (Police Chief)  
 Secretary: County Representative #2 (Chief Deputy)  
 Board Member: Santa Cruz Representative #2 (Deputy Chief)  
 Board Member: County Representative #3 (HSA)  
 Board Member: Capitola Representative (Captain)  
 Board Member: County Representative # 1 (CAO)  
 Board Member: Watsonville Representative #1 (Deputy City Manager)  
 Board Member: Watsonville Representative #2 (Captain)

For your reference, the following information is provided:

#### **Board Rotation for 2019-20**

Chair: Watsonville Representative #2 (Captain)  
 Vice Chair: Santa Cruz Representative #1 (City Manager)  
 Secretary: Scotts Valley Representative #1 (Police Chief)  
 Board Member: County Representative #2 (Chief Deputy)  
 Board Member: Santa Cruz Representative #2 (Deputy Chief)  
 Board Member: County Representative #3 (HSA)  
 Board Member: Capitola Representative (Sergeant)  
 Board Member: County Representative # 1 (CAO)  
 Board Member: Watsonville Representative #1 (Deputy City Manager)

**Board Rotation for 2018-19**

Chair: Watsonville Representative #1 (Senior Analyst)  
 Vice Chair: Watsonville Representative #2 (Captain)  
 Secretary: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative #1 (Police Chief)  
 Board Member: County Representative #2 (Chief Deputy)  
 Board Member: Santa Cruz Representative #2 (Deputy Chief)  
 Board Member: County Representative #3 (HSA)  
 Board Member: Capitola Representative (Sergeant)  
 Board Member: County Representative # 1 (CAO)

**Board Rotation for 2017-18**

Chair: County Representative # 1 (CAO)  
 Vice Chair: Watsonville Representative #1 (Senior Analyst)  
 Secretary: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative #1 (Police Chief)  
 Board Member: County Representative #2 (Undersheriff)  
 Board Member: Santa Cruz Representative #2 (Police Chief)  
 Board Member: County Representative #3 (HSA)  
 Board Member: Capitola Representative

**Board Rotation for 2016-17**

Chair: County Representative #3 (HSA)  
 Vice Chair: County Representative # 1 (CAO)  
 Secretary: Watsonville Representative #1 (Senior Analyst)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative #1 (Police Chief)  
 Board Member: County Representative #2 (Undersheriff)  
 Board Member: Santa Cruz Representative #2 (Police Chief)

**Board Rotation for 2015-16**

Chair: Santa Cruz Representative #2 (Police Chief)  
 Vice Chair: County Representative # 3 (HSA)  
 Secretary: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (Fire Chief)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative #1 (Police Chief)  
 Board Member: County Representative #2 (Sheriff)

**Board Rotation for 2014-15**

Chair: County Representative #2 (Sheriff)  
 Vice-Chair: Santa Cruz Representative #2 (Police Chief)  
 Secretary: County Representative #3 (CAO)  
 Board Member: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (City Manager)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative #1 (City Manager)

**Board Rotation for 2013-14**

Chair: Scotts Valley Representative (City Manager)  
 Vice Chair: County representative #2 (Sheriff)  
 Secretary: Santa Cruz representative #2 (Police Chief)  
 Board Member: County representative #3 (CAO)  
 Board Member: County representative #1 (CAO)  
 Board Member: Watsonville representative #1 (City Manager)  
 Board Member: Watsonville representative #2 (Police Chief)  
 Board Member: Santa Cruz representative #1 (City Manager)

**Board Rotation for 2012-13**

Chair: Santa Cruz Representative #1 (City Manager)  
 Vice Chair: Scotts Valley Representative #1 (City Manager)  
 Secretary: County Representative #2 (Sheriff)  
 Board Member: Santa Cruz Representative #2 (Police Chief)  
 Board Member: County Representative #3 (CAO)  
 Board Member: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (City Manager)  
 Board Member: Watsonville Representative #2 (Police Chief)

**Board Rotation for 2011-12**

Chair: Watsonville Representative #2 (Police Chief)  
 Vice Chair: Santa Cruz Representative #1 (City Manager)  
 Secretary: Scotts Valley Representative #1 (City Manager)  
 Board Member: County Representative #2 (Sheriff)  
 Board Member: Santa Cruz Representative #2 (Police Chief)  
 Board Member: County Representative #3 (CAO)  
 Board Member: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (City Manager)

**Board Rotation for 2010-11**

Chair: Watsonville Representative #1 (City Manager)  
 Vice Chair: Watsonville Representative #2 (Police Chief)  
 Secretary: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative  
 Board Member: County Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #2 (Police Chief)  
 Board Member: County Representative #3 (DPW)  
 Board Member: County Representative #1 (CAO)

**Board Rotation for 2009-10**

Chair: County Representative #1 (CAO)  
 Vice Chair: Watsonville Representative #1 (City Manager)  
 Secretary: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative  
 Board Member: County Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #2 (Police Chief)  
 Board Member: County Representative #3 (DPW)

**Board Rotation for 2008-09**

Chair: County Representative #3 (DPW)  
 Vice Chair: County Representative #1 (CAO)  
 Secretary: Watsonville Representative #1 (City Manager)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative  
 Board Member: County Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #2 (Police Chief)

**Board Rotation for 2007-08**

Chair: Santa Cruz Representative #2 (Police Chief)  
 Vice Chair: County Representative #3 (DPW)  
 Secretary: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (City Manager)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative  
 Board Member: County Representative #2 (Police Chief)

**Board Rotation for 2006-07**

Chair: County Representative #2 (Sheriff)  
 Vice-Chair: Santa Cruz Representative #2 (Police Chief)  
 Secretary: County Representative #3 (DPW)  
 Board Member: County Representative #1 (CAO)  
 Board Member: Watsonville Representative #1 (City Manager)  
 Board Member: Watsonville Representative #2 (Police Chief)  
 Board Member: Santa Cruz Representative #1 (City Manager)  
 Board Member: Scotts Valley Representative  
 Board Member: Capitola Representative

**Board Rotation for 2005-2006**

Chair: Capitola representative (City Manager)  
 Vice Chair: County representative #2 (Sheriff)  
 Secretary: Santa Cruz representative #2 (Police Chief)  
 Board Member: County representative #3 (vacant)  
 Board Member: County representative #1 (CAO)  
 Board Member: Watsonville representative #1 (City Manager)  
 Board Member: Watsonville representative #2 (Police Chief)  
 Board Member: Santa Cruz representative #1 (City Manager)  
 Board Member: Scotts Valley Representative (City Manager)

**Board Rotation for 2004-2005**

Chair: Scotts Valley Representative (City Manager)  
 Vice Chair: Capitola representative (City Manager)  
 Secretary: County representative #2 (Sheriff)  
 Board Member: Santa Cruz representative #2 (Police Chief)  
 Board Member: County representative #3 (vacant)  
 Board Member: County representative #1 (CAO)  
 Board Member: Watsonville representative #1 (City Manager)  
 Board Member: Watsonville representative #2 (Police Chief)  
 Board Member: Santa Cruz representative #1 (City Manager)

**Board Rotation for 2003-2004**

Chair: Santa Cruz representative #1 (City Manager)  
 Vice Chair: Scotts Valley Representative  
 Secretary: Capitola representative  
 Board Member: County representative #2 (Sheriff)  
 Board Member: Santa Cruz representative #2 (Police Chief)  
 Board Member: County representative #3 (vacant)  
 Board Member: County representative #1 (CAO)

**Board Rotation for 2002-2003**

Chair: County representative #1 (County Administrator's Office (CAO))  
 Vice Chair: Santa Cruz representative #1 (City Manager)  
 Secretary: Scotts Valley representative  
 Board Member: Capitola representative  
 Board Member: County representative #2 (Sheriff)  
 Board Member: Santa Cruz representative #2 (Police Chief)  
 Board Member: County representative #3 (Auditor-Controller)

### **Consent Agenda Item 5.5**

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Approve Continuing Agreements for FY 2020-2021

Recommendation:

Approve the continuing agreements for vendor contracts over \$10,000 for FY 2020-2021.



**EXPENDITURES AGREEMENTS TO BE RENEWED FOR FISCAL YEAR 2020-2021 OVER \$10,000**

<b>Department Title</b>	<b>Index Code</b>	<b>Object Code</b>	<b>Vendor (Contractor) Name</b>	<b>Amount</b>	<b>Description</b>
Animal Services Authority	702810	62610	County of Santa Cruz	\$197,669	Live Oak Shelter Lease
Animal Services Authority	702810	61525	SDRMA	\$57,173	Liability Insurance
Animal Services Authority	702810	62317	HLP, Inc	\$22,000	Chameleon Software Support
Animal Services Authority	702850	62399	Master contract	\$86,000	Substitute Veterinarian Services
Animal Services Authority	702810	62381	Lea Goodman	\$20,800	Benefit Shop Management
Animal Services Authority	702810	62381	Stacey Iverson	\$25,000	Education Coordinator
Animal Services Authority	702810	61215	SCCECC	\$33,327	Dispatch Services with NETCOM

**Regular Agenda Item 6.1**

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: General Manager's Oral Report

General Manager will present an oral report on the Santa Cruz County Animal Shelter.

## Regular Agenda Item 6.2

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Financial Report for the period ending May 31, 2020

### Recommendation:

Approve the Financial Report as presented for the period ending May 31, 2020 including the Estimated/Actuals for FY 2019-20.

### Discussion:

The Financial Report for May 2020 reflects total revenues of \$120,793 and expenditures of \$282,963. YTD revenues are \$4,311,402. YTD expenditures are \$4,087,739. Current total revenues are 91% of a potential 94%. The percentage of current year expenditures is at 83%.

Licensing revenues YTD are \$272,864. At this point last year licensing revenues were \$267,705.

The Financial Report reflects the estimated/actual expenditures and revenues based on current YTD actual through May and an estimate through June 30, 2020 based on experience and expectations.

**Santa Cruz County Animal Services Authority  
Financial Summary for Fiscal Year 2019-2020  
For Months Ending May 31, 2020**

Revenues:	2019-2020 Final Budget	2019-2020 Est/Actuals	2019-2020 YTD Actuals	YTD Remaining	2018-2019 YTD Actuals
ANIMAL LICENSES	\$300,000	\$285,000	\$272,864	\$12,136	\$267,705
INTEREST	\$45,000	\$40,000	\$34,505	\$5,495	\$43,439
RENTS & CONCESSIONS	\$700	\$172	\$172	\$0	\$641
RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$140	\$140	\$0	\$280
ST-MANDATED COST REIMBURSEMENT	\$0	\$0	\$0	\$0	\$0
HUMANE SERVICES	\$280,000	\$225,000	\$220,516	\$4,484	\$240,470
ADMINISTRATIVE SERVICES	\$2,600	\$2,850	\$2,675	\$175	\$3,173
COST RECOVERY-OTHER	\$9,500	\$6,000	\$5,479	\$521	\$5,417
MEMBER CONTRIBUTION	\$3,191,322	\$3,191,322	\$3,184,487	\$6,835	\$2,972,305
CHARGES FOR CURRENT SERVICES	\$30,000	\$2,775	\$11,775	(\$9,000)	\$19,511
ADMIN FINE FEES	\$15,000	\$9,500	\$9,331	\$169	\$11,164
GRANT SERVICES-NON INTERGOV	\$15,000	\$15,000	\$15,000	\$0	\$28,130
ANIMAL MICROCHIP FEES	\$22,000	\$15,000	\$14,357	\$643	\$19,451
ANIMAL RABIES FEES	\$18,000	\$14,500	\$13,419	\$1,081	\$14,588
ANIMAL SPAY&NEUTER FEES	\$100,000	\$97,000	\$91,465	\$5,535	\$93,530
SALES-OTHER-TAXABLE	\$65,000	\$56,819	\$56,819	(\$0)	\$61,392
CASH OVERAGES	\$0	\$66	\$66	(\$0)	\$36
CONTRIBUTIONS and DONATIONS	\$400,000	\$360,000	\$354,124	\$5,876	\$375,421
INSURANCE PROCEEDS	\$0	\$0	\$0	\$0	\$0
NSF CHECKS	\$0	(\$63)	(\$63)	\$0	(\$33)
NSF CHECKS-RETURNED CHECK FEE	\$0	\$40	\$40	\$0	\$30
OTHER REVENUE	\$43,000	\$38,000	\$24,231	\$13,769	\$24,874
UNCLAIMED MONEY-ESCHEATED	\$0	\$0	\$0	\$0	\$0
BOND PROCEEDS	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES:</b>	<b>\$4,537,322</b>	<b>\$4,359,121</b>	<b>\$4,311,402</b>	<b>\$47,719</b>	<b>\$4,181,526</b>

**Less Expenditures:**

Salaries and Benefits	\$3,322,464	\$3,294,421	\$2,907,033	\$387,388	\$2,646,320
Services and Supplies	\$1,167,485	\$1,043,282	\$945,028	\$98,254	\$1,082,016
Other Uses	\$103,206	\$103,206	\$103,204	\$2	\$191,628
Fixed Assets	\$0	\$34,075	\$32,474	\$0	\$0
Operating Transfers Out	\$100,000	\$100,000	\$100,000	\$0	\$0
<b>TOTAL EXPENDITURES:</b>	<b>\$4,693,155</b>	<b>\$4,574,984</b>	<b>\$4,087,739</b>	<b>\$485,644</b>	<b>\$3,919,964</b>

**Plus Contingency:**

	\$183,726	\$0	\$0	(\$0)	\$0
<b>TOTAL EXPENDITURES INCLUDING CONTINGENCY:</b>	<b>\$4,876,881</b>	<b>\$4,574,984</b>	<b>\$4,087,739</b>	<b>\$485,644</b>	<b>\$3,919,964</b>

<b>NET REVENUES OVER (UNDER) EXPENDITURE</b>	<b>(\$339,559)</b>	<b>(\$215,863)</b>	<b>\$223,663</b>	<b>(\$437,925)</b>	<b>\$261,561</b>
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<b>BEGINNING FUND BALANCE - UNDESIGNATED (audited ending balance from 6/30/19)</b>	<b>\$685,045</b>	<b>\$685,045</b>	<b>\$685,045</b>	<b>\$685,045</b>	<b>\$852,504</b>
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<b>ENDING FUND BALANCE - UNDESIGNATED</b>	<b>\$345,486</b>	<b>\$469,182</b>	<b>\$908,708</b>	<b>\$247,120</b>	<b>\$1,114,065</b>
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**ANIMAL LICENSE DETAIL**

	2019-20 YTD Actuals	2018-19 YTD Actuals	PY COMPARISON
LICENSES - CAPITOLA	\$9,363	\$8,545	\$818
LICENSES - SANTA CRUZ	\$48,154	\$46,264	\$1,890
LICENSES- SCOTTS VALLEY	\$13,764	\$12,123	\$1,641
LICENSES- COUNTY	\$166,411	\$164,262	\$2,149
LICENSES- WATSONVILLE	\$35,172	\$36,511	(\$1,339)

\* Fund Balance Assigned for B. Jean Donation - balance as of 6/30/19 is \$496,846 (Audited)

\* Fund Balance - Non spendable for change fund/petty cash - balance as of 6/30/19 is \$900 (Audited)

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT  
2019-2020**

As of 5/31/20 from ONESolution  
SC CO ANIMAL SERVICES AUTHORITY  
Organization: 70 28

Pos + = UP  
Neg ( ) = DOWN

Acct	Acct Title	2019-20 Final Budget	2019-20 Adj. Budget	2019-20 Est./Actuals	May Actuals	2019-20 YTD Actuals	YTD Remaining	92%	92%	2018-19 YTDActuals	COMPARE THRU APR PY ACTUALS	May Actuals	2018-19 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY Eas Actualized				
51000	SALARIES & BENF	\$3,322,464	\$3,346,809	\$3,294,421	\$218,877	\$2,907,033	\$387,388	86.86%	87.70%	\$2,646,320	\$260,713	\$225,235	\$3,017,538
61000	SERVICES & SUPL	\$1,167,485	\$1,167,485	\$1,043,282	\$64,086	\$945,028	\$98,254	80.95%	91.66%	\$1,082,016	(\$136,988)	\$129,589	\$1,180,458
70000	OTHER CHARGES	\$103,206	\$103,206	\$103,206	\$0	\$103,204	\$2	100.00%	100.00%	\$191,628	(\$88,424)	\$0	\$191,626
86110	BUILDINGS AND IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
86204	FIXED ASSETS	\$0	\$34,075	\$34,075	\$0	\$32,474	\$1,601	95.30%	0.00%	\$0	\$32,474	\$0	\$0
90000	OTHER FINANCING USES	\$100,000	\$100,000	\$100,000	\$0	\$100,000	\$0	100.00%	0.00%	\$0	\$100,000	\$0	\$100,000
98700	CONTINGENCIES	\$183,726	\$183,726	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
51000-98700	TOTAL EXPENDITURES	\$4,876,881	\$4,935,301	\$4,574,984	\$282,963	\$4,087,739	\$487,245	82.83%	167.50%	\$3,919,964	\$167,775	\$354,825	\$4,489,622
40100-42500	TOTAL REVENUES	\$4,537,322	\$4,571,397	\$4,359,121	\$120,793	\$4,311,402	\$47,719	94.31%	97.21%	\$4,181,526	\$129,876	\$408,601	\$4,301,448
	<b>NET COST</b>	<b>\$339,559</b>	<b>\$363,904</b>	<b>\$215,863</b>	<b>(\$162,169)</b>	<b>(\$223,663)</b>	<b>\$439,526</b>	<b>-61.46%</b>	<b>-139.00%</b>	<b>(\$261,561)</b>	<b>(\$37,898)</b>	<b>\$53,776</b>	<b>\$188,174</b>
51000	REGULAR PAY-PER	1,983,275	1,983,275	1,962,477	\$138,068	\$1,719,167	\$243,310	86.68%	87.35%	\$1,576,593	\$142,574	\$143,264	1,804,840
51005	OVERTIME PAY-PE	4,000	4,000	4,159	\$4	\$3,652	\$507	91.29%	87.97%	\$2,778	\$874	\$61	3,158
51010	REGULAR PAY-EXT	90,000	114,345	78,531	\$200	\$78,531	(\$0)	68.68%	84.06%	\$58,071	\$20,460	\$2,353	69,081
51040	DIFFERENTIAL PAY	20,000	20,000	31,366	\$1,753	\$27,194	\$4,172	135.97%	87.95%	\$23,214	\$3,979	\$1,933	26,395
52010	OASDI-SOCIAL SE	148,861	148,861	155,227	\$10,500	\$135,641	\$19,586	91.12%	87.70%	\$123,224	\$12,417	\$11,126	140,510
52015	RETIREMENT	468,780	468,780	461,425	\$32,752	\$402,220	\$59,205	85.80%	87.08%	\$328,376	\$73,845	\$30,608	377,090
53010	EMPLOYEE INSURA	531,487	531,487	525,175	\$35,600	\$464,567	\$60,608	87.41%	87.98%	\$456,657	\$7,911	\$35,891	519,057
53015	UNEMPLOYMENT IN	4,416	4,416	4,416	\$0	\$4,416	(\$0)	100.00%	100.00%	\$5,413	(\$997)	\$0	5,413
54010	WORKERS COMPENS	71,645	71,645	71,645	\$0	\$71,645	(\$0)	100.00%	100.00%	\$71,994	(\$349)	\$0	71,994
51000	SALARIES & BENF	\$3,322,464	\$3,346,809	\$3,294,421	\$218,877	\$2,907,033	\$387,388	86.86%	87.70%	\$2,646,320	\$260,713	\$225,235	\$3,017,538
61115	POLICE SAFETY EQUIPMENT	500	500	500	\$0	\$0	\$500	0.00%	0.00%	\$160	(\$160)	\$0	500
61125	UNIFORM REPLACEMENT	1,500	1,500	3,156	\$0	\$3,156	(\$0)	210.40%	100.00%	\$6,283	(\$3,127)	\$105	6,283
61215	RADIO SERVICES	35,000	35,000	35,000	\$2,689	\$29,700	\$5,300	84.86%	89.86%	\$30,076	(\$377)	\$2,588	33,471
61220	TELECOM SERVICES	46,000	46,000	46,000	\$4,103	\$40,952	\$5,048	89.03%	89.24%	\$41,049	(\$97)	\$4,075	46,000
61310	FOOD	10,000	10,000	13,000	\$109	\$12,073	\$927	120.73%	85.70%	\$8,570	\$3,503	\$540	10,000
61412	JANITORIAL SERVICES	10,000	10,000	10,000	\$0	\$6,600	\$3,400	66.00%	83.33%	\$8,333	(\$1,733)	\$825	10,000
61525	LIABILITY INSURANCE	37,000	37,000	43,027	\$0	\$43,027	\$0	116.29%	100.00%	\$37,266	\$5,761	\$0	37,266
61535	OTHER INSURANCE	3,040	3,040	3,040	\$0	\$2,964	\$76	97.50%	0.00%	\$3,119	(\$155)	\$0	3,119
61720	MAINT-MOBILE EQUIPMENT-SERV	10,000	10,000	8,000	\$0	\$5,318	\$2,682	53.18%	85.73%	\$6,772	(\$1,454)	\$574	7,900
61725	MAINT-OFFICE EQUIPMENT	1,000	1,000	2,000	\$262	\$1,960	\$40	196.03%	100.03%	\$1,191	\$769	\$140	1,191
61730	MAINT-OTHER EQUIP-SVCS	2,000	2,000	3,500	\$0	\$2,884	\$616	144.22%	100.01%	\$3,273	(\$389)	\$0	3,273
61731	MAINT-OTHER EQUIP-SUP	1,000	1,000	3,000	\$0	\$2,856	\$144	285.55%	100.00%	\$1,540	\$1,315	\$0	1,540
61835	FACILITIES MAINT	18,000	18,000	15,000	\$2,985	\$9,358	\$5,642	51.99%	91.74%	\$17,660	(\$8,302)	\$2,461	19,250
61845	MAINT STRUCT IM	1,000	1,000	1,000	\$0	\$889	\$111	88.87%	68.22%	\$682	\$206	\$0	1,000
61846	MAINT-STRUCT/IMPS/GRDS-OTHER-SUPPLIES	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
61920	MEDICAL, DENTAL & LAB SUPPLIES	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
61922	OTHER MEDICAL MATERIALS	95,000	95,000	88,000	\$12,762	\$84,484	\$3,516	88.93%	85.43%	\$76,891	\$7,593	\$3,952	90,000
62020	MEMBERSHIPS	2,000	2,000	1,796	\$0	\$1,796	\$0	89.80%	86.35%	\$1,727	\$69	\$0	2,000
62111	MISCELLANEOUS EXPENSES	10,500	10,500	9,285	\$0	\$9,285	\$0	88.43%	88.30%	\$9,271	\$14	\$0	10,500

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SC CO ANIMAL SERVICES AUTHORITY  
Organization: 70 28**

Pos + = UP  
Neg ( ) = DOWN

Acct	Acct Title	2019-20 Final Budget	2019-20 Adj. Budget	2019-20 Est./Actuals	May Actuals	2019-20 YTD Actuals	YTD Remaining	92%	92%	2018-19 YTDActuals	COMPARE	May Actuals	2018-19 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY Eas Actualized		THRU APR PY ACTUALS		
62112	CASH SHORTAGES	0	0	30	\$0	\$30	\$1	0.00%	94.59%	\$70	(\$41)	\$20	74
62214	DUPLICATING SVCS.	3,500	3,500	4,600	\$0	\$4,513	\$87	128.95%	100.01%	\$4,520	(\$7)	\$0	4,520
62217	MISC NONINVENTORIAL ITEMS EXPENSE	0	0	5,000	\$0	\$4,944	\$56	0.00%	#DIV/0!	\$0	\$4,944	\$0	0
62219	PC SOFTWARE PURCHASES	5,500	5,500	8,436	\$85	\$7,556	\$880	137.39%	100.00%	\$7,965	(\$409)	\$75	7,965
62221	POSTAGE	10,000	10,000	7,659	\$980	\$7,659	\$0	76.59%	67.03%	\$6,703	\$956	\$0	10,000
62222	SUBSCRIPTIONS/PERIODICALS	125	125	125	\$0	\$0	\$125	0.00%	0.00%	\$0	\$0	\$0	125
62223	SUPPLIES	78,000	78,000	73,000	\$2,599	\$61,644	\$11,356	79.03%	92.87%	\$77,080	(\$15,436)	\$6,572	83,000
62225	NON-PC SOFTWARE	250	250	250	\$0	\$0	\$250	0.00%	0.00%	\$0	\$0	\$0	250
62226	INVENTORIAL ITEMS	5,000	5,000	767	\$0	\$767	\$0	15.34%	100.00%	\$20,572	(\$19,805)	\$787	20,572
62301	ACCOUNTING & AUDITING	13,500	13,500	13,500	\$0	\$6,000	\$7,500	44.44%	26.44%	\$3,570	\$2,430	\$3,570	13,500
62310	BANKING SERVICES	30,000	30,000	13,000	\$468	\$12,062	\$938	40.21%	90.25%	\$27,076	(\$15,014)	\$3,100	30,000
62316	COMPUTER PROF SVCS	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62317	CONSULT/MGT/PC SVCE.	20,000	20,000	21,233	\$142	\$20,076	\$1,157	100.38%	93.65%	\$20,604	(\$528)	\$119	22,000
62318	COUNTY COUNSEL	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62325	DATA PROCESSING	71,770	71,770	82,320	\$13,720	\$82,320	\$0	114.70%	100.00%	\$75,335	\$6,985	\$36,456	75,335
62330	DPW SERVICES - GENERAL MONEY	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62381	PROF & SPECIAL	215,000	215,000	80,000	\$1,000	\$73,228	\$6,772	34.06%	87.54%	\$131,315	(\$58,087)	\$21,708	150,000
62399	VETERINARIAN SERVICES	100,000	100,000	105,000	\$9,243	\$83,529	\$21,471	83.53%	87.97%	\$109,967	(\$26,437)	\$11,714	125,000
62500	EQUIPMENT RENTS & LEASES-	0	0	2,000	\$192	\$1,637	\$363	#DIV/0!	99.98%	\$1,908	(\$270)	\$192	1,908
62610	RENTS & LEASES-	200,000	200,000	198,109	\$0	\$198,109	\$0	99.05%	99.52%	\$197,888	\$221	\$0	198,842
62710	FIELD EQUIPMENT	1,200	1,200	3,000	\$0	\$2,617	\$383	218.08%	100.00%	\$2,314	\$303	\$90	2,314
62801	ADVERTISING & PROMOTION	2,500	2,500	2,500	\$809	\$2,098	\$402	83.93%	99.99%	\$3,570	(\$1,472)	\$20	3,570
62842	INVENTORY MATERIALS PURCHASED	20,000	20,000	31,155	\$4,707	\$26,578	\$4,577	132.89%	100.00%	\$32,215	(\$5,637)	\$3,545	32,215
62857	SPECIAL MISC EXP-SUPPLIES	500	500	916	\$736	\$916	\$0	183.16%	52.60%	\$263	\$653	\$70	500
62890	SUBSCRIPTIONS/BOOKS	500	500	500	\$0	\$459	\$41	91.83%	72.00%	\$360	\$99	\$0	500
62893	TOWING	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62914	TRAVEL-EDUCATION	2,500	2,500	1,090	\$0	\$1,025	\$66	40.98%	27.35%	\$274	\$751	\$0	1,000
62920	GAS, OIL, FUEL	15,000	15,000	18,000	\$0	\$14,848	\$3,152	98.99%	92.01%	\$14,722	\$126	\$2,059	16,000
62922	TRAVEL-LODGING	1,500	1,500	368	\$0	\$368	\$0	24.53%	100.01%	\$2,150	(\$1,782)	\$0	2,150
62924	TRAVEL-MEALS	500	500	91	\$0	\$91	\$0	18.14%	92.14%	\$461	(\$370)	\$0	500
62926	TRAVEL-MILEAGE	1,000	1,000	95	\$0	\$95	(\$0)	9.55%	0.00%	\$0	\$95	\$0	1,000
62928	TRAVEL-OTHER	100	100	8	\$0	\$8	(\$0)	8.35%	0.00%	\$0	\$8	\$0	100
62930	REGISTRATIONS	1,000	1,000	226	\$0	\$226	\$1	22.55%	100.00%	\$4,225	(\$4,000)	\$3,675	4,225
62935	SERVICE CENTER	0	0	0	\$0	\$0	\$0	0.00%	#DIV/0!	\$0	\$0	\$0	0
62940	TRAVEL ADVANCES	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
63070	UTILITIES	85,000	85,000	85,000	\$6,497	\$74,323	\$10,677	87.44%	92.25%	\$83,025	(\$8,702)	\$20,558	90,000
74230	PRINCIPAL ON LEASE PUCHASES	0	0	0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
61000	SERVICES & SUPPLIES	\$1,167,485	\$1,167,485	\$1,043,282	\$64,086	\$945,028	\$98,254	80.95%	91.66%	\$1,082,016	\$123,725	\$129,589	\$1,180,458

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2019-2020**

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SC CO ANIMAL SERVICES AUTHORITY  
Organization: 70 28

Pos + = UP  
Neg ( ) = DOWN

Acct	Acct Title	2019-20 Final Budget	2019-20 Adj. Budget	2019-20 Est./Actuals	May Actuals	2019-20 YTD Actuals	YTD Remaining	92%	92%	2018-19 YTDActuals	COMPARE THRU APR PY ACTUALS	May Actuals	2018-19 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY Eas Actualized				
75315	COUNTY OVERHEAD (see 3550)	\$103,206	\$103,206	\$103,206	\$0	\$103,204	\$2	100.00%	100.00%	\$191,628	\$0	\$0	\$191,626
700000	OTHER CHARGES	\$103,206	\$103,206	\$103,206	\$0	\$103,204	\$2	100.00%	100.00%	\$191,628	(\$88,424)	\$0	\$191,626
86209	EQUIPMENT	\$0	\$34,075	\$34,075	\$0	\$32,474	\$1,601	95.30%	0.00%	\$0	\$32,474	\$0	\$0
86204	FIXED ASSETS	\$0	\$34,075	\$34,075	\$0	\$32,474	\$1,601	95.30%	0.00%	\$0	\$32,474	\$0	\$0
90000	OPERATING TRSF OUT	\$100,000	\$100,000	\$100,000	\$0	\$100,000	\$0	100.00%	0.00%	\$0	\$100,000	\$0	\$100,000
90000	OTHER FINANCING USES	\$100,000	\$100,000	\$100,000	\$0	\$100,000	\$0	100.00%	0.00%	\$0	\$100,000	\$0	\$100,000
98700	APPROP FOR CONTINGENCIES	\$183,726	\$183,726	\$0	\$0	\$0	(\$0)	0.00%	0.00%	\$0	\$0	\$0	\$0
98700	CONTINGENCIES	\$183,726	\$183,726	\$0	\$0	\$0	(\$0)	0.00%	0.00%	\$0	\$0	\$0	\$0
40100	PROPERTY TAXES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
40230	ANIMAL LICENSES	\$300,000	\$300,000	\$285,000	\$13,567	\$272,864	\$12,136	90.95%	89.23%	\$267,705	\$5,159	\$30,845	\$300,000
40430	INTEREST	\$45,000	\$45,000	\$40,000	\$0	\$34,505	\$5,495	76.68%	94.43%	\$43,439	(\$8,934)	\$3,963	\$46,000
40440	RENTS & CONCESS	\$700	\$700	\$172	\$30	\$172	\$0	24.51%	91.62%	\$641	(\$470)	\$37	\$700
40441	RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$200	\$140	\$0	\$140	\$0	70.00%	100.00%	\$280	(\$140)	\$0	\$280
40872	ST-MANDATED COST REIMBURSEMENT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
40984	STATE-OTHER	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
41096	INTERGOVERNMENTAL REV	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
41510	HUMANE SERVICES	\$280,000	\$280,000	\$225,000	\$10,866	\$220,516	\$4,484	78.76%	89.06%	\$240,470	(\$19,954)	\$28,472	\$270,000
42010	ADMINISTRATIVE SERVICES	\$2,600	\$2,600	\$2,850	\$77	\$2,675	\$175	102.89%	90.66%	\$3,173	(\$498)	\$399	\$3,500
42022	COST RECOVERY-OTHER	\$9,500	\$9,500	\$6,000	\$0	\$5,479	\$521	57.67%	83.34%	\$5,417	\$62	\$280	\$6,500
42044	MEMBER CONTRIBUTION	\$3,191,322	\$3,191,322	\$3,191,322	\$61,054	\$3,184,487	\$6,835	99.79%	100.00%	\$2,972,305	\$212,182	\$280,190	\$2,972,305
42047	OTHER CHARGES CURRRENT SERVICES	\$30,000	\$30,000	\$2,775	\$600	\$11,775	(\$9,000)	39.25%	78.05%	\$19,511	(\$7,736)	\$7,675	\$25,000
42073	ADMINISTRATIVE FINE FEES	\$15,000	\$15,000	\$9,500	\$419	\$9,331	\$169	62.21%	93.04%	\$11,164	(\$1,833)	\$1,038	\$12,000
42074	GRANT SERVICES-NON INTERGOV	\$15,000	\$15,000	\$15,000	\$0	\$15,000	\$0	0.00%	0.00%	\$28,130	(\$13,130)	\$0	\$28,130
42202	ENDOWMENT CARE	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42205	ANIMAL MICROCHIP FEES	\$22,000	\$22,000	\$15,000	\$645	\$14,357	\$643	65.26%	92.62%	\$19,451	(\$5,094)	\$1,800	\$21,000
42206	ANIMAL RABIES FEES	\$18,000	\$18,000	\$14,500	\$436	\$13,419	\$1,081	74.55%	91.18%	\$14,588	(\$1,169)	\$1,306	\$16,000
42207	ANIMAL SPAY&NEUTER FEES	\$100,000	\$100,000	\$97,000	\$4,096	\$91,465	\$5,535	91.47%	91.70%	\$93,530	(\$2,065)	\$11,486	\$102,000
42234	SALES-OTHER-TAXABLE	\$65,000	\$65,000	\$56,819	\$484	\$56,819	(\$0)	87.41%	94.45%	\$61,392	(\$4,572)	\$6,978	\$65,000
42362	CASH OVERAGES	\$0	\$0	\$66	\$0	\$66	(\$0)	0.00%	100.00%	\$36	\$30	\$7	\$36
42372	CONTRIBUTIONS AND DONATIONS	\$400,000	\$434,075	\$360,000	\$27,115	\$354,124	\$5,876	81.58%	96.26%	\$375,421	(\$21,297)	\$31,208	\$390,000
42375	INSURANCE PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42380	NSF CHECKS	\$0	\$0	(\$63)	\$0	(\$63)	(\$0)	0.00%	98.48%	(\$33)	(\$31)	\$0	(\$33)
42381	NSF CHECKS-RETURNED CHECK	\$0	\$0	\$40	\$0	\$40	\$0	0.00%	100.00%	\$30	\$10	\$0	\$30
42384	OTHER REVENUE	\$43,000	\$43,000	\$38,000	\$1,405	\$24,231	\$13,769	56.35%	57.85%	\$24,874	(\$643)	\$2,918	\$43,000
42390	UNCLAIMED MONEY-ESCHEATED	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42500	BOND PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42981	LICENSES - CAPITOLA	\$0	\$0	\$0	\$477	\$9,363	(\$9,363)	0.00%	0.00%	\$8,545	\$818	\$1,046	\$0
42982	LICENSES - SANTA CRUZ	\$0	\$0	\$0	\$3,181	\$48,154	(\$48,154)	0.00%	0.00%	\$46,264	\$1,890	\$5,046	\$0
42983	LICENSES- SCOTTS VALLEY	\$0	\$0	\$0	\$564	\$13,764	(\$13,764)	0.00%	0.00%	\$12,123	\$1,641	\$1,047	\$0
42984	LICENSES- COUNTY	\$0	\$0	\$0	\$7,808	\$166,411	(\$166,411)	0.00%	0.00%	\$164,262	\$2,149	\$19,562	\$0
42986	LICENSES- WATSONVILLE	\$0	\$0	\$0	\$1,537	\$35,172	(\$35,172)	0.00%	0.00%	\$36,511	(\$1,339)	\$4,144	\$0
40100-42500	REVENUES	\$4,537,322	\$4,571,397	\$4,359,121	\$120,793	\$4,311,402	\$47,719	94.31%	97.21%	\$4,181,526	\$129,876	\$408,601	\$4,301,448

**Regular Agenda Item 6.3**

TO Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: Report on Audit of Santa Cruz County Animal Shelter

## Recommendation:

Consider and approve report on Audit of Santa Cruz County Animal Shelter for the year ended June 30, 2019.



**SANTA CRUZ COUNTY  
ANIMAL SHELTER**

**AUDIT REPORT**

**YEAR ENDED JUNE 30, 2019**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**June 30, 2019**

**Table of Contents**

	<u>Page(s)</u>
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	4-9
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Governmental Fund	
Balance Sheet	12
Reconciliation of the Governmental Fund Balance Sheet to the Government-wide Statement of Net Position - Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities - Governmental Activities	15
Notes to the Basic Financial Statements	16-29
REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)	
Budgetary Comparison Schedule – General Fund	30
Schedule of Changes in Net Pension Liability and Related Ratios	31
Schedule of Changes in Total OPEB Liability and Related Ratios	32
Schedule of Plan Contribution - Pension	33
Schedule of Plan Contribution - OPEB	34
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	35-36
GENERAL INFORMATION	37
SCHEDULE OF INSURANCE COVERAGE	38



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Santa Cruz County Animal Shelter  
Santa Cruz, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, major fund and the remaining fund information of the Santa Cruz County Animal Shelter (the "Shelter") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Shelter's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the remaining fund information of the Santa Cruz County Animal Shelter, as of June 30, 2019, and the respective changes in financial position thereof for the 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 the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension and OPEB liabilities and related ratios, schedule of plan contributions for both pension and OPEB on pages 4-9, 30-34, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz County Animal Shelter's basic financial statements. The general information and schedule of insurance coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general information and schedule of insurance coverage are 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2020, on our consideration of the Santa Cruz County Animal Shelter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Santa Cruz County Animal Shelter's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Cruz County Animal Shelter's internal control over financial reporting and compliance.

*Harold Kinoshita*

Kinoshita, CPA  
San Jose, California  
March 9, 2020

**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

This section of the Santa Cruz County Animal Shelter's (the Shelter) audit report presents a discussion and analysis of the Shelter's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the Shelter's basic financial statements following this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Shelter's basic financial statements. The Shelter's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

#### **Government-wide Financial Statements**

Government-wide financial statements are designed to provide readers with a broad overview of the Shelter's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all Shelter assets, deferred outflows of resources and liabilities, deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Shelter is improving or deteriorating.

The *Statement of Activities* presents information showing how the Shelter'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to pension and OPEB expenses and earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the Shelter 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 Shelter does not have any business-type activities.

#### **Fund Financial Statements**

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Shelter, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Shelter are classified as governmental funds.

**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the Shelter's programs.

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 Shelter's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The Shelter reports two (2) governmental funds, the general fund and the nonmajor capital project fund. The general fund is the general operating fund of the Shelter. It is used to account for all financial resources. The capital project fund is a restricted fund coming from revenue from the use of money and property for the Shelter's special project endeavor.

#### **Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Required Supplementary Information (other than MD&A)**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Shelter's general fund budgetary comparison schedule, schedule of changes in net pension and OPEB liabilities and related ratios, schedule of plan contributions – pension and OPEB.

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

**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Assets:	2019	2018	Variance %
Current and other assets	\$ 2,161,193	\$ 2,220,438	(2.67)
Capital assets, net	20,128	18,080	11.33
Total assets	<u>2,181,321</u>	<u>2,238,518</u>	(2.56)
 Deferred Outflows of Resources	 <u>841,518</u>	 <u>832,926</u>	 1.03
 Liabilities:			
Current and other liabilities	391,164	354,508	10.34
Long-term liabilities	<u>4,150,225</u>	<u>3,962,647</u>	4.73
Total liabilities	<u>4,541,389</u>	<u>4,317,155</u>	5.19
 Deferred Inflows of Resources	 <u>263,827</u>	 <u>77,504</u>	 240.40
 Net Position:			
Net investment in capital assets	20,128	18,080	11.33
Unrestricted	<u>(1,802,505)</u>	<u>(1,341,295)</u>	34.39
Total net position	<u>\$ (1,782,377)</u>	<u>\$ (1,323,215)</u>	34.70

**Analysis of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the fiscal year ended June 30, 2019, the Shelter's showed a negative net position due to the recognition of changes in net pension and OPEB liabilities in compliance with the requirements of GASB Statement No. 68 and 75, respectively. The Shelter's net position is negative \$1,782,377.



**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**Change in Net Position**

<b>Revenues</b>	<u>Governmental Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>%</u>
Program Revenues:				
Fees, fines and charges for services	\$ 3,832,993	\$ 3,492,285	\$ 340,708	9.76
General Revenues:				
Interest and investment income	78,466	29,731	48,735	163.92
Miscellaneous	389,542	541,688	(152,146)	(28.09)
Total revenues	<u>4,301,001</u>	<u>4,063,704</u>	<u>237,297</u>	5.84
Expenses:				
Governmental activities	4,760,163	4,229,012	531,151	12.56
Total expenses	<u>4,760,163</u>	<u>4,229,012</u>	<u>531,151</u>	12.56
Change in net position	(459,162)	(165,308)	(293,854)	177.76
Net position, beginning of year	(1,323,215)	(1,434,659)	111,444	(7.77)
<i>Restatement</i>	<u>-</u>	<u>276,752</u>	<u>(276,752)</u>	(100.00)
Net position, end of year	<u>\$ (1,782,377)</u>	<u>\$ (1,323,215)</u>	<u>\$ (459,162)</u>	34.70

**Analysis of Change in Net Position**

The Shelter's net position decreased by \$459,162 during the current fiscal year. This was due to increased expenditures (i.e., pension and OPEB expenses) during the year.

**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE SHELTER'S FUNDS**

As noted earlier, the Shelter uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The Shelter's governmental fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At June 30, 2019, the Shelter's governmental fund reported an ending fund balance of \$1,770,029, a decrease of \$95,901 in comparison with the prior year. Revenues for governmental funds totaled \$4,301,001, which represents an increase of \$237,298, or 5.84%, from fiscal year 2017-2018. Expenditures for governmental functions totaling \$4,396,902 increased by \$330,396, or 8.12%, from fiscal year 2017-2018. In the fiscal year 2018-2019, expenditures for governmental functions exceeded revenues by \$95,901.

The following table presents the amount of revenues and expenditures by source as well as increases or decreases from the prior year.

<b>Governmental Funds</b>						
<u>Revenue by Source</u>	<u>2019</u>		<u>2018</u>		<u>Increase/(Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Licenses and permits	\$ 295,344	6.87	\$ 297,086	7.31	\$ (1,742)	(0.59)
Revenue from use of money and property	50,336	1.18	29,731	0.73	20,605	69.30
Member contributions	2,972,305	69.11	2,741,169	67.45	231,136	8.43
Charges for services	473,128	11.00	454,029	11.17	19,099	4.21
Other revenues	509,888	11.86	541,688	13.33	(31,800)	(5.87)
<b>Total</b>	<b>4,301,001</b>	<b>100.00</b>	<b>4,063,703</b>	<b>100.00</b>	<b>237,298</b>	<b>5.84</b>
<u>Expenditures by Source</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Salaries and benefits	2,990,422	68.01	2,845,510	69.97	144,912	5.09
Services and supplies	1,214,852	27.63	1,064,096	27.38	150,756	14.17
Other charges	191,628	4.36	156,900	3.86	34,728	22.13
<b>Total</b>	<b>\$ 4,396,902</b>	<b>100.00</b>	<b>\$ 4,066,506</b>	<b>100.00</b>	<b>\$ 330,396</b>	<b>8.12</b>

The following provides explanations in significant changes in revenues by source:

- Member contributions increased by \$231,136, mainly due to a 6% plus \$66,667 increase in JPA member contributions approved by the Board.

**SANTA CRUZ COUNTY ANIMAL SHELTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2019**

- Other revenues decreased by \$31,800, due to a decrease in donations; particularly the receipt of an \$80,000 bequest that was received in 2017-2018, which was not present in 2018-2019.

**CAPITAL ASSETS**

The Shelter's net capital assets for its governmental activities as of June 30, 2019, is \$20,128. These capital assets include animal control vehicles and other equipment. Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	<u>Governmental Activities</u>		Increase/ (Decrease)
	<u>2019</u>	<u>2018</u>	<u>% of Change</u>
Equipment	\$ 31,965	\$ 31,965	0.00
Vehicles	237,188	243,616	(2.64)
Less accumulated depreciation	<u>(249,025)</u>	<u>(257,501)</u>	(3.29)
Net capital assets	<u>\$ 20,128</u>	<u>\$ 18,080</u>	0.00

Additional information on the Shelter's capital assets can be found in Note 4 on page 20.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Shelter is funded by member contributions and fees paid by the general public. Member contributions totaled \$2,972,305 in fiscal year 2018-2019 and will be increased by \$219,017, a 7.37% increase. Total member contributions for fiscal year 2019-2020 will be \$3,191,322.

Total budgetary expenditures are expected to increase in fiscal year 2019-2020 compared to the previous year, as audited, by \$479,979 which represents a 10.91% increase. The increase in expenditures is substantially the result of a projected increase in salaries and benefits.

Anticipated budgeted revenues for fiscal year 2019-2020 of \$4,537,322 indicate an increase by 5.49% from fiscal year 2018-2019 audited revenues of \$4,301,001. The increase in revenue is primarily due to a projected increase in member contributions.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Shelter's finances for all those with an interest in the Shelter's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Cruz County Animal Shelter, 1001 Rodriguez Street, Santa Cruz, CA 95062.

**Basic Financial Statements –  
Government-wide Financial Statements**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Cash	\$ 2,157,390
Accounts receivable	3,803
Capital assets, net	<u>20,128</u>
Total assets	<u>2,181,321</u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred Outflows of resources - related to Pension	836,820
Deferred Outflows of resources - related to OPEB	4,698
Total deferred outflows of resources	<u>841,518</u>
Total assets and deferred outflows of resources	<u>3,022,839</u>
 <b><u>LIABILITIES</u></b>	
Current liabilities	
Accounts payable - Claims	68,249
Accounts payable - Payroll	116,485
Donations	206,125
Stale dated warrants	305
Total current liabilities	<u>391,164</u>
Non-current liabilities	
Compensated absences	273,742
Net OPEB liability	806,855
Net pension liability	3,069,628
Total non-current liabilities	<u>4,150,225</u>
Total liabilities	<u>4,541,389</u>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred Inflows of resources - related to Pension	185,608
Deferred Inflows of resources - related to OPEB	78,219
Total deferred inflows of resources	<u>263,827</u>
Total liabilities and deferred inflow of resources	<u>4,805,216</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	20,128
Unrestricted	<u>(1,802,505)</u>
Total net position	<u>\$ (1,782,377)</u>

*The accompanying notes to the basic financial statements are an integral part of this statement.*

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Statement of Activities**  
**Year Ended June 30, 2019**

<u>Functions/Programs</u>	
Governmental activities	
General government	\$ <u>(4,760,163)</u>
Total Governmental Activities	<u>(4,760,163)</u>
<u>Program Revenues</u>	
Fees, fines and charges for services	<u>3,832,993</u>
Total Program Revenues	<u>3,832,993</u>
<u>General Revenues</u>	
Interest and investment income	50,336
Grants	28,130
Miscellaneous	<u>389,542</u>
Total General Revenues	<u>468,008</u>
Change in Net Position	(459,162)
Net Position, Beginning	<u>(1,323,215)</u>
Net Position, Ending	\$ <u><u>(1,782,377)</u></u>

*The accompanying notes to the basic financial statements are an integral part of this statement.*

**Basic Financial Statements –  
Fund Financial Statements**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Balance Sheet - Governmental Fund**  
**June 30, 2019**

	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Capital Project</u> <u>Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 1,909,612	\$ 247,778	\$ 2,157,390
Accounts receivable	3,803	-	3,803
Total assets	<u>1,913,415</u>	<u>247,778</u>	<u>2,161,193</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts payable - Claims	68,249	-	68,249
Accounts payable - Payroll	116,485	-	116,485
Donations	206,125	-	206,125
Stale dated warrants	305	-	305
Total liabilities	<u>391,164</u>	<u>-</u>	<u>391,164</u>
 Fund Balances:			
Nonspendable:			
Imprest cash	900	-	900
Assigned to:			
B Jean Adams Trust	496,846	-	496,846
Eliminate projected budgetary deficit in subsequent year's budget	339,460	-	339,460
Restricted		247,778	247,778
Unassigned	685,045	-	685,045
Total fund balance	<u>1,522,251</u>	<u>247,778</u>	<u>1,770,029</u>
Total liabilities and fund balance	<u>\$ 1,913,415</u>	<u>\$ 247,778</u>	<u>\$ 2,161,193</u>

*The accompanying notes to the basic financial statements are an integral part of this statement.*



**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Reconciliation of the Governmental Fund Balance Sheet to the**  
**Government-wide Statement of Net Position - Governmental Activities**  
**June 30, 2019**

**Fund Balance - Total Governmental Fund** **\$ 1,770,029**

Amounts to be 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.

Acquisitions	7,080	
Disposal	13,048	20,128

Deferred outflows of resources are applicable to future periods and, therefore, are not reported in the funds

Deferred outflow of resources - Pension	836,820	
Deferred outflow of resources - OPEB	4,698	841,518

Deferred inflows of resources are applicable to future periods and, therefore, are not reported in the funds

Deferred intflow of resources - Pension	(185,608)	
Deferred intflow of resources - OPEB	(78,219)	(263,827)

Long-term liabilities were not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long term liabilities at the end of the year consist of:

Compensated absences	(273,742)	
OPEB liability	(806,855)	
Net pension liability	(3,069,628)	(4,150,225)

**Net Position of Governmental Activities** **\$ (1,782,377)**

*The accompanying notes to the basic financial statements are an integral part of this statement.*

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Licenses and permits	\$ 295,344	\$ -	\$ 295,344
Revenue from use of money and property	47,290	3,046	50,336
Member contributions	2,972,305	-	2,972,305
Charges for services	473,128	-	473,128
Other	509,888	-	509,888
	<u>4,297,955</u>	<u>3,046</u>	<u>4,301,001</u>
<b><u>EXPENDITURES</u></b>			
Salaries and benefits	2,990,422	-	2,990,422
Services and supplies	1,214,852	-	1,214,852
Other charges	191,628	-	191,628
	<u>4,396,902</u>	<u>-</u>	<u>4,396,902</u>
Excess of Revenues Over Expenditures	<u>(98,947)</u>	<u>3,046</u>	<u>(95,901)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfer In	-	100,000	100,000
Transfer out	(100,000)	-	(100,000)
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(198,947)	103,046	(95,901)
Fund balance, beginning	<u>1,721,198</u>	<u>144,732</u>	<u>1,865,930</u>
Fund balance, ending	<u>\$ 1,522,251</u>	<u>\$ 247,778</u>	<u>\$ 1,770,029</u>

*The accompanying notes to basic financial statements are an integral part of this statement.*

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Reconciliation of the Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the Government-wide**  
**Statement of Activities - Governmental Activities**  
**Year Ended June 30, 2019**

**Net Change in Fund Balance** \$ (95,901)

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

Governmental funds reported capital outlay as expenditures.

However, in the Statement of Activities, the cost of those assets was allocated over their estimated useful lives and reported as depreciation expense.

Less current year depreciation net of adjustment	\$ <u>6,746</u>	6,746
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(33,740)	
OPEB expenses	(116,026)	
Pension expenses	<u>(220,241)</u>	<u>(370,007)</u>

**Change in Net Position of Governmental Activities** \$ (459,162)

*The accompanying notes to the basic financial statements are an integral part of this statement.*

**Basic Financial Statements –  
Notes to the Basic Financial Statements**

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Santa Cruz County Animal Shelter (the Shelter), formerly known as the Animal Services Authority, was formed on June 18, 2002, by the execution of a joint powers agreement among the cities of Capitola, Santa Cruz, and Scotts Valley, and the County of Santa Cruz. The joint powers agreement was amended to allow the City of Watsonville to become a Party to the joint powers agreement effective November 15, 2004. The City of Capitola withdrew from the joint powers agreement effective July 1, 2007. However, the joint powers agreement was amended to allow the City of Capitola to become a party again effective July 1, 2017. The Shelter is governed by an eight member board.

**B. Basis of Presentation**

*Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the primary government. These statements include the financial activities of the overall government except for fiduciary activities. The Shelter does not have fiduciary activities. Eliminations would have been made to eliminate the double counting of internal service fund activities but the Shelter has no internal service fund activities. Governmental activities are normally supported by intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Shelter's governmental activities. Direct expenses are those that are specifically associated with the Shelter. Program revenues include contributions from other governmental agencies that are restricted for meeting the operational or capital requirements of the Shelter. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

When both restricted and unrestricted resources are available for use, it is the Shelter's policy to use restricted resources first, then unrestricted resources as they are needed.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic assets used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Governmental Fund Financial Statements*

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The Shelter has no proprietary or fiduciary funds, only governmental funds. Therefore, only one statement is prepared.

The Shelter reports two (2) governmental fund, the General Fund and Capital Project Fund.

General Fund – the general fund is a general operating fund of the Shelter and is funded by member contributions from the parties of the Joint Powers Authority and user fees collected. It is used for the purpose of preserving the well-being of animals and providing education, adoption, and humane law enforcement services to the community.

Capital Project Fund – is used to account for the construction or acquisition of capital assets such as land, construction-in-progress, buildings and improvements, improvements other than buildings, and infrastructure. Revenues are provided by the parties to the Joint Powers Authority.

**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” transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The Shelter has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

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 having been earned and collectible within the current period. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

**D. Capital Assets and Depreciation**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment and vehicles	4-15 years
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**E. Fund Balance Classification Policies and Procedures**

The Shelter's governmental fund balance is classified in the following categories:

Nonspendable – Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

47

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Committed – The Shelter Board, as the Shelter’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Shelter Board removes or changes the specific use. The Board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30<sup>th</sup>. However, the amount can be determined subsequent to the release of the financial statements.

Assigned – Includes amounts that are constrained by the Shelter’s intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. The Shelter Board delegated the authority to assign amounts to be used for specific purposes to the Shelter General Manager, not to exceed \$10,000 per purpose. Any funds set aside as assigned fund balance greater than \$10,000 must be reported to the Shelter Board for approval at their next regular meeting and recorded in the minutes. The Shelter Board has the authority to remove or change the assignment of the funds with a simple majority vote.

Unassigned – Includes amounts that are technically available for any purpose, and includes all amounts not contained in other classifications.

When both restricted and unrestricted resources are available for use, it is the Shelter’s policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned, and unassigned funds are available for use, it is the Shelter’s policy to use committed funds first, assigned funds second, and unassigned funds last.

**NOTE 2. POOLED CASH AND INVESTMENTS**

Cash balances of the Shelter’s funds are deposited with the County of Santa Cruz where the available balances beyond immediate needs are invested in various securities by the County Treasurer. Pooled balances are restricted to legally stipulated investments consistent with state statutes and the County’s Investment Policy. In accordance with GASB Statement No. 31, the County calculated the fair value of all investments included in the pooled investments based on quoted market prices. Any material unrealized gains or losses are reported along with investment income (interest). At June 30, 2019, the unrealized losses applicable to the Shelter are considered to be immaterial and, therefore, no adjustments have been made to the financial statements.



**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3. COMPENSATED ABSENCES PAYABLE**

Compensated absences are those absences for which employees will be paid, such as vacation, sick, and administrative leave. A liability for compensated absences that are attributable for services already rendered that are not contingent on a special event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. On June 30, 2019, the liability for compensated absences included \$245,023 of vacation pay, \$23,513 of vested sick leave, and \$5,206 of administrative pay for a total of \$273,742.

**NOTE 4. CAPITAL ASSETS**

The following is a summary of capital assets activity for the Shelter for the fiscal year ended June 30, 2019:

	Balance 6/30/18	Additions	Deletions/ Transfers	Balance 6/30/19
Capital assets, being depreciated				
Equipment	\$ 275,581	\$ 7,080	\$ 13,508	\$ 269,153
Less accumulated depreciation for				
Equipment	(257,501)	(5,032)	(13,508)	(249,025)
Total capital assets, being depreciated, net	18,080	2,048	(0)	20,128
Capital assets, not being depreciated	-	-	-	-
Total capital assets, net	\$ 18,080	\$ 2,048	\$ (0)	\$ 20,128

Depreciation for the year is \$5,032. However, a credit adjustment of \$11,778 was made for statement of activities presentation which was omitted in prior year's audit.

**NOTE 5. LONG TERM DEBT**

The following is a summary of long-term debt transactions for the Shelter for the fiscal year ended June 30, 2019:

	Balance 6/30/18	Additions/ (Deletions)	Balance 6/30/19	Current Portion	Long-Term Portion
Compensated absences	\$ 240,002	\$ 33,740	\$ 273,742	\$ -	\$ 273,742
Net OPEB obligations	695,474	111,381	806,855		806,855
Net pension liability	3,027,171	42,457	3,069,628	-	3,069,628
Totals	\$ 3,962,647	\$ 187,578	\$ 4,150,225	\$ -	\$4,150,225

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6. PENSION PLANS**

**A. General Information about the Pension Plan**

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2019 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Auditor-Controller-Treasurer Tax Collector's Office, 701 Ocean Street, Room 100, Santa Cruz, California 95060.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position

This is the GASB 68 Accounting Valuation Report for the measurement date June 30, 2018. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 Accounting Valuation Reports are in a separate document, which may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following timeframes are used.

Reporting Date	June 30, 2019
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Valuation Date	June 30, 2017

**Pension Plan Fiduciary Net Position**

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation to several reasons. For example, for accounting valuation, CalPERS must keep items such as deficiency reserves and fiduciary self – insurance included as assets. These amounts are excluded for the rate setting purposes in your funding actuarial valuation.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**B. Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period (presented at **0.008083%**, which is the County of Santa Cruz' calculation of the Shelter's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/17 (VD)	\$10,084,795	\$7,057,542	\$3,027,253
Changes Recognized for the Measurement Period			
• Service Cost	204,775		204,775
• Interest on the Total Pension Liability	712,671		712,671
• Changes of Benefit Terms	-		-
• Difference between Expected and Actual Experience	88,111		88,111
• Change of Assumptions	(65,865)		(65,865)
• Plan to Plan Resource Movement		32	(32)
• Contributions from the Employers		249,064	(249,064)
• Contributions from Employees		90,561	90,561
• Net Investment Income <sup>1</sup>		589,542	(589,542)
• Benefit Payments, including Refunds of Employee Contributions	( 484,006)	( 484,006)	-
• Other Miscellaneous income (expense) A		(20,885)	20,885
• Administrative Expenses		( 10,997)	10,997
Net Changes during 2017-18	455,686	413,311	42,375
Balance at: 6/30/18 (MD)	\$10,540,481	\$7,470,853	\$3,069,628

<sup>1</sup> During fiscal year 2017-18 as a result of GASB 75, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employee participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the measurement period ending June 30, 2018 (the measurement date), the Shelter incurred a total pension expense of \$220,241 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2018, the Shelter has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$192,456	(\$44,618)
Difference between Expected and Actual Experience	75,108	-
Net difference between Projected And Actual Earnings on Pension Plan Investments	22,793	-
Total	\$290,357	(\$44,618)

The amounts above are net of outflows and inflows recognized in the 2016-2017 measurement period expense.

Amounts reported as deferred outflow and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$286,954
2021	47,335
2022	(70,094)
2023	(18,455)
Thereafter	-

The Shelter's employer contributions for the year ending June 30, 2019 is \$406,220.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7. OPERATING LEASES**

Lease with the County of Santa Cruz

On October 28, 2008, the Shelter executed an agreement as *lessee* to lease property from the County of Santa Cruz for \$197,669 per year, for a period of 30 years. At the end of this period, the Shelter will have the option to extend the lease for an additional 30 years.

The Shelter's future minimum rental commitments for this facility lease, accounted for as an operating lease at June 30, 2019, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 197,669
2021	197,669
2022	197,669
2023	197,669
2024	197,669
2025-2029	988,345
2030-2034	988,345
2035-2038	790,676
<b>Total</b>	<b>\$ 3,755,711</b>

**NOTE 8. RELATED PARTY TRANSACTIONS**

During the normal course of business, the Shelter is charged for data processing services, telecommunications services, janitorial services, facilities maintenance services, service center charges, accounting services, and equipment and structure lease and rent, by various departments of the County of Santa Cruz.

The County of Santa Cruz Information Services Department provides the Shelter with data processing services and telecommunications services. The charges for performing those functions for the year ended June 30, 2019, are summarized below:

Data processing services	\$ 75,335
Telecommunications services	49,229
Department total	<u>\$ 124,564</u>

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8. RELATED PARTY TRANSACTIONS - Continued**

The County of Santa Cruz General Services Department provides the Shelter with facilities maintenance services, and service center items. The charges for performing those functions for the year ended June 30, 2019, are summarized below:

Facilities maintenance services	\$ 16,277
Department total	<u>\$ 16,277</u>

The County of Santa Cruz Auditor-Controller's Office provides the Shelter with accounting services. The charges for performing those functions for the year ended June 30, 2019, were \$8,852.

The County of Santa Cruz Department of Public Works leases the facility to the Shelter, the details of which are described in Note 6. The lease charges for the year ended June 30, 2019, were \$197,669.

The Shelter is one of a number of agencies and departments within the County of Santa Cruz. General expenses such as purchasing, accounting, budgeting, data processing, and personnel administration represent services provided to the Shelter by departments within the County of Santa Cruz. Such expenses, based on an allocation plan and charged to the Shelter during the year ended June 30, 2019, amounted to \$191,628.

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

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

Reporting Date	June 30, 2019
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Valuation Date	June 30, 2018

**Plan Description:** Employees of the Shelter who retire through CalPERS, their spouse, and eligible dependents may receive health plan coverage through the Public Employee's Medical and Hospital Care Program Plan (Plan). The Plan is a defined benefit plan, which provides the retirees a monthly medical contribution that is not to exceed the cost of the plan selected. The cost of the Plan to the Shelter will be determined through CalPERS' regulation and requirements. The Shelter contributions are based on longevity schedules with fixed dollar scaling that varies by bargaining unit. The Plan does not issue a financial report.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

**Eligibility:** All of the Shelter's employee became participants in accordance with the Memorandum of Understanding (MOU) as negotiated by each group or bargaining unit. In order to receive benefits, eligible employees must meet the minimum requirements defined in their MOU.

The Plan is eligible to plan members who retire directly from the Shelter through CalPERS at age 50 with at least 5 years of service. The number of participants in the Plans are as follows:

<u>Participants as of January 1, 2017 *</u>	<u>Total</u>
Active employees	28
Retiress	<u>1</u>
	<u>29</u>

Most recent information available as reported by the County.

**Contribution:** The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the Shelter's contributions were \$4,698.

**Change in Total OPEB liability:** *Following table shows the change in total OPEB liability during the measurement period June 30, 2018:*

<u>Measurement Period</u>	<u>Total OPEB Liability</u>
Total OPEB Liability - beginning	\$695,474
Service Cost	95,608
Interest	28,093
Change in benefit terms	
Difference b/w expected and actual experience	(8,390)
Benefit payment	<u>(3,930)</u>
Changes in total OPEB Liability	<u>111,381</u>
Total OPEB Liability - ending	<u>\$806,855</u>

**Net OPEB Liability:** The Shelter's net OPEB liability was measured as of June 30, 2018 and total OPEB liability used to calculate the NET OPB used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions.

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

<u>Actuarial Assumption</u>	<u>June 30, 2018 Measurement Date</u>
Actuarial valuation date	June 30, 2017
Contribution Policy	No pre-funding
Discount rate	3.62% at June 30, 2018 (Fidelity Municipal GO AA 20 year bond index)
	3.56% at June 30, 2017 (Fidelity Municipal GO AA 20 year bond index)
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP - 2017

Methods and assumptions used to establish “actuarially determined contribution” rates:

<b>Salary Increases</b>	Aggregate – 3% annually
<b>Medical Trend</b>	Non-Medicare – 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare – 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
<b>PEMHCA Minimum Increase</b>	4.25% annually
<b>Cap Increase</b>	0% annually
<b>Healthcare Participation for Future Retirees</b>	Currently covered: 90% Currently waived: 50%

***Discount Rate:*** The discount rate used to measure the total OPEB liability was 3.56 percent. The projection of cash flows used to determine the discount rate assumed that Shelter contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Thereafter, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

***Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Trend Rate:*** The discount rate used for the fiscal year end 2019 is 3.62%. The impact on total OPEB liability of a 1% increase or decrease in these assumptions is shown in the chart below.

	2.62% <u>(1% Decrease)</u>	3.62% <u>(Current Rate)</u>	4.62% <u>(1% Increase)</u>
Discount rate			
Total OPEB liability	<u>\$963,871</u>	<u>\$806,855</u>	<u>\$682,979</u>
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Healthcare Trend Rate			
Total OPEB liability	<u>\$689,209</u>	<u>\$806,855</u>	<u>\$993,217</u>

***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 losses 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.

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:*** For the fiscal year ended June 30, 2019, the Shelter recognized OPEB expense of \$116,026. As of fiscal year ended June 30, 2019, the Shelter reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflow of <u>resources</u>	Deferred inflow of <u>resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption		78,219
Net difference between projected and actual earnings on plan investments	-	-
Employer contributions made subsequent to the measurement date	<u>4,698</u>	<u>-</u>
Total deferred inflow and outflow	<u>\$4,698</u>	<u>\$78,219</u>

**SANTA CRUZ ANIMAL SHELTER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

The \$4,698 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows related to OPEB will be recognized as expense as follows:

<u>Year ending June 30,</u>	<u>Deferred Outflows/(Inflows)</u> <u>Of Resources</u>
2020	(\$ 7,675)
2021	( 7,675)
2022	( 7,675)
2023	( 7,675)
2024	( 7,675)
Thereafter	( 39,844)

**NOTE 10. DEFERRED COMPENSATION PLAN**

The Shelter offers all of its full-time employees a deferred compensation plan (Plan) created in accordance with Section 457 of the Internal Revenue Code. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or emergency. Employees direct the investment of Plan assets into certificates of deposit and various mutual funds. The County has insignificant administrative duties.

As of June 30, 2019, the County's Plan assets of \$193,807,248 are not recorded in the Shelter's financial statements as they are deposited with a third-party administrator independent of the County and the Shelter.

**Required Supplementary Information**  
**(Other than MD&A)**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
<b>Budgetary Balances, Beginning</b>	\$ 1,039,629	\$ 1,079,105	\$ 1,957,200	\$ 878,095
<b>Resources (Inflows)</b>				
Licenses and permits	350,000	350,000	295,344	(54,656)
Use of money	31,400	31,400	47,290	15,890
Member contributions	2,972,305	2,972,305	2,972,305	-
Charges for services	540,100	540,100	473,128	(66,972)
Other	<u>519,700</u>	<u>519,700</u>	<u>509,888</u>	<u>(9,812)</u>
Amounts Available for Appropriation	<u>4,413,505</u>	<u>4,413,505</u>	<u>4,297,955</u>	<u>(115,550)</u>
<b>Charges to Appropriations (Outflows)</b>				
Salaries and employee benefits	3,151,425	3,115,770	2,990,422	125,348
Services and supplies	1,141,349	1,221,349	1,214,852	6,497
Other charges	191,626	191,626	191,628	(2)
Appropriations for contingencies	<u>175,708</u>	<u>175,708</u>	<u>-</u>	<u>175,708</u>
Total Charges to Appropriations	<u>4,660,108</u>	<u>4,704,453</u>	<u>4,396,902</u>	<u>307,551</u>
<b>Other Financing Uses (Outflows)</b>				
Operating transfer out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>Budgetary Balances, Ending</b>	<u>\$ 893,026</u>	<u>\$ 888,157</u>	<u>\$ 1,958,253</u>	<u>\$ 454,994</u>

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten (10) Fiscal Years\***

Fiscal year	2018-2019	2017-18	2016-17	2015-16	2014-15
Measurement period ending	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 204,775	\$ 197,024	\$ 176,363	\$ 176,050	\$ 189,858
Interest	712,671	681,304	681,587	675,250	666,828
Changes of Assumptions	(65,865)	542,377	-	(158,282)	-
Differences Between Expected and Actual Experience	88,111	43,456	34,282	(123,873)	-
Benefit Payments, including Refunds of Employee Contributions	(484,006)	(447,500)	(436,178)	(415,339)	(391,674)
<b>Net Change in Total Pension Liability</b>	<b>455,686</b>	<b>1,016,661</b>	<b>456,054</b>	<b>153,806</b>	<b>465,012</b>
<b>Total Pension Liability - Beginning</b>	<b>10,084,795</b>	<b>9,068,133</b>	<b>9,005,256</b>	<b>9,228,595</b>	<b>8,991,953</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 10,540,481</b>	<b>\$ 10,084,794</b>	<b>\$ 9,461,310</b>	<b>\$ 9,382,401</b>	<b>\$ 9,456,965</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 249,064	\$ 243,871	\$ 213,578	\$ 192,529	\$ 179,887
Contributions - Employees	90,561	92,024	85,563	86,930	83,640
Net Investment Income	589,542	718,252	36,540	159,395	1,093,488
Benefit Payments, including Refunds of Employee Contributions	(484,006)	(447,419)	(436,178)	(415,339)	(391,674)
Plan to Plan Resource Movement	32	(536)	24	(275)	-
Administrative Expense	(10,997)	(9,539)	(4,172)	(8,028)	-
Other Miscellaneous income (expense) 1	(20,885)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 413,311</b>	<b>596,653</b>	<b>(104,645)</b>	<b>15,212</b>	<b>965,341</b>
<b>Plan Fiduciary Net Position - Beginning 2</b>	<b>7,057,542</b>	<b>6,460,970</b>	<b>6,845,750</b>	<b>7,117,242</b>	<b>6,328,024</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 7,470,853</b>	<b>\$ 7,057,623</b>	<b>\$ 6,741,105</b>	<b>\$ 7,132,454</b>	<b>\$ 7,293,365</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 3,069,628</b>	<b>\$ 3,027,171</b>	<b>\$ 2,720,205</b>	<b>\$ 2,249,947</b>	<b>\$ 2,163,600</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.88%</b>	<b>69.98%</b>	<b>71.25%</b>	<b>76.02%</b>	<b>77.12%</b>
<b>Covered-Employee Payroll</b>	<b>1,310,557</b>	<b>1,257,655</b>	<b>1,235,206</b>	<b>2,465,809</b>	<b>1,352,634</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>234.22%</b>	<b>240.70%</b>	<b>220.22%</b>	<b>91.25%</b>	<b>159.95%</b>

The above is presented at 0.8083%, which is the County of Santa Cruz calculation of the Shelter's proportionate share.

<sup>1</sup> During Fiscal Year 2017-18, as a result of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to post employment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to reported financial statements to properly reflect its proportionate share of activity related to pension in accordance with GASB No. 68, Accounting and Includes any beginning of year adjustment.

**Notes to Schedule:**

*Benefit Changes:* The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

*Changes of Assumptions:* In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the year ended June 30, 2019**

Measurement Period	2018	2017
<b>Total OPEB Liability</b>		
Service Cost	\$ 95,608	\$ 107,473
Interest	28,093	22,184
Change in benefit terms	-	-
Difference between expected and actual experience	-	-
Change in assumptions	(8,390)	(84,486)
Benefit payments	(3,930)	(3,871)
Net changes in total OPEB liability	111,381	41,300
Total OPEB Liability - beginning	695,474	654,174
<b>Total OPEB Liability - ending</b>	<b>\$ 806,855</b>	<b>\$ 695,474</b>
Covered-Employee Payroll	\$ 1,827,809	\$ 1,852,813
Total OPEB liability as a % of covered employee payroll	44.14%	37.54%

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Schedule of Plan Contributions - Pension**  
**For the year ended June 30, 2019**

Fiscal Year <sup>1</sup>	2019-18	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution <sup>2</sup>	249,064	243,871	213,578	\$ 293,561	\$ 192,529
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(249,064)	(243,871)	(213,578)	(293,561)	(192,529)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll <sup>3</sup>	\$ 1,852,813	\$ 1,257,655	\$ 1,235,206	\$ 1,310,557	\$ 1,352,634
Contributions as a Percentage of Covered-Employee Payroll <sup>3</sup>	13.44%	19.39%	17.29%	22.40%	14.23%

The above is presented at 0.8083%, which is the County of Santa Cruz calculation of the Shelter's proportionate share.

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be determined as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standards as this data is not available to CalPERS.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Includes one year's payroll growth using 2.75 % payroll assumption for fiscal year ended June 30, 2018; 3.00 % payroll assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Schedule of Plan Contributions - OPEB**  
**For the year ended June 30, 2019**

Fiscal Year	2018-19	2017-18
Actuarially Determined Contribution	4,698	3,930
Contributions in Relation to the Actuarially Determined Contribution	(4,698)	(3,930)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 1,827,809	\$ 1,852,813
Contributions as a Percentage of Covered-Employee Payroll	0.26%	0.21%



**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With  
Government Auditing Standards**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Santa Cruz County Animal Shelter  
Santa Cruz, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, major fund and the remaining fund information of the Santa Cruz County Animal Shelter (the "Shelter") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Shelter's basic financial statements, and have issued our report thereon dated March 9, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Shelter's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Shelter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Shelter's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Shelter's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Arnold Kinoshita*  
Kinoshita, CPA  
San Jose, California  
March 9, 2020

## **General Information**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**General Information**  
**Year Ended June 30, 2019**

Organization

The Shelter was formed by the execution of a joint powers agreement to establish, operate and maintain an animal control and care Shelter for the Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and the County of Santa Cruz.

Directors and Officials

The Shelter shall be governed by a Board of Directors. Each entity, which is a Party to the Joint Powers Shelter agreement, shall have representation on the Board. The following were in office June 30, 2019.

Tamara Vides, City of Watsonville, Chair  
Michael Mckinley, City of Watsonville, Vice Chair  
Laura Schmidt, City of Santa Cruz, Secretary  
Stephen Walpole, City of Scotts Valley  
Steve Carney, County of Santa Cruz  
Nicole Coburn, County of Santa Cruz  
Dan Flippo, City of Santa Cruz  
Marquis Booth, City of Capitola  
Jessica Randolph, County of Santa Cruz

Other official at June 30, 2019, was:

Melanie Sobel, General Manager

Accounts and Records

The official accounting records are maintained in the office of the County Auditor-Controller. Supporting documents are maintained by the Shelter.

Minute Book

Minutes were recorded for meetings and contained approval for disbursements in accordance with prescribed procedures.

Budgetary Procedures

The Shelter prepared fiscal year budgets in accordance with applicable laws and regulations.

## **Schedule of Insurance Coverage**

**SANTA CRUZ COUNTY ANIMAL SHELTER**  
**Schedule of Insurance Coverage**  
**Year Ended June 30, 2019**

At June 30, 2019, the Shelter's insurance coverage was as follows:

<u>COVERAGE</u>	<u>INSURER</u>	<u>LIMITS</u>
Property Coverage	SDRMA	\$1,000,000,000 per occurrence. Replacement cost for scheduled property
Boiler & Machinery	SDRMA	\$100,000,000 per occurrence. Replacement cost for scheduled property
Personal Injury and Property Damage Liability Coverage – General	SDRMA	\$5,000,000 per occurrence.
Personal Injury and Property Damage Coverage – Auto Liability	SDRMA	\$5,000,000 per occurrence.
Uninsured/Underinsured Motorists	SDRMA	\$1,000,000 each accident.
Public Officials and Employees Errors	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employment Practices Liability	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employee Benefits Liability	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employee Dishonesty Coverage	SDRMA	\$1,000,000 per occurrence.
Personal Liability Coverage for Board Members	SDRMA	\$500,000 per occurrence/general aggregate per Board Member.

## Regular Agenda Item 6.4

TO: Santa Cruz County Animal Shelter Board of Directors  
FROM: Melanie Sobel, General Manager  
DATE: June 8, 2020  
SUBJECT: FY2020-21 Budget Presentation

### Recommendation:

Consider adopting the Proposed Budget 2020-21 – Plan B with status quo member contributions while reducing the amount of Extra Help, unfunding a vacant Animal Care Worker position, extending all limited term positions until June 30, 2021, continuing a \$101,000 contribution to a 30-year asset reserve fund, providing the required 4% Contingency contribution, and including projected revenue losses. Use unassigned reserve balance funds to cover any additional net cost increases after revenues.

Given the uncertain nature of the COVID-19 pandemic and economic ramifications, it is extremely difficult to put together, and for the SCCAS Board to adopt, a FY 2020-21 budget that adequately estimates revenues and expenditures. Accordingly, it is recommended that the SCCAS Board adopt Plan B on June 8, 2020 and revisit and possibly amend the budget on August 10, 2020. This will allow the SCCAS to align with the County's revised budget plan and to compile more data as the COVID-19 situation and economic forecast unfold.

### Discussion:

The COVID-19 pandemic and shelter-in-place order has had a major impact on Santa Cruz County Animal Shelter's (SCCAS) services and programs. Expectations of continued revenue declines and continued uncertainty due to the shelter-in-place order will exacerbate the existing deficit. Traditional use of unassigned reserve fund balance along with increased member contributions has sustained SCCAS's staffing and progressive programs.

Staff has developed the following Proposed Budget 2020-21 for review and consideration (Exhibit A). Exhibit B outlines the Schedule of Member Contributions with population changes, Exhibit C provides Member Data by Jurisdiction (impounds and calls for service), Exhibit D provides the Personnel Summary and Exhibit E provides the Fee Schedule with no changes.

Plan A reflects status quo member contributions while maintaining the current staffing level with all limited term positions extended until June 30, 2021, continuing a \$101,000 contribution to a 30-year asset reserve fund, providing the required 4% Contingency contribution, and including projected revenue losses. The Estimated Actuals for FY 2019-20 reflect a deficit of \$215,863, leaving an estimated \$1,505,335 in unassigned reserve balance funds to carry forward to cover the deficit of \$653,151.

Plan B reflects status quo member contributions while reducing the amount of Extra Help, unfunding a vacant Animal Care Worker position, extending all limited term positions until June 30, 2021, continuing a \$101,000 contribution to a 30-year asset reserve fund, providing the required 4% Contingency contribution, and including projected revenue losses. The Estimated Actuals for FY 2019-20 reflect a deficit of \$215,863, leaving an estimated \$1,505,335 in



unassigned reserve balance funds to carry forward to cover the deficit of \$538,821. This proposal results in savings of \$114,330 from Plan A.

The balances of the unassigned reserve balance funds at the end of FY2019-20 are as follows:

- B. Jean Adams Fund: \$472,501
- Muriel R. Butler Fund: \$646,435
- SB90 Fund: \$386,399

Each plan divides the deficit by three and takes equal parts from the three unassigned reserve balance funds.

The County is currently in discussions with both SEIU and the Middle Management Association, the employee organizations which represent the Animal Shelter employees, regarding cost saving measures. The outcome of those discussions will be reflected in the revised budget that we will present at the August 10, 2020 SCCAS Board meeting. Some of these actions require aligning with the County's revised budget, which is being developed and will be finalized over the summer.

Accordingly, it is recommended that the SCCAS Board adopt Plan B on June 8, 2020 and revisit and possibly adjust the budget on August 10, 2020. The budget update will include a proposal to make various modifications to staffing and services in order to reduce member contributions by 10%, as directed by the SCCAS Board on May 11, 2020. If the proposal is approved, member contributions will be adjusted for the remainder of the fiscal year.

**SANTA CRUZ COUNTY ANIMAL SHELTER  
PROPOSED BUDGET FOR FISCAL YEAR 2020-21**

Accounts	Actuals 2018-19	Budget 2019-20	Adj. Budget 2019-20	Est./Actuals 2019-20	Difference Adj Budget to EAs	A	B	Status Quo Change from 2019-20
						Status Quo 2020-21	Staffing Change: Proposal 2020-21	
<b>SALARIES AND BENEFITS</b>								
51000 -- REGULAR PAY-PERMANENT	1,796,101	1,983,275	1,983,275	1,962,477	(20,798)	2,000,365	1,954,631	17,090
51005 -- OVERTIME PAY-PERMANENT	4,122	4,000	4,000	4,159	159	4,159	4,159	159
51010 -- REGULAR PAY-EXTRA HELP	66,406	90,000	114,345	78,531	(35,814)	90,000	56,234	0
51040 -- DIFFERENTIAL PAY	26,288	20,000	20,000	31,366	11,366	31,366	31,366	11,366
52010 -- OASDI-SOCIAL SECURITY	140,742	148,861	148,861	155,227	6,366	150,202	146,703	1,341
52015 -- PERS	369,862	468,780	468,780	461,425	(7,355)	512,407	500,562	43,627
53010 -- EMPLOYEE INSURANCE AND BENEFITS	509,493	531,487	531,487	525,175	(6,312)	557,719	542,630	26,232
53015 -- UNEMPLOYMENT INSURANCE	5,413	4,416	4,416	4,416	0	3,964	3,964	(452)
54010 -- WORKERS COMPENSATION INSURANCE	71,994	71,645	71,645	71,645	0	75,625	75,625	3,980
<b>SUBTOTAL SALARIES AND BENEFITS</b>	<b>2,990,421</b>	<b>3,322,464</b>	<b>3,346,809</b>	<b>3,294,421</b>	<b>(52,388)</b>	<b>3,425,807</b>	<b>3,315,874</b>	<b>103,343</b>
<b>SERVICES AND SUPPLIES</b>								
61115 -- POLICE SAFETY EQUIP-REPLACE	160	500	500	500	0	500	500	0
61125 -- UNIFORM REPLACEMENT	6,283	1,500	1,500	3,156	1,656	1,500	1,500	0
61215 -- RADIO	32,234	35,000	35,000	35,000	0	35,000	35,000	0
61220 -- TELECOM SERVICES	49,230	46,000	46,000	46,000	0	46,000	46,000	0
61310 -- FOOD	9,921	10,000	10,000	13,000	3,000	10,000	10,000	0
61412 -- JANITORIAL SERVICES	9,983	10,000	10,000	10,000	0	10,000	10,000	0
61525 -- LIABILITY INSURANCE	37,266	37,000	37,000	43,027	6,027	60,000	60,000	23,000
61535 -- OTHER INSURANCE	3,119	3,040	3,040	3,040	0	4,012	4,012	972
61720 -- MAINT-MOBILE EQUIPMENT-SERV	8,397	10,000	10,000	8,000	(2,000)	10,000	10,000	0
61725 -- MAINT-OFFICE EQUIPMENT-SERVICES	1,331	1,000	1,000	2,000	1,000	1,000	1,000	0
61730 -- MAINT-OTHER EQUIPMENT-SERVICES	4,052	2,000	2,000	3,500	1,500	2,000	2,000	0
61731 -- MAINT-OTHER EQUIPMENT-SUPPLIES	1,576	1,000	1,000	3,000	2,000	1,000	1,000	0
61835 -- FACILITIES MAINT-GENERAL-SERVICES	20,265	18,000	18,000	15,000	(3,000)	18,000	18,000	0
61845 -- MAINT-STRUCT/IMPS/GRDS-OTHER-SERVICES	917	1,000	1,000	1,000	0	1,000	1,000	0
61922 -- OTHER MEDICAL MATERIALS & SUPPLIES	94,626	95,000	95,000	88,000	(7,000)	95,000	95,000	0
62020 -- MEMBERSHIPS	1,727	2,000	2,000	1,796	(204)	2,000	2,000	0
62111 -- MISCELLANEOUS EXPENSE-SERVICES	9,490	10,500	10,500	9,285	(1,215)	10,500	10,500	0
62112 -- CASH SHORTAGES	74	0	0	30	30	0	0	0
62214 -- DUPLICATING SERVICES	5,095	3,500	3,500	4,600	1,100	3,500	3,500	0
62217 -- MISC NONINVENTORABLE ITEMS EXPENSE	0	0	0	5,000	5,000	0	0	0
62219 -- PC SOFTWARE PURCHASES	8,115	5,500	5,500	8,436	2,936	5,500	5,500	0
62221 -- POSTAGE	9,934	10,000	10,000	7,659	(2,341)	10,000	10,000	0
62222 -- SUBSCRIPTIONS/PERIODICALS	0	125	125	125	0	125	125	0
62223 -- SUPPLIES	85,739	78,000	78,000	73,000	(5,000)	75,000	75,000	(3,000)
62225 -- NON-PC SOFTWARE	0	250	250	250	0	250	250	0
62226 -- INVENTORABLE ITEMS	23,398	5,000	5,000	767	(4,233)	5,000	5,000	0
62301 -- ACCOUNTING AND AUDITING FEES	14,852	13,500	13,500	13,500	0	13,500	13,500	0
62310 -- BANKING FEES	33,673	30,000	30,000	13,000	(17,000)	13,000	13,000	(17,000)
62316 -- COMPUTER PROF SERVICES	0	0	0	0	0	0	0	0
62317 -- CONSULT/MGT/PC SERVICES	20,829	20,000	20,000	21,233	1,233	22,000	22,000	2,000

**SANTA CRUZ COUNTY ANIMAL SHELTER  
PROPOSED BUDGET FOR FISCAL YEAR 2020-21**

Accounts	Actuals 2018-19	Budget 2019-20	Adj. Budget 2019-20	Est./Actuals 2019-20	Difference Adj Budget to EAs	A	B	Status Quo Change from 2019-20
						Status Quo 2020-21	Staffing Change: Proposal 2020-21	
62318 -- COUNTY COUNSEL	0	0	0	0	0	0	0	0
62325 -- DATA PROCESSING SERVICES	75,335	71,770	71,770	82,320	10,550	82,320	82,320	10,550
62330 -- DPW SERVICES - GENERAL MONEY	0	0	0	0	0	0	0	0
62381 -- PROF & SPECIAL SERV-OTHER	153,548	215,000	215,000	80,000	(135,000)	80,000	\$ 80,000	(135,000)
62349 -- GIS SERVICES	0	0	0	0	0	0	0	0
62399 -- VETERINARIAN SERVICES	132,721	100,000	100,000	105,000	5,000	100,000	100,000	0
62500 -- EQUIPMENT LEASE & RENT	2,291	0	0	2,000	2,000	0	0	0
62610 -- RENTS & LEASES-STRUC IMP & GRNDS	197,888	200,000	200,000	198,109	(1,891)	200,000	200,000	0
62710 -- FIELD EQUIPMENT	2,314	1,200	1,200	3,000	1,800	1,200	1,200	0
62801 -- ADVERTISING & PROMOTION SUPPLIES	3,651	2,500	2,500	2,500	0	2,500	2,500	0
62842 -- INVENTORY MATERIALS PURCHASED	33,586	20,000	20,000	31,155	11,155	20,000	20,000	0
62857 -- SPECIAL MISC EXPENSE - SUPPLIES	325	500	500	916	416	500	500	0
62890 -- SUBSCRIPTIONS BOOKS & ED MATERIALS	360	500	500	500	0	500	500	0
62893 -- TOWING	0	0	0	0	0	0	0	0
62914 -- EDUCATION & TRAINING	919	2,500	2,500	1,090	(1,410)	2,500	2,500	0
62920 -- GAS, OIL, FUEL	18,119	15,000	15,000	18,000	3,000	15,000	15,000	0
62922 -- LODGING	2,150	1,500	1,500	368	(1,132)	1,500	1,500	0
62924 -- MEALS	461	500	500	91	(409)	500	500	0
62926 -- MILEAGE	0	1,000	1,000	95	(905)	500	500	(500)
62928 -- TRAVEL-OTHER	0	100	100	8	(92)	100	100	0
62930 -- REGISTRATIONS	4,600	1,000	1,000	226	(774)	250	250	(750)
62935 -- SERVICE CENTER CHARGES	0	0	0	0	0	0	0	0
62940 -- TRAVEL ADVANCES	0	0	0	0	0	0	0	0
63070 -- UTILITIES	94,300	85,000	85,000	85,000	0	85,000	85,000	0
74230 -- PRINCIPAL ON LEASE PURCHASES	0	0	0	0	0	0	0	0
<b>SUBTOTAL SERVICES AND SUPPLIES</b>	<b>1,214,854</b>	<b>1,167,485</b>	<b>1,167,485</b>	<b>1,043,282</b>	<b>(124,203)</b>	<b>1,047,757</b>	<b>1,047,757</b>	<b>(119,728)</b>
<b>75315 - COUNTY OVERHEAD (See prev. 3550)</b>	191,628	103,206	103,206	103,206	0	63,391	63,391	(39,815)
<b>86204 - FIXED ASSETS - EQUIPMENT AND MOBILE</b>	0	0	34,075	34,075	0	0	0	0
<b>90000 - Operating Transfers Out</b>	100,000	100,000	100,000	100,000	0	101,000	101,000	1,000
<b>98700 - APPROPRIATIONS FOR CONTINGENCY</b>	175,708	183,726	183,726	0	(183,726)	185,518	181,121	1,792
<b>TOTAL EXPENDITURES</b>	<b>4,672,611</b>	<b>4,876,881</b>	<b>4,935,301</b>	<b>4,574,984</b>	<b>(360,317)</b>	<b>4,823,473</b>	<b>4,709,143</b>	<b>(53,408)</b>

**SANTA CRUZ COUNTY ANIMAL SHELTER  
PROPOSED BUDGET FOR FISCAL YEAR 2020-21**

Accounts	Actuals 2018-19	Budget 2019-20	Adj. Budget 2019-20	Est./Actuals 2019-20	Difference Adj Budget to EAs	A	B	Status Quo Change from 2019-20
						Status Quo 2020-21	Staffing Change: Proposal 2020-21	
<b>REVENUES</b>								
40100 -- PROPERTY TAX-CURRENT SEC-GEN	0	0	0	0	0	0	0	0
40230 -- ANIMAL LICENSES	350,000	300,000	300,000	285,000	(15,000)	225,000	225,000	(75,000)
40430 -- INTEREST	47,290	48,000	48,000	40,000	(8,000)	30,000	30,000	(18,000)
40440 -- RENTS & CONCESSIONS	641	700	700	172	(528)	700	700	0
40441 -- RENTAL DEPOSIT/FORFEIT REVENUE	280	200	200	140	(60)	200	200	0
40872 -- STATE MANDATED REIMBURSEMENTS	0	0	0	0	0	0	0	0
40894 -- STATE-OTHER	0	0	0	0	0	0	0	0
41096 -- FED OTHER	0	0	0	0	0	0	0	0
41510 -- HUMANE SERVICES	270,388	280,000	280,000	225,000	(55,000)	200,000	200,000	(80,000)
42010 -- ADMINISTRATIVE SERVICES	3,472	2,600	2,600	2,850	250	2,600	2,600	0
42022 -- COST RECOVERY-OTHER	7,029	9,500	9,500	6,000	(3,500)	5,500	5,500	(4,000)
42044 -- MEMBER CONTRIBUTIONS	2,972,305	3,191,322	3,191,322	3,191,322	0	3,191,322	3,191,322	0
42047 -- CHARGES FOR CURRENT SERVICES	19,836	30,000	30,000	2,775	(27,225)	20,000	20,000	(10,000)
42073 -- ADMIN FINE FEES	12,708	15,000	15,000	9,500	(5,500)	10,000	10,000	(5,000)
42074 -- GRANT SERVICES-NON INTERGOV	28,130	15,000	15,000	15,000	0	15,000	15,000	0
42205 -- ANIMAL MICROCHIP FEES	20,776	22,000	22,000	15,000	(7,000)	20,000	20,000	(2,000)
42206 -- ANIMAL RABIES FEES	15,848	18,000	18,000	14,500	(3,500)	18,000	18,000	0
42207 -- ANIMAL SPAY & NEUTER FEES	101,971	100,000	100,000	97,000	(3,000)	100,000	100,000	0
42334 -- SALES OTHER TAXABLE	68657	65,000	65,000	56,819	(8,181)	30,000	30,000	(35,000)
42362 -- CASH OVERAGES	98	0	0	66	66	0	0	0
42372 -- CONTRIBUTIONS AND DONATIONS	389,447	400,000	400,000	360,000	(40,000)	262,000	262,000	(138,000)
42375 -- INSURANCE PROCEEDS	0	0	0	0	0	0	0	0
42380 -- NSF CHECKS	(33)	0	0	(63)	(63)	0	0	0
42381 -- NSF CHECK FEES	30	0	0	40	40	0	0	0
42384 -- OTHER REVENUE	43,739	43,000	43,000	38,000	(5,000)	40,000	40,000	(3,000)
42390 -- UNCLAIMED MONEY-ESCHEATED	0	0	0	0	0	0	0	0
42462 -- OPERATING TRANSFER IN	0	0	0	0	0	0	0	0
42500 -- BOND PROCEEDS	0	0	0	0	0	0	0	0
42981 -- LICENSES-CAPITOLA CITY	9,313	0	0	0	0	0	0	0
42982 -- LICENSES-SANTA CRUZ CITY	52,023	0	0	0	0	0	0	0
42983 -- LICENSES-SCOTTS VALLEY CITY	13,586	0	0	0	0	0	0	0
42984 -- LICENSES-COUNTY SANTA CRUZ	180,632	0	0	0	0	0	0	0
42986 -- LICENSES-WATSONVILLE	39,790	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>4,352,612</b>	<b>4,540,322</b>	<b>4,540,322</b>	<b>4,359,121</b>	<b>(181,201)</b>	<b>4,170,322</b>	<b>4,170,322</b>	<b>(370,000)</b>
<b>EXPENDITURES LESS REVENUES</b>	<b>319,999</b>	<b>336,559</b>	<b>394,979</b>	<b>215,863</b>	<b>(179,116)</b>	<b>653,151</b>	<b>538,821</b>	<b>316,592</b>
<b>FUND BALANCE TRANSFER TO ASSET RESERVE</b>				<b>100,000</b>		<b>101,000</b>	<b>101,000</b>	
<b>Positions Authorized</b>	33.50	33.50	33.50	33.50		33.50	32.50	0.00
<b>Positions Unfunded</b>	4.00	4.00	4.00	4.00		4.00	5.00	0.00

FY 2020-21 Base Adjustment		FY 2020-21 Operational Increase		FY 2020-21 Asset Reserve Contribution		FY2020-21 Total Contribution	
Year 4 Smoothing	Year 4 Base	Blended % (50% Pop, 25% Imp, 25% CfS)	Status Quo	Blended % (50% Pop, 25% Imp, 25% CfS)	Contribution		Status Quo
\$9,433	\$75,970	2.9%	\$169	2.9%	\$2,929	Capitola	\$79,068
(\$1,447)	\$1,630,585	51.8%	\$3,020	51.8%	\$52,318	County	\$1,685,923
(\$18,996)	\$572,744	18.7%	\$1,090	18.7%	\$18,887	Santa Cruz	\$592,722
(\$8,136)	\$104,635	3.3%	\$192	3.3%	\$3,333	Scotts Valley	\$108,160
\$13,315	\$701,558	23.3%	\$1,358	23.3%	\$23,533	Watsonville	\$726,449
<b>(\$5,830)</b>	<b>\$3,085,492</b>	<b>100%</b>	<b>\$5,830</b>	<b>100%</b>	<b>\$101,000</b>	<b>Total</b>	<b>\$3,192,322</b>

0.0%

**Impounds - Animal Intake by Jurisdiction**

Jurisdiction	Fiscal Year 2016/2017		Fiscal Year 2017/2018		Fiscal Year 2018/2019		3-Year Avg 3 year average percentage (rounded)	
	Intake	Percentage of Total	Intake	Percentage of Total	Intake	Percentage of Total		
Capitola	87	1.71%	143	2.51%	104	2.13%	111	2.27%
County	2,182	42.93%	2,669	46.77%	2,297	47.03%	2,383	48.60%
Monterey County	145	2.85%	122	2.14%		0.00%	89	
Other	316	6.22%	202	3.54%	90	1.84%	203	
Santa Jose City	5	0.10%	2	0.04%		0.00%	2	
San Mateo	-	0.00%	-	0.00%		0.00%	-	
Santa Clara County	56	1.10%	29	0.51%		0.00%	28	
Santa Cruz	630	12.39%	780	13.67%	695	14.23%	702	14.31%
Scotts Valley	126	2.48%	110	1.93%	62	1.27%	99	2.03%
Shelter	-	0.00%		0.00%		0.00%	-	
Watsonville	1,536	30.22%	1,650	28.91%	1,636	33.50%	1,607	32.79%
Grand Total	5,083	100.00%	5,707	100.00%	4,884	100.00%	4,902	

**Calls for Service - Activities by Jurisdiction**

Jurisdiction	Fiscal Year 2016/2017		Fiscal Year 2017/2018		Fiscal Year 2018/2019		3-Year Avg (rounded)	
	Calls Responded To	Percentage of Total	Calls Responded To	Percentage of Total	Calls Responded To	Percentage of Total		
Capitola	31	0.38%	242	3.11%	155	1.98%	143	1.82%
County	4,794	58.41%	4,308	55.36%	4,175	53.25%	4,426	56.44%
Monterey County	6	0.07%	1	0.01%			2	
Other	29	0.35%	45	0.58%	46	0.59%	40	
San Jose City	2	0.02%	-	0.00%			1	
San Mateo	-	0.00%	-	0.00%			-	
Santa Clara County	6	0.07%	1	0.01%			2	
Santa Cruz	1,553	18.92%	1,484	19.07%	1,440	18.37%	1,492	19.03%
Scotts Valley	174	2.12%	160	2.06%	146	1.86%	160	2.04%
Shelter	168	2.05%	-	0.00%			56	
Watsonville	1,444	17.59%	1,541	19.80%	1,879	23.96%	1,621	20.67%
Grand Total	8,207	100.00%	7,782	100.00%	7,841	100.00%	7,842	

**2019-20 County of Santa Cruz Proposed Budget  
Allowed and Recommended Positions**

78  
**Exhibit D**

INDEX	POSITION	Salary Range	2019-20 Allowed	2019-20 Mid-Year	2018-19 Total	2020-21 Request	2020-21 Recomm	Change From 19-20	2020-21 Unfunded
<b>ANIMAL SERVICES</b>									
702800	General Manager	9B	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Field Manager	D8	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Shelter Manager	D8	1.00		1.00	1.00	1.00	0.00	0.00
	Prog and Dev Mgr - Animal Shelter	DK	1.00		1.00	1.00	1.00	0.00	0.00
	Veterinarian	BC	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-PIO/volunteers	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Animal Care	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Watsonville	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Client Svcs	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Admin Aide	JJ	1.00		1.00	1.00	1.00	0.00	0.00
	Accountant II	HV	0.50		0.50	0.50	0.50	0.00	0.00
	Clerk II/III	28/FB	1.00		1.00	1.00	1.00	0.00	1.00
	Bldg Maint Work II	R8	1.00		1.00	1.00	1.00	0.00	1.00
	Animal Control Officer I/II	D4/D6	6.00		6.00	6.00	6.00	0.00	1.00
	Animal Svcs Clk Disp	FC	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Assistant	CD	5.50		5.50	5.50	5.50	0.00	0.50
	Registered Veterinary Technician	ZF	2.00		2.00	2.00	2.00	0.00	0.00
	Animal Health Specialist/Animal Care Worker	D5/D2	6.50		6.50	6.50	5.50	(1.00)	1.50
	<b>TOTAL</b>		<b>33.50</b>	<b>0.00</b>	<b>33.50</b>	<b>33.50</b>	<b>32.50</b>	<b>(1.00)</b>	<b>5.00</b>

Extend all limited term positions until June 30, 2021

		<b>Current 2019-20</b>	<b>Proposed 2020-21 (no changes)</b>
<b>Adoption Fees</b>			
Dogs			
	Puppies 2-6 months	\$195	
	Adults 7 mon-6 yrs	\$130	
	Sr. Adult 6 yrs+	\$60	
Cats			
	Kittens 2-12 months	\$120	
	Adults 1-6 yrs	\$100	
	Sr. Adult 6 yrs+	\$55	
	Rabbits	\$50	
	Rodents	\$25	
	Small caged birds	\$25	
	Exotic birds (i.e. parrots)	\$75	
Small Livestock	Goats	\$75	
Large Livestock	Cow	\$100	
	Horse	\$250	
	Chicken/Rooster	\$10	
Adoption Hold Fee, until 5:00 p.m. next business day, not applicable to adoption, non-refundable			
	Cat	\$20	
	Dog	\$25	

Adoption fee for rescue/non-profit agencies is equal to the cost of the spay/neuter for only adoptable animals

Adoption fee for rescue/non-profit agencies for Rabbits \$20

Adoption fee for rescue/non-profit agencies include a microchip

**Impound Fees**

		Altered	* Unaltered
Cat	First Impound	\$ 30	\$ 30 + Penalty \$ 35
	Second Impound	\$ 50	\$ 50 + Penalty \$ 50
	Third Impound	\$ 75	\$ 75 + Penalty \$100
	Fourth/Subsequent	\$ 75	\$ 75 + Penalty \$100
Dog	First Impound	\$ 75	\$ 75 + Penalty \$ 35
	Second Impound	\$ 115	\$115 + Penalty \$ 50
	Third Impound	\$ 195	\$195 + Penalty \$100
	Fourth/Subsequent	\$ 225	\$225 + Penalty \$100

\*Unaltered animal penalty fee provided under California Food and Agriculture Code section 30804.7 and 31751.7

Livestock:	Large: First Impound	\$200
	Second/Subsequent	\$250
	Small: First Impound	\$75
	Second/Subsequent	\$125
	A.C. Officer Services	\$75 /hour min.2 hours (after hrs)

**Board Fees - Daily**

Cats	\$20
Dogs	\$25
Other	\$25

**License Fees – Dogs**

Altered - one year	\$29
Unaltered - one year	\$100 with Unaltered Animal Certificate
Late Penalty	\$15



	<b>Current 2019-20</b>	<b>Proposed 2020-21 (no changes)</b>
Late Penalty for Potentially Dangerous, Vicious, Habitual or Public Nuisance Dog	\$100	
Senior Citizen (65+) - one year, altered (waived for one dog)	\$29	
Potentially Dangerous/Vicious dog – one year	\$200	
Unaltered Animal Certificate -- one time	\$350	
Exemption from Unaltered Animal Certificate	\$15	plus license fee
Administrative fee for mailed licenses	\$1	
 <b>License Fees – Cats</b>		
Unaltered Animal Certificate	\$250	
Late Penalty	\$15	
Failure to license-if impounded	\$30	
Feral Cat Colony Registration Fee	\$20	
 <b>Quarantine Fees</b>		
Home Quarantine (Field Check)	\$75	
Shelter Quarantine	\$50	plus board fees
 <b>Service Fees</b>		
Microchip	\$15	
Microchip for impounded dogs and cats	\$25	
Dog/Cat trap rental	\$10	(free for Cat TNR done by ordinance)
Dog Humane Trap Deposit	\$255	
Cat Humane Trap Deposit	\$70	
Pick-Up Animal in a Trap	\$75	
Pick-Up of Owned Animal	\$75	
Pick-up and Disposal of Deceased Animal on Private Proper	\$85	
Use of Livestock Trailer	\$100/\$150	(1st /2nd time)
 <b>Medical Fees</b>		
Medical groom	\$45	
Medical nail trim	\$15	
Medication dispensed	\$20	
Vet procedure	\$25	
Rabies	\$14	
FVRCP	\$20	
DA2PP	\$20	
Medical bath	\$20	
Wound prep	\$35	
Kitten Package	\$400	
Puppy Package	\$400	
Dental	\$350	
 <b>Owner Surrender of Animal Residing in Santa Cruz County</b>		
Owner Surrender of Dog		
Owner Surrender of Cat	\$0	
Owner Surrender of Rabbit	\$0	
Owner Surrender of Exotic	\$0	
(snake, lizard, bird, turtle)	\$0	
small rodents	\$0	
Large livestock	\$0	
small livestock	\$0	
Large Exotic	\$0	
	\$0	

	<b>Current 2019-20</b>	<b>Proposed 2020-21 (no changes)</b>
<b>Owner Surrender of Animal Residing Outside of Santa Cruz County</b>		
Owner Surrender of Dog	\$50	
Owner Surrender of Cat	\$35	
Owner Surrender of Rabbit	\$25	
Owner Surrender of Exotic (snake, lizard, bird, turtle)	\$55	
small rodents	\$15-\$35	
Large livestock	\$10-\$25	
small livestock	\$100	
Large Exotic	\$75	
	\$55	
<b>Protective Custody Fee</b>		
Owner Arrest	\$75 /hour min.(2 hours after hrs)	
Confiscate/Humane	\$75 /hour min.(2 hours after hrs)	
Emergency Hospital	\$25	
Owner Requested Euthanasia	\$75 Plus Disposal	
Disposal of Owned Dead Animals	\$50 Up to 19 lbs	
	\$50 20 – 69 lbs	
	\$50 70 – 99 lbs	
	\$50 100 – Up	
Refund Processing Fee	\$25	
Animal Control Officer Services	\$75/hour	
Field Return of Owned Animal	\$75 unaltered penalty fee if applicable	
<b>Spay/Neuter Fees for Impounded Animals</b>		
Cats		
Neuter	\$50	
Spay	\$50	
Dogs		
Neuter	\$195	
Spay	\$195	
<b>Planned Pethood Spay/Neuter Fees</b>		
Dog	\$190	
Cat	\$25	
Rabbit	\$75	
"Fix-a-Pit" Program all Pit Bulls & Chihuahuas	\$50	
Animals over 100 lbs/in heat/pregnant/cryptorchid add	\$35	
Animals determined obese by veterinarian add		
<b>Fees for Additional Required Services</b>		

	<b>Current 2019-20</b>	<b>Proposed 2020-21 (no changes)</b>
Microchip	\$10	
License	\$29	
Rabies	\$10	
Late drop-off fee	\$20	
Late pick-up fee	\$40/night	
Blood panel for dogs over 7 yrs / cats over 10 yrs of age	\$75	

**Planned Pethood Spay/Neuter Fees for Limited Income\***

Dog	\$50
Cat	\$10
Rabbit	\$50

\*Limited income eligibility determined through proof of receipt of government assistance OR through a year-to-date pay stub or W2 tax form that proves the following:  
 1 person household--maximum of \$35,350 annual income  
 2 person household--maximum of \$40,350 annual income  
 3 person household--maximum of \$45,400 annual income  
 4 person household--maximum of \$50,400 annual income

**ONE STOP Fees with Purchase of License**

Rabies	\$10
Microchip	\$15
Nuisance Abatement Appeals Fee (County)	\$75
Non-sufficient Funds Check Fee	\$40
Puppy Training Deposits	\$100-\$200
Training Room Rental Fees	\$22

**FINES FOR VIOLATIONS OF ANIMAL ORDINANCE – ADMINISTRATIVE CITATION PROGRAM**

**\*Failure to license**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

**\*\*Failure to microchip**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

**\*\*\*Failure to provide rabies vaccination,**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

**Failure to display license (each dog)** \$50

**\*\*\*\*Failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate**

First offense	\$250
Second offense	\$500
Third offense	\$750

Dog running at large, first offense	\$100
Dog running at large, second offense	\$200
Dog running at large, third offense	\$250

Dog off leash, first offense	\$50
Dog off leash, second offense	\$150

	<b>Current 2019-20</b>	<b>Proposed 2020-21 (no changes)</b>
Dog off leash, third offense	\$250	
Safety of animal in parked vehicle	\$250	
Failure of owner to pick up after dog or cat defecating	\$100	
Habitual noisy animals (6.12.090)	\$100	
Permitting livestock to trespass, per offense	\$200	

All first offense recommended penalties not subject to cure will be reduced by 50% if they are paid in full by 5:00 p.m. of the first business day following issuance.

\*Citations for failure to license will be dismissed if cured within 7 calendar days, including day of issuance

\*\*Citations for failure to microchip will be dismissed if cured within 7 calendar days, including day of issuance

\*\*\*Citations for failure to provide rabies vaccination will be dismissed if cured within 7 calendar days, including day of issuance

\*\*\*\*Citations for failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate will be dismissed if ASA receives evidence that animal was spayed or neutered within 30 calendar days, including day of issuance.