



Santa Cruz County Animal Shelter

1001 Rodriguez Street, Santa Cruz, CA 95062

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Jeff Gaffney

Interim General Manager

SANTA CRUZ COUNTY ANIMAL SHELTER

BOARD OF DIRECTORS MEETING

December 12, 2022 AT 11:00 AM

Meeting Location: BOS Chambers, 701 Ocean St., Rm. 525, 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**
 - p.1 **5.1 Approve minutes of the October 17, 2022 meeting**
 - p.7 **5.2 Accept reports of the General Manager and the Management Team for the months of October and November 2022**
 - p.9 **5.3 Accept and file the statistics for the months October and November 2022**
 - p.14 **5.4 Accept a gift in the amount of \$5,000.00 from Char Williams**
 - p.15 **5.5 Accept a gift in the amount of \$39,298 from the SCCAS Foundation**
 - p.16 **5.6 Approve a .30 FTE increase in the Accountant II position**
- 6.0 Regular Agenda**
 - p.17 **6.1 General Manager’s oral report**
 - p.18 **6.2 Consider and approve financial report for October and November of FY 2022-23**
 - p.23 **6.3 Ratify an addendum to an agreement with Cara Townsend**
 - p.26 **6.4 Approve payment of an invoice for medical equipment**
 - p.29 **6.5 Consider and approve report on audit of Santa Cruz County Animal Shelter for the year ended June 30, 2021**
- 7.0 Adjourn Regular Meeting**
 - p.78 **Correspondence**

EXECUTIVE SESSION – SCCAS BOARD OF DIRECTORS

Schedule a closed personnel session at the Conclusions of the Board’s consent or regular agenda, or at any time during the course of the meeting announced by the Chairperson of the Board

Personnel Discussion

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 Joe Phares at 831/454-7206 (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: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Approve Minutes of October 17, 2022 Meeting

Recommendation:

Approve the minutes from the Santa Cruz County Animal Shelter Board of Directors meeting of October 17, 2022.

Santa Cruz County Animal Shelter

Board of Directors Meeting

Minutes

October 17, 2022, 11:00am

In-Person Meeting

VOTING KEY: B=Bush, C:Chung, CI=Clark, Co=Coburn, D=Dally, F=Figuroa, S=Schmidt, V=Vides, W=Walpole

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

Abbreviations: Board Member (BM), General Manager (GM), Field Services Manager (FSM)

1.0 Call to Order and Roll Call: Meeting was called to order at 11:03 am by ASA Board Chairperson Clark. BM's Chung, Figuroa and Schmidt were not present for the meeting.

2.0 Introductions: None.

3.0 Consideration of late additions or changes to the Agenda: None.

4.0 Oral Communications: None

5.0 Consent Agenda

5.1 Approved minutes of the August 8, 2022 meeting.

5.2 Accepted reports of the General Manager and the Management Team for August and September 2022.

5.3 Accepted and filed the statistics for Q1 FY 2022-23.

5.4 Accepted and approved quarterly claims report

5.5 Accepted and approved journal entry payments

5.6 Accepted a gift in the amount of \$21,801.94 from the SCCAS Foundation

Public Comment: Jean Brocklebank: requested that animal control citations and beach patrols be added back into the statistics in future agendas. She stated the Animal Control presence on the beaches makes a big difference.

Board Comment: BM Coburn: Acknowledged SCCAS staff's hard work in dealing with ring worm outbreaks during the summer.

Board action on Consent Agenda 5.0: Vote: Co W B /Ch/ CI D /F/ /S V

Item approved unanimously.

6.0 Regular Agenda

6.1 General Manager's Report –

- GM Smart announced this would be her last Board meeting due to taking accepting a new position with the City of Santa Cruz. She will continue to remain on the SCCAS Foundation Board of Directors and has already completed fundraising campaign through the end of the year.
- Shelters are open regular hours.
- Planned Pethood remains on hold due to lack of vet services. 200 shelter animals still awaiting spay/neuter.
- One Stop Vaccination program is on hold due to lack of vet on site
- Health Pets for All cancelled in October due to staffing. GM Smart hopes SCCAS Shelter Manager Rudy Manriquez will continue to provide that service moving forward.
- Dr. Jeff Fankhauser continues to provide spay/neuter services for SCCAS utilizing his new facility in Prunedale. Additionally, Dr. Clay and Dr. Sullivan continue to provide spay/neuter services on site.
- SCCAS Foundation has provided funding for new stainless steel kennels to replace some of the existing kennels which have been identified as a major contributing factor toward the recent ring worm outbreaks. The new kennels should arrive in 7-12 weeks.
- 6 out of 7 staff vacancies have been filled leaving only the RVT position which has been open for one year. Two staff started in September, four are starting by the end of October. The new hires include: four Animal Control Officers and two Animal Health Specialists.
- Long lengths of stay continue to be an issue with shelter adoptables. Ideally, SCCAS would like to get the length of stay down to two weeks. The longer an animal stays with SCCAS, the more an animal's behavior can deteriorate and the less likely the animal will be adopted.

Public Comment: none.

Board Comment: BM Coburn thanked GM Smart for her service to the Shelter and thanked her for staying on the SCCAS Foundation. BM Clark expressed appreciation to SCCAS for filling vacancies in light of the recruitment issues with difficult to recruit positions. BM Vides thanked GM Smart for her service and recognized the difficult nature of the job.

6.2 Considered and approved a financial report for Q1 FY 2022-23

Public Comment: None

Board Comment:

BM Coburn: Asked why revenues are tracking higher than budget in Q1.

Clerk Phares: indicated that SCCAS had significant extra donations from the SCCAS Foundation and that the member billing is higher in first quarter than other quarters and spikes the revenues in Q1 which level out in later quarters.

Board action on Regular Agenda Item 6.3: Vote: Co D Ch /CI/ D /F/ S T V W

Item approved unanimously.

6.3 Accepted and filed a report on the General Manager recruitment and approved a salary range increase for the position.

BM Coburn provided a report on the recruitment. WBCP, an outside consulting firm, was hired to manage the recruitment process. WBCP conducted extensive outreach and also solicited feedback from the various stakeholder groups. The recruitment was opened in August. Screening was completed. A special meeting was held on 9/26/22 to interview the two candidates selected as finalists. One finalist was offered the position but did not accept the job offer. The recruitment will re-open November 2. WBCP indicated that based on the initial outreach, the salary was a deterrent for some candidates. A study was done on surrounding city and county shelters and BM Coburn proposed a 20% increase in the salary range.

BM Clark asked when the position last received a salary increase.

BM Coburn responded there was a 3% COLA in September but no salary range increase in many years other than COLA's. The raise lands the position's salary in the middle of the salary range of the comparison counties.

Public Comment: Jean Brocklebank commented that the public is not an audience to watch the Board members work but are members of the public who are in attendance to engage with government. She complimented BM Coburn on her report on the recruitment. She also stated that the Board has a tough assignment finding a new GM due to the cost of housing etc. and she is hopeful that the salary increase will help with the recruitment. Joan DeNeff commented that she has been a long-term volunteer and she supports the proposed salary increase for the GM position in order to be competitive in the recruitment. She stated that SCCAS is a great organization and deserves a high quality GM.

Vote: W D B /Ch/ CI Co /F/ /S/ V

Item approved unanimously.

6.4 Appoint Jeff Gaffney, County Parks Director, to serve as Interim General Manager.

Mr. Gaffney: Indicated he is available if anyone has thoughts or questions or concerns. He has had a long partnership with former GM Sobel and GM Smart over the years.

BM Clark: Indicated he appreciated Mr. Gaffney stepping in and that he is a perfect fit.

BM Walpole: stated that these recruitments take up a lot of time and these transitions between GM's are time-consuming. It would have been great to have an internal candidate that could have been reported. He is hopeful Mr. Gaffney has the capacity to run the shelter considering he is already running Parks. Also there has been a lot of turnover at SCCAS.

BM Coburn: Mr. Gaffney has a lot of experience as a department head and will be able to navigate SCCAS issues. Also, SCCAS counsel Cara Townsend will also be onsite each week for some hours to assist as well. BM Coburn is confident that this team will be able to manage the Shelter until a new GM is hired, hopefully in January.

Public Comment: Sandy Ettinger from Peace of Mind Animal Rescue spoke on behalf of POM Executive Director Carie Broecker who has offered to assist Mr. Gaffney and SCCAS in any way needed until a new GM has been hired. He also indicated that POM may be able to assist with spay/neuter services as they have a vet clinic.

BM Walpole: asked if there is a charge for Mr. Gaffney's time.

BM Coburn: Mr. Gaffney's time assisting SCCAS will be billed to SCCAS. SCCAS will have salary savings due to vacancies to cover the cost.

BM Vides: thanked Mr. Gaffney for helping and confident that his experience will be very helpful. She also recognized SCCAS talented and passionate staff that will also keep SCCAS running during the recruitment.

BM Clark: stated he hopes the 20% salary increase will attract a larger pool of candidates and the Board can find the right fit.

Vote: V D B /Ch/ Cl Co /F/ /S/ W

Item approved unanimously.

7.0 Adjourn Board Meeting at 11:41 am

The next regular meeting is scheduled for December 12, 2022 at 11 am at the Santa Cruz County Board of Supervisors Chambers located at 701 Ocean Street, Rm. 525, Santa Cruz, CA 95060. The meeting will be held in person.

ATTEST: _____
Board Chairperson: Chris Clark

Clerk: Joe Phares

Consent Agenda Item

TO: Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Reports from the Management Team for November

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. Shelter statistics for this period are attached.

General:

We have filled all of the vacant rank and file positions at the shelter with the exception of the vacant Registered Veterinary Technician, which remains under continuous recruitment. We are in the process of filling two extra help positions and expect new staff to start work in January. We will be holding the remaining vacant supervisor and manager positions for the incoming General Manger to hire. We will be moving towards hiring a part-time Shelter Veterinarian to provide care and support to both the animals and employees at the shelter. This will be approximately 18-20 hours a week.

We hosted three open houses for the Foundation and also had a volunteer appreciation holiday event. The new surgery suite is on schedule to be completely outfitted with new medical equipment in January and we look forward to moving spay/neuter surgery services out of the annex and into the newly remodeled space. We expect the new cat condos purchased by the SCCAS Foundation to arrive before the new year.

Cara Townsend continues to be a great asset for the organization. Her skills as an attorney and history with shelter management are invaluable. Joe Phares is the consummate professional and keeps all aspects of the administration functioning and should be commended for all of the support he has provided to the shelter outside of his daily responsibilities.

Statistics:

Please see attached.

Recommendation:

Accept and file the reports of the management team for the months of October and November 2022. Please note: the Program & Development Manager position is vacant and there is no report for those activities. Reporting on those activities will resume once the position is filled. The Animal Services Field Manager is on vacation and there is no report for those activities. Reporting for animal control field services activities, including summaries of activities for this reporting period, will be provided at the next Board meeting.

Shelter Services Board Report
October and November 2022
Rodolfo Manriquez, Shelter Manager

In the months of October and November 2022:

1,267 licenses were sold

770 animals entered the shelter

140 were return to owner

136 were transferred to a rescue placement partner

496 animals were adopted: 2.2% less than the last reporting period

SCCAS is has recently filled the newly funded Animal Care Worker position with one of our Extra Help Animal Care Workers. Subsequently, we filled the vacated extra help position as well. The Registered Veterinary Technician position has been extremely difficult to recruit for and has been under continuous recruitment since Fall 2021. SCCAS has opted to hold off on recruiting for the two positions other vacant positions- a Animal Services Coordinator and the Program & Development Manager. These positions will be reviewed once a new General Manager has been hired.

All new surgery suite medical equipment has arrived. The new surgery light was installed 12/08/22. SCCAS is working to schedule installation of the remaining equipment before the new year. Once this equipment is received and installed, SCCAS can begin performing spay/neuter and other procedures in the new suite. The SCCAS Foundation funded the purchase of new stainless steel cat condos for our adoptable cat rooms that are also expected to arrive in December.

Consent Agenda Item 5.3

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Statistics for the Months of October and November 2022

Recommendation:

Accept and file the statistical report for the months of October and November 2022.



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

Kennel Statistics Report
 Animals Taken Into Shelter from 10/01/22 to 11/30/22
All Jurisdictions Combined

	CAT	DOG	KITTEN	OTHER	PUPPY	TOTAL
Adoption Return	2	1	2	1	0	6
Pph	1	14	1	0	3	19
Protective Custody	1	17	0	1	0	19
Quarantine	1	6	0	0	0	7
Safe Hold	0	5	0	0	0	5
Stray	133	124	148	26	14	445
Surrendered by Owner	55	68	43	35	31	232
Transfer	0	18	0	8	11	37
TOTAL	193	253	194	71	59	770

Kennel Statistics Report
 Animals That Left Shelter from 10/01/22 to 11/30/22
All Jurisdictions Combined

	CAT	DOG	KITTEN	OTHER	PUPPY	TOTAL
Adopted	87	87	231	38	53	496
Died	3	0	1	1	0	5
Euthanized	77	31	52	5	2	167
Missing	1	0	0	0	0	1
Pph	0	13	1	0	2	16
Returned to Owner	36	93	1	8	2	140
Transferred to Another Shelter	28	29	59	19	1	136
TOTAL	232	253	345	71	60	961

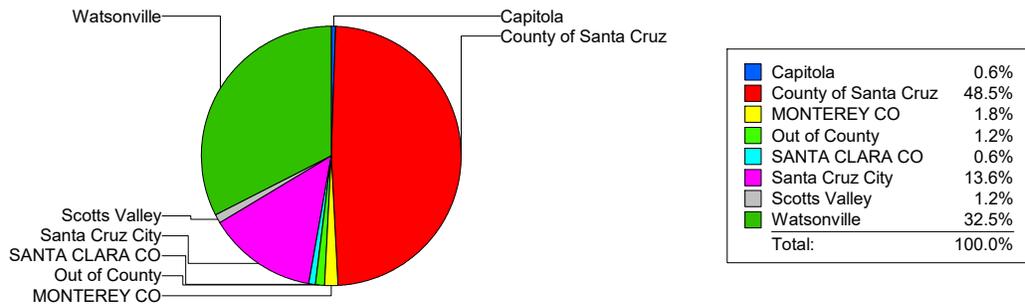
Intakes of Owner Requested Euthanasia From All Jurisdictions During 10/01/22 to 11/30/22 =

99

Euthanasia Totals from
10/01/22 to 11/30/22
All Jurisdictions Combined

<u>Reason for Euth</u>	<u>Animal type</u>					Total
	CAT	DOG	KITTEN	OTHER	PUPPY	
	2	0	0	0	0	2
< 8 Weeks	1	0	2	0	0	3
Aggressive	0	9	0	0	0	9
Bite	0	1	0	0	0	1
Bite Hx	0	1	0	0	0	1
Fail2Thrv	0	0	5	0	0	5
Feline AIDS	1	0	0	0	0	1
Field Hist	0	1	0	0	0	1
Geriatric	2	3	0	0	0	5
Ken Stress	0	2	0	0	0	2
Medical	12	2	4	0	1	19
Observed Behavior	1	7	0	0	0	8
Panleuk	0	0	1	0	0	1
Parvo	0	0	0	0	1	1
Prewritean	1	0	0	0	0	1
Ringworm	24	0	22	0	0	46
Suffering	3	1	4	1	0	9
Unsocial	30	4	14	2	0	50
Wildlife	0	0	0	2	0	2
Total	77	31	52	5	2	167

Monthly Percentage of Euthanasia by Jurisdiction



CO:County, SC:Santa Cruz City, CP:Capitola, SV:Scotts Valley, OO:Out of County, UC:UCSC, WA:Watsonville

Animals on hand on November 30, 2022 = 192

Animals Taken Into the Shelter From All Jurisdictions Combined Y-T-D Beginning 07/01/15

	CAT	DOG	KITTEN	OTHER	PUPPY	Total
Adoption Return	81	184	59	21	26	371
Born@Shelt	13	0	130	89	5	237
D2D	11	19	1	3	2	36
Evacuation	205	94	12	268	0	579
Pph	114	132	34	0	14	294
Protective Custody	119	930	28	625	77	1,779
Quarantine	49	129	14	71	4	267
Safe Hold	13	48	3	1	0	65
Stray	6,342	7,964	5,219	1,477	844	21,846
Surrendered by Owner	2,367	2,786	1,758	2,646	563	10,120
Transfer	54	264	188	899	106	1,511
Total	9,368	12,550	7,446	6,100	1,641	37,105

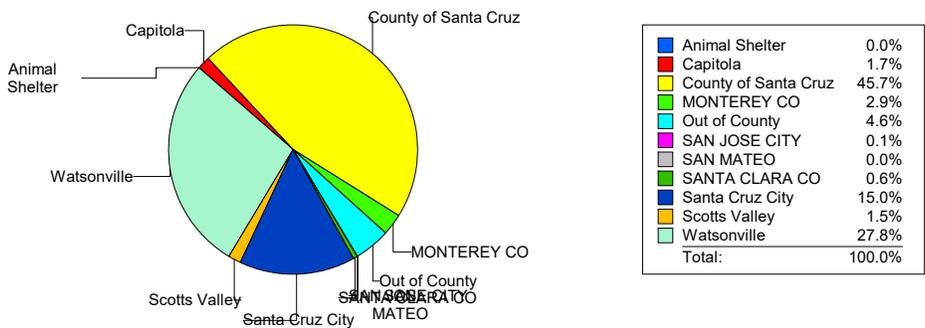
**Animals That Left the Shelter From All Jurisdictions
Combined Y-T-D Beginning 7/1/2015**

	CAT	DOG	KITTEN	OTHER	PUPPY	Total
Adopted	2,800	3,313	4,594	2,287	1,103	14,097
Died	55	11	55	52	1	174
Disposal*	744	266	62	190	8	1,270
Euthanized	2,404	1,676	794	1,002	100	5,976
Missing	9	3	2	8	0	22
Pph	50	70	20	0	6	146
Returned to Owner	1,577	6,132	133	796	179	8,817
Transferred to Another Shelt	1,786	951	1,550	1,678	123	6,088
Wildlife Relocated	0	1	0	5	0	6
Total	9,425	12,423	7,210	6,018	1,520	36,596

* Doa intakes and euthansia requests are not included in these overall stats. The exception are the disposals which may be listed above. These are dead animals that were confiscated for investigation and then disposed of after completion of investigation.

Y-T-D Percentage of Intake Total By Jurisdiction

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CO:County, SC:Santa Cruz City, CP:Capitola, SV:Scotts Valley, OO:Out of County, UC:UCSC, WA:Watsonville

Consent Agenda Item 5.4

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Accept a Gift in the Amount of \$5,000.00 from Char Williams and Direct that the Check be Deposited

Recommendation:

Accept a gift in the amount of \$5,000.00 from the Char Williams and direct that the check be deposited.

Consent Agenda Item 5.5

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Accept Donations Totaling \$39,298 from the Santa Cruz County Animal Shelter Foundation and Direct that the Checks be Deposited

Recommendation:

Accept donations totaling \$39,298 from the Santa Cruz County Animal Shelter Foundation and direct that the check be deposited.

Discussion:

The Santa Cruz County Animal Shelter Foundation provided a double-match of donations received with license renewals for September, October and November 2022 totaling \$21,298. They also donated \$3,000 for Healthy Pets for All veterinarian services, \$5,000 for Healthy Pets for All medical supplies, and \$10,000 for the Planned Pethood Fund.

Consent Agenda Item 5.9

TO: Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Approve Increase in Accountant II Staffing from .70 FTE to 1.0 FTE

Recommendation:

Approve a .30 full-time equivalent (FTE) increase in the Accountant II position, and direct the General Manager to work with the Personnel Department to process this staffing change.

Discussion:

The Accountant II position has been funded at .70 FTE since October 2021. Since that time, the Accountant II has taken on greatly expanded licensing activities for SCCAS. Additionally, the Accountant II duties have grown due to an increase in other SCCAS administrative activities including: fundraising accounting requirements, reporting, and analysis; expenditure claims processing; and Chameleon reporting. Additionally, SCCAS plans for the Accountant II to cross-train in other administrative areas with the Administrative Officer II. In order to allow adequate work time for the Accountant II to appropriately manage these increased responsibilities, SCCAS endeavors to increase the Accountant II position from .70 to 1.0 FTE, which represents an increase of 12 hours per week.

The annualized cost of this .30 FTE increase in the Accountant II staff time is approximately \$29,000. SCCAS anticipates this added cost will be offset by salary savings.

	GL Key	Range	Classification	FTE	Position Code
Current	702810	HV	Accountant II	.70	UB4001ND
Requested	702810	HV	Accountant II	1.00	UB4001AD
			Total FTE Increase:	.30	

Regular Agenda Item 6.1

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
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: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Financial Report for October and November 2022-23

Recommendation:

Approve this Financial Report as presented for the period from October 1, 2022 through November 30, 2022.

Discussion:

The fiscal year (FY) 2022-23 October/November period reflects total revenues of \$938,483 and expenditures of \$1,239,188. Total YTD revenues were 60.67% of a potential 42.00%. Higher than budgeted YTD revenues are primarily due to the fact that membership billing for Q1 and Q2 is weighted heavier than Q3 and Q4 (40% for Q1, 30% for Q2). Revenues flatten out in Q3 and Q4 as members are billed 20% of total contribution in Q3 and 10% in Q4. Total expenditures were 38.13% of a potential 42.00%.

Year to date licensing revenues through November are \$107,192. Last year's YTD licensing revenues for the same period were \$104,767. Current YTD licensing revenues are 2.00% higher than last year.

**Santa Cruz County Animal Services Authority
Financial Summary for Fiscal Year 2022-2023
For Months Ending November 30, 2022**

Revenues:	2022-2023 Final Budget	2022-2023 Est/Actuals	2022-2023 YTD Actuals	YTD Remaining	2021-2022 YTD Actuals
ANIMAL LICENSES	\$0	\$0	\$0	\$0	\$0
INTEREST	\$17,000	\$17,000	\$9,009	\$7,991	\$3,817
RENTS & CONCESSIONS	\$700	\$700	\$31	\$669	\$69
RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$200	\$10	\$190	\$30
ST-NATURAL DISASTER ASSISTANCE	\$0	\$0	\$0	\$0	\$0
FED-FEMA	\$0	\$0	\$0	\$0	(\$0)
HUMANE SERVICES	\$250,000	\$250,000	\$80,434	\$169,566	\$79,788
ADMINISTRATIVE SERVICES	\$2,600	\$2,600	\$1,122	\$1,478	\$678
COST RECOVERY-OTHER	\$5,500	\$5,500	\$1,864	\$3,636	\$1,405
MEMBER CONTRIBUTION	\$3,349,066	\$3,349,066	\$2,344,347	\$1,004,719	\$1,857,067
CHARGES FOR CURRENT SERVICES	\$14,000	\$14,000	\$0	\$14,000	\$0
ADMIN FINE FEES	\$5,000	\$5,000	\$1,888	\$3,113	\$2,683
GRANT SERVICES-NON INTERGOV	\$15,000	\$15,000	\$5,091	\$9,909	\$0
ANIMAL MICROCHIP FEES	\$10,000	\$10,000	\$2,195	\$7,805	\$2,840
ANIMAL RABIES FEES	\$9,000	\$9,000	\$1,698	\$7,302	\$3,275
ANIMAL SPAY&NEUTER FEES	\$20,000	\$20,000	\$3,578	\$16,422	\$8,090
SALES-OTHER-TAXABLE	\$80,000	\$80,000	\$38,975	\$41,025	\$31,121
CASH OVERRAGES	\$0	\$0	\$0	(\$0)	\$4
CONTRIBUTIONS and DONATIONS	\$460,000	\$530,000	\$212,330	\$317,670	\$116,843
NSF CHECKS	\$0	\$0	(\$89)	\$89	(\$550)
OTHER REVENUE	\$40,000	\$40,000	\$10,954	\$29,046	\$11,101
LICENSES - CAPITOLA	\$9,000	\$9,000	\$3,283	\$5,717	\$3,307
LICENSES - SANTA CRUZ	\$60,000	\$60,000	\$21,851	\$38,149	\$21,350
LICENSES- SCOTTS VALLEY	\$17,000	\$17,000	\$5,506	\$11,494	\$6,123
LICENSES- COUNTY	\$180,000	\$180,000	\$65,844	\$114,156	\$63,390
LICENSES- WATSONVILLE	\$35,000	\$35,000	\$10,708	\$24,292	\$10,597
TOTAL REVENUES:	\$4,579,066	\$4,649,066	\$2,820,629	\$1,828,437	\$2,223,027

Less Expenditures:

Salaries and Benefits	\$3,337,731	\$3,337,731	\$1,309,139	\$2,028,592	\$885,737
Services and Supplies	\$1,165,358	\$1,224,980	\$429,879	\$795,101	\$366,236
Other Uses	\$167,525	\$167,525	\$74,510	\$93,015	\$41,886
Fixed Assets	\$45,000	\$142,085	\$51,787	\$90,298	\$0
Operating Transfers Out	\$103,030	\$103,030	\$103,030	\$0	\$102,010
TOTAL EXPENDITURES:	\$4,818,644	\$4,975,351	\$1,968,345	\$3,007,006	\$1,395,869

Plus Contingency:

	\$186,954	\$186,954	\$0	\$186,954	\$0
TOTAL EXPENDITURES INCLUDING CONTINGENCY:	\$5,005,598	\$5,162,305	\$1,968,345	\$3,193,959	\$1,395,869

NET REVENUES OVER (UNDER) EXPENDITURE

	(\$426,532)	(\$513,239)	\$852,283	(\$1,365,522)	\$827,159
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BEGINNING FUND BALANCE - UNDESIGNATED

	\$1,384,065	\$1,384,065	\$1,384,065	\$1,384,065	\$1,384,065
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(unaudited ending balance from 6/30/22)

ENDING FUND BALANCE - UNDESIGNATED

	\$957,534	\$870,827	\$2,236,349	\$18,543	\$2,211,224
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ANIMAL LICENSE DETAIL

	2022-23 YTD Actuals	2021-22 YTD Actuals	PY COMPARISON
LICENSES - CAPITOLA	\$3,283	\$3,307	(\$24)
LICENSES - SANTA CRUZ	\$21,851	\$21,350	\$501
LICENSES- SCOTTS VALLEY	\$5,506	\$6,123	(\$617)
LICENSES- COUNTY	\$65,844	\$63,390	\$2,454
LICENSES- WATSONVILLE	\$10,708	\$10,597	\$111

* Fund Balance Assigned for B. Jean Donation - balance as of 6/30/22 is \$472,501 (Unaudited)

* Fund Balance - Non spendable for change fund/petty cash - balance as of 6/30/22 is \$900 (Unaudited)

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT
2022-2023**

As of 11/30/22 from Finance Enterprise
SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos + = UP
Neg () = DOWN

Acct	Acct Title	22/23 Final Budget	22/23 Adj. Budget	October Actuals	November Actuals	22/23 YTD Actuals	YTD Remaining	42%	42%	21/22 YTD Actuals	COMPARE THRU NOV PY ACTUALS	November Actuals	21/22 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY EA's Actualized				
51000	SALARIES & BENF	\$3,337,731	\$3,337,731	\$345,390	\$362,513	\$1,309,139	\$2,028,592	39.22%	31.87%	\$885,737	\$423,402	\$189,378	\$2,778,870
61000	SERVICES & SUPL	\$1,165,358	\$1,224,980	\$70,341	\$75,176	\$429,879	\$795,101	35.09%	31.41%	\$366,236	\$63,643	\$80,318	\$1,166,006
70000	OTHER CHARGES	\$167,525	\$167,525	\$0	\$74,510	\$74,510	\$93,015	44.48%	25.00%	\$41,886	\$32,624	\$0	\$167,545
86110	BUILDINGS AND IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
86204	FIXED ASSETS	\$45,000	\$142,085	\$0	\$10,552	\$51,787	\$90,298	36.45%	0.00%	\$0	\$51,787	\$0	\$53,324
90000	OTHER FINANCING USES	\$103,030	\$103,030	\$0	\$0	\$103,030	\$0	100.00%	0.00%	\$102,010	\$1,020	\$0	\$102,010
98700	CONTINGENCIES	\$186,954	\$186,954	\$0	\$0	\$0	\$186,954	0.00%	0.00%	\$0	\$0	\$0	\$0
51000-98700	TOTAL EXPENDITURES	\$5,005,598	\$5,162,305	\$415,731	\$522,752	\$1,968,345	\$3,193,959	38.13%	59.65%	\$1,395,869	\$572,477	\$269,696	\$4,267,755
40100-42500	TOTAL REVENUES	\$4,579,066	\$4,649,066	\$1,171,158	\$68,031	\$2,820,629	\$1,828,437	60.67%	51.35%	\$2,223,027	\$597,601	\$230,659	\$4,329,227
	NET COST	\$426,532	\$513,239	(\$755,426)	\$454,721	(\$852,283)	\$1,365,522	-166.06%	1345.59%	(\$827,159)	\$25,125	\$39,037	(\$61,472)
51000	REGULAR PAY-PER	1,975,003	1,975,003	\$125,451	\$223,282	\$733,616	\$1,241,387	37.15%	32.74%	\$535,393	\$198,223	\$112,091	1,635,246
51005	OVERTIME PAY-PE	7,500	7,500	\$1,150	\$2,428	\$6,151	\$1,350	82.01%	41.42%	\$5,553	\$598	\$585	13,405
51010	REGULAR PAY-EXT	60,000	60,000	\$4,894	\$10,059	\$31,207	\$28,793	52.01%	43.39%	\$24,500	\$6,707	\$5,560	56,471
51040	DIFFERENTIAL PAY	32,000	32,000	\$1,647	\$3,119	\$8,699	\$23,301	27.18%	33.23%	\$9,290	(\$591)	\$1,931	27,961
52010	OASDI-SOCIAL SE	148,296	148,296	\$10,023	\$17,417	\$58,243	\$90,053	39.27%	33.37%	\$43,191	\$15,052	\$9,008	129,448
52015	RETIREMENT	576,856	576,856	\$35,122	\$56,089	\$184,808	\$392,048	32.04%	33.32%	\$143,813	\$40,995	\$30,757	431,568
53010	EMPLOYEE INSURA	486,264	486,264	\$115,291	\$50,119	\$234,604	\$251,660	48.25%	28.16%	\$123,997	\$110,607	\$29,446	440,280
53015	UNEMPLOYMENT IN	8,673	8,673	\$8,673	\$0	\$8,673	(\$0)	100.00%	0.00%	\$0	\$8,673	\$0	5,297
54010	WORKERS COMPENS	43,139	43,139	\$43,139	\$0	\$43,139	(\$0)	100.00%	0.00%	\$0	\$43,139	\$0	39,194
51000	SALARIES & BENF	\$3,337,731	\$3,337,731	\$345,390	\$362,513	\$1,309,139	\$2,028,592	39.22%	31.87%	\$885,737	\$423,402	\$189,378	\$2,778,870
61115	POLICE SAFETY EQUIPMENT	500	500	\$0	\$0	\$0	\$500	0.00%	0.00%	\$361	(\$361)	\$292	800
61125	UNIFORM REPLACEMENT	1,500	1,500	\$1,601	\$276	\$1,876	(\$376)	125.08%	31.75%	\$1,245	\$632	\$1,170	3,921
61215	RADIO SERVICES	35,000	35,000	\$2,915	\$0	\$11,660	\$23,340	33.31%	41.67%	\$14,123	(\$2,463)	\$2,825	33,894
61220	TELECOM SERVICES	40,000	40,000	\$2,992	\$6,227	\$9,072	\$30,928	22.68%	27.88%	\$11,150	(\$2,078)	\$3,258	40,000
61310	FOOD	20,000	20,000	\$3,730	\$3,859	\$14,296	\$5,704	71.48%	32.88%	\$7,727	\$6,569	\$2,174	23,500
61412	JANITORIAL SERVICES	11,500	11,500	\$875	\$875	\$3,500	\$8,000	30.43%	33.33%	\$3,500	\$0	\$875	10,500
61525	LIABILITY INSURANCE	60,000	60,000	\$2,370	\$0	\$52,843	\$7,157	88.07%	101.60%	\$45,984	\$6,859	\$0	45,259
61535	OTHER INSURANCE	4,338	4,338	\$4,338	\$0	\$4,338	\$0	100.00%	0.00%	\$0	\$4,338	\$0	3,618
61720	MAINT-MOBILE EQUIPMENT-SERV	7,500	7,500	\$121	\$148	\$1,668	\$5,832	22.25%	17.50%	\$1,317	\$351	\$0	7,527
61725	MAINT-OFFICE EQUIPMENT	3,500	3,500	\$140	\$250	\$1,064	\$2,436	30.41%	42.10%	\$743	\$321	\$159	1,765
61730	MAINT-OTHER EQUIP-SVCS	17,500	17,500	\$301	\$0	\$436	\$17,064	2.49%	62.43%	\$1,344	(\$908)	\$219	2,152
61731	MAINT-OTHER EQUIP-SUP	1,500	1,500	\$0	\$0	\$0	\$1,500	0.00%	0.00%	\$0	\$0	\$0	1,000
61835	FACILITIES MAINT	7,500	7,500	\$0	\$0	\$3,040	\$4,460	40.53%	0.00%	\$0	\$3,040	\$0	18,000
61845	MAINT STRUCT IM	1,000	1,000	\$0	\$0	\$0	\$1,000	0.00%	0.00%	\$0	\$0	\$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	80,000	80,000	\$10,233	\$6,916	\$49,972	\$30,028	62.47%	21.32%	\$19,188	\$30,784	\$7,165	90,000
62020	MEMBERSHIPS	3,000	3,000	\$0	\$0	\$0	\$3,000	0.00%	56.46%	\$1,556	(\$1,556)	\$1,556	2,756
62111	MISCELLANEOUS EXPENSES	14,000	14,000	\$0	\$0	\$0	\$14,000	0.00%	43.44%	\$6,081	(\$6,081)	\$6,066	14,000

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT
2022-2023**

As of 11/30/22 from Finance Enterprise
SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos + = UP
Neg () = DOWN

Acct	Acct Title	22/23 Final Budget	22/23 Adj. Budget	October Actuals	November Actuals	22/23 YTD Actuals	YTD Remaining	42%	42%	21/22 YTDActuals	COMPARE THRU NOV PY ACTUALS	November Actuals	21/22 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY EA's Actualized				
62112	CASH SHORTAGES	50	50	\$0	\$0	\$2	\$48	0.00%	100.75%	\$40	(\$38)	\$0	40
62214	DUPLICATING SVCS.	5,000	5,000	\$223	\$0	\$223	\$4,777	4.47%	32.36%	\$1,294	(\$1,071)	\$0	4,000
62217	MISC NONINVENTORABLE ITEMS EXPENSE	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	100
62219	PC SOFTWARE PURCHASES	8,000	8,000	\$0	\$0	\$8,060	(\$60)	100.75%	91.99%	\$6,296	\$1,764	\$6,296	6,845
62221	POSTAGE	12,000	12,000	\$0	\$1,514	\$4,135	\$7,865	34.45%	25.98%	\$3,118	\$1,017	\$57	12,000
62222	SUBSCRIPTIONS/PERIODICALS	500	500	\$15	\$15	\$225	\$275	44.97%	5.30%	\$195	\$30	\$15	3,679
62223	SUPPLIES	75,000	75,000	\$5,009	\$4,721	\$23,296	\$51,704	31.06%	24.19%	\$19,350	\$3,946	\$10,677	80,000
62225	NON-PC SOFTWARE	250	250	\$0	\$0	\$0	\$250	0.00%	0.00%	\$0	\$0	\$0	250
62226	INVENTORABLE ITEMS	20,000	20,000	\$0	\$0	\$3,189	\$16,811	15.95%	0.00%	\$0	\$3,189	\$0	60,000
62301	ACCOUNTING & AUDITING	15,000	15,000	\$0	\$0	(\$6,400)	\$21,400	-42.67%	0.00%	\$0	(\$6,400)	\$0	15,000
62310	BANKING SERVICES	17,500	17,500	\$390	\$1,050	\$4,688	\$12,812	26.79%	31.09%	\$5,441	(\$752)	\$1,248	17,500
62316	COMPUTER PROF SVCS	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62317	CONSULT/MGT/PC SVCE.	22,500	28,000	\$292	\$113	\$31,039	(\$3,039)	110.85%	86.53%	\$19,469	\$11,569	\$114	22,500
62318	COUNTY COUNSEL	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62325	DATA PROCESSING	82,320	82,320	\$0	\$0	\$0	\$82,320	0.00%	50.00%	\$41,160	(\$41,160)	\$0	82,320
62330	DPW SERVICES - GENERAL MONEY	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
62360	LEGAL SERVICES	0	0	\$4,113	\$4,740	\$8,853	(\$8,853)	0.00%	0.00%	\$0	\$8,853	\$0	0
62381	PROF & SPECIAL	107,800	141,249	\$9,495	\$16,126	\$44,579	\$96,670	31.56%	29.22%	\$21,042	\$23,537	\$5,227	72,000
62399	VETERINARIAN SERVICES	100,000	100,000	\$9,753	\$13,823	\$55,591	\$44,409	55.59%	27.17%	\$38,031	\$17,560	\$11,570	140,000
62500	EQUIPMENT RENTS & LEASES-	0	0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	\$49,417	(\$49,417)	\$0	0
62610	RENTS & LEASES-	248,000	267,673	\$0	\$0	\$50,017	\$217,656	18.69%	0.00%	\$0	\$50,017	\$0	197,669
62710	FIELD EQUIPMENT	1,500	1,500	\$0	\$0	\$0	\$1,500	0.00%	11.19%	\$134	(\$134)	\$0	1,200
62715	SMALL TOOLS & INSTRUMENTS	0	1,000	\$30	\$0	\$30	\$970	2.98%	#DIV/0!	\$0	\$30	\$0	0
62801	ADVERTISING & PROMOTION	4,000	4,000	\$950	\$0	\$1,170	\$2,830	29.25%	32.15%	\$1,347	(\$177)	\$67	4,189
62810	S/APP CNTR SRV-PLNT MNT & RPR	0	0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	\$0	\$0	\$0	0
62842	INVENTORY MATERIALS PURCHASED	20,000	20,000	\$0	\$3,012	\$3,012	\$16,988	15.06%	32.82%	\$7,379	(\$4,367)	\$7,379	22,486
62857	SPECIAL MISC EXP-SUPPLIES	500	500	\$0	\$0	\$0	\$500	0.00%	0.89%	\$8	(\$8)	\$0	903
62890	SUBSCRIPTIONS/BOOKS	500	500	\$0	\$0	\$0	\$500	0.00%	0.00%	\$0	\$0	\$0	510
62893	TOWING	0	0	\$0	\$0	\$347	(\$347)	0.00%	0.00%	\$0	\$347	\$0	0
62914	TRAVEL-EDUCATION	2,500	2,500	\$257	\$600	\$857	\$1,643	34.28%	127.20%	\$3,016	(\$2,159)	\$2,536	2,371
62920	GAS, OIL, FUEL	20,000	20,000	\$1,418	\$1,948	\$6,462	\$13,538	32.31%	27.12%	\$5,425	\$1,038	\$1,303	20,000
62922	TRAVEL-LODGING	1,500	1,500	\$0	\$0	\$0	\$1,500	0.00%	0.00%	\$0	\$0	\$0	992
62924	TRAVEL-MEALS	500	500	\$0	\$0	\$0	\$500	0.00%	0.00%	\$0	\$0	\$0	257
62926	TRAVEL-MILEAGE	500	500	\$0	\$69	\$69	\$431	13.75%	0.00%	\$0	\$69	\$0	88
62928	TRAVEL-OTHER	100	100	\$0	\$0	\$0	\$100	0.00%	2.11%	\$15	(\$15)	\$0	714
62930	REGISTRATIONS	1,000	1,000	\$0	\$0	\$0	\$1,000	0.00%	0.00%	\$0	\$0	\$0	225
62935	SERVICE CENTER	500	500	\$413	\$0	\$413	\$87	0.00%	0.00%	\$0	\$413	\$0	476
62940	TRAVEL ADVANCES	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
63070	UTILITIES	90,000	90,000	\$8,366	\$8,895	\$36,256	\$53,744	40.28%	30.35%	\$29,740	\$6,516	\$8,068	98,000
74230	PRINCIPAL ON LEASE PUCHASES	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	0
61000	SERVICES & SUPPLIES	\$1,165,358	\$1,224,980	\$70,341	\$75,176	\$429,879	\$795,101	35.09%	31.41%	\$366,236	\$487,046	\$80,318	\$1,166,006
75239	CONTRIBUTIONS TO COUNTY	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	\$0	\$0	\$0	\$0

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SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos + = UP
Neg () = DOWN

Acct	Acct Title	22/23 Final Budget	22/23 Adj. Budget	October Actuals	November Actuals	22/23 YTD Actuals	YTD Remaining	42%	42%	21/22 YTD Actuals	COMPARE THRU NOV PY ACTUALS	November Actuals	21/22 Est./Actuals
								Percentage of CY Budget Actualized	Percentage of PY EA's Actualized				
75315	COUNTY OVERHEAD (see 3550)	\$167,525	\$167,525	\$0	\$74,510	\$74,510	\$93,015	44.48%	25.00%	\$41,886	\$0	\$0	\$167,545
700000	OTHER CHARGES	\$167,525	\$167,525	\$0	\$74,510	\$74,510	\$93,015	44.48%	25.00%	\$41,886	\$32,624	\$0	\$167,545
86204	EQUIPMENT	\$0	\$20,000	\$0	\$0	\$0	\$20,000	0.00%	0.00%	\$0	\$0	\$0	\$16,239
86208	MEDICAL EQUIPMENT	\$45,000	\$45,000	\$0	\$10,552	\$10,552	\$34,448	23.45%	0.00%	\$0	\$10,552	\$0	\$30,000
86209	MOBILE EQUIPMENT	\$0	\$70,000	\$0	\$0	\$41,235	\$28,765	58.91%	0.00%	\$0	\$41,235	\$0	\$0
86210	OFFICE EQUIPMENT	\$0	\$7,085	\$0	\$0	\$0	\$7,085	0.00%	0.00%	\$0	\$0	\$0	\$7,085
86204	FIXED ASSETS	\$45,000	\$142,085	\$0	\$10,552	\$51,787	\$90,298	36.45%	0.00%	\$0	\$51,787	\$0	\$53,324
90000	OPERATING TRSF OUT	\$103,030	\$103,030	\$0	\$0	\$103,030	\$0	100.00%	134.13%	\$102,010	\$1,020	\$0	\$102,010
90000	OTHER FINANCING USES	\$103,030	\$103,030	\$0	\$0	\$103,030	\$0	100.00%	0.00%	\$102,010	\$1,020	\$0	\$102,010
98700	APPROP FOR CONTINGENCIES	\$186,954	\$186,954	\$0	\$0	\$0	\$186,954	0.00%	0.00%	\$0	\$0	\$0	\$0
98700	CONTINGENCIES	\$186,954	\$186,954	\$0	\$0	\$0	\$186,954	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	\$0	\$0	\$0	\$0	\$0	(\$0)	#DIV/0!	#DIV/0!	\$0	\$0	\$0	\$0
40430	INTEREST	\$17,000	\$17,000	\$2,983	\$0	\$9,009	\$7,991	52.99%	34.70%	\$3,817	\$5,192	\$818	\$11,000
40440	RENTS & CONCESS	\$700	\$700	\$21	\$0	\$31	\$669	4.46%	34.60%	\$69	(\$38)	\$35	\$200
40441	RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$200	\$0	\$0	\$10	\$190	5.00%	21.43%	\$30	(\$20)	\$20	\$140
40810	ST-NATURAL DISASTER ASSISTANCE	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	\$0	\$0	\$0	\$0
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
41093	FED-FEMA	\$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
41148	FED-CARES ACT CRF FUNDING	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
41510	HUMANE SERVICES	\$250,000	\$250,000	\$11,080	\$9,634	\$80,434	\$169,566	32.17%	37.11%	\$79,788	\$647	\$13,856	\$215,000
42010	ADMINISTRATIVE SERVICES	\$2,600	\$2,600	\$209	\$243	\$1,122	\$1,478	43.15%	33.90%	\$678	\$444	\$114	\$2,000
42022	COST RECOVERY-OTHER	\$5,500	\$5,500	\$546	\$408	\$1,864	\$3,636	33.89%	31.21%	\$1,405	\$459	\$129	\$4,500
42044	MEMBER CONTRIBUTION	\$3,349,066	\$3,349,066	\$1,004,720	\$0	\$2,344,347	\$1,004,719	70.00%	61.00%	\$1,857,067	\$487,280	\$168,303	\$3,044,616
42047	OTHER CHARGES CURRRENT SERVICES	\$14,000	\$14,000	\$0	\$0	\$0	\$14,000	0.00%	0.00%	\$0	\$0	\$0	\$10,650
42073	ADMINISTRATIVE FINE FEES	\$5,000	\$5,000	\$963	\$0	\$1,888	\$3,113	37.75%	41.28%	\$2,683	(\$795)	\$151	\$6,500
42074	GRANT SERVICES-NON INTERGOV	\$15,000	\$15,000	\$0	\$1,521	\$5,091	\$9,909	0.00%	0.00%	\$0	\$5,091	\$0	\$5,000
42202	ENDOWMENT CARE	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42205	ANIMAL MICROCHIP FEES	\$10,000	\$10,000	\$225	\$325	\$2,195	\$7,805	21.95%	33.41%	\$2,840	(\$645)	\$535	\$8,500
42206	ANIMAL RABIES FEES	\$9,000	\$9,000	\$220	\$256	\$1,698	\$7,302	18.87%	46.79%	\$3,275	(\$1,577)	\$440	\$7,000
42207	ANIMAL SPAY&NEUTER FEES	\$20,000	\$20,000	\$1,101	\$750	\$3,578	\$16,422	17.89%	28.39%	\$8,090	(\$4,512)	\$2,000	\$28,500
42234	SALES-OTHER-TAXABLE	\$80,000	\$80,000	\$10,428	\$9,793	\$38,975	\$41,025	48.72%	33.83%	\$31,121	\$7,854	\$5,999	\$92,000
42362	CASH OVERRAGES	\$0	\$0	\$0	\$0	\$0	(\$0)	0.00%	71.40%	\$4	(\$4)	\$0	\$5
42372	CONTRIBUTIONS AND DONATIONS	\$460,000	\$530,000	\$117,396	\$21,782	\$212,330	\$317,670	40.06%	19.97%	\$116,843	\$95,487	\$11,515	\$585,000
42375	INSURANCE PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	\$0	\$0	\$0	\$0
42380	NSF CHECKS	\$0	\$0	\$0	\$0	(\$89)	\$89	0.00%	94.18%	(\$550)	\$461	\$3,450	(\$584)
42381	NSF CHECKS-RETURNED CHECK	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	#DIV/0!	\$0	\$0	\$0	\$0
42384	OTHER REVENUE	\$40,000	\$40,000	\$729	\$2,514	\$10,954	\$29,046	27.39%	27.75%	\$11,101	(\$147)	\$2,795	\$40,000
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	\$9,000	\$9,000	\$680	\$574	\$3,283	\$5,717	36.48%	0.00%	\$3,307	(\$24)	\$419	\$8,200
42982	LICENSES - SANTA CRUZ	\$60,000	\$60,000	\$4,703	\$3,916	\$21,851	\$38,149	36.42%	0.00%	\$21,350	\$501	\$3,613	\$53,000
42983	LICENSES - SCOTTS VALLEY	\$17,000	\$17,000	\$957	\$1,360	\$5,506	\$11,494	32.39%	0.00%	\$6,123	(\$617)	\$1,829	\$14,000
42984	LICENSES- COUNTY	\$180,000	\$180,000	\$12,554	\$12,218	\$65,844	\$114,156	36.58%	0.00%	\$63,390	\$2,454	\$12,341	\$165,000
42986	LICENSES- WATSONVILLE	\$35,000	\$35,000	\$1,644	\$2,736	\$10,708	\$24,292	30.59%	0.00%	\$10,597	\$111	\$2,296	\$29,000
40100-42500	REVENUES	\$4,579,066	\$4,649,066	\$1,171,158	\$68,031	\$2,820,629	\$1,828,437	60.67%	51.35%	\$2,223,027	\$597,601	\$230,659	\$4,329,227

Regular Agenda Item 6.3

TO: Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Ratify an Addendum to an Agreement with Cara Townsend

Recommendation:

Ratify an addendum to an agreement with Cara Townsend for provision of administrative oversight of SCCAS until a new general manager is hired.

Discussion:

Cara Townsend currently services as Legal Counsel for SCCAS. In order to augment managerial oversight at the Shelter until a new general manager has been hired, SCCAS has revised Cara Townsend's contract to include provision of on-site management and operational support services. Cara will be working up to 20 hours per week.

Contract No. 2021-1

ADDENDUM NO. 1 TO AGREEMENT

This Addendum No. 1 to the Agreement dated April 22, 2021 by and between the SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY (“the ASA”) and Cara P. Townsend, Attorney, hereinafter called CONTRACTOR, is entered into this 1st day of November, 2022.

WHEREAS, the ASA is currently recruiting for the vacant position of Animal Services Authority General Manager;

WHEREAS, the Interim General Manager, as of November 5, 2022, is also the Director of the Santa Cruz County Parks Department and will require additional support during the transition and recruitment period; and

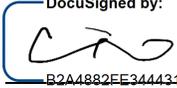
WHEREAS, Ms. Townsend currently serves as Legal Counsel and is familiar with the role of the General Manager and the duties undertaken thereby;

NOW THEREFORE, the parties have undertaken this temporary and time-limited Addendum No. 1 to the Agreement (attached hereto) as follows:

1. Beginning November 1, 2022, the ASA will pay CONTRACTOR the rate of \$89/hour, not to exceed 20 hours per week, for the purpose of providing on-site management and operational support services.
2. CONTRACTOR’s services will include assisting with all day-to-day operations of the ASA and its animal shelters, including, but not limited to, personnel, training, community liaison, animal cruelty investigations, humane education, equipment procurement and maintenance, and facility operations and maintenance.
3. These services will be provided in addition to, and simultaneous with, the current Agreement and its terms.
4. This temporary arrangement will terminate not later than 30 days following the appointment of the permanent General Manager or by election and notice of either party.
5. All other provisions of the Agreement shall remain the same.

[Signatures on Following Page]

CONTRACTOR:

By: 
B2A4882FE344431...

Cara P. Townsend, Esq.
Date: 11/9/2022

Address: PO BOX 7845
Berkeley, CA 94707

Telephone: (510) 990-2322
Email: townsend.cara@gmail.com or
cptownsendlaw@gmail.com (public)

SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY:

By: 
G2176072ABC44BC...

Jeff, Gaffney, Interim General Manager
Date: 11/9/2022

Regular Agenda Item 6.4

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Approve Payment of Invoice Exceeding \$10,000

Recommendation:

Approve payment of invoice #YM31240 totaling \$27,406.89 from Covetrus North America for purchase of medical equipment.

Discussion:

As a part of the FY 202-23 budget, your Board approved funding for medical equipment for the newly remodeled surgery suite. The equipment includes four new anesthesia machines, two oxygen concentrators, two surgery tables, an anesthesia waste gas handling system, and other minor equipment.



INVOICE NUMBER

** REPRINT
YM31240 Page 1

INVOICE

Covetrus North America
Drop Ship Invoice
P O Box 7153
Dublin, OH 43017-0753

Remit to:
Covetrus North America

PO BOX 734579
Chicago, IL 60673-4579

DEA 222 Number:

**STATEMENT TO FOLLOW. IF PAYING BY INVOICE PLEASE
INCLUDE INVOICE NUMBER ON THE CHECK**

BILL TO:	294220-000 SANTA CRUZ COUNTY ANIMAL SERVICES ATTN BEN WINKLEBLACK B/T 2200 7TH AVE Santa Cruz, CA 95062-1631	SHIP TO:	294220-002 GLEASON DANA DVM SANTA CRUZ COUNTY ANIMAL SERVICES 2200 7TH AVE SANTA CRUZ, CA 95062
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INVOICE DATE 11/15/22	P.O.# Supera	ORDER DATE 9/29/22	ORDER/REF.# FFC0945	SHIP VIA GSO NPS
PAYMENT TERMS Net 25th	DEA#	LICENSE #		CUSTOMER TERRITORY 548

QTY SHIPPED	B.O. QTY	PRODUCT NUMBER	PRODUCT DESCRIPTION	T A X	UOM	UNIT PRICE	EXTENDED AMOUNT
		++Track&Trace data is available at northamerica.covetrus.com ++++Find up-to-date printable SDS for all products requiring an SDS at northamerica.covetrus.com ***Hazardous Drug Thank you					
4	0	067508	ANES BAIN CIRCUIT CTRL ARM SFTY POP Mfr Catalog # : MA2013	Y	EA	491.38	1965.52
4	0	057866	SUPERA ANES EQUIP SP PURCH NON-RTN EA EVC635 Waste Gas Evac Y Adapter	Y	EA	21.55	86.20
50	0	057866	SUPERA ANES EQUIP SP PURCH NON-RTN EA EVC537 Evac Tubing per FT	Y	EA	2.07	103.50
4	0	057909	FFC0945 7512/SS ANES MACH M2500 WALL W ARM SFTY POP Mfr Catalog # : M2500	Y	EA	2064.49	8257.96
4	0	067512	ANES VAP TEC3 ISO F-FILL Mfr Catalog # : VAP3000	Y	EA	1500.20	6000.80
2	0	057901	OXYGEN PURELINE 8LPM DUAL W O2 BCKUP Mfr Catalog # : OC8200	Y	EA	2950.85	5901.70
1	0	067511	ANES WASTE GAS EVAC FAN SYSTEM Mfr Catalog # : EVC3000	Y	EA	1044.03	1044.03
4	0	067503	ANES WASTE GAS SCAV OUTLET Mfr Catalog # : EVC680PS	Y	EA	51.14	204.56
4	0	067502	ANES WASTE GAS SCAV VALVE Mfr Catalog # : EVC630 Other Charges amount includes: Drop Ship Freight Charge of 657.36 Covetrus PO# - M363661	Y	EA	230.11	920.44

Continued

TAXABLE TOTAL	NON-TAXABLE TOTAL	SUB-TOTAL	SALES TAX	OTHER CHARGES	INVOICE TOTAL
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BALANCE DUE IF PAID ON OR BEFORE

BILLING QUESTIONS:

SHIPPING QUESTIONS:



INVOICE NUMBER

** REPRINT
YM31240 Page 2

INVOICE

Remit to:
Covetrus North America

Covetrus North America
Drop Ship Invoice
P O Box 7153
Dublin, OH 43017-0753

PO BOX 734579
Chicago, IL 60673-4579

DEA 222 Number:

**STATEMENT TO FOLLOW. IF PAYING BY INVOICE PLEASE
INCLUDE INVOICE NUMBER ON THE CHECK**

BILL TO:	294220-000 SANTA CRUZ COUNTY ANIMAL SERVICES ATTN BEN WINKLEBLACK B/T 2200 7TH AVE Santa Cruz, CA 95062-1631	SHIP TO:	294220-002 GLEASON DANA DVM SANTA CRUZ COUNTY ANIMAL SERVICES 2200 7TH AVE SANTA CRUZ, CA 95062
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INVOICE DATE 11/15/22	P.O.# Supera	ORDER DATE 9/29/22	ORDER/REF.# FFC0945	SHIP VIA GSO NPS
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PAYMENT TERMS Net 25th	DEA#	LICENSE #	CUSTOMER TERRITORY 548
----------------------------------	-------------	------------------	----------------------------------

QTY SHIPPED	B.O. QTY	PRODUCT NUMBER	PRODUCT DESCRIPTION	T A X	UOM	UNIT PRICE	EXTENDED AMOUNT

TAXABLE TOTAL 24484.71	NON-TAXABLE TOTAL .00	SUB-TOTAL 24484.71	SALES TAX 2264.82	OTHER CHARGES 657.36	INVOICE TOTAL 27406.89
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BALANCE DUE IF PAID ON OR BEFORE 27406.89	12/10/22	BILLING QUESTIONS: 1-800-258-2148	SHIPPING QUESTIONS: 1-855-724-3461
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Regular Agenda Item 6.5

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Jeff Gaffney, Interim General Manager
DATE: December 12, 2022
SUBJECT: Consider and Approve Report on Audit of Santa Cruz County Animal Shelter for the Year Ended June 30, 2021

Recommendation:

Consider and approve report on audit of Santa Cruz County Animal Shelter for the year ended June 30, 2021

Santa Cruz County Animal Shelter
Audited Financial Statements
As of and for the Year Ended June 30, 2021
with Independent Auditor's Report

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ERICA ONG, CPA

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Independent Auditor's Report

**The Board of Directors
Santa Cruz County Animal Shelter
Santa Cruz, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz County Animal Shelter (the Shelter), as of and for the year ended June 30, 2021, 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, each major fund, and the aggregate remaining fund information of the Santa Cruz County Animal Shelter, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Adjustments

As discussed in Note 10, the prior year financial statements have been restated to correct prior years' calculation of pension liability. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and the required supplementary information on pages 36 through 39 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 Shelter's basic financial statements. The introductory section, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, 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 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 Shelter's internal control over financial reporting and compliance.

Pauline Erica Ong, CPA
North Hills, California
December 2, 2022

This section of the Santa Cruz County Animal Shelter's (the "Shelter") annual financial report presents a discussion and analysis of the Shelter's financial performance for the year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the Shelter's basic financial statements following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Shelter's basic financial statements consist 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 are prepared using accrual accounting method to demonstrate the Shelter's operational accountability, while the Fund Financial Statements are based on modified-accrual accounting to demonstrate its budgetary accountability. Reconciliations of the Fund Financial Statements to the Government-wide Financial Statements are provided to explain to readers the differences created by this integrated approach.

Government-wide Financial Statements

The Government-wide Financial Statements provide 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 of the Shelter's assets, deferred inflow and outflow, and liabilities, with the difference 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 year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as revenues pertaining to uncollected intergovernmental revenues, and expenses pertaining to earned but unused vacation and sick leave.

Both Government-wide Financial Statements distinguish functions of the Shelter that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Shelter include general government, member services, health and sanitation, public assistance, education, housing services, and community development among others.

The Government-wide Financial Statements can be found immediately following this discussion and analysis.

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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. All the funds of the Shelter are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements-i.e., most of the Shelter's basic services are reported in governmental funds. These statements, however, 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Shelter maintains two governmental funds organized according to their type: general fund and capital fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

Notes to the Basic 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

The Shelter provides for the necessary disclosures for compliance with GASB 68, Pension, and GASB 75, Other Post-Employment Benefits, which are the schedule of changes in the net liability and related ratios, and the schedule of plan contributions.

Financial Highlights

The liabilities and deferred inflows of the Shelter exceeded its assets and deferred outflows at the close of the 2021 year by \$2,566,801 (*net position*). Of this amount, negative \$2,655,948 (*unrestricted net position*) represents ability to meet ongoing obligations, and \$89,147 is net investment in capital assets.

The government's total net position increased by \$58,111. This is mainly due to the following:

- As of June 30, 2021, the Shelter's governmental funds reported combined ending fund balances of positive \$2,116,735 or an increase in fund balance of \$333,759 in comparison with the prior year.
- As of June 30, 2021, fund balance for the general and capital funds were \$1,744,748 and \$371,957, respectively, and represent 42% and 9% of the total expenditures.
- The total increase in the Shelter's investment in capital assets for the current period is mainly due to purchase of sanitary equipment and plexiglass installations in order to minimize the transmission of the COVID-19 virus.
- The negative position is primarily due to the Shelter's pension-related liabilities recognized as non-current liabilities amounting to \$4,713,995 as of June 30, 2021.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Government-wide Financial Statements provide both long-term and short-term information about the Shelter's overall financial position. This analysis addresses the financial statements of the Shelter as a whole. The statement of net position includes all the Shelter's assets, liabilities and deferred inflows of resources. The Shelter's net position is a useful measurement of its financial health. Net position can be tracked over time to assess whether the Shelter's financial health is improving or deteriorating. However, readers will need to consider other nonfinancial factors, such as the condition of the Shelter's infrastructure to assess the overall health of the Shelter.

Statements of Net Position

	Governmental Activities			
	2021	2020	Change	
			Amount	%
Assets				
Current and other assets	\$ 2,554,110	\$ 2,175,461	\$ 378,649	17%
Capital assets, net	89,147	60,509	28,638	47%
Total assets	<u>2,643,257</u>	<u>2,235,970</u>	<u>407,287</u>	<u>18%</u>
Deferred outflows of resources	<u>359,455</u>	<u>225,621</u>	<u>133,834</u>	<u>59%</u>
Total assets and deferred outflows of resources	<u>\$ 3,002,712</u>	<u>\$ 2,461,591</u>	<u>\$ 541,121</u>	<u>22%</u>
Liabilities				
Current and other liabilities	\$ 437,375	\$ 392,483	\$ 44,892	11%
Non-current liabilities	4,941,438	4,427,631	513,807	12%
Total liabilities	<u>5,378,813</u>	<u>4,820,114</u>	<u>558,699</u>	<u>12%</u>
Deferred inflows of resources	<u>190,700</u>	<u>266,389</u>	<u>(75,689)</u>	<u>(28%)</u>
Net position				
Net investment in capital assets	89,147	60,510	28,637	47%
Unrestricted	<u>(2,655,948)</u>	<u>(2,685,422)</u>	<u>29,474</u>	<u>(1%)</u>
Total net position	<u>(2,566,801)</u>	<u>(2,624,912)</u>	<u>58,111</u>	<u>(2%)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,002,712</u>	<u>\$ 2,461,591</u>	<u>\$ 541,121</u>	<u>22%</u>

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 Shelter, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,566,801 at the close of the current year.

The largest portion of the Shelter's net position, amounting to negative \$2,655,948, pertains to its unrestricted net position, which represents the Shelter's ability to meet its ongoing obligations. The negative balance was primarily due to the recognition of changes in net pension and OPEB liabilities, as required by GASB 68 and 75, respectively.

The remaining balance of \$89,147 reflects its investment in capital assets, less any related debt used to acquire those assets, and adjustments that is still outstanding. The Shelter uses these capital assets to provide animal care and welfare services to the citizens under its jurisdiction; consequently, these assets are not available for future spending. Although the Shelter's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Santa Cruz County Animal Shelter
Management's Discussion and Analysis
Year ended June 30, 2021**

Statement of Activities

	Governmental Activities			
	2021	2020	Change	
			Amount	%
Revenues:				
Member contributions	\$ 2,872,279	\$ 3,191,421	\$ (319,142)	(10%)
Licenses and permits	305,365	301,588	3,777	1%
Contributions and donations	1,083,865	378,152	705,713	187%
Charges for services	419,113	402,329	16,784	4%
Interest and investment income	18,272	45,653	(27,381)	(60%)
Miscellaneous	236,406	185,166	51,240	28%
Total revenues	<u>4,935,300</u>	<u>4,504,309</u>	<u>430,991</u>	<u>10%</u>
Expenses:				
Governmental activities	<u>4,877,189</u>	<u>5,346,844</u>	<u>(469,655)</u>	<u>(9%)</u>
Total expenses	<u>4,877,189</u>	<u>5,346,844</u>	<u>(469,655)</u>	<u>(9%)</u>
Change in net position	<u>58,111</u>	<u>(842,535)</u>	<u>900,646</u>	<u>(107%)</u>
Net position, beginning as restated	<u>(2,624,912)</u>	<u>(1,782,377)</u>	<u>(842,535)</u>	<u>47%</u>
Net position, ending	\$ <u>(2,566,801)</u>	\$ <u>(2,624,912)</u>	\$ <u>58,111</u>	<u>(2%)</u>

Analysis of Changes in Net Position

The Shelter's net position (governmental activities) increased by \$58,111 during the current year. The reason for the increase is primarily due to the net effect of the increase in contributions and donations received in relation to the Shelter's renovation and expansion and the decrease in expenses due to reduction in operations as an effect of the COVID-19 pandemic.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS OF THE SHELTER

Governmental Funds. The focus of the Shelter's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Shelter's financing requirements. Unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Types of governmental funds reported by the Shelter include the General Fund and Special Revenue Funds.

As of June 30, 2021, the Shelter's governmental funds reported combined total fund balances of \$2,116,735, an increase from last year's balance of \$1,782,976 by \$333,759. The total fund balances constitute unrestricted fund balance, which is normally available to meet the Shelter's current and future needs.

Revenues for governmental funds amounted to \$4,935,300 for 2021, which represents an increase of 10% from the previous year. Expenditures for governmental functions, totaling \$4,186,454 decreased by 7% from the previous year.

General Fund is the main operating fund of the Shelter. It is used to account for revenues and expenditures necessary to perform basic government functions that are not accounted for through other special revenue and grant funds. As of June 30, 2021, total fund balance of the general fund is \$1,744,778. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 42% of total general fund expenditures of \$4,113,571.

Capital Fund is the other fund of the Shelter. This is an asset repair fund in relation to the repair of the Shelter's leased facilities upon termination of the lease. A contractor has prepared the schedule of annual contribution to the fund, which are accounted for as operational transfers from the General Fund.

**Revenues Classified by Source
Governmental Funds**

	2021	2020	Change	
			Amount	%
Revenues				
Licenses and permits	\$ 305,365	\$ 301,588	3,777	1%
Revenue from use of money and property	18,272	45,653	(27,381)	-60%
Member contributions	2,872,279	3,191,421	(319,142)	-10%
Contributions and donations	1,083,865	378,152	705,713	187%
Charges for services	419,113	402,329	16,784	4%
Other income	236,406	185,166	51,240	28%
Total revenues	\$ 4,935,300	\$ 4,504,309	430,991	10%

- Member contributions pertain to the cash inflows received from the County of Santa Cruz and the cities of Santa Cruz, Capitola, Watsonville, and Scotts Valley, which are parties to the joint power agreement for the Shelter. A formula to equitably distribute the estimated cost of animal services is formulated by the Board of Directors in order to quantify the contributions to be made by the members to the JPA. The decrease of \$319,142 is primarily due to the calculation in effect for the fiscal year ending June 30, 2022.
- Contributions and donations increased by \$705,713 due to the increase in receipt of donations in relation to the campus expansion of the Shelter.
- Other income increased by \$51,240 due to one-time assistance received in relation to the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act and Federal Emergency Management Agency.

**Santa Cruz County Animal Shelter
Management's Discussion and Analysis
Year ended June 30, 2021**

The current year excess of expenditures over revenues is presented below:

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

	General Fund	Capital Fund	2021 Total	2020 Total	Change	
					Amount	%
Revenues	\$ 4,922,889	\$ 12,411	\$ 4,935,300	\$ 4,504,309	\$ 430,991	10%
Expenditures	(4,113,571)	(72,883)	(4,186,454)	(4,491,362)	304,908	(7%)
Excess of revenues over expenses	809,318	(60,472)	748,846	12,947	735,899	5,684%
Changes from other financing sources	(516,087)	101,000	(415,087)	-	(415,087)	(100%)
	293,231	40,528	333,759	12,947	320,812	2,478%
Fund balance, beginning as restated	1,451,547	331,429	1,782,976	1,770,029	12,947	1%
Fund balances, ending	\$ 1,744,778	\$ 371,957	\$ 2,116,735	\$ 1,782,976	\$ 333,759	19%

CAPITAL ASSETS

	Governmental Activities			
	2021	2020	Change	
			Amount	%
Vehicles	\$ 276,089	\$ 276,089	-	0%
Furniture, fixtures and equipment	52,231	38,477	13,754	36%
Leasehold improvements	41,030	-	41,030	100%
	369,350	314,566	54,784	17%
Less: accumulated depreciation	(280,203)	(254,057)	(26,146)	10%
Net Book Value	\$ 89,147	\$ 60,509	\$ 28,638	47%

The Shelter's investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$89,147 (net of accumulated depreciation). This investment in capital assets includes vehicles, furniture, fixtures and equipment and leasehold improvements. The total increase in the Shelter's investment in capital assets for the current period amounting to \$28,638, or approximately 47%, is mainly due to purchase of sanitary equipment and plexiglass installation to minimize the transmission of the COVID-19 virus in line with the pandemic.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current year. Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

ECONOMIC FACTORS

The Shelter anticipates increases in expenditures for the next fiscal year, primarily due to economic factors and Shelter program development. Revenues are expected to be consistent with the current year levels.

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 government'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, Santa Cruz, California.

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BASIC FINANCIAL STATEMENTS

Santa Cruz County Animal Shelter
Statement of Financial Position
June 30, 2021

		Governmental Activities
ASSETS		
Current assets		
Cash and equivalents	\$	2,554,110
	Total current assets	2,554,110
Non-current assets		
Capital assets, net		89,147
	Total non-current assets	89,147
	Total assets	2,643,257
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pension		195,085
Deferred amounts related to other postemployment benefits (OPEB)		164,370
	Total deferred outflows of resources	359,455
	Total assets and deferred outflows of resources	\$ 3,002,712
LIABILITIES		
Current liabilities		
Accounts payable - claims	\$	97,690
Accounts payable - payroll		43,546
Donations		295,648
Stale dated warrants		491
	Total current liabilities	437,375
Non-current liabilities		
Compensated absences		227,443
Net OPEB liability		1,080,193
Net pension liability		3,633,802
	Total non-current liabilities	4,941,438
	Total liabilities	5,378,813
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pension		2,125
Deferred amounts related to other postemployment benefits (OPEB)		188,575
	Total deferred inflows of resources	190,700
NET POSITION		
Net Position		
Net investment in capital assets		89,147
Unrestricted		(2,655,948)
	Total net position	(2,566,801)
	Total liabilities and net position	\$ 3,002,712

See notes to financial statements.

Santa Cruz County Animal Shelter
Statement of Activities
Year ended June 30, 2021

	<u>Net Revenues (Expenses) and Changes in Net Position Governmental Activities</u>
<u>Functions/Programs</u>	
Governmental Activities	
General government	\$ (4,877,189)
Total Government Activities	<u>(4,877,189)</u>
 Program revenues	
Member contributions	2,872,279
Licenses and permits	305,365
Contributions and donations	1,083,865
Charges for services	419,113
Total Program Activities	<u>4,680,622</u>
 General revenues	
Interest and investment income	18,272
Miscellaneous	236,406
Total General Revenues	<u>254,678</u>
Change in Net Position	58,111
Net Position, Beginning as restated	<u>(2,624,912)</u>
Net Position, Ending	<u>\$ (2,566,801)</u>

See notes to financial statements.

Santa Cruz County Animal Shelter
Governmental Funds
Balance Sheet
Year ended June 30, 2021

	General Fund	Capital Fund	Total
ASSETS			
Cash and equivalents	\$ 2,164,053	\$ 390,057	\$ 2,554,110
Total assets	2,164,053	390,057	2,554,110
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable - claims	79,590	18,100	97,690
Accounts payable - payroll	43,546	-	43,546
Donations	295,648	-	295,648
Stale dated warrants	491	-	491
Total liabilities	419,275	18,100	437,375
Fund Balances			
Non-spendable:			
Imprest Cash	900	-	900
Assigned to:			
B Jean Adams Trust	472,501	-	472,501
Eliminate projected budgetary deficit in subsequent year's budget	318,896	-	318,896
Restricted	-	371,957	371,957
Unrestricted	952,481	-	952,481
Total fund balances	1,744,778	371,957	2,116,735
Total liabilities and fund balances	\$ 2,164,053	\$ 390,057	\$ 2,554,110

See notes to financial statements.

**Santa Cruz County Animal Shelter
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021**

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances	\$	2,116,735	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Cost	\$	369,350	
Accumulated Depreciation		<u>(280,203)</u>	89,147
Deferred outflows of resources are applicable to future periods and, therefore, are not reported in the funds			
Deferred outflows of resources - pension		195,085	
Deferred outflows of resources - OPEB		<u>164,370</u>	359,455
Long term debt used in the governmental activities are not financial liabilities and, therefore, are not reported in the governmental funds.			
Compensated absences		(227,443)	
OPEB liability		(1,080,193)	
Net pension liability		<u>(3,633,802)</u>	(4,941,438)
Deferred inflows of resources are applicable to future periods and, therefore, are not reported in the funds			
Deferred inflows of resources - pension		(2,125)	
Deferred inflows of resources - OPEB		<u>(188,575)</u>	<u>(190,700)</u>
Net position of governmental activities	\$		<u>(2,566,801)</u>

See notes to financial statements.

**Santa Cruz County Animal Shelter
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2021**

	General Funds	Capital Funds	Total
Revenues			
Member contributions	\$ 2,872,279	\$ -	\$ 2,872,279
Licenses and permits	305,365	-	305,365
Charges for services	1,185,725	10,000	1,195,725
Revenue from use of money and property	15,861	2,411	18,272
Other	543,659	-	543,659
Total revenues	4,922,889	12,411	4,935,300
Expenditures			
Salaries	2,834,328	-	2,834,328
Vehicle Cost	1,215,854	72,883	1,288,737
Miscellaneous	63,389	-	63,389
Total expenditures	4,113,571	72,883	4,186,454
Other Financing Sources (Uses)			
Transfer in	-	101,000	101,000
Transfer out	(101,000)	-	(101,000)
Contributions to County	(415,087)	-	(415,087)
Total Other Financing Sources (Uses)	(516,087)	101,000	(415,087)
Change in fund balances	293,231	40,528	333,759
Fund balance, beginning of the year as restated	1,451,547	331,429	1,782,976
Fund balance, end of the year	\$ 1,744,778	\$ 371,957	\$ 2,116,735

See notes to financial statements.

**Santa Cruz County Animal Shelter
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2021**

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

Change in fund balance - governmental funds	\$	333,759
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Capital outlays are reported in governmental funds as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay, net of dispositions, if any	\$	54,783	
Depreciation expense		<u>(26,145)</u>	28,638

Adjustments on contributions made to pension and OPEB-related per assessment of the outstanding balances:

Contributions made to OPEB		17,760	
Contributions made to Pension		<u>-</u>	17,760

Expenses reported in the statement of activities that do not require the use of current financial resources, and therefore are not reported as expense in the governmental funds:

Change in compensated absences		8,233	
OPEB expenses		(127,722)	
Pension expenses		<u>(202,557)</u>	<u>(322,046)</u>

Change in net position of governmental activities	\$	<u>58,111</u>
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See notes to financial statements.

NOTE 1 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 power agreement (JPA) among the Cities of Capitola, Santa Cruz, and Scotts Valley, and the County of Santa Cruz. The JPA was amended to allow the city of Watsonville to become a party to the JPA effective November 15, 2004. The City of Capitola withdrew from the JPA effective July 1, 2007. However, the JPA was amended to allow the City of Capitola to become a party again effective July 1, 2017. The Shelter is governed by a Board of Directors with eight members.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Shelter complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Shelter the option of electing to apply FASB pronouncements issued after November 30, 1989. This option does not apply for the Shelter since it has no enterprise funds. The accounting and reporting framework and the more significant accounting policies are described below.

Basis of Presentation

Government-wide Fund financial statements

The statement of net position and statement of activities display information about the Shelter. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations would have been made to minimize the double counting of internal service fund activities. Governmental activities are normally supported by intergovernmental revenues and grants.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Shelter.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental fund financial statements

Governmental fund financial statements of the Shelter 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 nor fiduciary funds.

The Shelter reports two governmental funds.

The *General Fund* is the primary operating fund of the Shelter and is funded by member contributions from the parties to the JPA. It is used to account for all financial resources necessary to carry out basic governmental activities of the Shelter, which is to preserve the well-being of animals, and as well as providing education, animal adoption, and humane law enforcement services to the community. The general fund excludes financial resourced which are required to be accounted separately their respective funds.

The *Capital Fund* is used to account for the construction or acquisition of capital assets such as land, construction-in-progress, buildings and improvements, and infrastructure.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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 asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the Shelter gives (or receives) value without directly receiving (or giving) equal value in exchange.

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 collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for unmatured principal and interest and expenditures related to compensated absences which are recognized when due.

Budgets and Budgetary Accounting

The Shelter has established individual budgetary data but this is not reflected in the financial statements.

Capital Assets

In the government-wide financial statements, capital assets (fixed assets) in excess of \$5,000 are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 years
Equipment	5 years
Leasehold improvements	Useful life or lease term, whichever is shorter

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Balance Reporting

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the following fund balance classifications that comprise of a hierarchy based primarily on the extent to which the Shelter is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable Fund Balance includes amounts that cannot be spent because they are either (a) not in spendable form - such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact - such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash.

Restricted Fund Balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through legislation.

Committed Fund Balance includes amounts that can be used only for the specific purposes determined by a formal action of the Shelter’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the Shelter taking the same formal action that imposed the constraint originally.

Assigned Fund Balance consists of funds intended to be used by the Shelter for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Shelter’s Board or (b) a body (e.g., a budget or finance committee) or official to which the Shelter’s Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reporting (Continued)

Unassigned Fund Balance is the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Shelter's restricted net position is in relation to the capital fund.

Unrestricted Net Position - This category represents the Shelter's net position which are not restricted for any project or other purpose.

Use of Estimates

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

NOTE 3 CASH AND EQUIVALENTS

Cash and equivalents as of June 30, 2021 were as follows:

Pooled cash	\$	2,429,649
Cash on hand		124,461
Total cash and equivalents	\$	<u>2,554,110</u>

Cash balances pertain to pooled cash and cash on hand.

NOTE 3 CASH AND EQUIVALENTS (CONTINUED)

Pooled cash pertain to the Shelter's funds that are deposited with the County of Santa Cruz, where the available balances beyond immediate needs are invested by the County Treasurer in various securities. 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 calculates the fair value of all investments included in the pooled investments based quoted market prices. Any material unrealized gains or losses are reported along with investment income. At June 30, 2021, the County assessed that the fair value of the pooled cash approximates its book value.

NOTE 4 CAPITAL ASSETS

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

	Balance at June 30, 2020	Additions	Balance at June 30, 2021
Governmental activities			
Capital assets, being depreciated			
Furniture and equipment	\$ 38,477	\$ 13,754	\$ 52,231
Vehicles	276,089		276,089
Leasehold improvements	-	41,030	41,030
Total capital assets, being depreciated	314,566	54,784	369,350
Less accumulated depreciation for:			
Furniture and equipment	(21,290)	(6,821)	(28,111)
Vehicles	(232,767)	(15,222)	(247,989)
Improvements	-	(4,103)	(4,103)
Total accumulated depreciation	(254,057)	(26,146)	(280,203)
Total capital assets, being depreciated, net	60,509	28,638	89,147
Governmental activities capital assets, net	\$ 60,509	\$ 28,638	\$ 89,147

Depreciation expense totaling \$26,146 was charged by function to general government.

NOTE 6 PENSION PLANS

General Information

The full description of the general information about the pension plan (outlined below) can be found in the County's June 30, 2021 Comprehensive Annual Financial Report. A copy of the said 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

GASB 68 requires that the reported results of the valuation must pertain to the liability and asset information within certain defined time frames. The following time frames are used:

Reporting Date	June 30, 2020
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Valuation date	June 30, 2019

NOTE 6 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period, which is at 0.8083%, the assigned share of the Shelter of the Net Pension Liability of the County of Santa Cruz:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 11,154,357	\$ 7,797,594	\$ 3,356,763
Changes recognized for the measurement period:			
Service cost	214,593	-	214,593
Interest on total pension liability	790,636	-	790,636
Differences between expected and actual experience	83,465	-	83,465
Benefit payments, including refunds of employee contributions	(574,553)	(574,553)	-
Contributions by employer	-	336,550	(336,550)
Contributions by employees	-	101,727	(101,727)
Net investment income	-	384,371	(384,371)
Administrative expense	-	(10,993)	10,993
Balance at June 30, 2020	<u>\$ 11,668,498</u>	<u>\$ 8,034,696</u>	<u>\$ 3,633,802</u>

Actuarial assumptions

The actuarial measurement as of June 30, 2020 is based on the following actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method/period	For details, see June 30, 2017 Funding Valuation Report
Asset valuation method	Fair value of assets. For details, see June 30, 2017 Funding Valuation Report
Inflation	2.625%
Salary increases	Varies by entry age and service (Fidelity Municipal GO AA 20-year bond index)
Payroll growth	2.875%
Investment rate of return	7.25% net of pension plan investment and administrative expenses; includes inflation
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality improvement	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

NOTE 6 PENSION PLANS (CONTINUED)

Pension Expense

For the measurement period ending June 30, 2020, the Shelter incurred a total pension expense of \$202,557 for the Plan.

Deferred Outflows and Inflows of Resources Related to Pension

The Shelter has deferred outflows and deferred inflows related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ (2,125)
Difference between expected and actual experience	125,322	-
Difference between expected and actual earnings on pension plan investments	69,763	-
	\$ 195,085	\$ (2,125)

The amounts in the above table excludes the deferred outflows and deferred inflows recognized from 2017 to 2020.

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
2021	\$ 58,645
2022	56,334
2023	44,563
2024	33,418
2025 and thereafter	-

The Shelter's employer contributions for the year ending June 30, 2021 amounts to \$336,550.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information

Eligible employees of the Shelter who retire through CalPERS may receive health plan coverage through the Public Employee’s Medical and Hospital Care Program Plan (the “Plan”), along with their spouse and eligible dependents. 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. 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.

GASB 68 requires that the reported results of the valuation must pertain to the liability and asset information within certain defined time frames. The following time frames are used:

Reporting Date	June 30, 2020
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Valuation date	June 30, 2019

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 covered participants in the Plans are as follows:

	Number of covered participants
Inactives currently receiving benefits	1
Inactives entitled to but not yet receiving benefits	-
Active employees	29
Total	30

NOTE 7 OTHER POSTEMPLOYMENT EBENFITS (OPEB) (CONTINUED)

Contribution

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021, the Shelter's contributions were \$17,760.

Change in Total OPEB Liability

The following table shows the change in the Total OPEB Liability for the fiscal year ended June 30, 2021:

		Total Pension Liability
Balance at June 30, 2019	\$	835,189
Changes recognized for the measurement period:		
Service cost		104,304
Interest on total pension liability		29,335
Change in assumption		115,913
Benefit payments		<u>(4,548)</u>
Changes in the total OPEB liability		<u>245,004</u>
Balance at June 30, 2020	\$	<u>1,080,193</u>

Net OPEB Liability

As of June 30, 2020, the measurement date, the total OPEB liability is the same as the net OPEB liability, given that the plan has no fiduciary net position.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial assumptions

The actuarial measurement as of June 30, 2020 is based on the following actuarial assumptions:

Actuarial valuation date	June 30, 2019
Contribution policy	No-prefunding
Discount rate	2.45% at June 30, 2020 (Fidelity Municipal GO AA 20-year bond index)
	3.13% at June 30, 2019 (Fidelity Municipal GO AA 20-year bond index)
General inflation	2.75% annually
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality projected fully generational with scale MP-2019
Salary increases	Aggregate - 3% annually Merit - CalPERS 1997-2015 Experience Study
Medical trend	Non-Medicare -
	Medicare -
PEMHCA minimum increase	4.25% annually
Cap increase	0% annually
Healthcare participation at retirement	Currently covered: 90% Currently waived: 50%
Spouse coverage at retirement	Miscellaneous: 40% Safety: 50%

Discount rate

The discount rate used to measure the total OPEB liability was 3.56%. 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 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.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity analysis

Below is the sensitivity analysis on the changes in the discount rate and healthcare trend rate, showing the impact of a 1% change in the assumptions:

	Discount rate		
	1% Decrease 1.45%	Current rate 2.45%	1% Increase 3.45%
Total OPEB liability	\$ 1,288,714	\$ 1,080,193	\$ 915,688

	Healthcare trend rate		
	1% Decrease 915,199	Current trend \$ 1,080,193	1% Increase \$ 1,338,926
Total OPEB liability			

Deferred Outflows and Inflows of Resources related to OPEB

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. For the fiscal year ended June 30, 2021, the Shelter recognized OPEB expenses amounted to \$114,511 and reported deferred inflows and outflows from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 151,158	\$ (62,869)
Difference between expected and actual experience	-	(125,706)
Difference between expected and actual earnings on pension plan investments	<u>13,212</u>	<u>-</u>
	\$ 164,370	\$ (188,575)

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Amounts reported as deferred outflows and inflows of resources are to be amortized annually based on below summary:

Measurement period ended June 30:	Deferred outflows (inflows) of resources
2022	\$ (5,916)
2023	(5,916)
2024	(5,916)
2025	(5,916)
2026	(7,837)
2027 and thereafter	-

NOTE 8 DEFERRED COMPENSATION PLAN

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

As of June 30, 2021, the deferred compensation plan assets, amounting to \$252,210,383, are not recorded in the financial statements of the County of Santa Cruz, as the said amount is deposited to with an independent, third-party administrator.

NOTE 9 RELATED PARTY TRANSACTIONS

Below is a summary of the related party transactions for the period ended June 30, 2021:

Member Contributions

The Shelter receives contributions from the members to the JPA, which may be utilized in the course of day-to-day operations of the Shelter. Below is the summary of the transactions for the period ended June 30, 2021:

Count of Santa Cruz	\$	1,520,689
City of Watsonville		651,356
City of Santa Cruz		532,955
City of Capitola		69,684
City of Scotts Valley		97,595
Total Membership Contributions	\$	2,872,279

General and Administrative Expenses

Several departments of the County of Santa Cruz, a member to the JPA, regularly bills the Shelter for the services provided to the Shelter. Below is a summary of the transactions with the departments of the County of the Santa Cruz and the amounts recorded under general and administrative expenses for the period ended June 30, 2021:

Auditor-Controller's Office	\$	8,874
Information Services Department		132,102
County of Santa Cruz		63,389
General Services Department		22,874
Regional 911		33,894
Others		12,260
Total General and Administrative Expenses	\$	273,393

The transactions with the Auditor-Controller's Office pertain to the accounting services provided to the Shelter by reviewing and approving its transactions.

The transactions with the Information Services Department pertain to the provision of data processing, telecommunication services and other information technology related services provided to the Shelter, which amounts to \$84,672, \$40,032, and \$7,398, respectively.

The transactions with the General Services Department pertain to the provision of facility maintenance and service items to the Shelter.

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The transactions with the Regional 911 pertain to the provision of county radio services to the Shelter.

Others pertain to transactions which are not regularly incurred by the Shelter and are one-off transaction with the other departments and units of the County of Santa Cruz such as, but not limited to, the Personnel Department, Parks Department, and Administrative Office.

The transactions with the County of Santa Cruz pertain to the allocation of expenses chargeable to the Shelter in relation to the general and administrative functions of the County of Santa Cruz such as, but not limited to purchasing, budgeting, and personnel administration.

Leases

The Shelter entered into an agreement with the Department of Public Works under the County of Santa Cruz in order to lease a certain property which will be utilized by the Shelter as its animal services facility. The lease commenced on October 28, 2018 and has a term of 30 years, after which, the Shelter will have the option to extend the term of the lease for an additional 30 years. Annual rental for the whole duration of the lease term is \$197,669.

The lease is currently accounted for as an operating lease. However, the Shelter is still assessing the impact of GASB 87, Leases, which addresses accounting and financial reporting for leases that were previously reported as operating leases by establishing a single model for lease accounting. GASB 87 will take effect for the Shelter's fiscal year ending June 30, 2022.

As part of the stipulations of the agreement, the Shelter is required to annually contribute approximately \$100,000 to an asset repair fund for the duration of the lease term.

Facility Expansion

In 2021, the County of Santa Cruz contracted a contractor in order to expand the facilities currently leased out by the Shelter. Rights and ownership of the facilities would still be with the County at the termination of the lease. In line with this, the Shelter started accepting donations which will be used as part of the payment of the expenses. For the period ended June 30, 2021, the Shelter remitted \$415,087 for the facility expansion.

NOTE 10 PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2021, certain accounting changes and adjustments were made that required the restatement of fund balances or net position.

The restatement of \$781,679 in the general funds is to primarily correct prior years' pension liability-related balances in order to align with the deferred inflows and deferred outflows in the valuation reports.

	Balance, as previously reported	Adjustment	Balance, as adjusted
Deferred outflows	\$ 1,205,507	\$ (1,029,461)	\$ 176,046
Net pension liability	3,356,763	1	3,356,764
Deferred inflows	305,351	(247,783)	57,568
Net position	2,456,607	781,679	3,238,286

NOTE 11 IMPACTS OF CORONAVIRUS ON THE SHELTER'S OPERATIONS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies of many countries including the geographical area where the Shelter operates in the United States.

For the year ended June 30, 2021, the coronavirus outbreak did not have an impact on the Shelter's profitability. However, the Shelter down-sized its operations by temporarily shutting down its Watsonville site due to decline in on-site animal care needs and resignations. Accordingly, management does not expect the impact to be material to the Shelter's June 30, 2021 financial statements and the Watsonville site is back to full operations by March 1, 2022.

NOTE 12 SUBSEQUENT EVENTS

The Shelter evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 2, 2022, the date the financial statements were available to be issued.

In December 2021, the Shelter remitted \$198,000 to the County in relation to the change order cost of the Shelter remodeling and expansion.

REQUIRED SUPPLEMENTARY INFORMATION

Santa Cruz County Animal Shelter
Schedule of Changes in Net Pension Liability and Related Ratios
Year ended June 30, 2021

Fiscal Year End Date Measurement Date	June 30, 2021 2020	June 30, 2020 2019	June 30, 2019 2018	June 30, 2018 2017	June 30, 2017 2016	June 30, 2016 2015	June 30, 2015 2014
TOTAL PENSION LIABILITY							
Service cost	\$ 214,593	\$ 207,219	\$ 204,775	\$ 197,024	\$ 176,363	\$ 176,050	\$ 189,858
Interest on total pension liability	790,636	755,234	712,671	681,304	681,587	675,250	666,828
Change in assumptions	-	-	(65,865)	542,377	-	(158,282)	-
Differences between expected and actual experience	83,465	185,828	88,111	43,456	34,282	(123,873)	-
Benefit payments, including refunds of employee contributions	(574,553)	(534,404)	(484,006)	(447,500)	(436,178)	(415,339)	(391,674)
Net change in Total Pension Liability	514,141	613,877	455,686	1,016,661	456,054	153,806	465,012
Total Pension Liability - Beginning	11,154,357	10,540,479	10,084,795	9,068,133	9,005,256	9,228,595	8,991,953
Total Pension Liability - Ending (a)	\$ 11,668,498	\$ 11,154,356	\$ 10,540,481	\$ 10,084,794	\$ 9,461,310	\$ 9,382,401	\$ 9,456,965
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 336,550	\$ 286,900	\$ 249,064	\$ 243,871	\$ 213,578	\$ 192,529	\$ 179,887
Contributions - Employees	101,727	94,248	90,561	92,024	85,563	86,930	83,640
Net investment income	384,371	485,312	589,542	718,252	36,540	159,395	1,093,488
Benefit payments, including refunds of employer contributions	(574,553)	(534,404)	(484,006)	(447,499)	(436,178)	(415,339)	(391,674)
Plan to plan resource movement	-	-	32	(536)	24	(275)	-
Administrative expense	(10,993)	(5,332)	(10,997)	(9,539)	(4,172)	(8,028)	-
Other miscellaneous income (expansion)	-	17	(20,885)	-	-	-	-
Net change in Fiduciary Net Position	237,103	326,741	413,311	596,573	(104,645)	15,212	965,341
Total Fiduciary Net Position - Beginning	7,797,594	7,470,852	7,057,542	6,460,970	6,845,750	7,117,242	6,328,024
Total Fiduciary Net Position - Ending (b)	\$ 8,034,696	\$ 7,797,593	\$ 7,470,853	\$ 7,057,543	\$ 6,741,105	\$ 7,132,454	\$ 7,293,365
Net Pension Liability (Asset) (a - b)	\$ 3,633,802	\$ 3,356,763	\$ 3,069,628	\$ 3,027,251	\$ 2,720,205	\$ 2,249,947	\$ 2,163,600
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.86%	69.91%	70.88%	69.98%	71.25%	76.02%	77.12%
Covered-Employee Payroll	\$ 1,406,247	\$ 1,336,382	\$ 1,310,557	\$ 1,257,655	\$ 1,235,606	\$ 2,465,809	\$ 1,352,634
Plan Net Pension Liability/(Asset) as a percentage of Covered Employee Payroll	258.40%	251.18%	234.22%	240.71%	220.15%	91.25%	159.95%
Fiscal Year End Date Measurement Date	June 30, 2021 2020	June 30, 2020 2019	June 30, 2019 2018	June 30, 2018 2017	June 30, 2017 2016	June 30, 2016 2015	June 30, 2015 2014
Actuarially determined contribution	\$ 336,550	\$ 286,900	\$ 249,064	\$ 243,871	\$ 213,578	\$ 192,529	\$ 179,887
Contributions in relation to the actuarially determined contribution	(336,550)	(286,900)	(249,064)	(243,871)	(213,578)	(192,529)	(179,887)
Contribution deficiency (excess)	\$ -						
Covered Payroll	\$ 1,406,247	\$ 1,336,382	\$ 1,310,557	\$ 1,257,655	\$ 1,235,606	\$ 2,465,809	\$ 1,352,634
Contributions as a percentage of covered payroll	23.93%	21.47%	19.00%	19.39%	17.29%	7.81%	13.30%

The above table is presented at 0.8083%, which represents the Shelter's share, of the supplementary schedule attachment of the actuarial valuation report of the net pension liability of the County of Santa Cruz. Table also presents all of the latest

**Santa Cruz County Animal Shelter
Schedule of Changes in Net Pension Liability and Related Ratios
Year ended June 30, 2021**

During fiscal year ending June 30, 2018, as a result of GASB 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions, 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.

Notes to the 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 were changed in accordance with CalPERS Experience Study and Review of Actuarial Assumptions.

Santa Cruz County Animal Shelter
Schedule of Changes in OPEB Liability and Related Ratios
Year ended June 30, 2021

Fiscal Year End Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 104,304	\$ 97,158	\$ 95,608	\$ 107,473
Interest	29,335	32,640	28,093	22,184
Differences between expected and actual experience	-	(150,848)	-	-
Assumption changes	115,913	54,082	(8,390)	(84,486)
Benefit payments	<u>(4,548)</u>	<u>(4,698)</u>	<u>(3,930)</u>	<u>(3,871)</u>
Net change in Total OPEB Liability	245,004	28,334	111,381	41,300
Total OPEB Liability - Beginning	<u>835,189</u>	<u>806,855</u>	<u>695,474</u>	<u>654,174</u>
Total OPEB Liability - Ending	\$ 1,080,193	\$ 835,189	\$ 806,855	\$ 695,474
 Covered-Employee Payroll	 \$ 2,062,682	 \$ 1,892,915	 \$ 1,827,809	 \$ 1,852,813
Plan Net Pension Liability/(Asset) as a percentage of Covered Employee Payroll	52.37%	44.12%	44.14%	37.54%

**Santa Cruz County Animal Shelter
Schedule of Plan Contribution - Pensions
Year ended June 30, 2021**

Fiscal Year End Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 336,550	\$ 286,900	\$ 249,064	\$ 243,871	\$ 213,578	\$ 192,529	\$ 179,887
Contributions in relation to the actuarially determined contribution	(336,550)	(286,900)	(249,064)	(243,871)	(213,578)	(192,529)	(179,887)
Contribution deficiency (excess)	\$ -						
Covered Payroll	\$ 1,406,247	\$ 1,336,382	\$ 1,310,557	\$ 1,257,655	\$ 1,235,606	\$ 2,465,809	\$ 1,352,634
Contributions as a percentage of covered payroll	23.93%	21.47%	19.00%	19.39%	17.29%	7.81%	13.30%

The above table is presented at 0.8083%, which represents the Shelter's share, of the supplementary schedule attachment of the actuarial valuation report of the net pension liability of the County of Santa Cruz. Table also presents all of the latest

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.

Employees 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.

Covered payroll includes one year's payroll growth using 2.75% payroll assumptions for fiscal year ended June 30, 2018-2019; 3.00% payroll assumption for fiscal years ended June 30, 2014-17

**Santa Cruz County Animal Shelter
Schedule of Plan Contribution - OPEB
Year ended June 30, 2021**

Fiscal Year End Date Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 13,212	\$ 4,548	\$ 4,698	\$ 3,930
Contributions in relation to the actuarially determined contribution	(13,212)	(4,548)	(4,698)	(3,930)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,062,682	\$ 1,892,915	\$ 1,827,809	\$ 1,852,813
Contributions as a percentage of covered payroll	0.64%	0.24%	0.26%	0.21%



**Independent Auditor's 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***

**The Board of Directors
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, 2021, and the related notes to the financial statements, which collectively comprise the Shelter's financial statements, and have issued our report thereon dated December 2, 2022.

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) as a basis for designing 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 financial statements. 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 Shelter'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.


Pauline Erica Ong, CPA
North Hills, California
December 2, 2022

From: [Nicole Coburn](#)
To: [Erika Smart](#); [Joe Phares](#)
Subject: FW: Regular Agenda item 6.4 Appoint Jeff Gaffney, County Parks Director, to serve as Interim General Manager
Date: Monday, October 17, 2022 11:01:17 AM
Attachments: [Blueprint for press release.pdf](#)
[Attached Message Part](#)

From: malewis@calcentral.com <malewis@calcentral.com>
Sent: Monday, October 17, 2022 8:44 AM
To: Nicole Coburn <Nicole.Coburn@santacruzcounty.us>; Emily Chung <Emily.Chung@santacruzcounty.us>; Chris Clark <Chris.Clark@santacruzcounty.us>; Laura Schmidt <lschmidt@cityofsantacruz.com>; jon bush <jbush@cityofsantacruz.com>; Stephen Walpole <swalpole@scottsvally.org>; antonio.figureroa@cityofwatsonville.org; tamara.vides <tamara.vides@cityofwatsonville.org>; adally@ci.capitola.ca.us
Subject: Regular Agenda item 6.4 Appoint Jeff Gaffney, County Parks Director, to serve as Interim General Manager

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.****

Dear members of the AS Board of Directors ~

While Jeff Gaffney is a man of many talents, we write to question the advisability of appointing Jeff (currently serving as Director of County Parks, Open Space and Cultural Services) Interim General Manager of the SCC Animal Shelter. Something is amiss and strange about this proposal.

Is there no one at AS who is qualified to take the reins until a nationwide search begins again on November 2? Presumably, Field Manager for Animal Control, Todd Stosuy, is busier than ever and unavailable.

There is nothing in the memo before you, from your Hiring Subcommittee, that explains why a Parks Director, especially this particular Director, was chosen, nor is there any information about other individuals (not from the previous list of applicants) who may have been also considered. No explanation as to why Director Gaffney was approached ... or if he approached your Board Subcommittee. There is a lack of information in the Board memo that illustrates Gaffney's expertise and/or competence to fulfill AS General Manager responsibilities.

Our overriding concern is for the well-being of all dogs and the safety of all people who encounter them throughout Santa Cruz County. We are also concerned about the well-being of wildlife.

Mr. Gaffney has no experience with managing the **plethora of responsibilities of an Animal Services Joint Powers Authority that are unique to an animal shelter.** While he secured a Deputy Director a

couple of months ago to help him with his duties as Parks Director that does not mean he has the time or expertise to take care of the duties of the Animal Shelter as well.

We are especially concerned with regard to responsibility for **enforcing the laws and codes** involving animals within the County of Santa Cruz, City of Santa Cruz, City of Scotts Valley, City of Watsonville, and City of Capitola.

From our 7+ years experience we have observed Director Gaffney's **lack of seriously addressing unleashed dogs in County Parks and Beaches**. Consider just a few examples of Director Gaffney's consistent record of failure to steadfastly deal with unleashed dogs on county Parks land:

- In one specific case, it took almost 3 years (2019 - 2022) of constant public insistence for Director Gaffney to acknowledge that County policy **prohibits** pets on the County's Scott Creek Beach (SCB), due to endangered Western Snowy Plover nesting habitat. Earlier this year improper signage, allowing dogs at SCB (installed by Parks, under Director Gaffney in 2016) was **finally replaced** with proper signage prohibiting pets.
- In another case, Director Gaffney spent Department funds on a survey performed by CSU Sacramento to determine usage at four Santa Cruz beaches, specifically to consider them as candidates for a sanctioned **off leash dog beach**. We reminded the Director that a wildlife baseline study would also be required before the County could even consider such a thing, especially since one beach had two species listed as federally threatened or endangered. The survey began June 2016, to be finished in June 2017. To our knowledge, nothing has happened in the ensuing years. No survey results have been publicly shared and no wildlife baseline study has been conducted. It would appear that the initial \$18,000 investment was wasted. Meanwhile, dog owners continue to let their dogs run loose every day on those four beaches.
- In December 2020 -- during the height of the pandemic when people were getting dogs to help them through the time, resulting in more unleashed dogs at parks and beaches, we asked Director Gaffney to collaborate with the Director of City of Santa Cruz Parks, State Parks and Animal Services to create a Press Release, with the help of County Information Officer Jason Hoppin. We were at a loss as to why Director Gaffney never even acknowledged receiving our carefully crafted suggestion (see attached). City Parks Director Tony Elliot did communicate with us, as did AS General Manager Melanie Sobel. No press release was ever produced. Instead, County Parks produced a video for its website, which probably has never been viewed by those who allow their dogs off leash at parks and beaches.

We wonder ... if Director Gaffney hasn't enough time to properly fulfill County Parks Department responsibilities, how can he take on the important responsibilities of AS General Manager, especially at a time that the Parks Department itself is understaffed, as the Director reported to the Parks Commission as recently as October 3rd.

Finally, will this appointment come before the Board of Supervisors?

Sincerely,
Jean Brocklebank

Michael Lewis

Blueprint for a Press Release Concerning County Leash Laws
prepared by Brocklebank and Lewis
on behalf of Leash Law Advocates of Santa Cruz County
14 December 2020

The Problem Recognized

At their December 8, 2020 meeting County Parks Commission members, along with Parks Director Jeff Gaffney and the public in attendance, discussed the renewed and increasing public concerns about the lack of safety for people and leashed dogs in county parks. This **lack of safety** is due to dog owners who violate County Code Chapter 10.04.100(A), which states:

"Dogs shall be licensed in accordance with the animal ordinance (Chapter 6.08 SCCC). A person may bring and maintain in any park, exclusive of golf courses, a dog or cat, if such dog or cat is kept on a leash or chain not to exceed six feet in length and under immediate control of its owner or custodian, or upon written permission of the Director when required for authorized park programs, or when dogs are in special areas of parks designated and posted by the Park Director as dog exercise and training areas (dog parks) and so long as the regulations of the Park Director with respect to the use of such areas are followed."

In addition to the County Parks ordinance, there is a countywide leash law prohibiting unleashed dogs to run loose when away from their premises. One Parks commissioner suggested that due to COVID many more people are taking dogs to parks for exercise. It was also suggested that in response to stay at home regulations there were now many new pet owners who also did not know about the various leash laws.

Signage

Although there is some signage at county Parks facilities, albeit visually underwhelming, plus signage at parks in the various incorporated cities, many dog owners do not notice existing signs or simply choose to ignore them, thus jeopardizing other park users, especially children and the elderly. Some residents now no longer go to parks or county beaches because of the proliferation of unleashed dogs. This creates an **exclusion** of some residents, disenfranchising them, thus countering County Parks goal of inclusiveness.

At the 12/8 meeting residents called for larger, better signage, located ***inside the parks***, that clearly states All Dogs Must Be Leashed, where such signs will be a clear reminder to dog owners to obey the leash law. That new signage should include the words safety for all, to emphasize the reason for the ordinance, just as signs about mask wearing in stores emphasize safety. Safe parks is a key goal of the Department. One example of an additional new sign location is the pavilion and playground area of Jose Avenue Park.

Education

Education is often offered as a good way to help solve the problem of chronic violation of the countywide leash laws. Parks use seems to have increased during the pandemic and unless the winter weather becomes too inclement, parks will continue to be places of respite and exercise for residents weary of coronavirus restrictions. Therefore, education is more timely than ever.

Anecdotal stories about unleashed, uncontrolled dog attacks on other dogs and dogs knocking down children and adults alike abound on social media. Unfortunately these never make the local news. Calling Animal Services or law enforcement - after the fact - has been described as useless. One exception is that when the Animal Control officers field manager learned of problems at Felt Street

Park, he increased patrols there. However this is a hit and miss strategy that deserves as much proactive education as the Parks Department can muster.

One of the **best ways to educate the public is to have the same clear message broadcast as widely as possible**. Therefore we propose that Parks Director Gaffney take leadership in having a Press Release published that is co-signed by the following, at a minimum:

County of Santa Cruz Director of Department of Parks, Open Spaces and Cultural Services
City of Santa Cruz Parks Director
County Animal Shelter General Manager
County Sheriff Department
Law Enforcement agencies of the Cities of Capitola, Santa Cruz, Scotts Valley and Watsonville

We think Director Gaffney should **take the lead** and can work with the County's Information Officer, Jason Hoppin, in making this timely Press Release a reality. The press release should be issued first well before the end of the year, if possible. If not, then quarterly for a full year beginning in January 2021.

The press release should be sent to media publications such as:

Santa Cruz Sentinel santacruzsentinel.com
Santa Cruz Local santacruzlocal.org
Good Times goodtimes.sc
Times Publishing Group tpgonlinedaily.com (Aptos Times, Capitola Soquel Times and Scotts Valley Times)
Santa Cruz Patch patch.com/california/santacruz
Lookout Santa Cruz lookout.co/santacruz
Scotts Valley Press Banner ttownmedia.com/press_banner
San Lorenzo Valley Post slvpost.com
Pajaronian pajaronian.com

Radio Stations	Television Stations
KSCO	KSBW
KSQD	KION
KZSC	

The press release should include both parks and county owned beaches in its message, to make it clear that both are included. It would also be instructive to mention State Parks properties within the county as well, lest there be any confusion. Collaboratively, we are willing to review any draft of the press release before it is issued, to assure it is clearly written so as not to be confusing to the public.

We close by reiterating that a zero tolerance policy of enforcement of the leash law is the only proven method of decreasing violations of the leash laws of Santa Cruz County by dog owners. We also know that education can work for some dog owners and therefore must be one of the tools in the toolbox for providing safety for the public. The Parks new AmbassaDog takes time and money. We ask for the same amount of time and money spent to create the press release we have described. And we ask that the press release be serious, not cute, as safety is serious business.

Sincerely,
Jean Brocklebank
Michael Lewis
[Leash Law Advocates of Santa Cruz County](#)