

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
SOUTHWEST COMMUNITIES FINANCING AUTHORITY  
MAY 5, 2022  
2:00 P.M.**

**MURRIETA CITY COUNCIL CHAMBERS  
1 Town Square  
Murrieta, CA 92562**

**IMPORTANT NOTICE REGARDING SCFA MEETING**

**Note:** Please place all cellular phones and pagers on vibrate or off mode during the SCFA meeting.

**Note:** Public comments will be taken on agenda items during the meeting. Please submit a request to speak form to the Secretary of the SCFA at any time during the meeting indicating the item you wish to address.

**AGENDA**

1. Roll Call/Flag Salute
2. Member Comments
3. Approval of Minutes of October 7, 2021
4. Program Administrator Update
5. **RECEIVE AND FILE:**
  - A. AFV Audited Financial Statements as of June 30, 2021
  - B. Credit Enhancement Fund Balance
  - C. Revenue/Expense Allocation Report
6. **AFV SHELTER UPDATES:**
  - A. Presentation: AFV Update
  - B. Status of Outreach and Educational Campaign – Presented by DeGrave Communications
7. **DISCUSSION ITEMS:**
  - A. Shelter Reserve Study
  - B. Credit Card Convenience Fees (Report Back from October 7, 2021 Meeting)
  - C. Shelter Hardware and Software Upgrades (Report Back from October 7, 2021 Meeting)
  - D. Cost Recovery Strategies for Owner Return (Report Back from October 7, 2021 Meeting)
8. **ACTION ITEMS:**
  - A. Approve the Proposed FY22/23 AFV Operating Budget
  - B. Approve the Proposed FY22/23 Annual Fee Schedule and Pie Chart of Animal Counts
9. **Public Comment**
10. Adjournment to the Regular Meeting of Oct 6, 2022 at 2:00 P.M., at the Murrieta City Council Chambers, 1 Town Square, Murrieta, CA 92562

**Conflict of Interest:** Any person, or group of persons present at this meeting, who wishes to speak on a matter may be required to state for the record any contributions, in excess of \$250.00 made in the past twelve (12) months, made to any SCFA Board member, the SCFA Board member receiving the contribution, and the matter of consideration with which they were involved.

**Agenda Posting:** Agendas will be posted at the Clerk of the Board of Riverside County, and at each of the City Councils of Canyon Lake, Lake Elsinore, Murrieta, Menifee, Temecula and Wildomar. Full agenda packets will be posted on the AFV Website: <http://www.animalfriendsofthevalleys.com/>

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# SOUTHWEST COMMUNITY FINANCING AUTHORITY

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## MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

**October 7, 2021 at 2:00 p.m.**

**Members Present:**

Natasha Johnson	Chairperson, City of Lake Elsinore
Larry Green	City of Canyon Lake
Dean Deines	City of Menifee
Joseph Morabito	City of Wildomar
Chuck Washington	County of Riverside, Third Supervisorial District

**Members Absent:**

Jonathan Ingram	Vice Chair, City of Murrieta
Zak Schwank	City of Temecula

**Staff and Guests:**

Kris Anderson	Animal Friends of the Valley
Tammi Boyd	Animal Friends of the Valley
Chief Middleton	Animal Friends of the Valley
Tyler Ferrari	City of Canyon Lake
Nicole Dailey	City of Lake Elsinore
Christine Booker	City of Menifee
Louie Lacasella	City of Murrieta
Brandon Rabidou	City of Temecula
Daniel Torres	City of Wildomar
Les Chapman	City of Wildomar
Danielle Maland	County Counsel
Stephanie Stilwell	County of Riverside, First Supervisorial District
Scott Bruckner	County of Riverside, Executive Office
Katie Ponce	County of Riverside, Executive Office

**1. CALL TO ORDER**

The Southwest Communities Financing Authority (SCFA) meeting of the Board of Directors was called to order at 2:00 p.m. The following board members were present: Chair, Natasha Johnson with the City of Lake Elsinore, Larry Green with the City of Canyon Lake, Dean Deines with the City of Menifee and Joseph Morabito with the City of Wildomar. Chuck Washington with the County of Riverside, Third Supervisorial District, was present via teleconference from the office location of 43950 Acacia Ave, Hemet, CA 92544. Dean Deines led the group in the flag salute.

**2. MEMBER COMMENTS**

None

### **3. APPROVAL OF MEETING MINUTES**

Member Morabito made a motion to approve the meeting minutes of May 6, 2021. This was seconded by Member Deines. Member Washington abstained as he was not present at the last meeting. All others were in favor and the motion passed.

### **4. Program Administrator Update**

No new updates.

### **5. RECEIVE AND FILE**

#### **a. Draft Shelter Reserve Study**

Scott Bruckner, with the Riverside County Executive Office, gave an update on the Draft Shelter Reserve Study that was established from discussions and direction from the Board at the last meeting on May 6, 2021. The Board members directed the JPA administrator to work with AFV to develop a reserve study for future shelter repairs and maintenance. AFV has begun an inventory and assessment of the age of all capital assets, their expected useful life, and cost of replacement. The list attached with the agenda is quite extensive, however, the full and completed Reserve Study Scope and Schedule is expected to be brought to the May 2022 SCFA Board meeting. Mr. Bruckner noted that one item missing in the attached report is an assessment of a reserve fund. In 2012 the Board directed that a minimum balance of \$75,000 be kept in contingency year over year for shelter repairs that may arise.

### **6. AFV SHELTER UPDATES**

#### **a. Non-Profit of the Year**

Chief Middleton, with Animal Friends of the Valley (AFV), gave an update on the animal shelter starting with microchipping encouragement. The shelter offered a fifty percent off incentive for the entire month of June to encourage microchipping before the 4<sup>th</sup> of July holiday. There is a fifty percent increase in lost pets around each 4<sup>th</sup> of July. More microchipping equals less lost animals and more returns to owners. In 2021 AFV took in 176 dogs over the week of July 4. Fifty-eight of those were owner surrenders.

AFV has created several events and campaigns to provide general humane education and to promote the shelter. Chief Middleton mentioned the following events: The Adoption Incentives, Bow Wow Lunch, Dog Days of Summer, "StarPups" Starbucks Showcase, Kitten & Puppy Palooza and Pawtriotic Dog Bakery.

The shelter has also been spotlighting adoptions with photos and videos which drum up support through positivity. It keeps the public informed on animal updates and builds, maintains and strengthens positive relationships with AFV and rescue organizations. This also increases engagement with followers and reach is significantly higher with potential followers.

Two community outreach projects implemented were the AFV Calendar Contest and the Petco Love Stories. These both promoted community engagement by having the public submit their pet photos and AFV worked with Petco where people submitted their adoption stories.

Chief Middleton shared that the doors were never closed in 2020 and though there was a slight slow-down in the beginning of the pandemic, things picked right back up and the shelter is now thriving.

Beth Soltysiak announced that the shelter was given the Nonprofit of the Year Award. This was

selected by Assemblymember Kelly Seyarto of the California Association of Nonprofits. The shelter was also recognized by Belinda Melendez. Ms. Soltysiak also mentioned the following upcoming events: Cars for Kanines and Kitties, and the Spooktacular at the Temecula promenade mall, which is a pet costume contest. These events will help raise money for the animals and the shelter.

Chair Johnson noted that the Nonprofit of the Year Award is a statewide designation for very incredible work and is an honor and should be applauded, especially during this hard season.

**b. Approved Capital Repairs Update**

Chief Middleton gave an overview of recent repairs. The repairs included an irrigation system revamp, two new washers and dryers, a hot water system, two new servers, roofing for all kennels, which prevents escapes, a resurfaced parking lot, a new and more efficient phone system, new flooring for indoor halls and thresholds on the doors.

**c. Executive Director Update**

Kris Andersen, with AFV, announced that after a nationwide search, the shelter has offered the position of Executive Director to Chief Middleton and she has accepted. As of today, she is the new Executive Director for Animal Friends of the Valley.

Chair Johnson congratulated Chief Middleton and mentioned that she has been serving as interim throughout the COVID year and expressed her appreciation to her for doing a fantastic job.

**7. DISCUSSION ITEMS**

**a. Outreach and Educational Campaign Consultant Firm**

Mr. Bruckner stated that at the last meeting, the Board directed the use of up to \$50,000 in contingency for an Outreach and Educational Campaign with a consulting firm to lead that effort. The funding will be split between the JPA agencies and AFV, pursuant to the annual cost allocation. After consulting SCFA policy, it was determined by the group that AFV would be the most appropriate agency to receive the bids and perform selection of the consultant. Implementation would begin this fiscal year with no cost to SCFA. The following year costs will be reviewed during next year's budget discussion.

Tammi Boyd, with AFV, reported that the shelter has received three bids and that number has been narrowed down to two of them. The bids will be voted on at the upcoming Thursday Board meeting, one week from today. Funding has come from a nonprofit grant to AFV which will cover the next fiscal year.

For clarification Mr. Bruckner asked AFV if the \$50,000 that the Board allocated at the May meeting will roll into the next fiscal year budget since grant money will be used this fiscal year for the consultant firm. Ms. Boyd answered yes. Member Deines noted that the money will be earmarked for the educational campaign. All agreed.

Member Deines asked that the Board be notified of the outreach plan and campaign prior to rolling it out so that the cities can coordinate getting the word out. Ms. Andersen agreed and confirmed she will send the proposal and layout of timeline over once it has been approved at next week's Board meeting.

**b. Report Back on Credit Card Convenience Fees**

Mr. Bruckner explained that at the May 6 Board of Directors' meeting, the Board requested review of convenience fees that the shelter currently pays for when residents elect to use debit or credit cards to pay shelter related fees. Over the previous two fiscal years, average annual costs to the shelter are just over \$12,000. Mr. Bruckner shared that State law is not steadfast regarding requirements for government agencies to pass these costs through to customers. Civil Code section 1748.1 states that retailers may not impose a surcharge on customers who elect to use a credit card; however, this section of code has recently been successfully challenged, and the court of appeals found it to be unenforceable and unconstitutional. What is notable for SCFA agencies is that this section of civil code exempts governmental agencies from the definition of "retailers", thereby potentially allowing the shelter to levy those fees. Requirements do exist regarding upfront disclosure of convenience fees prior to, and at the point of sale. Due to relative uncertainty regarding the civil code requirements and the possibility that revision to respective municipal codes may be required, staff recommended that each agency review with their respective legal counsels for an opinion on how to move forward.

After some discussion by the Board, it was decided that each JPA entity would gather requisite information regarding legal requirements and administrative steps necessary to implement an approach to recover credit card convenience fees at the shelter. Mr. Bruckner will work with each EMC member and report back at the next May 2022 meeting.

**8 . ACTION ITEMS:**

**a. Approve the Movement of the Shelter Exterior Back Wall (No Cost to SCFA)**

Member Washington made a motion to approve the Movement of the Shelter Exterior Back Wall. This was seconded by Member Deines. All others were in favor and the motion passed.

**b. Shelter Fee Study Ad Hoc Committee Report and Recommendations**

Mr. Bruckner gave a review of the Southwest Community Financing Authority Animal Shelter Fee Study Ad Hoc Committee Report. Shelter Fee Study Ad Hoc Committee recommendations were as follows:

- 1) Amend the FY 21/22 budget in the amount of \$96,000 to implement the AFV recommended shelter staffing proposal to add one full time and one part time (1.5 FTE) Fiscal Analyst positions.
  - The Board amended this recommendation to direct that, rather than amend the FY21/22 budget, contingency funds shall be used.
- 2) Amend the FY 21/22 budget in the amount of \$15,000 to implement the AFV recommended shelter hardware and software updates proposal and direct AFV to report back on system efficacy at the May 2022 Board meeting.
  - The Board amended this recommendation to direct that, rather than amend the FY21/22 budget, contingency funds shall be used.
- 3) Receive and file Fee Study Reports as incomplete
  - Approved as recommended.
- 4) Task AFV with further review of strategies to recover costs for owner surrender and return with recommendation(s) at the May 2022 SCFA Board meeting.
  - Approved as recommended
- 5) Dissolve the Shelter Fee Study Ad Hoc Committee.
  - Approved as recommended

Member Deines made motion to approve the Shelter Fee Study Ad Hoc Committee Report with amendments to staff recommendations. This was seconded by Member Washington. All others were in favor and the motion passed.

**c. Approve the Amendments to the 2021/2022 AFV Operating Budget**

N/A – Due to no budget adjustment on item 8b.

**d. Approve the Amendments to the 2021/2022 Annual Fee Schedule**

N/A – Due to no budget adjustment on item 8b.

**9. Member Comments**

None

**10. Public Comments**

None

**11. ADJOURNMENT**

The board adjourned the meeting at 3:34 p.m. to its regular meeting scheduled for May 5, 2022 at 2:00 P.M., via Zoom, or possibly at the Murrieta City Council Chambers, 1 Town Square, Murrieta, CA 92562.

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# SOUTHWEST COMMUNITIES FINANCING AUTHORITY – JPA ANIMAL SHELTER STAFF REPORT

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**DATE:** May 5, 2022

**SUBJECT:** 5A) AFV Audited Financial Statements; 5B) Credit Enhancement Fund Balance; 5C) Revenue/Expense Allocation Spreadsheet.

**AGENDA ITEM NUMBERS:** 5A, 5B and 5C

**RECOMMENDED MOTION:** Receive and File.

**REPORT:**

- 5A) **AFV Audited Financial Statements:** AFV engaged an independent auditor, Kevin Brejnak, CPA, to conduct an audit of the financial statements of AFV for the fiscal year that ended June 30, 2021. There are no outstanding issues managed by AFV.
- 5B) **Credit Enhancement Fund Balance:** The Credit Enhancement Fee was approved by the Riverside County Board of Supervisors on February 6, 2007, along with the Amendment to the SCFA JPA agreement. Based on Section 7 of the JPA Agreement (Fiscal Obligation of the parties), the intent of the Credit Enhancement Fee is to be used as an exchange for use of the County's credit, and to satisfy annual lease payments in the event a member city fails to make its payment(s) to the County. On September 9, 2010 when the SCFA Board of Directors approved Wildomar's proposal to join the JPA, it included loaning the Credit Enhancement Fee (in-kind) to Wildomar for the first two (2) years. More specifically, the Credit Enhancement fee was charged to each city, but the total amount charged (including Wildomar's amount) was credited to Wildomar for the first two years. The attachment provides an accounting of the Credit Enhancement Fund Balance to date.
- 5C) **Revenue/Expense Allocation Spreadsheet:** The Revenue/Expense Allocation spreadsheet is provided annually by AFV and provides the percentage of expenses generated and revenue received for the shelter from each member agency; the attached allocation spreadsheet reflects each agency's (credit) or expense balance.

The Revenue/Expense Allocation Spreadsheet was developed by AFV during Fiscal Year 10/11 when AFV made repairs to the shelter. Because costs for the repairs were incurred in Fiscal Year 10/11 but paid out in the FY 11/12, it was recommended that funds be transferred from AFV's FY 10/11 Operating Budget to AFV's FY 11/12 Operating Budget. Subsequently in March 2012, the SCFA Board established a Contingency Fund for future purposes of having cash available to pay SCFA and animal shelter unexpected repairs and fees; the County's and AFV's share amounts owed in the amount of \$48,755.89 was deposited into the Fund. The SCFA Board also approved a Mandatory Reserve fund balance of \$75,000 for the Contingency

Fund. Additionally, at the Board of Directors meeting held April 14, 2014, the Board agreed to use credit balances of \$12,500 per agency, at each city's discretion, towards the Coordinated Marketing Program.

As detailed in the attached, the total accumulated contingency fund balance as of June 30, 2021, was \$859,652.



**ANIMAL FRIENDS OF THE VALLEYS, INC.**

**Financial Statements  
& Independent Auditors' Report**

**For the Fiscal Year Ended  
June 30, 2021**



**ANIMAL FRIENDS OF THE VALLEYS, INC.**  
*For the Fiscal Year Ended June 30, 2021*  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Animal Friends of the Valleys, Inc.  
Wildomar, California

We have audited the financial statements of Animal Friends of the Valleys, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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

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

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

### **Opinion**

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



November 23, 2021

**ANIMAL FRIENDS OF THE VALLEYS, INC.***Statement of Financial Position**June 30, 2021*

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**ASSETS**

## Current Assets:

Cash and cash equivalents	\$ 2,156,076
Investments	1,270,642
Accounts receivable	542,420
Inventory	<u>9,107</u>
Total Current Assets	3,978,245

## Non-current Assets:

Investments	1,019,508
Property and equipment (Note 7):	
Work in progress	38,474
Depreciable assets	1,953,985
Less: Accumulated Depreciation	<u>(1,590,954)</u>
Total Property and Equipment, net	401,505
Land lease pledge receivable (Note 9)	3,513,089
Unamortized pledge discount (Note 9)	<u>(3,099,835)</u>
Other non-current assets (Note 8)	641,315
Total Non-current Assets	<u>2,475,582</u>

Total Assets \$ 6,453,827

**LIABILITIES AND NET ASSETS****Liabilities**

## Current Liabilities

Accounts payable	\$ 63,972
Accrued expenses	143,307
Deposits payable	<u>5,615</u>
Total Current Liabilities	212,894

## Non-current Liabilities

Due to SCFA (Note 10)	859,652
Compensated absences	<u>60,296</u>
Total Non-current Liabilities	919,948

Total Liabilities 1,132,842

**Net Assets**

## Without donor restrictions

Board designated for building	748,196
Undesignated	<u>4,302,764</u>
Total without donor restrictions	5,050,960

With donor restrictions 270,025

Total Net Assets 5,320,985

Total Liabilities and Net Assets \$ 6,453,827

**ANIMAL FRIENDS OF THE VALLEYS, INC.***Statement of Activities**For the Fiscal Year Ended June 30, 2021*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Program revenue	\$ 1,881,596	\$ -	\$ 1,881,596
City/County Contracts	1,798,857	-	1,798,857
JPA member funding	1,805,676	-	1,805,676
Provision for member funding	(116,086)	-	(116,086)
Donations	395,200	-	395,200
Fundraising	140,437	-	140,437
Grants	80,406	164,800	245,206
Inkind services	42,385	-	42,385
Amortization of pledge discount	83,658	-	83,658
Miscellaneous Income	2,717	-	2,717
Net assets released from restrictions	40,352	(40,352)	-
Total Revenues and Other Support	<u>\$ 6,155,198</u>	<u>\$ 124,448</u>	<u>\$ 6,279,646</u>
<b>EXPENSES</b>			
Program Services:			
Animal Services	\$ 5,085,541	\$ -	\$ 5,085,541
Supporting Services:			
Management and general	504,262	-	504,262
Fundraising expenses	256,690	-	256,690
Total Expenses	<u>5,846,493</u>	<u>-</u>	<u>5,846,493</u>
Change in Net Assets from Ongoing Operations	308,705	124,448	433,153
<b>OTHER GAINS/(LOSSES)</b>			
Interest income	55,614	-	55,614
Investment income	299,775	-	299,775
Other	1,350	-	1,350
Total Other Gains/(Losses)	<u>356,739</u>	<u>-</u>	<u>356,739</u>
Change in Net Assets	<u>665,444</u>	<u>124,448</u>	<u>789,892</u>
<b>NET ASSETS</b>			
Beginning of year	<u>4,385,516</u>	<u>145,577</u>	<u>4,531,093</u>
End of Year	<u>\$ 5,050,960</u>	<u>\$ 270,025</u>	<u>\$ 5,320,985</u>

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

**ANIMAL FRIENDS OF THE VALLEYS, INC.***Statement of Cash Flows**For the Fiscal Year Ended June 30, 2021*

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	789,892
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation expense		82,035
Amortization of land lease pledge receivable discount		(83,658)
Inkind rent expense		113,326
(Increase) decrease in operating assets:		
Accounts receivable		(317,971)
Inventory		5,375
Increase (decrease) in operating liabilities:		
Accounts payable		(37,580)
Accrued expenses		(2,701)
Deposits payable		5,465
Due to SCFA		116,087
Compensated absences		<u>(16,028)</u>
Net cash provided (used) by operating activities		<u>654,242</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of fixed assets		(31,753)
Purchase of investments		<u>(541,194)</u>
Net cash provided (used) by investing activities		<u>(572,947)</u>

Net increase (decrease) in cash 81,295

**Cash and Cash Equivalents**

Beginning of year		<u>2,113,255</u>
End of year	\$	<u><u>2,194,550</u></u>

**SUPPLEMENTAL DISCLOSURE**

Interest paid	\$	<u><u>-</u></u>
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**ANIMAL FRIENDS OF THE VALLEYS, INC.***Statement of Functional Expenses**For the Fiscal Year Ended June 30, 2021*

	<b>Program Services</b>	<b>Supporting Services</b>		
	<b>Animal Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
<b>EXPENSES</b>				
Personnel expenses:				
Salaries	\$ 2,470,839	\$ 305,578	\$ 164,179	\$ 2,940,596
Payroll taxes	253,366	31,796	16,862	302,024
Benefits	310,988	6,222	11,952	329,162
Total personnel expenses	3,035,193	343,596	192,993	3,571,782
Other expenses:				
Supplies	509,198	-	5,337	514,535
Outside services	368,993	43,505	3,894	416,392
Repairs and maintenance	245,735	10,444	4,529	260,708
Other	200,071	-	-	200,071
Utilities	173,698	15,930	8,448	198,076
Office expenses	121,290	11,499	6,098	138,887
In-kind rent	113,326	-	-	113,326
Insurance	91,320	5,625	2,983	99,928
Depreciation	82,035	-	-	82,035
Mileage and fuel	75,205	-	-	75,205
Bank charges	-	73,663	-	73,663
Animal food	49,096	-	-	49,096
Fundraising events (direct)	-	-	32,408	32,408
Advertising	19,456	-	-	19,456
Rent	925	-	-	925
Totals	<u>\$ 5,085,541</u>	<u>\$ 504,262</u>	<u>\$ 256,690</u>	<u>\$ 5,846,493</u>

## **ANIMAL FRIENDS OF THE VALLEYS, INC.**

### *Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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#### **NOTE 1 – NATURE OF ACTIVITIES**

Animal Friends of the Valleys, Inc. (the "Organization") is a nonprofit public benefit organization, incorporated in March, 1987. The specific and primary purpose and mission of the Organization is to promote the humane care of animals through education and a humane proactive animal services program within the Southwest Riverside County, including the cities of Canyon Lake, Wildomar, Lake Elsinore, Menifee, Murrieta, and Temecula and charitable projects related to animal assistance in general.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation and Accounting**

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018 and addresses general-purpose external financial statements appropriate for not-for-profit organizations.

Under the provisions of the ASC 958-205, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the not-for-profit organization to satisfy a particular purpose restriction, or by the passage of time. Some donor restrictions are perpetual (or permanent) in nature, whereby the donor has stipulated the funds be maintained in perpetuity, whereby the corpus of the donation must remain unspent.

##### **Revenue Recognition**

The Organization has also adopted FASB ASC 958-605. The "Contributions Received" subsections of that standard provide guidance for contributions of cash and other assets received, including promises to give. Contributions, including sponsorships, are recognized as revenue at the earlier of the period promised or earned and received. Contributions received with the presence of donor-imposed restrictions are reported in the Statement of Activities in the column 'with donor restrictions,' subject to time, purpose or other conditionality. Once restrictions have been satisfied, amounts are reclassified to 'without donor restrictions.' If donor-imposed restrictions are satisfied within the same accounting period as revenue is earned, the Organization's policy is to present the amounts as without donor restrictions. Grants are recognized during the period the contract is entered and related services have been performed. Program fees and events revenues are recognized upon completed services performed.



## **ANIMAL FRIENDS OF THE VALLEYS, INC.**

*Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Donated Materials and Supplies**

Donated materials and supplies are recorded as contributions at their estimated fair market value, in accordance with FASB ASC 958-605-30, at the date the contribution is made. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

#### **Contributed Services**

Donated services are recognized as contributions in accordance with FASB ASC 958-605 if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide assistance in program and supporting services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605 are not met. The Organization received 33,486.65 volunteer hours from 4,975 volunteers in 2020-21.

#### **Estimates**

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

#### **Fair Value Measurements**

In accordance with fair value measurements, as stated in FASB ASC 820, the Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Organization has the ability to access the holding and quoted prices as of the measurement date.

Level 2 - Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

#### **Cash and Cash Equivalents**

The Organization considers cash on hand, certificates of deposit with original maturity dates of three months or less at the date of investment, as well as money market funds and other similar instruments readily convertible to cash to be cash and cash equivalents.

## **ANIMAL FRIENDS OF THE VALLEYS, INC.**

### *Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Custodial Credit Risk**

The Organization maintains its cash at several financial institutions. Cash balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At various times during the year, the amount on deposit with a single financial institution may exceed federal depository insurance limits and be exposed to custodial credit risk. At June 30, 2020, the Organization had cash in the amount of \$1,939,618, which was exposed to this risk.

##### **Investments**

Investments are stated at fair value at the Statement of Financial Position date, and are those instruments considered less liquid than cash and cash equivalents. Net realized and unrealized gains/losses on investments is presented on the Statement of Activities, with respect to any donor restrictions, as investment return. Investment return is presented net of related internal and external fees. Average cost method is used to determine the basis for computing realized gains/losses.

##### **Accounts Receivable**

Accounts receivable consists mainly of city contract payments for animal services performed within each city's contract. No allowance for uncollectable amounts has been estimated as it would be immaterial to the financial statements.

##### **Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

##### **Inventory**

Inventory consists of pet supplies available for sale in the Organization's retail space in the shelter. The recorded value represents the lower of cost or net realizable value.

##### **Property and Equipment**

It is the Organization's policy to capitalize property and equipment over \$1,000. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose or time of use. Property and equipment are depreciated using the straight-line method of depreciation over the estimated useful life of the related assets of five to forty years.

##### **Compensated Absences**

The Organization offers paid vacation to employees based on length of employment and position type. The balance at the end of the period is estimated by a multiple of each employee's respective accrued hours of vacation and his or her rate of pay at June 30, including statutory benefits. This is reported as a long-term liability.

## ANIMAL FRIENDS OF THE VALLEYS, INC.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2021

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income Taxes

The Organization is a non-profit public-benefit corporation and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes. Management has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels.

The primary tax positions evaluated are related to the Organization's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Organization files informational returns in the U.S. federal jurisdiction and the state of California.

#### Functional Expenses

Functional expenses are allocated to program and supporting services based on direct expenditures incurred. Expenses not directly chargeable to a particular functional category are allocated based on an analysis of personnel time and space or other resources utilized for the related activities.

### NOTE 3 – LIQUIDITY AND AVAILABLE RESOURCES

The Organization's financial assets available within one year of the Statement of Financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 2,156,076
Investments	1,270,642
Accounts receivable	542,420
Inventory	<u>9,107</u>
Financial assets available within one year	<u>\$ 3,978,245</u>

The Organization's policy for liquidity management requires that it structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash in excess of daily requirements is invested in short-term investments. The amounts above have been reduced by amounts not available for general use because of the donor-imposed restrictions within one year of the financial statement date.

### NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2021, consisted of the following:

Cash in banks and on hand	\$ 2,150,954
Cash in county treasury	<u>5,122</u>
Total	<u>\$ 2,156,076</u>

## ANIMAL FRIENDS OF THE VALLEYS, INC.

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2021

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#### NOTE 5 – INVESTMENTS

Investments as of June 30, 2021, consisted of the following:

	Fair Value Input	Less than One Year	One to Five Years	Over Five Years	Total
Certificates of deposit	Level 1	\$ 106,362	\$ 317,415	\$ -	\$ 423,777
Fixed income securities	Level 1	-	333,362	-	333,362
Annuity contracts:					
Fixed	Level 2	-	-	123,668	123,668
Indexed	Level 2	-	-	245,063	245,063
Mutual funds	Level 1	1,164,280	-	-	1,164,280
Total		<u>\$ 1,270,642</u>	<u>\$ 650,777</u>	<u>\$ 368,731</u>	<u>\$ 2,290,150</u>

Below are the components of investment income as reported on the Statement of Activities:

Net realized gain (loss)	\$ 297,047
Net unrealized gain (loss)	<u>2,728</u>
Total investment income	<u>\$ 299,775</u>

Fixed income securities include corporate and foreign individual bonds with various coupon rates and maturities. Mutual funds include various equity and fixed income open ended funds. Annuity contracts are held in the name of the Organization and are all classified as deferred annuities; they contain an accumulation phase (deferral of premium payments) and an annuitization phase, whereby income is generated. Surrender periods are greater than five years, which limits liquidity of these investments as fees apply to early withdrawals before maturity. Fixed annuities contain a provision to credit a fixed rate of interest to the contract at regular periods. Indexed annuities credit interest to the contract based on returns tethered to stock market indices, which can fluctuate.

#### NOTE 6 – ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from government agencies and are stated at the amount management expects to collect from outstanding balances. The Organization considers accounts receivable to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

The Organization billed \$645,391 in citation revenue during the fiscal year, of which it collected \$548,513 prior to June 30. Revenue is recognized when received and classified with city/county contracts. Management estimates that 95% of uncollected citation revenues are not collectible. The net effect of the transaction on the financial statements is immaterial and therefore, the Organization has chosen not to report the receivables in the Statement of Financial Position.

## ANIMAL FRIENDS OF THE VALLEYS, INC.

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2021

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#### NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021, consisted of the following:

	Balance, July 1, 2020	Additions	Retirements	Balance, June 30, 2021
Property and equipment not being depreciated:				
Work in progress	\$ -	\$ 38,474	\$ -	\$ 38,474
Property and equipment being depreciated:				
Equipment	806,074	31,753	-	837,827
Vehicles	661,992	-	-	661,992
Buildings and improvements	454,166	-	-	454,166
Total capital assets beings depreciated	1,922,232	31,753	-	1,953,985
Less: Accumulated depreciation				
Equipment	(726,544)	(21,766)	-	(748,310)
Vehicles	(477,310)	(40,309)	-	(517,619)
Buildings and improvements	(305,065)	(19,960)	-	(325,025)
Total accumulated depreciation	(1,508,919)	(82,035)	-	(1,590,954)
Total property and equipment, net	\$ 413,313	-\$ 11,808	\$ -	\$ 401,505

Depreciation expense of \$82,035 is allocated to the animal services program activities based on percentage of time of use dedicated to each function.

#### NOTE 8 – JOINT POWERS AUTHORITY MEMORANDUM OF UNDERSTANDING

During the year ended June 30, 2006, the Organization signed a Memorandum of Understanding (MOU) with the Southwest Communities Financing Authority (SCFA). The SCFA sold bonds to finance the completion of a new shelter. The Organization participated in the design and construction of the shelter by completing the existing design plans at its own expense. Upon the finalization of the design plans for the facility, the Organization donated the plans to the SCFA for use in the construction of the facility. SCFA intends to grant clear and full title to the new shelter to the Organization upon the retirement of the bonds in thirty years. Under certain circumstances, all or a portion of the costs of the design plans may be reimbursed to the Organization. The Organization's interest in the SCFA building is reported as "other assets" in the accompanying Statement of Financial Position. At June 30, 2021, the Organization's reported interest was \$641,315.

The SCFA obtained bonds in order to construct the new shelter. The Organization assigned SCFA the above-mentioned land lease. The lease will revert back to the Organization when the bond term expires or sooner if certain conditions exist. Construction of the shelter was completed in September 2010.

## **ANIMAL FRIENDS OF THE VALLEYS, INC.**

### *Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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#### **NOTE 9 – LAND LEASE**

The Organization entered into a land lease with the Elsinore Valley Municipal Water District (EVMWD) for \$2 per year for a term of 55 years beginning January 1, 1998 and ending December 31, 2053, with an option to renew the lease for another 44 years under the same terms and conditions. In November 2009, the Organization sublet this land to the Southwest Communities Financing Authority (SCFA), in accordance with a Memorandum of Understanding (MOU) signed in February 2006, for the purpose of constructing the new animal shelter (see Note 8). The land is sublet for \$1 per year for a term of 30 years ending in 2038 with the option to extend the lease up to ten years. The building pledge lease receivable has been recorded in the financial statements at its present value of the expected future cash flows and will be amortized over the term of the lease. The effective discount rate is 6%. Gross pledges receivable is \$3,513,089, less unamortized discount of \$3,099,835. The outstanding pledge, at present value, as of June 30, 2021, was \$413,254 for the pledge receivable from EVMWD.

The future amortization of the lease pledge is as follows:

Year	Pledge Receivable (Present value)
2022	\$ 27,989
2023	26,405
2024	24,910
2025	23,500
2026	22,170
Thereafter	288,280
Total present value of pledge receivable	<u>\$ 413,254</u>

#### **NOTE 10 – DUE TO SOUTHWEST COMMUNITIES FINANCING AUTHORITY**

Annually, the Southwest Communities Financing Authority (SCFA) approves a shelter operating budget and allocates the budget among the member agencies. Members will pay the Organization the annual amount allocated to them, in monthly payments. Any unspent portion of the budgeted amount will be returned to the SCFA, or, if mutually agreed upon by the SCFA and the Organization, will be credited toward the next fiscal year's budget. As of June 30, 2021, the current year unspent portion of the budgeted amount was \$116,086, and is recorded as "Provision for member funding" in the accompanying Statement of Activities. The total unspent portion of the budget is accumulated and recorded as "Due to SCFA" in the accompanying Statement of Financial Position in the amount of \$759,652 at June 30, 2021.

## ANIMAL FRIENDS OF THE VALLEYS, INC.

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2021

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#### NOTE 11 – NET ASSETS

Donor-restricted net assets at June 30, 2021, were comprised of the following amounts and restrictions for specific purposes and uses:

Smernoff grant	\$	4,192
Herdina grant		3,866
Chili's grant		5,544
City of Lake Elsinore grant		5,115
Wallace grant		31,914
Petco grant		212,034
Shelter Shuttle		7,060
Brick fund		512
Total	\$	<u>270,237</u>

These amounts are presented within net assets with donor restrictions on the Statement of Financial Position.

Board designated net assets at June 30, 2021, were comprised of the following:

Building fund	\$	<u>748,196</u>
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These amounts are presented within net assets without donor restrictions on the Statement of Financial Position.

#### NOTE 12 – SPECIAL EVENTS

The Organization has various fundraising events to help fund current operations and building funds. The revenue and directly related expenses from such events for the fiscal years ended June 30, 2021, were as follows:

Event	Revenue	Expense	Net
Wines for Canines	\$ 20,850	\$ 9,771	\$ 11,079
Golf Tournament	39,453	15,147	24,306
T-Shirts	7,093	1,984	5,109
Pet Parade	6,976	539	6,437
Other	36,057	677	35,380
Totals	<u>\$ 110,429</u>	<u>\$ 28,118</u>	<u>\$ 82,311</u>

**ANIMAL FRIENDS OF THE VALLEYS, INC.**

*Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 13 – RELATED PARTY TRANSACTIONS**

The Organization currently hires an external accountant to perform accounting, payroll, and tax services. The owner of the company providing the accounting services is also a current board member. The Organization paid \$30,782 for accounting services to this board member during the fiscal year ended June 30, 2021.

Another board member was paid \$16,847 for website design and newsletter editing services.

**NOTE 14 – SUBSEQUENT EVENTS**

Events subsequent to June 30, 2021, have been evaluated through November 23, 2021, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosures have occurred through this date.



<b>SOUTHWEST COMMUNITIES FINANCING AUTHORITY (SCFA)</b>			
<b>CREDIT ENHANCEMENT BALANCE &amp; 1% Admin (Updated 4/27/2022)</b>			
<b>DATE</b>	<b>RECEIVED FROM</b>	<b>DEPOSITS TO ADMN (1% OF DEBT SERVICE)</b>	<b>DEPOSITS TO CREDIT ENHANCEMENT TRUST FUND</b>
<b>FY 20/21</b>	<b>BALANCE FORWARD</b>	<b>No Carry Over</b>	<b>\$390,356.90</b>
	City of Lake Elsinore	\$1,875	\$9,374
	City of Temecula	\$818	\$4,088
	City of Murrieta	\$1,092	\$5,461
	City of Canyon Lake	\$284	\$1,418
	City of Menifee	\$1,458	\$7,289
	City of Wildomar	\$1,221	\$6,107
	<b>TOTAL DEPOSITS FY 21/22</b>	<b>\$6,748</b>	<b>\$33,737</b>
<b>FY 20/21</b>	<b>BALANCE FORWARD</b>	<b>No Carry Over</b>	<b>\$424,093.90</b>

Animal Friends of the Valleys  
SCFA Revenue/Expense Allocation  
July 1, 2020 - June 30, 2021

	<b>Totals</b>	
Total Expenses	\$ 2,924,676.20	
Less ACO Contracts Contribution	259,521.12	
Less Nonprofit Contribution	<u>136,947.66</u>	
	396,468.78	
Subtotal	<u>2,528,207.42</u>	
Revenue Received	<u>750,633.78</u>	
	1,777,573.64	
Subtotal	1,777,573.64	
JPA Member Funding	1,805,676.00	
AFV Funding	93,984.00	
Wildomar City Mitigation Fee	<u>(6,000.00)</u>	
	1,893,660.00	
Revenue/Funding over Expenses	<u>\$ (116,086.36)</u>	

2020-2021 Percentanges		With Menifee
CL	4.1%	3.5%
COUNTY	17.3%	14.8%
LE	25.0%	21.4%
MENIFEE	0.0%	17.0%
MURRIETA	15.9%	13.6%
TEMECULA	13.1%	11.2%
WILDOMAR	17.1%	14.7%
AFV	7.5%	3.9%
	<u>100.0%</u>	<u>100.0%</u>

	CL	COUNTY	LE	MURRIETA	TEMECULA	WILDOMAR	AFV	MENIFEE	JPA	TOTALS
% of Expenses	\$ 93,001.05	\$ 395,499.00	\$ 570,755.89	\$ 363,938.61	\$ 298,808.12	\$ 391,301.39	\$ 128,688.04	\$ 286,215.32	\$ -	\$ 2,528,207.42
Revenue Received	16,999.13	71,288.31	105,859.43	73,039.50	56,820.00	61,724.76	62,777.00	70,600.00	231,525.65	750,633.78
JPA Member/AFV Fund	76,001.92	324,210.69	464,896.46	290,899.11	241,988.12	329,576.63	65,911.04	215,615.32	(231,525.65)	1,777,573.64
	69,160.00	295,448.00	426,032.00	272,060.00	222,920.00	292,472.00	93,984.00	227,584.00	(6,000.00)	1,893,660.00
Allocated JPA Revenue	6,841.92	28,762.69	38,864.46	18,839.11	19,068.12	37,104.63	(28,072.96)	(11,968.68)	(225,525.65)	(116,086.36)
	\$ 8,638.19	\$ 36,624.78	\$ 52,881.76	\$ 33,686.35	\$ 27,694.75	\$ 36,222.76	\$ 13,435.81	\$ 16,341.25	225,525.65	
Totals	\$ (1,796.26)	\$ (7,862.09)	\$ (14,017.31)	\$ (14,847.24)	\$ (8,626.62)	\$ 881.87	\$ (41,508.78)	\$ (28,309.93)	\$ -	\$ (116,086.36)

Prior Balance	\$ (5,831.21)	\$ 43,633.78	\$ (5,454.84)	\$ (23,559.03)	\$ (17,957.72)	\$ (16,918.90)	\$ (22,667.97)	\$ -	\$ -	\$ (48,755.89)
Funds Retained 2010-11	\$ (1,341.63)	\$ (19,630.14)	\$ (17,582.39)	\$ (11,792.20)	\$ (10,874.25)	\$ (8,755.89)	\$ (635.49)	\$ -	\$ -	\$ (70,611.99)
Funds Retained 2011-12	\$ (9,032.05)	\$ 14,893.54	\$ 14,294.03	\$ (25,446.45)	\$ (19,092.59)	\$ 3,373.25	\$ (18,376.98)	\$ -	\$ -	\$ (39,387.25)
Funds Retained 2012-13	\$ (1,849.74)	\$ (7,725.43)	\$ (672.83)	\$ (25,615.28)	\$ (22,462.04)	\$ 7,721.95	\$ (9,901.34)	\$ -	\$ -	\$ (60,504.71)
Funds Retained 2013-14	\$ 1,799.32	\$ 14,607.32	\$ 2,613.98	\$ (9,834.77)	\$ (5,796.66)	\$ 9,367.47	\$ (10,337.98)	\$ -	\$ -	\$ 2,418.68
Funds Retained 2014-15	\$ (3,755.16)	\$ (9,688.14)	\$ 10,200.53	\$ (9,259.30)	\$ (9,156.27)	\$ 2,479.44	\$ (20,887.17)	\$ -	\$ -	\$ (40,066.07)
Funds Retained 2015-16	\$ 1,412.14	\$ (11,220.99)	\$ 8,318.74	\$ (7,571.68)	\$ (4,670.40)	\$ 4,025.73	\$ (28,550.22)	\$ -	\$ -	\$ (38,256.68)
Funds Retained 2016-17	\$ 2,593.92	\$ (11,068.03)	\$ 427.78	\$ (19,759.32)	\$ (6,220.72)	\$ (1,465.75)	\$ (24,202.40)	\$ -	\$ -	\$ (59,694.52)
Funds Retained 2017-18	\$ 8,844.45	\$ (4,688.29)	\$ (1,458.13)	\$ (9,068.54)	\$ (12,638.55)	\$ 119.45	\$ (23,076.94)	\$ -	\$ -	\$ (41,966.55)
Funds Retained 2018-19	\$ (388.04)	\$ (11,960.65)	\$ (25,866.02)	\$ (31,106.08)	\$ (19,864.13)	\$ (6,560.18)	\$ (22,244.97)	\$ -	\$ -	\$ (117,990.06)
Funds Retained 2019-20	\$ (10,271.25)	\$ (49,140.09)	\$ (67,917.25)	\$ (49,583.84)	\$ (48,151.30)	\$ (41,765.51)	\$ (54,566.97)	\$ -	\$ -	\$ (321,396.21)
Marketing Program '14-'15	\$ -	\$ 6,964.46	\$ 9,956.00	\$ 10,970.50	\$ 1,455.00	\$ 7,640.00	\$ 4,042.50	\$ -	\$ -	\$ 41,028.46
Marketing Program '15-'16	\$ 979.99	\$ 4,027.50	\$ 1,215.00	\$ 4,980.00	\$ 9,735.00	\$ 3,072.50	\$ 5,627.50	\$ -	\$ -	\$ 29,637.49
Marketing Program '16-'17	\$ 1,327.50	\$ 1,202.50	\$ 690.00	\$ 4,622.50	\$ 1,245.00	\$ 575.00	\$ 7,672.50	\$ -	\$ -	\$ 17,335.00
Marketing Program '17-'18	\$ 470.00	\$ 65.00	\$ 920.00	\$ 3,500.00	\$ 225.00	\$ 655.00	\$ 5,775.00	\$ -	\$ -	\$ 11,610.00
Marketing Program '18-'19	\$ 210.00	\$ 55.00	\$ 620.00	\$ 1,510.00	\$ 5.00	\$ 615.00	\$ 1,570.00	\$ -	\$ -	\$ 4,585.00
Marketing Program '19-'20	\$ -	\$ -	\$ -	\$ 475.00	\$ -	\$ -	\$ 475.00	\$ -	\$ -	\$ 950.00
County Funded Marketing	\$ -	\$ (12,500.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,500.00)
Contingency Fund Balance	\$ (16,628.02)	\$ (60,034.75)	\$ (83,712.70)	\$ (211,385.73)	\$ (172,846.25)	\$ (34,939.57)	\$ (251,794.70)	\$ (28,309.93)	\$ -	\$ (859,651.66)

Mandatory Reserve	\$ 2,600.85	\$ 11,111.39	\$ 16,022.46	\$ 10,232.02	\$ 8,383.84	\$ 10,999.60	\$ 2,913.85	\$ 12,735.99	\$ -	\$ 75,000.00
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\*\*\*County has \$5,122.10 funds set aside for Prior Year Balance

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# SOUTHWEST COMMUNITIES FINANCING AUTHORITY – JPA ANIMAL SHELTER STAFF REPORT

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**DATE:** May 5, 2022

**SUBJECT:** Discussion Items: 7A) Shelter Reserve Study; 7B) Report Back on Credit Card Convenience Fees; 7C) Shelter Hardware and Software Upgrades (Report Back from October 7, 2021 Meeting); 7D) Cost Recovery Strategies for Owner Return (Report Back from October 7, 2021 Meeting)

**AGENDA ITEM NUMBER:** 7A, 7B, 7C and 7D

**REPORT:**

7A) **Shelter Reserve Study:** During the May 6, 2021 SCFA Board of Directors meeting (Agenda Item 10.B), the Board directed the JPA Administrator to work with AFV to develop a reserve study for future shelter repairs and maintenance. Subsequently, AFV began the process of inventorying applicable shelter assets, and assessing their expected useful life and cost of replacement. The attached Shelter Reserve Study Scope and Schedule includes an inventory of 14 categories of shelter assets, their estimated useful and remaining life, and a repair/replacement schedule that spans over the next 16 years. Proposed one-time and ongoing funding allocation totals for potential start-up and maintenance of a Reserve Fund have also been included for Board consideration.

In March 2012, the SCFA Board approved a mandatory annual minimum Reserve Contingency fund balance of \$75,000 for the purpose of having cash available to pay for unexpected shelter repairs and fees. This fund balance has generally provided sufficient funding for needed repairs to date; however, in recent years, as assets have reached end of useful life, surplus budget funds have been used when available, to supplement replacement costs for some of the larger shelter assets.

7B) **Report Back on Credit Card Convenience Fees:** During the May 6, 2021 SCFA Board of Directors meeting (Agenda Item 10.C), the Board directed the JPA Administrator to work with AFV to report back on credit card convenience fees. Currently, when shelter customers utilize debit or credit cards to pay for due shelter fees, the shelter pays for all processing fees charged by card companies. Annual debit/credit card collections, and processing fees paid for by the shelter for the last two fiscal years is presented below:

<b>Fiscal Year</b>	<b>Total Debit/Credit Card Collections</b>	<b>Card Processing Fees Paid</b>
<b>2019/2020</b>	\$418,234.11	\$11,334.98
<b>2020/2021</b>	\$455,277.35	\$12,989.97
<b>Average:</b>	<b>\$436,755.73</b>	<b>\$12,162.48</b>

State law governing this matter includes Civil Code Sec. 1748.1, which stipulates that retailers may not impose a surcharge on consumers who elect to use a credit card for payment. However, under Government Code Sec. 6159(h)(1), public agencies are not considered “retailers” and may impose a fee for the use of a credit or debit card not to exceed the cost incurred by the agency or agent in providing payment of fee. Notable about the Civil Code section is that in a 2018 case, California’s 9th Circuit Court of Appeals found it unenforceable and unconstitutional as to the businesses that were arguing its application was unconstitutional, holding that up-front disclosure regarding card processing fees prior to, and at the point of sale would be necessary to ensure minimal risk of misleading or deceiving consumers, should a retailer choose to pass these costs on to consumers.

At the October 7, 2021 SCFA Board meeting (Agenda Item 7B), the Board directed the JPA Administrator to work with JPA agencies to gather information regarding legal requirements and administrative steps necessary to implement an approach to recover credit card convenience fees at the shelter. Sections 8 and 12 of the current Shelter Operations Agreement provide that AFV is responsible for costs and operation of the non-cash system for resident payments to the Shelter; therefore, AFV may recover any costs associated with convenience fees. In consideration of AFV’s non-profit status, staff recommends that the SCFA Board adopt a resolution authorizing AFV to recover from shelter customers only those credit card fees that apply to shelter services. Pursuant to applicable requirements, AFV will also place notice(s) at points of sale alerting customers that a surcharge will be charged where credit cards are used for payment of shelter related services. With Board concurrence, staff will bring forward a proposed resolution for Board consideration at the October 6, 2022 SCFA Board meeting, along with an updated FY22/23 budget which reflects the applicable decrease in appropriations for bank fees.

- 7C) **Shelter Hardware and Software Upgrades (Report Back from October 7, 2021 Meeting):** During the October 7, 2021 SCFA Board meeting (Agenda Item 8B), the Board tasked AFV to utilize existing funds from contingency to increase staffing to add one full time and one part time (1.5 FTE) Fiscal Analyst positions, update the existing shelter system (ShelterPro), and purchase hardware as specified pursuant to recommendation made by the Fee Study Ad Hoc Committee; AFV was further directed to report back on the efficacy of said strategies at today’s May 5, 2022 Board meeting. Strategies for staffing, hardware and software upgrades had been the result of close collaboration between AFV and the Fee Study Ad Hoc Committee in previous months, with the goal of improved accounting of shelter activities and costs, and enhanced budget detail moving forward.

To date, AFV has engaged in important activities, including meeting with the software systems vendor (ShelterPro) regarding needs and capability, and inventory and calculation of shelter unit costs. These steps are prerequisites for implementation of the Board directed staff, hardware and software strategies; however, actual costs for these strategies are not expected to be incurred this fiscal year. Consistent with Board direction, contingency fund revenue has been moved to the proposed FY22/23 budget to offset costs for staffing, hardware and software strategy implementation next year. AFV will report back on strategy implementation and efficacy at the October 6, 2022 SCFA Board meeting.

- 7D) **Cost Recovery Strategies for Owner Surrender (Report Back from October 7, 2021 Meeting):** During the October 7, 2021 SCFA Board meeting (Agenda Item 8B), the Board tasked AFV to research strategies to recover costs for owner surrender, and return with

recommendation(s) at today's SCFA Board meeting. An important finding of the Fee Study Ad Hoc Committee last year was in regard to shelter costs related to owner surrender. In 2019, 1,147 cats and 2,152 dogs were surrendered by their owners to the shelter; this equated to 38.3% of all cats and dogs received in 2019, which is relatively comparable to other years. Total costs have not been reliably calculated, but considering staff time, food, boarding, and any potentially required grooming and/or medicine/vaccination, shelter costs for owner surrender are expected to be considerable. To date, AFV's practice has been to request donations from owners surrendering their animals; however, revenue from donations has been minimal and unreliable.

Per Board direction, AFV has conducted research into behaviors, timelines, and reasons why pet owners choose to surrender their animals. They have developed and implemented a pilot program aimed at gathering and evaluating information from surrendering owners, establishing timelines and in-home evaluations as prerequisites to accepting surrendered pets, working with rescue partners to redirect surrendered pets to homes, along with continued requests for fees/donations.

An alternative cost recovery strategy aside from collection of donations would be to charge a fee to surrendering owners. Aside from fee impacts, key considerations for the JPA prior to imposition of such a fee would be whether it requires a fee study, and whether it should be levied by the JPA, individual JPA entities, or AFV. Benefits of implementing such a fee include a structured fee, payment for which can be recovered at the time it is due or in arrears, and reliable revenue to offset costs.

Potential strategies for Board consideration today include directing AFV to continue the current activity-based pilot program to gather more data, directing AFV to operationalize the pilot program, directing SCFA legal counsel to investigate and report back on legal requirements for implementation of a structured owner surrender fee to recover costs, or considering a hybrid activity-based approach with structured owner surrender fee.



Category	Date in Use	# of Units	Useful Life	Remaining Life	Total Cost	Unit Cost	Unit of Measure	Annual Reserve	Beginning Reserve Need	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	
<b>Animal Care/Management</b>																										
Animal Cages	10/1/2010	112	30	20	\$394,016.00	\$3,800.00	Unit	\$13,133.87	\$131,338.67	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87	\$13,133.87
Animal Cages (Night drop)	10/1/2010	14	20	9	\$57,400.00	\$4,100.00	Unit	\$2,870.00	\$31,570.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00	\$2,870.00
Animal Cages (Sally port)	10/1/2010	7	20	9	\$28,700.00	\$4,100.00	Unit	\$1,435.00	\$15,785.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00	\$1,435.00
Animal Runs (Sally port)	10/1/2010	4	20	9	\$15,200.00	\$3,800.00	Unit	\$760.00	\$8,360.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00	\$760.00
Fencing (exercise yards)	10/27/2011	1	10	0	\$25,000.00			\$2,500.00	\$25,000.00																	
Groom Table	3/26/2018	1	10	5	\$2,500.00																					
Grooming tub	10/1/2010	1	20	10	\$2,000.00																					
Gurney Fold Up Stand	6/23/2020	2	10	5	\$2,186.00																					
Exercise Pens Outside Stray	10/1/2010	4	15	0	\$40,000.00	\$10,000.00	Unit	\$2,666.67	\$40,000.00																	
Exam Lights	06/01/21	2	15	14	\$1,350.00																					
<b>Misc</b>																										
Intercom System	10/1/2010	1	30	18	\$15,000.00			\$500.00	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Monument/Signage	10/1/2010	1	30	18	\$15,000.00			\$500.00	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Storage Room Racks	10/14/2010	20	30	18	\$12,000.00			\$400.00	\$4,800.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Presentation equipment	10/01/10	1	8-10	0	\$3,500.00																					
Public address system	10/01/10	1	5-8	0	\$1,350.00																					
<b>Building</b>																										
Exterior Doors (not kennel)	10/1/2010	23	20	9	\$80,500.00	\$3,500.00	Door	\$4,025.00	\$44,275.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00
Garage roll up door	10/1/2010	1	20	9	\$15,000.00			\$750.00	\$8,250.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
Interior doors ( including inside Kennel and Cat com 1-4 )	10/1/2010	127	20	9	\$317,500.00	\$2,500.00	Door	\$15,875.00	\$174,625.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00	\$15,875.00
Interior Drop ceiling	10/1/2010	20000	20	10	\$300,000.00	\$15.00	SF	\$15,000.00	\$150,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Security Camera System	6/1/2020	1	8	6	\$15,000.00			\$1,875.00	\$3,750.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00
Windows	10/1/2010	175	30	18	\$10,625.00	\$575.00	Window	\$354.17	\$4,250.00	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17	\$354.17
Intruder / fire alarm system	10/01/10	1	16	4	\$4,000.00																					
<b>Appliances</b>																										
Dryer	2/14/2021	2	10	9	\$14,000.00	\$7,000.00	Unit	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00
Refrigerator (full size)	10/1/2010	3	12	2	\$3,000.00	\$1,000.00	Unit																			
Washer	6/13/2021	2	10	9	\$17,172.00	\$8,586.00	Unit	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20	\$1,717.20
Floor cleaner	10/01/10	2	7	0	\$26,000.00			\$3,714.29	\$26,000.00																	
Battery Floor Machine	3/28/2017	1	2	0	\$500.00																					
Floor Machine	3/28/2017	1	5	0	\$5,000.00																					
<b>TOTAL</b>					<b>\$3,719,695.00</b>			<b>\$218,779.17</b>	<b>\$2,061,039.91</b>	<b>\$174,175.46</b>	<b>\$174,175.46</b>	<b>\$174,175.46</b>	<b>\$174,175.46</b>	<b>\$164,175.46</b>	<b>\$132,835.80</b>	<b>\$127,108.42</b>	<b>\$127,108.42</b>	<b>\$99,558.42</b>	<b>\$46,276.22</b>	<b>\$7,242.35</b>	<b>\$5,609.17</b>	<b>\$5,609.17</b>	<b>\$5,609.17</b>	<b>\$5,609.17</b>	<b>\$5,609.17</b>	<b>\$1,754.17</b>

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# SOUTHWEST COMMUNITIES FINANCING AUTHORITY – JPA ANIMAL SHELTER STAFF REPORT

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**DATE:** May 5, 2022

**SUBJECT:** Action Items: 8A) Proposed FY22/23 AFV Operating Budget; 8B) Proposed FY22/23 Annual Fee Schedule and Pie Chart of Animal Counts

**AGENDA ITEM NUMBER(s):** 8A and 8B

**RECOMMENDED MOTION:** That the Board of Directors approve the following items: 8A) Proposed FY22/23 AFV Operating Budget; and 8B) Proposed FY22/23 Annual Fee Schedule and Pie Chart of Animal Counts.

**REPORT:**

- 8A) **Proposed FY22/23 AFV Operating Budget:** The attached FY22/23 AFV Operating Budget is for the period of July 1, 2022 through June 30, 2023. Total budgeted expenditures exceeding revenue, or cost requested to be supplemented by SCFA JPA entities is \$2,210,400; this represents a 9.5% increase from the FY21/22 budget year.
- 8B) **Proposed FY22/23 Annual Fee Schedule and Pie Chart of Animal Counts:** The attached FY22/23 Annual Fee Schedule spreadsheet is based on the attached 2021 animal counts and provides an estimate of the breakdown of fees including Debt Service, Credit Enhancement, Administrative Costs, and Shelter Operation Fees for AFV and all of the JPA members.



**Animal Friends of the Valleys**  
*Shelter pets ... heads and tails above the rest!*



May 5, 2022

RE: AFV's Proposed Budget

Please find attached Animal Friends of the Valleys' Proposed Budget for 2022-2023.

Listed below is a summary of the budget:

**Description**

Sheltering & Licensing Budget	\$	3,461,200
Revenue-Adoptions, Impounds, Counter Donations, Board, Etc.	\$	680,800
Net Costs	\$	<u>2,780,400</u>
Animal Control Reimbursement Costs	\$	(250,000)
Nonprofit Reimbursement Costs	\$	(105,000)
Offset Costs-Volunteers (4) Kennel Techs + benefits	\$	(100,000)
Contingency/Reserves-Fiscal Analyst, Software	\$	(115,000)
<b>Total Cost to JPA</b>	<b>\$</b>	<b><u>2,210,400</u></b>
<b>Net Funding for 2022-2023</b>	<b>\$</b>	<b><u>2,210,400</u></b>

If you have any questions, feel free to contact me at 951-678-2165 or email [kmand@verizon.net](mailto:kmand@verizon.net)

Sincerely,

Kristine Anderson  
AFV Board President

Animal Friends of the Valleys, Inc.  
Budget Summary  
Fiscal Year 2022-2023

Sheltering

Description & Justification	Actuals July '20-June '21	Estimate Actuals 2021-2022	Budget 2021-2022	Proposed Budget 2022-2023
Sheltering Expenditures	\$ 2,926,029	\$ 2,840,065	\$ 3,167,860	\$ 3,461,200
Sheltering Revenue	\$ 1,240,995	\$ 1,020,961	\$ 1,072,600	\$ 1,150,800
Capital Reserves	\$ -	\$ -	\$ -	\$ -
Expenditures Exceeding Revenue	\$ 1,685,034	\$ 1,819,104	\$ 2,095,260	\$ 2,310,400
Less Kennel Volunteers	\$ -	\$ -	\$ 100,000	\$ 100,000
<b>Total Cost to SCFA</b>	<b>\$ 1,685,034</b>	<b>\$ 1,819,104</b>	<b>\$ 1,995,260</b>	<b>\$ 2,210,400</b>

JPA Funding	\$ 1,579,452	\$ 1,805,676	\$ 1,902,872	\$ 2,103,344
AFV Contribution	\$ 157,652	\$ 93,984	\$ 98,388	\$ 113,056
Wildomar Mitigation Fee	\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ (6,000)
<b>Additional Funding</b>	<b>\$ 1,731,104</b>	<b>\$ 1,893,660</b>	<b>\$ 1,995,260</b>	<b>\$ 2,210,400</b>
<b>Over/(Under)</b>	<b>\$ 46,070</b>	<b>\$ 74,556</b>	<b>\$ -</b>	<b>\$ (0)</b>

**Entity Payments**

Entity annual operating budget payments:	2021-2022	2022-2023	Percentages
Canyon Lake	66,295	\$ 73,110	3.3%
County	325,383	\$ 312,286	14.1%
Lake Elsinore	438,295	\$ 477,599	21.5%
Menifee	340,844	\$ 456,244	20.6%
Murrieta	255,340	\$ 257,516	11.6%
Temecula	191,154	\$ 230,383	10.4%
Wildomar	285,560	\$ 290,207	13.4%
Animal Friends of the Valleys	98,388	\$ 113,056	5.1%
<b>Totals</b>	<b>\$ 2,001,260</b>	<b>\$ 2,210,400</b>	<b>100.00%</b>

Animal Friends of the Valleys, Inc.  
Budget Detail Expenditures  
Fiscal Year 2022-2023

Sheltering

Description & Justification	Actuals July '20-June '21	Estimate Actuals 2021-2022	Budget 2021-2022	Proposed Budget 2022-2023
Regular Salaries (includes OT) Executive Director (1) Exec. Director Admin Asst/Bookkeeper (1) Client Services Supervisor (1) Human Resources Manager (1) Director of Donor Development (.5) Facilities Manager (1) Animal Care Center Manager (1) Animal Care Intake Manager (1) Animal Care Coordinator (1) Animal Care Lead (1) Registered Vet Tech (1.5) Vet Tech (2) Animal Care Assistant Support (1) Animal Care Tech (18) Operator (1) Web Designer PT (.5) Foster Coordinator (1) Rescue Coordinator (1) Volunteer Coordinator (1) Client Services Representative (9) Admin Clerk/Float (2) Event & Media Manager (.5) Media Marketing Coordinator (.5) Lost & Found Coordinator (.5)	\$ 1,582,319	\$ 1,681,958	\$ 1,907,760	\$ 2,044,000
Payroll Taxes	\$ 117,624	\$ 120,854	\$ 145,000	\$ 152,000
Benefits/Insurance	\$ 169,154	\$ 136,839	\$ 170,000	\$ 174,000
Contract Employees Accounting Services	\$ 33,353	\$ 32,378	\$ 37,700	\$ 37,700
<b>Personnel Totals:</b>	<b>\$ 1,902,450</b>	<b>\$ 1,972,029</b>	<b>\$ 2,260,460</b>	<b>\$ 2,407,700</b>
Advertising	\$ 10,906	\$ 13,323	\$ 10,000	\$ 12,500
Animal Food & Litter	\$ 49,096	\$ 49,060	\$ 60,000	\$ 57,000
Animal Supplies Vaccines Drugs Supplies License Tags	\$ 118,807	\$ 125,742	\$ 117,500	\$ 127,500
Auto/Truck Expenses Fuel Maintenance Insurance Towing	\$ 2,318	\$ 3,000	\$ 5,000	\$ 5,100
Depreciation	\$ 10,086	\$ 7,596	\$ 10,000	\$ 10,000
Dues & Subscriptions	\$ 717	\$ 175	\$ 1,500	\$ 1,000
Fundraising/Nonprofit Insurance	\$ 52,692	\$ 62,993	\$ 60,000	\$ 65,000
Met/Seminar Conventions	\$ 2,499	\$ 5,546	\$ 10,000	\$ 10,000
Microchips	\$ 31,866	\$ 14,953	\$ 35,000	\$ 25,000
Mileage/Gasoline	\$ 4,812	\$ 6,079	\$ 5,000	\$ 6,500
Miscellaneous Expense Cash Long Short & Interest Expense	\$ 4,309	\$ 3,891	\$ 7,000	\$ 6,000
Office Expense Postage Supplies Bank Fees	\$ 144,675	\$ 106,668	\$ 108,500	\$ 108,000
Operating Animal Supplies	\$ 35,402	\$ 42,503	\$ 34,000	\$ 45,000
Operating Expenses Printing Expense	\$ -	\$ -	\$ 500	\$ 500
Outside Services Independent Audit License Charge Grooming Services	\$ 114,359	\$ 64,345	\$ 80,400	\$ 66,900
Outside Services-Disposal	\$ 7,950	\$ 10,100	\$ 8,000	\$ 10,000
Rent	\$ 1,094	\$ 1,402	\$ 1,500	\$ 1,500
Repairs/Maintenance	\$ 221,520	\$ 124,712	\$ 130,000	\$ 150,000
Spay/Neuter Services	\$ 31,947	\$ 35,165	\$ 25,000	\$ 25,000
Spay/Neuter Voucher Program				
Tax/License/Permits Computer License	\$ 12,563	\$ 19,652	\$ 20,000	\$ 20,000
Telephone & Utilities Telephone Electricity Water Internet Security System	\$ 160,243	\$ 169,457	\$ 164,500	\$ 175,500
Uniforms	\$ 3,312	\$ 1,131	\$ 7,500	\$ 4,000
Vet Services	\$ 2,405	\$ 542	\$ 6,500	\$ 6,500
Contingency/Reserves-Fiscal Analyst, Software	\$ -	\$ -	\$ -	\$ 115,000
<b>Sheltering Totals:</b>	<b>\$ 1,023,578</b>	<b>\$ 868,036</b>	<b>\$ 907,400</b>	<b>\$ 1,053,500</b>
<b>Total Sheltering Expenses</b>	<b>\$ 2,926,029</b>	<b>\$ 2,840,065</b>	<b>\$ 3,167,860</b>	<b>\$ 3,461,200</b>

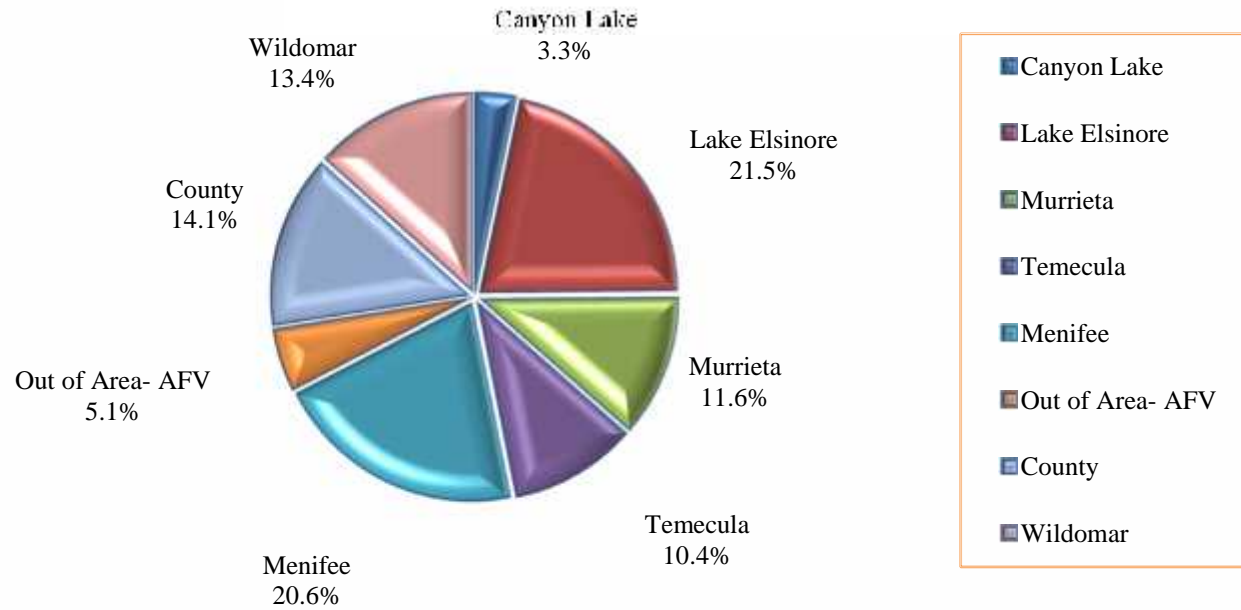
Animal Friends of the Valleys, Inc.  
Budget Detail Revenue  
Fiscal Year 2022-2023

Sheltering

Description & Justification	Actuals July '20-June '21	Estimate Actuals 2021-2022	Budget 2021-2022	Proposed Budget 2022-2023
<b>Revenues</b>				
Adoptions, Adoption Holds, Forfeits	\$ 160,604	\$ 177,090	\$ 135,000	\$ 168,000
Board Fees	\$ 34,712	\$ 44,590	\$ 31,700	\$ 39,500
Classroom Rental	\$ -	\$ 100	\$ -	\$ 100
Donations	\$ 24,011	\$ 12,342	\$ 25,000	\$ 15,000
Donations-Counter & Request	\$ 175,788	\$ 160,229	\$ 145,000	\$ 180,000
Donations-Food, Supplies, Vet Services	\$ 53,169	\$ 73,979	\$ 81,000	\$ 77,000
Fundraisers/Donor Development/Grants	\$ 56,413	\$ 57,389	\$ 75,000	\$ 60,000
Impound Fees	\$ 64,250	\$ 77,774	\$ 61,000	\$ 72,000
Microchips/Vaccines	\$ 51,950	\$ 54,188	\$ 49,000	\$ 53,000
Misc. Income	\$ 8,422	\$ 6,654	\$ 10,000	\$ 6,000
Quarantine & Traps	\$ 8,475	\$ 9,882	\$ 8,700	\$ 9,700
Contingency/Reserves-Fiscal Analyst, Software	\$ -	\$ -	\$ -	\$ 115,000
Reimbursements-ACO Operations	\$ 259,521	\$ 242,434	\$ 275,000	\$ 250,000
Reimbursements-Nonprofit Operations	\$ 230,932	\$ 103,896	\$ 175,000	\$ 105,000
Services - NonSCFA Member	\$ 110,681	\$ -	\$ -	\$ -
Interest Income	\$ 2,067	\$ 414	\$ 1,200	\$ 500
<b>Total Sheltering Revenues</b>	<b>\$ 1,240,995</b>	<b>\$ 1,020,961</b>	<b>\$ 1,072,600</b>	<b>\$ 1,150,800</b>



## AFV Animals Received Year End Chart 2021



Area	Dogs	Cats	Totals	%
Canyon Lake	140	151	291	3.30%
Lake Elsinore	935	966	1901	21.55%
Murrieta	595	430	1025	11.62%
Temecula	574	343	917	10.39%
Menifee	1019	797	1816	20.58%
Out of Area- AFV	260	190	450	5.10%
County	645	598	1243	14.09%
Wildomar	577	602	1179	13.36%
<b>Totals</b>	<b>4745</b>	<b>4077</b>	<b>8822</b>	<b>100.00%</b>