

**JEFFERSON SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS**

FINANCIAL STATEMENTS

For the Years Ended December 31, 2017 and 2016



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Jefferson Society for the Prevention of Cruelty to Animals
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December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jefferson Society for the Prevention of Cruelty to Animals
Jefferson, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Jefferson Society for the Prevention of Cruelty to Animals ("JSPCA"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 JSPCA'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 JSPCA'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 JSPCA as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to agency head on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of JSPCA'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 JSPCA'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 JSPCA's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 26, 2018

**Jefferson Society for the Prevention of Cruelty to Animals
Statements of Financial Position**

As of December 31,	2017	2016
Assets		
Cash and cash equivalents	\$ 1,015,702	\$ 1,080,667
Accounts receivable	127,408	125,955
Investments	-	33,781
Total assets	\$ 1,143,110	\$ 1,240,403
Liabilities		
Accounts payable	\$ 17,138	\$ 17,000
Due to Jefferson Parish	120,791	350,318
Total liabilities	137,929	367,318
Net assets		
Unrestricted	457,365	409,475
Temporarily restricted	547,816	463,610
Total net assets	1,005,181	873,085
Total liabilities and net assets	\$ 1,143,110	\$ 1,240,403

The accompanying footnotes are an integral part of these financial statements.

**Jefferson Society for the Prevention of Cruelty to Animals
Statement of Activities and Changes in Net Assets**

For the year ended December 31,	2017		
	Unrestricted	Temporarily Restricted	Total
Revenues and support			
Program revenues	\$ 17,074	750,539	\$ 767,613
Donations and grants	107,695	-	107,695
Fundraising	24,536	-	24,536
Realized gain on investment	3,948	-	3,948
Dividends and interest	2,096	-	2,096
Total program and other revenues	155,349	750,539	905,888
Net assets released from restrictions	666,333	(666,333)	-
Total revenues and support	821,682	84,206	905,888
Expenses			
Program services	701,306	-	701,306
Supporting services	72,486	-	72,486
Total expenses	773,792	-	773,792
Increase in net assets	47,890	84,206	132,096
Net assets			
Beginning of year	409,475	463,610	873,085
End of year	\$ 457,365	\$ 547,816	\$ 1,005,181

The accompanying footnotes are an integral part of these financial statements.

Jefferson Society for the Prevention of Cruelty to Animals
Statement of Activities and Changes in Net Assets

For the year ended December 31,

2016

	Unrestricted	Temporarily Restricted	Total
Revenues and support			
Program revenues	\$ 20,451	\$ 777,413	\$ 797,864
Donations and grants	145,209	-	145,209
Fundraising	57,007	-	57,007
Unrealized gain on investment	19,749	-	19,749
Dividends and interest	2,003	-	2,003
Total program and other revenues	244,419	777,413	1,021,832
Net assets released from restrictions	684,968	(684,968)	-
Total revenues and support	929,387	92,445	1,021,832
Expenses			
Program services	691,961	-	691,961
Supporting services	70,041	-	70,041
Total expenses	762,002	-	762,002
Increase in net assets	167,385	92,445	259,830
Net assets			
Beginning of year	242,090	371,165	613,255
End of year	\$ 409,475	\$ 463,610	\$ 873,085

The accompanying footnotes are an integral part of these financial statements.

**Jefferson Society for the Prevention of Cruelty to Animals
Statement of Functional Expenses**

For the year ended December 31,

2017

	Program Services		Supporting Services			Totals
	Animal Services	Other Programs	Fundraising	Management and General		
Contract services	\$ 373,502	\$ -	\$ -	\$ -	\$ -	\$ 373,502
Animal care	160,319	28,519	29,161	1,620		219,619
Payroll	84,516	-	-	-	-	84,516
Contract labor	13,073	-	-	7,300		20,373
Accounting	-	-	-	16,250		16,250
Printing	1,991	4,583	469	158		7,201
Office supplies	7,237	-	-	15,140		22,377
Insurance	8,315	-	-	-		8,315
Telephone	562	3,750	-	-		4,312
Travel	12	-	-	-		12
Postage and delivery	162	1,977	-	208		2,347
Other	10,949	1,839	29	2,151		14,968
Total	\$ 660,638	\$ 40,668	\$ 29,659	\$ 42,827		\$ 773,792

The accompanying footnotes are an integral part of these financial statements.

Jefferson Society for the Prevention of Cruelty to Animals
Statement of Functional Expenses

For the year ended December 31,

2016

	Program Services		Supporting Services		Totals
	Animal Services	Other Programs	Fundraising	Management and General	
Contract services	\$ 384,997	\$ -	\$ -	\$ -	\$ 384,997
Animal care	160,178	14,492	34,436	2,424	211,530
Payroll	82,819	-	-	-	82,819
Contract labor	18,260	-	-	7,320	25,580
Accounting	-	-	-	15,650	15,650
Printing	185	668	-	2,539	3,392
Office supplies	4,435	-	-	6,232	10,667
Insurance	8,811	-	-	-	8,811
Telephone	521	3,750	-	-	4,271
Travel	121	-	-	-	121
Postage and delivery	1,562	179	-	199	1,940
Other	7,800	3,183	47	1,194	12,224
Total	\$ 669,689	\$ 22,272	\$ 34,483	\$ 35,558	\$ 762,002

The accompanying footnotes are an integral part of these financial statements.

**Jefferson Society for the Prevention of Cruelty to Animals
Statements of Cash Flows**

For the years ended December 31,	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 132,096	\$ 259,830
Gain on investments	(3,948)	(19,749)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	(1,453)	(53,235)
(Decrease) increase in accounts payable	138	(2,140)
Increase in amount due to Jefferson Parish	(229,527)	4,875
Net cash (used in) provided by operating activities	(102,694)	189,581
Cash flows from investing activities:		
Proceeds from sale of investments	37,729	-
Net cash provided by investing activities	37,729	-
Net (decrease) increase in cash and cash equivalents	(64,965)	189,581
Cash and cash equivalents at beginning of year	1,080,667	891,086
Cash and cash equivalents at end of year	\$ 1,015,702	\$ 1,080,667

The accompanying footnotes are an integral part of these financial statements.



Jefferson Society for the Prevention of Cruelty to Animals Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Jefferson Society for the Prevention of Cruelty to Animals (“JSPCA”) is a Louisiana not-for-profit corporation. JSPCA was incorporated on July 16, 1970 under the previous legal name of The Jefferson Parish Society for the Prevention of Cruelty to Animals and changed to its current legal name on January 14, 1983.

JSPCA was established to prevent cruelty to animals and to aid in the relief of their suffering, and to promote humane education; to support the Jefferson Parish Animal Shelter; to aid in the return of lost animals to their owners and/or find suitable homes for those animals without owners; to develop and/or support spay/neuter programs; to secure by lawful means the arrest, conviction, and punishment of persons violating animal cruelty and welfare laws; to promote the creation and passage of animal welfare legislation, and to raise contributions and distribute contributions to other not-for-profit organizations organized for similar purposes for which the corporation is organized.

Basis of Accounting

The financial statements are presented on an accrual basis, which recognizes income when earned, and expenses when incurred.

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board’s Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. Under ASC 958, JSPCA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at December 31, 2017 and 2016.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, JSPCA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.



Jefferson Society for the Prevention of Cruelty to Animals Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at fair value in the statement of financial position. There were no donor-restricted investments at December 31, 2017 and 2016. Gains and losses on investments are reported on the statement of activities as increases or decreases in unrestricted net assets. Dividend, interest, and other investment income and expense are reported in the period earned or incurred in the statement of activities as increases or decreases in unrestricted net assets.

Contracts and Grants Receivable

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Restricted and Unrestricted Revenues and Other Support

Support from unrestricted contributions is reported as unrestricted support which increases unrestricted net assets. JSPCA reports contributions of cash and other assets as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction, where all related expenses are also reported.

Donated Services

Donated services are recognized as contributions in accordance with ASC 958 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 JSPCA. The members of the Board of Directors serve without compensation. Volunteers also provide animal care and fund-raising services throughout the year that are not recognized as contributions in the financial statements since recognition criteria under ASC 958 were not met.

Income Taxes

JSPCA is a not-for-profit organization that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. Management believes that all tax positions would be sustained if audited. There were no penalties or interest on income tax positions incurred in 2017 or 2016, but if incurred, they would be classified in the statement of activities as a management and general expense.

Jefferson Society for the Prevention of Cruelty to Animals
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Expenses

Administrative expenses are allocated to programs and supporting services by management based on the expenses incurred.

Subsequent Events

Subsequent events and transactions have been evaluated by JSPCA for potential recognition or disclosure through June 26, 2018, the date the financial statements were available to be issued.

NOTE 2: INVESTMENT

The investment activity is summarized as follows:

For the years ended December 31,	2017	2016
Balance at beginning of year	\$ 33,781	\$ 14,032
Net gain on investments	3,948	19,749
Sale of investments	37,729	-
Balance at end of year	\$ -	\$ 33,781

NOTE 3: FAIR VALUE MEASUREMENTS

JSPCA discloses the fair value of its investment in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property, plant, and equipment. There were no material nonrecurring fair value adjustments in 2017 or 2016. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted market prices in active markets for identical assets at the measurement date.

Level 2 - Observable inputs (market data obtained from independent sources) other than quoted prices for the asset, either directly or indirectly observable, that reflects assumptions market participants would use to price the asset based on market data obtained from sources independent of JSPCA.

Level 3 - Unobservable inputs that reflect JSPCA's own assumptions about the assumptions market participants would use to price an asset based on the best information available in the circumstances.

Jefferson Society for the Prevention of Cruelty to Animals
Notes to Financial Statements

NOTE 3: FAIR VALUE MEASUREMENTS (CONTINUED)

JSPCA's measurements of fair value are made on a recurring basis, and their valuation techniques for assets and liabilities recorded at fair value are as follows:

The fair value of the investment in common stock totaling \$-0- and \$33,781 at December 31, 2017 and 2016, respectively, are calculated at quoted market prices in active markets, which is a Level 1 measurement. There were no changes in methods or assumptions during the years ended December 31, 2017 or 2016, and there were no transfers between Levels.

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at December 31:

	2017	2016
Shelter	\$ 214,229	\$ 238,546
Spay/Neuter Program	333,587	225,064
	\$ 547,816	\$ 463,610

NOTE 5: COOPERATIVE ENDEAVOR AGREEMENT

Effective January 1, 2014, Jefferson Parish and the JSPCA entered into a cooperative endeavor agreement for 4 years, whereby the JSPCA would provide services related to creating and administering a spay/neuter program, disposition of rabies vaccinations and license fees, and providing shelter for homeless animals. The agreement requires Jefferson Parish Rabies License Fees Program to compensate the JSPCA based on \$10 for each altered animal, \$15 for each unaltered animal's vaccinations and license fee; \$25 for each responsible breeder permit. Under the agreement, \$900 from each breeder/dealer permit shall be used to provide a low cost/no cost, spay/neuter program for Jefferson Parish. JSPCA received \$750,539 and \$777,413, in temporarily restricted revenue from the Jefferson Parish Rabies License Fees Program during the years ended December 31, 2017 and 2016, respectively. All restricted funds are kept in separate bank accounts until released from restriction. There was \$666,333 and \$684,968 of temporarily restricted net assets released for general operations of JSPCA for the years ended December 31, 2017 and 2016, respectively. As part of the new cooperative endeavor agreement with Jefferson Parish, JSPCA is reimbursed for all expenses related to administrative and organizational functions of the programs and purposes of JSPCA. In December 2017, the agreement was extended for an additional four years.



Jefferson Society for the Prevention of Cruelty to Animals
Notes to Financial Statements

NOTE 6: CONCENTRATIONS OF CREDIT RISK

JSPCA maintains its cash accounts at several local banks. Accounts at these banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) up to \$250,000. Amounts on deposit at various times through the year exceeded federally insured limit. As of December 31, 2017 and 2016, JSPCA had cash balances of \$84,720 and \$190,105, respectively, in excess of federally insured limits.

NOTE 7: RELATED PARTY TRANSACTIONS

In 2017 and 2016, the president of the JSPCA provided office space, at no cost, to JSPCA.

Jefferson Society for the Prevention of Cruelty to Animals
Schedule of Compensation, Benefits, and Other Payments to Agency Head

Agency Head Name: Lynn Morvant, President
 For the Year Ended December 31, 2017

PURPOSE	AMOUNT
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Uniforms	-
Per diem	-
Reimbursements (A)	-
Travel	-
Fuel usage	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ -
	<hr/> <hr/>

Note: No public funds were used related to compensation.



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

To the Board of Directors
Jefferson Society for the Prevention of Cruelty to Animals
Jefferson, Louisiana

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 Jefferson Society for the Prevention of Cruelty to Animals (“JSPCA”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered JSPCA’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JSPCA’s internal control. Accordingly, we do not express an opinion on the effectiveness of JSPCA’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 the 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 JSPCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cary Riggs & Ingram, L.L.C.

June 26, 2018

**Jefferson Society for the Prevention of Cruelty to Animals
Schedule of Findings and Questioned Costs**

A. SUMMARY OF AUDITORS' RESULTS

1. Type of independent auditors' report	Unmodified
2. Internal control over financial reporting	
a. Material weakness identified	No
b. Significant deficiencies not considered to be material weaknesses	No
c. Noncompliance material to the financial statements noted	No
3. Management letter	No

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2017.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS.

There were no findings related to compliance and other matters for the year ended December 31, 2017.



**Jefferson Society for the Prevention of Cruelty to Animals
Summary Schedule of Prior Year Findings**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable.

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARDS PROGRAMS

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.