

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

**FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2016 and 2015**



**CRI** CARR  
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**Jefferson Society for the Prevention of Cruelty to Animals**  
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**December 31, 2016**

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**Carr, Riggs & Ingram, LLC**  
111 Veterans Memorial Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
[www.CRIcpa.com](http://www.CRIcpa.com)

## **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, 2016 and 2015, 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, 2016 and 2015, 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 9, 2017, 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 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 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.

*Cary Riggs & Ingram, L.L.C.*

June 9, 2017

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

<b>As of December 31,</b>	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,080,667	\$ 891,086
Accounts receivable	125,955	72,720
Investment	33,781	14,032
<b>Total assets</b>	<b>\$ 1,240,403</b>	<b>\$ 977,838</b>
<b>Liabilities</b>		
Accounts payable	\$ 17,000	\$ 19,140
Due to Jefferson Parish	350,318	345,443
<b>Total liabilities</b>	<b>367,318</b>	<b>364,583</b>
<b>Net assets</b>		
Unrestricted	409,475	242,090
Temporarily restricted	463,610	371,165
<b>Total net assets</b>	<b>873,085</b>	<b>613,255</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,240,403</b>	<b>\$ 977,838</b>

*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
<b>Revenues and support</b>			
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
<b>Total public support and other revenues</b>	<b>244,419</b>	<b>777,413</b>	<b>1,021,832</b>
Net assets released from restrictions	684,968	(684,968)	-
<b>Total revenues and support</b>	<b>929,387</b>	<b>92,445</b>	<b>1,021,832</b>
<b>Expenses</b>			
Program services	694,315	-	694,315
Supporting services	67,687	-	67,687
<b>Total expenses</b>	<b>762,002</b>	<b>-</b>	<b>762,002</b>
<b>Increase in net assets</b>	<b>167,385</b>	<b>92,445</b>	<b>259,830</b>
<b>Net assets</b>			
Beginning of year	242,090	371,165	613,255
<b>End of year</b>	<b>\$ 409,475</b>	<b>\$ 463,610</b>	<b>\$ 873,085</b>

*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,

2015

	Unrestricted	Temporarily Restricted	Total
<b>Revenues and support</b>			
Program revenues	\$ 15,836	\$ 688,119	\$ 703,955
Donations and grants	90,465	23,112	113,577
Fundraising	53,588	-	53,588
Unrealized loss on investment	(646)	-	(646)
Dividends and interest	1,575	-	1,575
<b>Total public support and other revenues</b>	<b>160,818</b>	<b>711,231</b>	<b>872,049</b>
<b>Net assets released from restrictions</b>	<b>660,139</b>	<b>(660,139)</b>	<b>-</b>
<b>Total revenues and support</b>	<b>820,957</b>	<b>51,092</b>	<b>872,049</b>
<b>Expenses</b>			
Program services	786,430	-	786,430
Supporting services	77,275	-	77,275
<b>Total expenses</b>	<b>863,705</b>	<b>-</b>	<b>863,705</b>
<b>(Decrease) increase in net assets</b>	<b>(42,748)</b>	<b>51,092</b>	<b>8,344</b>
<b>Net assets</b>			
Beginning of year	284,838	320,073	604,911
End of year	\$ 242,090	\$ 371,165	\$ 613,255

*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	668	2,539	-	185	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	179	1,562	-	199	1,940
Other	7,800	3,183	47	1,194	12,224
<b>Total</b>	<b>\$ 668,789</b>	<b>\$ 25,526</b>	<b>\$ 34,483</b>	<b>\$ 33,204</b>	<b>\$ 762,002</b>

*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,

2015

	Program Services		Supporting Services			Totals
	Animal Services	Other Programs	Fundraising	Management and General		
Contract services	\$ 435,491	\$ -	\$ -	\$ -	\$ -	\$ 435,491
Animal care	186,982	26,591	36,349	1,326		251,248
Payroll	85,427	-	-	-	-	85,427
Contract labor	14,999	-	-	7,300		22,299
Accounting	-	-	-	15,635		15,635
Printing	95	1,844	-	2,069		4,008
Office supplies	23,490	-	-	10,627		34,117
Insurance	7,237	-	-	-		7,237
Telephone	341	1,879	-	-		2,220
Travel	47	-	-	-		47
Postage and delivery	195	149	-	403		747
Other	6	1,657	26	3,540		5,229
<b>Total</b>	<b>\$ 754,310</b>	<b>\$ 32,120</b>	<b>\$ 36,375</b>	<b>\$ 40,900</b>		<b>\$ 863,705</b>

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

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

<b>For the years ended December 31,</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 259,830	\$ 8,344
Unrealized gain/loss on investments	(19,749)	646
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	(53,235)	(9,725)
(Decrease) increase in accounts payable	(2,140)	19,140
Increase in amount due to Jefferson Parish	4,875	101,537
<b>Net cash provided by operating activities</b>	<b>189,581</b>	<b>119,942</b>
<b>Net increase in cash and cash equivalents</b>	<b>189,581</b>	<b>119,942</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>891,086</b>	<b>771,144</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,080,667</b>	<b>\$ 891,086</b>

*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, 2016 and 2015.

#### 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, 2016 and 2015. 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 2016 or 2015, 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 9, 2017, 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,	2016	2015
Balance at beginning of year	14,032	\$ 14,678
Net unrealized gain/loss on investments	19,749	(646)
Balance at end of year	<u>33,781</u>	<u>\$ 14,032</u>

**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 2016 or 2015. 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 \$33,781 and \$14,032 at December 31, 2016 and 2015, 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, 2016 or 2015, 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:

	2016	2015
Rabies Program	\$ 238,546	\$ 189,268
Spay/Neuter Program	225,064	159,835
PetSmart Charities	-	4,859
Athena Fund	-	17,203
	\$ 463,610	\$ 371,165

### 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 \$777,413 and \$688,119, in temporarily restricted revenue from the Jefferson Parish Rabies License Fees Program during the years ended December 31, 2016 and 2015, respectively. All restricted funds are kept in separate bank accounts until released from restriction. There was \$684,968 and \$660,139 of temporarily restricted net assets released for general operations of JSPCA for the years ended December 31, 2016 and 2015, 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.



**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) up to \$250,000. Amounts on deposit at various times through the year exceeded federally insured limit. As of December 31, 2016 and 2015, JSPCA had cash balances of \$190,105 and \$36,504, respectively, in excess of federally insured limits.

**NOTE 7: RELATED PARTY TRANSACTIONS**

In 2016 and 2015, JSPCA maintained cash accounts with a financial institution which employed a Board member. In 2016 and 2015, 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, 2016

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Uniforms	-
Per diem	-
Reimbursements (A)	5,755
Travel	-
Fuel usage	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	\$ 5,755
	\$ 5,755

(A) All reimbursements are supported by vendor receipts, i.e. office supplies, printing, copies, website fees, etc, this is in lieu of issuing a credit card.





Carr, Riggs & Ingram, LLC  
111 Veterans Memorial Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

**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, 2016, 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 9, 2017.

**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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency that we consider to be a material weakness.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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.

*Carri Riggs & Ingram, L.L.C.*

June 9, 2017

**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, 2016.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS.**

There were no findings related to compliance and other matters for the year ended December 31, 2016.



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

### **2016-001: Cooperative Endeavor Agreement Accounting**

#### Condition:

In accordance with the cooperative endeavor agreement with Jefferson Parish, JSPCA is required to allocate a portion of the rabies tag revenue to Shelter Operations, which should be used to pay costs associated with the administration of the rabies vaccinations, licensing, tracking, and recordkeeping program and administration of the no/low cost spay/neuter program. All funds must be retained in a separate bank account to ensure the continuation of these programs. Any remaining balance should be remitted to Jefferson Animal Shelter as requested by Jefferson Parish.

JSPCA retained the balance due to Jefferson Parish in a separate bank account. Additionally on a quarterly basis JSPCA reported to Jefferson Parish the amounts it owed back to the Parish upon its request. However, for financial reporting purposes, JSPCA had reported the amounts due to the Parish as a temporarily restricted net asset instead of a liability to Jefferson Parish. This financial reporting error was identified in 2015, and as such, the 2014 financial statements have been restated.

#### Recommendation:

JSPCA should develop internal controls over financial reporting that ensure the proper classification of amounts related to contractual agreements.

#### Current Status:

The recommendation was adopted in 2016. No similar findings were noted in the 2016 audit.