

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**NEVADA COUNTY ANIMAL SHELTER  
For the Year Ended December 31, 2015**

**NEVADA COUNTY ANIMAL SHELTER**

**Independent Accountant’s Report on Applying Agreed Upon Procedures**

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES**

Board of Supervisors  
County of Nevada  
Nevada City, California

We have performed the procedures on the Nevada County Animal Shelter (Sammie's Friends) enumerated below, which were agreed to by the County of Nevada (County). The procedures were performed to review the operations of Sammie's Friends, a non-profit organization, contracted by the County to serve as the County's animal shelter.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the agreed upon procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures listed in the accompanying schedule do not constitute an examination, we will not express an opinion on the agreed-upon procedures listed in the accompanying schedule. In addition, we did not perform any procedures beyond those listed in the accompanying schedule. This report is intended solely for the use of the County and Sammie's Friends and should not be used by any other parties.

Fechter & Company,  
Certified Public Accountants

  
March 20, 2017

# NEVADA COUNTY ANIMAL SHELTER

## Independent Accountant's Report on Applying Agreed Upon Procedures

### BACKGROUND

In July 2010, the County of Nevada entered a personal services contract with Sammie's Friends, a California non-profit corporation, to operate and administer its animal shelter. This contract renewed for five years in 2013 and currently runs through June 30, 2018.

The animal shelter operates under the jurisdiction of the Nevada County Sherriff's office. The Nevada County Animal Shelter's primary functions are to provide for the care, humane treatment, vaccinations, medical care, spay and neuter and veterinary services of animals housed at the shelter. Additional areas of service include administering animal licensing, bite reporting, and animal quarantine functions.

Shelter personnel are responsible for the daily care of animals received at the shelter, assist in the promotion of adoptions and redemptions, and administer the euthanasia and disposal of unwanted or diseased animals. This shelter also administers a low cost rabies vaccination clinic, operates a volunteer program, and is actively involved in numerous public education programs that promote responsible pet ownership.

Sammie's Friends expanded services of the shelter to include animal adoption counseling services, specialized rehabilitation services to foster successful placement of hard to place shelter animals, expanded animal care education for the public, and expanded medical and veterinarian care for animals.

The Animal Shelter is located in a building located at 14647 McCourtney Road, Grass Valley, California. It is approximately 3,924 square feet in size and was constructed in 1992. In addition, Sammie's utilizes an onsite portable building for its operations.

Sammie's Friends has operated the Shelter since 2010. In addition to the shelter operations, Sammie's Friends provides medically necessary services to animals and operates a thrift shop to support its mission.

# NEVADA COUNTY ANIMAL SHELTER

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### SCHEDULE OF AGREED UPON PROCEDURES

#### A. Revenue Recognition and Cash Receipts:

##### 1. Review and comment on Sammie's Friends' internal controls, policies and procedures related to cash receipts.

**Finding:** The Animal Shelter does not have a written policy of internal controls. We discussed how transactions were processed during our fieldwork at the shelter with Curt Romander, the organization's vice-president and treasurer. Our discussion is documented below:

All cash receipts for the shelter are collected at the front desk of the facility. The cash may be accepted by various people, basically any employee or volunteer who is working at the facility at the time. The following morning, the shelter's bookkeeper or treasurer collects all cash, checks, and credit card receipts from the previous day, and enters them into Quickbooks, accounting for all transactions that have occurred on the previous day. Independently, the office assistant records all transactions into the Shelter's daily log in Excel. In addition, the treasurer maintains a worksheet that tracks all receipts for Sammie's friends. Also, the credit card company sends a daily record of all credit card transactions for the day. The bookkeeper compares the credit card report to the receipt log to make sure they agree. Occasionally, there is a discrepancy due to a misplaced paper trail. These discrepancies are resolved by the end of the day.

\$100 in cash is kept in the cash drawer for change. The only checks that are received by mail are donations. All fees for services must be paid in person by cash, check, or credit card.

When a County fee (impound fee or license deposit) is collected from a customer, the receipt is logged in a County receipt book. There are 3 copies of the receipt; the white copy goes to the customer, the yellow copy is attached to the paperwork for the animal, and the pink copy stays in the book. Once a week, the yellow copy and the associated paper work is given to the County along with the check to cover all of the impound and license fees for the week. At this time, the office assistant completes a form, "Animal Control Cases Completed and Returned", which lists all of the receipt numbers and amount of receipt. The County completes a similar form called "Sammie's Friends Receipt Tracking". The sum of these 2 forms must agree. The office assistant and a Sherriff Department employee (County employee) sign off at the bottom of their respective forms. All receipts are accounted for including voided receipts.

When the shelter runs out of receipts, the County issues a new receipt book and the used receipt book is returned to the County.

Money is deposited to the bank once a week. All receipts from Sunday through Saturday are deposited on Monday. Undeposited cash is kept in an unlocked drawer in the office. The office is not locked but the entire building is locked each night. Bank reconciliations are done on a monthly basis.

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A. Revenue Recognition and Cash Receipts: (continued)

1. Review and comment on Sammie's Friends' internal controls, policies and procedures related to cash receipts. (continued)

**Recommendations:**

- a. We recommend that the shelter document its internal controls and procedures over cash receipts in a policy manual.
  - b. We recommend that undeposited cash be kept in a locked drawer.
2. Review Monthly Shelter report prepared by Sammie's Friends staff and trace transactions to the general ledger or other source documents.

**Finding:** All transaction amounts on the Monthly Shelter report were traced to the general ledger.

3. Randomly select a statistically appropriate number of revenue transactions for each month of 2015 to verify accuracy of revenue recognition, including:

**Procedures:** We selected 6 weeks from the cash receipts log and performed the following procedures.

- a. Verify all services for which a fee may be charged were accounted for, or any exception noted.

**Finding:** No exceptions noted.

- b. Verify all fees charged were in accordance with Board approved fee schedule, Resolution 05-279 and Resolution 14-347.

**Finding:** No exceptions noted.

- c. Verify all fees charged were in receipt log.

**Finding:** No exceptions noted.

- d. Verify all fees to be transferred under the contract are reported to Nevada County.

**Finding:** We found one error of \$21 that appears to be a footing error due to manual calculation of fees.

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### **B. Expenditure Review:**

**Review the costs of shelter operations as reported by Sammie's Friends. Trace expenses to the general ledger and insure expenditures are properly approved, recorded completely, and are appropriate costs of shelter operation.**

**Procedures:** We selected 40 disbursements from the cash in the general ledger and verified that the expenditures had been properly approved, recorded completely, and were appropriate costs of shelter operation.

**Finding:** No exceptions noted.