



Wakulla County Board of County Commissioners Internal Audit Animal Services Donations Consultation

January 2024

The Internal Audit Department (IA) completed a consultation engagement for Wakulla County (County) Board of County Commissioners (BOCC) Animal Services (WAS) to provide recommendations on the donations process. WAS receives donations in the form of money, supplies, and volunteers. To complete this consultation County staff were interviewed to establish how WAS currently handles donations. An examination of how other counties are handling similar activities was also done.

Observations

In fiscal year 2021-2022 (FY2122) WAS received \$16,162.60 in monetary donations. That same year fines and fees revenue totaled \$12,937.48, adoption revenue totaled \$49,150, and miscellaneous other revenue totaled \$3,174. Total expenditures in FY2122 for WAS were \$449,924.12, therefore expenditures exceeded revenue by \$368,500.04.

In fiscal year 2022-2023 (FY2223) WAS received \$21,473.70 in monetary donations. That same year fines and fees revenue totaled \$17,947.38 and adoption revenue totaled \$49,705. Total expenditures in FY2223 for WAS were \$495,031.25, therefore expenditures exceeded revenue by \$405,905.17.

Through the first quarter of fiscal year 2023-2024 (FY2324) WAS has received \$5,222 in monetary donations, \$3,250.65 in fines and fees revenue, and \$7,000 from adoption revenue. The total expenditures to date have totaled \$172,634.51 therefore expenditures exceeded revenue by \$157,161.86 so far this year. The monetary donations from individuals that want to help animals in the County get adopted and cared for above the level of their basic needs being met impacts the animals positively as the numbers show the shelter operates at a deficit each year. Expenditures not covered by revenue generated by WAS must be transferred from other general fund revenue.

Currently donations received by WAS in the form of goods (in-kind donations) are not being included in the financial records of the BOCC. These items include pet food and treats, non-prescription flea medication, toys, linens, and miscellaneous other new and used items. Accounting standards require in-kind donations to be accounted for in the financial records and reflected in the financial statements. Additionally, WAS has not purchased food for the animals in care of the County for as long as the current director can recall. Because the financial impact of the food and other in-kind donations is unknown it is not possible to plan for if they were to cease.

WAS also has volunteers that help the shelter with caring for the animals. Volunteers spend time with the animals to enrich the lives of the shelter animals and help socialize them so they can be adopted. They also help keep the animal spaces clean, keeping the animals healthy. The services of the volunteers are valuable to WAS but because these

are not specialized services they do not need to be included in the financial record.

Specialized skills performed by a person with specialized training that are donated would need to be recorded. In the case of WAS this would be if a veterinarian were to donate their time to medically treat an animal. Currently WAS is billed by veterinarians that treat the animals, but if any time is donated the veterinarians should provide the cost that would be associated with that time so it can be logged into the financial record.

During the consultation another related situation came to light. In certain circumstances WAS has provided pet food to animal owners in need. This has been done to help keep animals with their owners and out of the shelter. This practice is in the best interest of both the animals and the County. The cost associated with taking in an animal that has a home but is in jeopardy of losing it because of a temporary hardship on the part of the owner is greater than assisting with food. A process needs to be put in place to better protect the County and ensure food is going where it is needed most.

Prior to the consultation there were concerns raised by some residents of the County about the connection between the current WAS director and a local non-profit that fosters animals, in which the director is the president. The non-profit takes animals that have needs beyond what the shelter can provide, sponsors animals for adoption, and does fundraising to benefit these animals. The assistance reduces the number of animals that may be euthanized because the shelter can cover the basic needs for them but not the animals that need special care. There is a perception that the relationship between the two entities has led to something inappropriate. Though the relationship is close, this is a common practice for shelters and non-profits to work together in this manner and there is no evidence that anything improper has occurred.

Recommendations

Based on the observations working with WAS, IA has recommendations for how to proceed moving forward.

1. Monetary donations from the public to benefit WAS do not stand out on the financial statements which has caused some confusion for County residents. WAS financial activity is under the general fund though there is a separate department code that is tied to the shelter. The financial statements are not broken down by department however so the donations are rolled into miscellaneous revenue under the general fund for presentation purposes. To provide more transparency for the public a special revenue fund could be created which is what some other counties have done.

The current donation level does not reach the materiality threshold to be presented separately as a major fund however so it would only be shown in the breakdown of the non-major funds. This still could provide greater clarity for the financial statement user. Based on the fact that most members of the public do not read through the hundreds of pages of the financial statements, the public may be better served by a quarterly report being posted on the County's website on the page dedicated to WAS. A report

run by the department code and shared on the page would provide the public with an easy to read and more quickly available detail of the donations received.

The Government Accounting Standards Board (GASB) uses different fund balance categories of restricted, committed, assigned, unassigned, and nonspendable. Nonspendable applies to inventory types of assets. These GASB designations are not currently used when entering records into the accounting software (MIP). Though this is something that should be considered since these donations are restricted for WAS, it will not make a significant difference in the presentation of the information because these donations are used prior to the end of the fiscal year. Clerk of the Court's Finance Department (Finance) can examine this and decide what is most appropriate in this circumstance.

2. WAS needs to begin accounting for in-kind donations received. The simplest way to do this will be for shelter staff to count the items that come in weekly and send the total to Finance monthly. A journal entry will be needed to book the in-kind donation amount as revenue and record the expense at the same time. A template will be provided to WAS by IA (Appendix A). The template can be used as is or WAS can develop their own. In-kind donations are supposed to be recorded at their fair market value. The fair market value should be verified periodically to ensure that current prices are being used. There has been significant fluctuation in the cost of pet supplies recently so it is advised that these prices are reviewed at least semi-annually. Fair market value of any donated services provided by veterinarians should be provided by the veterinarians.

These in-kind donations are considered operating expenses for WAS and do not need to be included in an inventory count. So, the public may be able to see the expenses that were covered by these donations, it is recommended that a separate object code be used. Object code 5491 "Donation Supplies" has not been utilized in MIP since 2016 and was used for WAS at that time. Using this object code, or a newly created object code, would stand out on the quarterly reports to be posted on the WAS page. However, it would not stand out on the financial statements even if a special revenue fund were to be created for WAS donations because the expenditures would all be combined together.

Many other counties link their wish lists on their website. A wish list could be added to the WAS page on the County website for these in-kind donations. This will help facilitate the collaboration of donors. Other non-profits in the area also have wish lists for items that are sent to WAS. Having the official list on the page will help WAS receive the items the animals could benefit from the most.

3. WAS has provided some pet food to residents on an emergency basis in order to keep pets with their owners. Overall, this is a cost-effective strategy for the County. Food has been provided to keep animals out of the shelter. If animals were dropped off at the shelter the County would be providing food to them and have additional expenses in caring for them or in a worst-case scenario having to euthanize the animal. There are many other counties that regularly provide assistance to residents in this

way. The recommendation is to provide a method for determining who to help, how to help, to protect the County, and to inform donors how food donations may be used. IA will provide an application template based on the following recommendations of what to include on an application form (Appendix B). It is recommended that the application be placed on the WAS page of the County's website. The website should also add information for donors so they are aware of how the food donations may be used. Promotion of this option may reduce the number of animals that are dropped off or let loose in the County.

- a. Clearly define eligibility criteria for individuals or families seeking assistance. Criteria may include proof of financial need or participation in government assistance programs. This ensures that assistance reaches those who genuinely require it.
- b. Create a simple and accessible application process for community members to request pet food assistance. Develop an application form that collects essential information.
- c. Specify the documentation needed to support applications. This may include proof of other benefits received or a statement explaining their circumstances, identification/proof of residency in the County, and information about the pets (vaccination records, spay/neuter records).
- d. Establish a fair and organized system for distributing pet food. This can include scheduled distribution days, designated pick-up points, or collaboration with local community centers. Ensure that the process is efficient and respects the dignity of those seeking assistance.
- e. Define reasonable limits on the quantity of pet food provided per household to ensure fair distribution and prevent excessive stockpiling. Consider the size and needs of different pets when determining these limits.
- f. Explore partnerships with local businesses, pet stores, and other community organizations to enhance the availability of pet food. This can include donation bins at local stores or collaboration with food banks. WAS already has some of these relationships established. There may be additional options available, some pet food manufacturers sponsor food supplies for shelter.
- g. Implement an educational outreach program to inform the community about the availability of pet food assistance. Provide information on the application process, eligibility criteria, and the importance of responsible pet ownership. Other local assistance may be able to inform those in need. Some pet food banks partner with food banks and senior services.
- h. Establish a system for regular review and evaluation of the assistance program. Assess its impact, identify areas for improvement, and make adjustments as needed to meet the evolving needs of the community.
- i. Emphasize the importance of maintaining the confidentiality and privacy of individuals seeking assistance. Implement protocols to safeguard personal information collected during the application process. Though Florida has broad public records laws some of the information collected may be sensitive and excluded. Legal counsel should verify what should not be part

of a public records request.

- j. Maintain transparency by regularly reporting on the quantity of pet food distributed and the number of individuals or households served. This promotes accountability and builds trust with the community. This can encourage more residents to donate to keep pets with their owners.
4. Having close relationships with non-profits is common for county shelters. The relationship between WAS and a local non-profit has raised questions from some members of the public. Reviewing the donations shows that the non-profit in question has sponsored many adoptions of shelter animals through the years. Overall, the County has benefitted from this relationship. The director may consider removing herself as president from non-profit to avoid the two being entangled.


Additional transparency may help the perception if the director remains as president. WAS works with several non-profit organizations in the area to assist with overcrowding in the shelter and to help with animals that need special care. Including a list of all of the non-profits that WAS works with on the County's website page for the shelter would be helpful. This will allow residents more ways to get involved and help and see all of the different groups that help animals in the County.

Highlighting the many groups WAS works with and demonstrate how they collectively work towards a common goal, providing more transparency. Use of official County channels to reach out and make sure all groups are given an equal opportunity to assist when they can will benefit all the groups and the animals they help. It will ensure that no non-profit is overburdened as well.

Management Response:

FRAUD EXAMINATION REPORT
Management Response

TO: Katrina Cromwell
Internal Audit Director

FROM: David Edwards
County Administrator 

CC: Greg James, Steve Baird, Brandy King, Louis Lamarche, Bonnie Staubitz

RE: Internal Audit Animal Services Donation Consultation Report

DATE: February 28, 2024

On behalf of County Administrator of the Wakulla County Board of County Commissioners (BOCC), please accept this as the formal written response to the Internal Audit Animal Services Donation Consultation Report (Report). I concur that the observations made in this Report accurately reflect the lack of accounting and transparency related to donations received and public assistance provided by Wakulla Animal Services (WAS). I confirm that WAS staff are responsible for managing the receipt of donations and the distribution of emergency public assistance.

In the Report, four (4) observations and recommendations have been noted. BOCC Administration staff have reviewed these observations and recommendations and are providing the following responses:

Item 1: As noted by the Internal Auditor (IA), financial information for WAS is included in the general fund with a unique department code. WAS does not collect enough revenue to support the total cost of operations, and functions at a loss each fiscal year. Monetary donations collected by WAS are recorded as revenue for WAS and are used to offset a portion of the loss. Additionally, having a unique department code allows Finance and Fiscal Operations staff to generate financial reports that essentially isolate WAS from the overall general fund. At this time, the BOCC is not inclined to establish a special revenue fund for WAS but can revisit that option in the future if the monetary donations become significant enough to offset the cost of operating WAS. However, the BOCC agrees that providing a quarterly report at the department code level published on the County's website is beneficial to improving transparency and eliminating confusion for interested

citizens. The BOCC will implement a process for publishing a quarterly report that isolates WAS from the general fund.

Item 2: WAS staff have implemented the recommendation and have begun tracking and reporting in-kind donations received at the WAS facility utilizing the templates provided by IA. The total monthly value of in-kind donations received will be recorded as revenue and expense simultaneously and the expense will be recorded under object code 5491 for transparency in reporting.

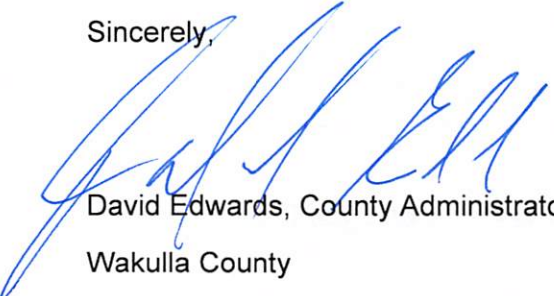
WAS staff do maintain an Amazon Wish List for in-kind donations. They will utilize social media to publicize the list periodically.

Item 3: WAS staff have ceased providing emergency pet food assistance at this time. Staff will evaluate the feasibility of implementing a pet food assistance program that meets the recommendations outlined in the Report. Should staff conclude that a program like this is manageable with current resources and beneficial to the County, they will draft an Administrative Regulation documenting the program procedures and present to the BOCC for consideration.

Item 4: As mentioned in the report, the director of WAS also acts as president of a local non-profit organization dedicated to helping animals in need. At this time, the BOCC will not require the director to step away from either of these roles. However, WAS staff will begin providing a monthly summary of activities conducted by any local non-profit organizations that directly support WAS operations. In addition, they will work with the BOCC public information officer to recognize those organizations via social media and via the county website.

In conclusion, the findings in this Report have alerted the County to areas for improvement within WAS. I appreciate the Internal Auditor's willingness to approach this review as a Consultation, thereby allowing her to assist staff in the establishment of workable, robust processes for managing donations and improving public relations.

Sincerely,



David Edwards, County Administrator
Wakulla County

Appendix A

**Donated Goods Journal Voucher
Wakulla County Animal Services**

Month:

Year:

Total Donation Value: \$ -



Directions to WAS:

Enter Month and Year in yellow highlighted area above. Enter total quantities each week from the printed tracking worksheet on the Weekly tabs in the yellow highlighted cells. Scan printed version that donations have been tracked on along with this cover page and send to Finance at the end of each month so a JV can be entered into the financial record.

Directions to Finance:

JV	DR	CR
Debit: 001.0502.000.5491	\$ -	
Credit 001.0502.000.366010		\$ -

**Donated Goods Tracking Form
Wakulla County Animal Services**



Month/Year: _____

Week Starting Date: _____

Week Number: _____

Food/Treats	Unit Breakdown	Quantity
Wet Cat/Kitten Food	Per Can	
Dry Cat/Kitten Food	Per Pound	
Cat Treats	Per Ounce	
Kitten Milk Replacement	Per Ounce	
Wet Dog Food	Per Can	
Dry Dog Food	Per Pound	
Dog Treat	Per Pound	
Peanut Butter	Per Ounce	
Medicine		
Capstar	Per Tablet	
Heartgard	Per Tablet	
Miscellaneous Other Items		
Litter	Per Pound	
Litter Box	Per Item	
Bowl	Per Item	

Bed	Per Item	
Towels	Per Item	
Blankets	Per Item	
Carriers	Per Item	
Leashes	Per Item	
Collars	Per Item	
Toys	Per Item	
Balls	Per Item	
Cage	Per Item	
Cleaning Products	Per Item	
Laundry Detergent	Per Ounce	
	List Item Here	Quantity
Other- Specify		
Other- Specify		
Other- Specify		
Other- Specify		
Other- Specify		



Wakulla County Animal Services Pet Food Pantry Assistance Application

To receive pet food assistance, I understand and agree to the following:

- I am a resident of Wakulla County that is experiencing financial hardship and/or I qualify for low-income status.
- I understand that WAS promotes responsible pet ownership and that spaying/neutering my pets, as well as keeping them vaccinated, is part of my responsibility. I understand that I may not continue to use the Pet Food Pantry after 6 months if my pets are not altered and up-to-date on vaccinations. I understand I will be required to show proof of spay/neuter and vaccinations. Low-cost vouchers are available from Be The Solution (<https://bethesolution.us/>) a non-profit that works with WAS.
- I agree to not adopt additional animals during my time using the Pet Food Pantry and I understand WAS will not adopt to me while I am a part of the program. The addition of pets after application may result in WAS no longer allowing me to participate in the Pet Food Pantry program. I will alert WAS if I find a stray animal or have an animal that needs to be rehomed. WAS will consider adopting to residents after 6 months of not utilizing the Pet Food Pantry.
- This program is not to be used to feed strays, foster care animals, outdoor community animals, Trap-Neuter-Release (TNR) or feral colonies.
- Free dog and cat food will only be provided within limit of donations received. I understand that the pet food and supplies received through the Pet Food Pantry program has been donated by businesses and individuals and is not for sale to the public. Therefore, I agree to use these products for my personal pets only and will not re-sell these products to any person(s) or business(es). I understand that because of this WAS cannot guarantee brand, type, or quality of food each time.
- I understand that WAS is not liable for any stomach upset from food or treats given and that I should monitor my pet when giving them any long lasting treats/chews as these may be a choking hazard or dental risk.
- I understand and agree that WAS makes no warranties as to the pet food and supplies and does not assume any liability and/or guarantee for these pet food supplies in any way.
- By signing this application, you agree to indemnify WAS and hold them harmless from and against any direct, indirect, special, incidental, punitive or consequential damages, including but not limited to the injury to and loss of your pet, which may arise from your decision to accept and use the pet food.

Signature: _____ Date: _____

The information I have provided is true and correct. I also understand that any false information provided will result in permanent termination from this program.

**All information provided is used only to determine your need for pet food and supplies. All information must be completed to get assistance. Incomplete or illegible applications will not be accepted.*

_____ Approved _____ Denied _____ Amount of Dog Food Given _____ Amount of Cat Food Given
WAS representative: _____ Title: _____
WAS representative Signature: _____ Date: _____