

TOWN OF WATERFORD, NEW YORK

TOWN COURT

FINANCIAL REPORT

DECEMBER 31, 2015 AND 2014

TOWN OF WATERFORD, NEW YORK

TOWN COURT

DECEMBER 31, 2015 AND 2014

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CHARALAMBOS L. HADJIOANNOU

Certified Public Accountant

Independent Auditor's Report

To the Town Supervisor and
Members of the Town Board of
Town of Waterford
Waterford, New York

I have audited the accompanying financial statements of the Town of Waterford Court, which comprise the statements of cash receipts and disbursements – cash basis of the Town Court Justices and Town Court Bail accounts as of December 31, 2015 and 2014 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I express no such opinion. An audit also includes evaluation of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Town of Waterford Court accounts as listed in the table of contents for the years ended December 31, 2015 and 2014 in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

A handwritten signature in black ink, appearing to read 'C. L. Hadjioannou', with a stylized flourish at the end.

C. L. Hadjioannou, CPA

Castleton, New York

June 1, 2017

TOWN OF WATERFORD, NEW YORK

TOWN COURT JUSTICES ACCOUNTS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Beginning Cash Balance	\$ 6,470	\$ 6,093
Receipts		
Fines and fees	<u>\$ 102,827</u>	<u>\$ 118,361</u>
Total Cash Available	<u>\$ 109,297</u>	<u>\$ 124,454</u>
Disbursements		
New York State Comptroller	\$ 61,222	\$ 69,878
Saratoga County	\$ 10,388	\$ 7,294
Town of Waterford	<u>\$ 32,820</u>	<u>\$ 40,812</u>
Total Disbursements	<u>\$ 104,430</u>	<u>\$ 117,984</u>
Ending Cash Balance	<u>\$ 4,867</u>	<u>\$ 6,470</u>

The ending cash balance is accounted for as follows:

Disbursed to:		
Town of Waterford	<u>\$ 4,867</u>	<u>\$ 6,470</u>

See independent auditor's report

TOWN OF WATERFORD, NEW YORK

TOWN COURT BAIL ACCOUNT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Beginning Cash Balance	\$ 19,165	\$ 9,250
Receipts		
Bail collected	<u>\$ 7,950</u>	<u>\$ 30,200</u>
Total Cash Available	<u>\$ 27,115</u>	<u>\$ 39,450</u>
Disbursements		
Disposition of bail receipts and restitution payments	<u>\$ 23,835</u>	<u>\$ 20,285</u>
Total Disbursements	<u>\$ 23,835</u>	<u>\$ 20,285</u>
Ending Cash Balance	<u>\$ 3,280</u>	<u>\$ 19,165</u>
The ending cash balance is accounted for as follows:		
Cash Held:		
Bail monies	<u>\$ 3,280</u>	<u>\$ 19,165</u>

See independent auditor's report

TOWN OF WATERFORD, NEW YORK

TOWN COURT

NOTE TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town Justices collect and receive monies pursuant to Town Law. These monies are then transmitted to various governmental units and disbursements are made as provided by law. Substantially all of the cash balances as of December 31, 2015 and 2014 were so transmitted and/or disbursed in January of the following year. The records and reports of the Town Court are maintained on a single-entry basis of accounting consistent with their mode of operation, and the accompanying statements of cash receipts and disbursements present the aforementioned transactions. Cash is the only Court asset.

The Town Court policy is to prepare financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The effects on the financial statements taken as a whole of the variances between the cash basis of accounting and accounting principles generally accepted in the United States are unknown.

The Town Board exercises general oversight over the activities of the Town Court. A separate unaudited annual financial report update document is issued for the Town. The Town reports Town Court activity in its General Fund.

See independent auditor's report

TOWN OF WATERFORD, NEW YORK
TOWN COURT
CURRENT YEAR FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2015 AND 2014

INADEQUATE SEGREGATION OF DUTIES

Due to the limited staffing of the Town Court system it is difficult to achieve adequate segregation of duties among its employees.

Even though the Town Court has implemented compensating controls, I recommend that the Town Court continually evaluates the current compensating internal controls and change or enhance as necessary. This process will help counter the inadequate segregation of duties among its employees.

TOWN OVERSIGHT

The Town Court presents its books and records annually to the Town Board for audit and review.

I recommend that the Town Board, in conjunction with the Court develop a process and detail procedures for the annual audit. In addition, the annual audit procedures should be documented.

MONTHLY BANK RECONCILIATIONS

The Town Court monthly bank reconciliations do not include a summary of activity for the month.

I recommend to change the monthly bank reconciliation format. One section will summarize the monthly activity starting with last month's balance while another section will reconcile the bank statement balance to the Town Court's books and records. This recommendation is in the process of being implemented.