

COUNTY OF DELAWARE
DISTRICT COURT 32-2-40
FINANCIAL STATEMENT - CASH BASIS
YEAR ENDED DECEMBER 31, 2023

COUNTY OF DELAWARE
DISTRICT COURT 32-2-40
YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Magisterial District Justice
Glenolden, Pennsylvania

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying statement of cash receipts and disbursements (the "Statement") of the County of Delaware, District Court 32-2-40 (the "Court") for the year ended December 31, 2023, and the related notes to the financial Statement.

In our opinion, the accompanying Statement referred to above present fairly, in all material respects, cash receipts and disbursements of the Court, for the year ended December 31, 2023 in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Basis of Accounting

We draw attention to Note 1 of the Statement, which describes the basis of accounting. The Statement is 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. Our opinions is not modified with respect to this matter.

As discussed in Note 1, the Statement of cash receipts and disbursements presents only the Court and does not purport to, and does not, present fairly the financial position or results of operations of the County of Delaware for the year ending December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statement

The Court's management is responsible for the preparation and fair presentation of the Statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Statement that is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Statement.
- Obtain an understanding of internal control relevant to the audit 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 Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
November 8, 2024

COUNTY OF DELAWARE
DISTRICT COURT 32-2-40
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 |
|-----------------------------------|------------|
| Cash Receipts | |
| Fines and Costs | \$ 247,238 |
| Bail, Restitution and Collateral | 146,012 |
| Total Cash Receipts | 393,250 |
| Cash Disbursements | |
| Commonwealth of Pennsylvania | 135,280 |
| Bail, Restitution, and Collateral | 132,689 |
| County of Delaware | 55,101 |
| Folcroft Borough | 48,113 |
| Darby Borough | 12,129 |
| Total Cash Disbursements | 383,312 |
| Increase (Decrease) in Cash | 9,938 |
| Cash - Beginning of Year | 66,958 |
| Cash - End of Year | \$ 76,896 |

The accompanying notes are an integral part of these financial statements

COUNTY OF DELAWARE
DISTRICT COURT 32-2-40
NOTES TO FINANCIAL STATEMENT - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: NATURE OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

District Court 32-2-40 (the "Court"), collects cash from individuals and private organizations as payment for fines and costs assessed in accordance with applicable state and local statutes as determined by the District Justice, an elected official. Cash collected from individuals and private organizations is subsequently disbursed to various governmental entities, individuals, and private organizations. A summary of the Court's significant accounting policies applied in the preparation of the accompanying financial statement is as follows:

A) Reporting Entity

The Court employees are County of Delaware ("County") employees and the Court is fiscally dependent on the County to fund the operations of the Court. The Court operations are reflected in the County's Financial Statements as a part of the General Fund.

B) Basis of Presentation

The accompanying financial Statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, cash receipts are recognized when received, and cash disbursements are recognized when paid rather than when incurred.

NOTE 2: CASH

Custodial Credit Risk. The Court's policy for minimizing credit risk for bank balances exceeding Federal Deposit Insurance Corporation's insured limits relies upon Act 72. The Act requires the financial institution to pool collateral for all of its government deposits in addition to having the collateral held by an approved custodian in the institution's name. For deposits, custodial credit risk is the risk that in the event of bank failure, the Court's deposits may not be recovered. As of December 31, 2023, the Court's cash balance was \$76,896 and entirely covered by the Federal Deposit Insurance Corporation.

COUNTY OF DELAWARE
DISTRICT COURT 32-2-40
NOTES TO FINANCIAL STATEMENT - CASH BASIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 2: CASH (CONTINUED)

The cash amount consists of the following funds held in escrow by the Court at December 31:

| | <u>2023</u> |
|--|------------------|
| Individuals and Private Organizations | \$ 71,565 |
| County of Delaware | 3,441 |
| Folcroft Borough | 1,603 |
| Commonwealth of Pennsylvania | 154 |
| Darby Township | <u>133</u> |
| Total Bail, Restitution and Collateral | <u>\$ 76,896</u> |