

Village of Ardsley, New York

Village Justice Court

Statement of Cash Receipts,
Cash Disbursements and Cash Balances

Year Ended May 31, 2022

Independent Auditors' Report

**The Honorable Mayor and Village Board of Trustees
of the Village of Ardsley, New York**

Report on the Audit of the Financial Statement

Opinion

We have audited the statement of cash receipts, cash disbursements and cash balances of the Village Justice Court of the Village of Ardsley, New York, as of and for the year ended May 31, 2022, and the related note to the financial statement.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the Village Justice Court of the Village of Ardsley, New York as of May 31, 2022, and for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Village Justice Court of the Village of Ardsley, New York, 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 opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial 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 opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial 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 financial 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 financial 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 financial 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 financial 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 Village Justice Court of the Village of Ardsley, New York'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 financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village Justice Court of the Village of Ardsley, New York'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.

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees, the Office of Court Administration and management and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

February 8, 2023

Village of Ardsley, New York

Village Justice Court

Statement of Cash Receipts, Cash Disbursements and Cash Balances

Year Ended May 31, 2022

	<u>Fine Accounts</u>		
	<u>Associate Justice Morehouse</u>	<u>Justice Rifas</u>	<u>Joint Bail</u>
CASH RECEIPTS			
Bail	\$ -	\$ -	\$ 10,003
Fines, fees and other	<u>576,002</u>	<u>321,130</u>	<u>-</u>
Total Cash Receipts	<u>576,002</u>	<u>321,130</u>	<u>10,003</u>
CASH DISBURSEMENTS			
Remittances to Village	522,266	344,463	-
Bail refunds and bail applied to fines and forfeitures	<u>-</u>	<u>-</u>	<u>23,000</u>
Total Cash Disbursements	<u>522,266</u>	<u>344,463</u>	<u>23,000</u>
Excess (Deficiency) of Cash Receipts Over Cash Disbursements	53,736	(23,333)	(12,997)
CASH BALANCES			
Beginning of Year	<u>32,023</u>	<u>41,174</u>	<u>13,541</u>
End of Year	<u><u>\$ 85,759</u></u>	<u><u>\$ 17,841</u></u>	<u><u>\$ 544</u></u>
CASH BALANCES REPRESENTED BY			
Amounts due to Village	\$ 85,759	\$ 17,841	\$ -
Undisposed cases	<u>-</u>	<u>-</u>	<u>544</u>
Cash Balances - May 31, 2022	<u><u>\$ 85,759</u></u>	<u><u>\$ 17,841</u></u>	<u><u>\$ 544</u></u>

The accompanying note is an integral part of the financial statement.

Note 1 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial statement was prepared on the basis of cash receipts and cash disbursements in conformity with the accounting principles prescribed in the New York State Handbook for Town and Village Justices and Court Clerks, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this cash basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

B. Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Village Justice Court's deposits and investment policies follow the Village of Ardsley, New York's ("Village"), policies. The Village's investment policies are governed by state statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the state. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreement and obligations of New York State or its political subdivisions.

The Village follows the provisions of Government Accounting Standards Board ("GASB") Statement No. 72, *"Fair Value Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial Credit Risk - Custodial risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial risk at May 31, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions
