



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DELAWARE MUNICIPAL COURT
DELAWARE COUNTY**

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

Delaware Municipal Court
Justice Center
Delaware County
70 North Union Street
Delaware, Ohio 43015

To the Clerk of Court:

We have audited the accompanying financial statements of the Delaware Municipal Court, Delaware County, Ohio, (the Court) as of and for the year ended December 31, 2001. These financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Court prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the undistributed cash balance of the Court as of December 31, 2001, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2002 on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

July 26, 2002

**DELAWARE MUNICIPAL COURT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN UNDISTRIBUTED CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:	
Criminal	\$ 2,498,550
Civil	517,310
Bond	741,954
Restitution	<u>40,707</u>
Total Cash Receipts	<u>3,798,521</u>
Cash Disbursements:	
City of Delaware	1,661,636
Delaware County	331,400
State of Ohio	609,363
Villages	19,151
Others	387,854
Bonds, Applied/Refunded	681,340
Restitution	<u>42,126</u>
Total Cash Disbursements	<u>3,732,870</u>
Total Receipts Over Disbursements	65,651
Undistributed Cash Balance, January 1	<u>317,002</u>
Undistributed Cash Balance, December 31	<u><u>\$ 382,653</u></u>

The notes to the financial statements are an integral part of this statement.

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**DELAWARE MUNICIPAL COURT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delaware Municipal Court, Delaware County, Ohio, (the "Court") was created by and operates under the authority of Section 1901.01 of the Ohio Revised Code. Under the present law, the Court operates with an elected Judge who serves a six-year term. The Court also operates with a Judge-appointed Clerk of Court. The Court has been granted jurisdiction for the entire area of Delaware County.

The operating expenses of the Court are funded by the City of Delaware and Delaware County and are not, therefore, part of the reporting entity included in this report.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

2. EQUITY IN CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

Demand deposits	\$362,653
Certificates of deposit	<u>20,000</u>
Total deposits	<u>382,653</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. CRIMINAL BONDS

The Court collects bond amounts that are either applied towards the fine imposed in the criminal case or refunded to the defendant at the conclusion of the case. These amounts are shown as bond receipts on the accompanying financial statements. Bond amounts refunded to the defendant are reported as bond disbursements on the accompanying financial statements. Bonds applied towards court fines are reported as bond disbursements and as criminal receipts on the accompanying financial statements.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Delaware Municipal Court
Justice Center
Delaware County
70 North Union Street
Delaware, Ohio 43015

To the Clerk of Court:

We have audited the accompanying financial statements of the Delaware Municipal Court, Delaware County, Ohio, (the Court) as of and for the year ended December 31, 2001, and have issued our report thereon dated July 26, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Court in a separate letter dated July 26, 2002.

Delaware Municipal Court
Delaware County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

JIM PETRO
Auditor of State

July 26, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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DELAWARE MUNICIPAL COURT

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 29, 2002**