TOWN OF LANCASTER, NEW YORK

Statement of Changes in Cash Balances and Statements of Cash Receipts and Disbursements of the Town Clerk and the Town Justices for the Year Ended December 31, 2014 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Town of Lancaster, New York

Report on the Financial Statements

We have audited the accompanying cash basis statement of changes in cash balances and the related statements of cash receipts and disbursements of Town Clerk and Town Justices (the "Departments") of the Town of Lancaster, New York, as of and for the year ended December 31, 2014, and the related note to the financial statements, which collectively comprise the Departments' financial statements.

Management's Responsibility for the Financial Statements

The Town's 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 to the financial statements; 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

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. Those standards require that we 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, we express no such opinion. An audit also includes evaluating 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the changes in cash balances and the cash receipts collected and cash disbursements paid of the

Departments of the Town of Lancaster, New York, for the year ended December 31, 2014, on the cash basis of accounting described in Note 1 to the financial statements.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on a 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Departments of the Town of Lancaster, New York are intended to present the cash balances and the cash receipts and cash disbursements that are attributable to the transactions of the Departments. They do not purport to, and do not, present fairly the financial position of the Town of Lancaster, New York, as of December 31, 2014 or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Drescher & Malecki LLP

May 15, 2015

TOWN OF LANCASTER, NEW YORK
Town Clerk and Town Justices—
Statement of Changes in Cash Balances
Year Ended December 31, 2014

	Town Clerk		
	Taxes	Licenses, Permits, and Fees	Town Justices
Cash balance, January 1, 2014	$ 500	$ 45,275	$ 47,758
Add: Cash receipts	79,017,682	1,084,567	409,961
Deduct: Cash disbursements	79,017,682	1,015,541	406,480
Cash balance, December 31, 2014	$ 500	$ 114,301	$ 51,239

The note to the financial statements is an integral part of this statement.

TOWN OF LANCASTER, NEW YORK
Town Clerk—Taxes—Statement of Cash Receipts and Disbursements
Year Ended December 31, 2014

Cash balance, January 1, 2014		$ 500
Receipts:		
County and Town taxes:		
Taxes	$ 38,668,097	
Penalties and fees	39,228	
Interest	3,851	38,711,176
School taxes:		
Taxes	40,261,855	
Penalties and fees	39,516	
Interest	3,373	40,304,744
Interest on bank accounts		1,802
Total receipts		79,017,722
Disbursements:		
Remittances to County Commissioner of Finance:		
County taxes and assessments	18,237,678	
Interest on taxes	3,851	
Less: Unpaid parcel fees	(470)	18,241,059
Remittances to Town Supervisor:		
Town taxes	20,430,419	
Penalties, fees, and unpaid parcel fees	79,212	
Interest on bank accounts	1,802	
Overpayment	2	20,511,435
Remittances to school districts:		
School taxes	40,261,855	
Interest on school taxes	3,373	40,265,228
Total disbursements		79,017,722
Cash balance, December 31, 2014		$ 500

The note to the financial statements is an integral part of this statement.

TOWN OF LANCASTER, NEW YORK

Town Clerk—Licenses, Permits and Fees—Statement of Cash Receipts and Disbursements

Year Ended December 31, 2014

	Petty Cash	Town Fees	State Fees	Total
Cash balance, January 1, 2014	$ 300	$ 41,498	$ 3,477	$ 45,275
Receipts:				
Licenses and fees	-	1,002,013	-	1,002,013
Interest earnings	-	43	-	43
Marriage licenses	-	-	4,815	4,815
Conservation licenses	-	-	66,160	66,160
Bingo/games of chance	-	-	6,098	6,098
Dog licenses	-	-	5,438	5,438
Total receipts	-	1,002,056	82,511	1,084,567
Disbursements:				
Licenses and fees	-	933,892	-	933,892
Interest earnings	-	43	-	43
Marriage licenses	-	-	4,793	4,793
Conservation licenses	-	-	67,144	67,144
Bingo/games of chance	-	-	4,276	4,276
Dog licenses	-	-	5,393	5,393
Total disbursements	-	933,935	81,606	1,015,541
Cash balance, December 31, 2014	$ 300	$ 109,619	$ 4,382	$ 114,301

The note to the financial statements is an integral part of this statement.

TOWN OF LANCASTER, NEW YORK
Town Justices—Statement of Cash Receipts and Disbursements
Year Ended December 31, 2014

	Justice LoCicero	Justice Cervi	Total
Cash balance, January 1, 2014	$ 28,710	$ 19,048	$ 47,758
Receipts:			
Fines, surcharges and fees	194,826	149,200	344,026
Bail	31,831	34,104	65,935
Total receipts	226,657	183,304	409,961
Disbursements:			
Payments to Town Supervisor	191,328	148,276	339,604
Bail forfeitures and refunds	31,681	35,195	66,876
Total disbursements	223,009	183,471	406,480
Cash balance, December 31, 2014	$ 32,358	$ 18,881	$ 51,239

The note to the financial statements is an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying cash basis financial statements include the operations of the Town Clerk and Town Justices of the Town of Lancaster, New York. These departments maintain accounting records on the cash basis of accounting; whereby, revenue is recognized as cash is received and expenditures are recognized when cash is disbursed. Consequently, accounts receivable due and amounts due to others at December 31, 2014 are not included in the financial statements.

Revenues of the Town, which are collected by these departments, are remitted by these departments to the Town Supervisor to the extent specified under Town Law. Other receipts are remitted directly to individuals or entities designated to receive such funds.

The departments' bank accounts are independent of the Town's general books of accounts. All cash balances at December 31, 2014 are FDIC insured.

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