

**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, 2016
and Independent Auditors' Report*

TOWN OF LANCASTER, NEW YORK
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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Town of Lancaster, New York

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the Town Clerk and Town Justices (the "Departments"), Town of Lancaster, New York, as of and for the year ended December 31, 2016, and the related note to the financial statements, as listed in the table of contents.

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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances for the Departments, Town of Lancaster, New York, as of December 31, 2016, and the cash receipts collected and cash disbursements paid for the year then ended 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

Departments of the Town

As discussed in Note 1, the financial statements of the Departments, Town of Lancaster, New York, are intended to present the cash balances, and the cash receipts collected and cash disbursements paid that are attributable to 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, 2016, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



May 31, 2017

TOWN OF LANCASTER, NEW YORK
Town Clerk and Town Justices—
Statement of Changes in Cash Balances
Year Ended December 31, 2016

	Town Clerk		
	Taxes	Licenses, Permits and Fees	Town Justices
Cash balance, January 1, 2016	\$ 500	\$ 316,783	\$ 84,371
Add: Cash receipts	82,722,609	1,160,394	484,222
Deduct: Cash disbursements	82,722,609	1,436,933	518,451
Cash balance, December 31, 2016	\$ 500	\$ 40,244	\$ 50,142

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, 2016

Cash balance, January 1, 2016		\$	500
Receipts:			
County and Town taxes:			
County taxes	\$ 19,271,195		
Town taxes	20,844,918		
Penalties and fees	43,612		
Interest	<u>5,924</u>		40,165,649
School taxes:			
Taxes	42,504,235		
Penalties and fees	46,631		
Interest	<u>4,558</u>		42,555,424
Interest on bank accounts			<u>1,536</u>
Total receipts			<u>82,722,609</u>
Disbursements:			
Remittances to Erie County Commissioner of Finance:			
County taxes			19,271,195
Remittances to Town of Lancaster Supervisor:			
Town taxes	20,844,918		
Penalties and fees	90,765		
Interest on taxes	5,924		
Interest on bank accounts	1,536		
Less: Unpaid Parcel Fee	<u>(522)</u>		20,942,621
Remittances to school districts:			
School taxes	42,504,235		
Interest on school taxes	<u>4,558</u>		42,508,793
Total disbursements			<u>82,722,609</u>
Cash balance, December 31, 2016		\$	<u>500</u>

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, 2016

	<u>Petty Cash</u>	<u>Town Fees</u>	<u>State Fees</u>	<u>Total</u>
Cash balance, January 1, 2016	\$ 300	\$ 311,789	\$ 4,694	\$ 316,783
Receipts:				
Licenses and fees	-	1,095,113	-	1,095,113
Interest earnings	-	45	-	45
Marriage licenses	-	-	4,590	4,590
Conservation licenses	-	-	49,985	49,985
Bingo/games of chance	-	-	4,838	4,838
Dog licenses	-	-	5,823	5,823
Total receipts	<u>-</u>	<u>1,095,158</u>	<u>65,236</u>	<u>1,160,394</u>
Disbursements:				
Licenses and fees	-	1,370,540	-	1,370,540
Interest earnings	-	45	-	45
Marriage licenses	-	-	4,612	4,612
Conservation licenses	-	-	51,786	51,786
Bingo/games of chance	-	-	4,133	4,133
Dog licenses	-	-	5,817	5,817
Total disbursements	<u>-</u>	<u>1,370,585</u>	<u>66,348</u>	<u>1,436,933</u>
Cash balance, December 31, 2016	<u>\$ 300</u>	<u>\$ 36,362</u>	<u>\$ 3,582</u>	<u>\$ 40,244</u>

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, 2016

	Justice Colby	Justice Cervi	Total
Cash balance, January 1, 2016	\$ 28,538	\$ 55,833	\$ 84,371
Receipts:			
Fines, surcharges and fees	219,487	202,434	421,921
Bail	32,578	29,626	62,204
Total receipts	252,162	232,060	484,222
Disbursements:			
Payments to Town Supervisor	218,671	207,891	426,659
Bail forfeitures and refunds	31,530	60,262	91,792
Total disbursements	250,298	268,153	518,451
Cash balance, December 31, 2016	\$ 30,402	\$ 19,740	\$ 50,142

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

TOWN OF LANCASTER, NEW YORK
Note to the Financial Statements
Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying cash basis financial statements include the operations of the Town Clerk and Town Justices, Town of Lancaster, New York (the "Town"). 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, 2016 are not included in the financial statements.

The departments' bank accounts are independent of the Town's general books of accounts. However, cash due to the Town at December 31, 2016 is recorded within the basic financial statements as receivables. All cash balances are FDIC insured.

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.

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