

**VILLAGE OF PORT CHESTER,
NEW YORK**

*Statement of Changes in Cash Balances
and Statement of Cash Receipts and
Disbursements of the Village Justices
for the Year Ended May 31, 2014 and
Independent Auditors' Report*

VILLAGE OF PORT CHESTER, NEW YORK
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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Village of Port Chester, New York

Report on the Financial Statements

We have audited the accompanying statement of changes in cash balances and statement of cash receipts and disbursements of the Village Justices (the "Justices") of the Village of Port Chester, New York, as of and for the year ended May 31, 2014, and the related note to the financial statements, which collectively comprise the Justices' financial statements.

Management's Responsibility for the Financial Statements

The Village'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; 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 cash balances as of May 31, 2014 and the cash receipts collected and cash disbursements paid of the Justices of the Village of Port Chester, New York, for the year ended May 31, 2014, on the cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note 1 of 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 Justices of the Village of Port Chester, New York are intended to present the cash balances and the cash receipts and cash disbursements that are attributable to the transactions of the Justices. They do not purport to, and do not, present fairly the financial position of the Village of Port Chester, New York, as of May 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 & Malachuk LLP

October 7, 2014

VILLAGE OF PORT CHESTER, NEW YORK
Statement of Changes in Cash Balances—Village Justices
Year Ended May 31, 2014

Cash balance—June 1, 2013	\$ 381,519
Add: Cash receipts	3,057,518
Deduct: Cash disbursements	<u>2,890,335</u>
Cash balance—May 31, 2014	<u>\$ 548,702</u>

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

VILLAGE OF PORT CHESTER, NEW YORK
Statement of Cash Receipts and Disbursements—Village Justices
Year Ended May 31, 2014

	<u>Justice</u>		<u>Joint Bail</u>	<u>Towing</u>	<u>Total</u>
	<u>Troy III</u>	<u>Sisca</u>			
Cash balance—June 1, 2013	<u>\$ 64,570</u>	<u>\$ 152,831</u>	<u>\$ 163,423</u>	<u>\$ 695</u>	<u>\$ 381,519</u>
Receipts:					
Fines, fees and other	992,679	1,767,611	-	9,145	2,769,435
Bails	<u>-</u>	<u>-</u>	<u>288,083</u>	<u>-</u>	<u>288,083</u>
Total receipts	<u>992,679</u>	<u>1,767,611</u>	<u>288,083</u>	<u>9,145</u>	<u>3,057,518</u>
Disbursements:					
Payments to Village of Port Chester	962,170	1,681,535	-	8,760	2,652,465
Bail forfeitures and refunds	<u>-</u>	<u>-</u>	<u>237,870</u>	<u>-</u>	<u>237,870</u>
Total disbursements	<u>962,170</u>	<u>1,681,535</u>	<u>237,870</u>	<u>8,760</u>	<u>2,890,335</u>
Cash balance—May 31, 2014	<u>\$ 95,079</u>	<u>\$ 238,907</u>	<u>\$ 213,636</u>	<u>\$ 1,080</u>	<u>\$ 548,702</u>

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

VILLAGE OF PORT CHESTER, NEW YORK
Note to the Financial Statements
Year Ended May 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying cash basis financial statements include the operations of the Village Justices of the Village of Port Chester, New York (the "Village"). This department maintains 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 May 31, 2014 are not included in the financial statements.

Revenues of the Village, which are collected by this department, are remitted by the department to the Village Treasurer to the extent specified under New York State Law. Other receipts are remitted directly to individuals or entities designated to receive such funds.

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

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