

LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
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FOR THE YEAR ENDED JUNE 30, 2012

Prepared by
Business Office
Superintendent of Schools

LYNBROOK UNION FREE SCHOOL DISTRICT
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LYNBROOK UNION FREE SCHOOL DISTRICT
LYNBROOK, NEW YORK

PRINCIPAL OFFICIALS

BOARD OF EDUCATION

Catherine Papandrew, President
Ellen Marcus, Vice President
Dr. William Kayen, Secretary
Alicemarie Bresnihan
William Belmont
Robert Paskoff
Sean Strife

SUPERINTENDENT OF SCHOOLS

Dr. Santo Barbarino

**ASSISTANT SUPERINTENDENT FOR CURRICULUM,
INSTRUCTION AND ASSESSMENT**

Mr. Gerard Beleckas

ASSISTANT SUPERINTENDENT FOR BUSINESS

Dr. Melissa Burak

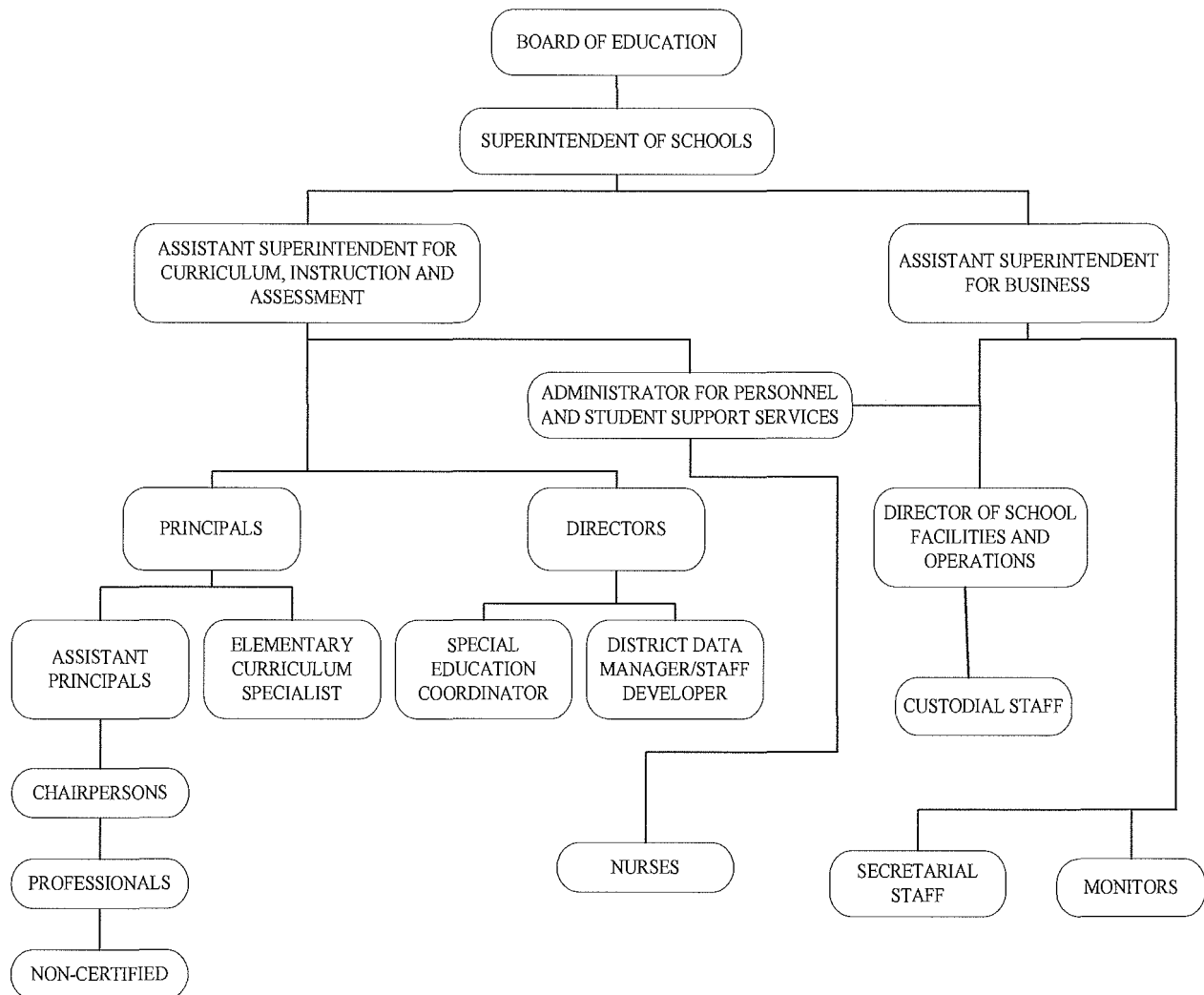
**ADMINISTRATOR FOR PERSONNEL AND STUDENT
SUPPORT SERVICES**

Ms. Denise Nystrom

INDEPENDENT AUDITORS

Nawrocki Smith LLP

LYNBROOK UNION FREE SCHOOL DISTRICT
ORGANIZATIONAL CHART



BOARD OF EDUCATION
LYNBROOK UNION FREE SCHOOL DISTRICT
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BOARD OF EDUCATION

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Robert Paskoff
Sean Strife

Melissa Burak, Ed.D.
Interim Superintendent of Schools/
Assistant Superintendent for Business

Elizabeth A. Mueller, District Clerk

Jacob S. Feldman, School Attorney
Linda Gillespie, Treasurer

To the Board of Education and the Residents of the Lynbrook Union Free School District, Lynbrook, New York:

The Comprehensive Annual Financial Report (CAFR) for the Lynbrook Union Free School District, New York for the fiscal year ended June 20, 2012 is herewith submitted. New York State Education Law requires the School District to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to this requirement.

The Lynbrook Union Free School District's financial statements have been audited by Nawrocki Smith LLP, a firm of licensed certified public accountants. The goal of the independent audit was to form an opinion on the financial statements that collectively comprise the District's basic financial statements. The financial statements referred to above present fairly, in all material respects, the financial position of the Lynbrook Union Free School District as of June 30, 2012, and the changes in financial position for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information supplement the financial statements. In addition, the District has prepared a profile and identified initiatives for its organization for the present and future years ahead.

PROFILE OF THE SCHOOL DISTRICT:

Lynbrook Public Schools were established in 1892, and have enjoyed a wonderful reputation for 120 years. Located in the southwest portion of Nassau County of Long Island, New York, Lynbrook continues to be among the more sought after and celebrated school districts in all of New York State. In fact, the three elementary schools, two middle schools and the high school have each been recognized by the United States Department of Education as Schools of Excellence.

Our financial state is also one of excellence, as revenue and expenditures are carefully monitored and audited on a regular basis by experts in the field. Safeguards are incorporated into the normal day-to-day operations of our Business Office that serves to prevent any matters that could become a concern. The challenges inherent in the present economic environment make Lynbrook Union Free School District's financial condition an even more impressive accomplishment, as the Board of Education, staff and community work closely together in pursuit of a stable and productive learning environment for the children they serve.

The fine quality of the education system defines the Lynbrook schools. It is a system that addresses the whole child. From kindergarten through twelfth grade, Lynbrook students are offered opportunities and supported in their overall development intellectually, emotionally, socially and physically.

MAJOR CURRICULUM INITIATIVES:

Our wide and varied educational opportunities may be organized by three important areas: Twenty-First Century Skills, College and Career Readiness and Literacy. These areas are addressed through the programs as described below.

Twenty-First Century Skills

Research program:

This is an opportunity for students to pursue scholarly research and related activities, studying such areas as environmental improvements, biological adjustments and social phenomena. Students benefit from working side-by-side with some of the world's top scientists here and abroad, and the projects that they produce truly advance the knowledge base in their respective fields.

Virtual Enterprise:

Students are involved in a virtual company, building it from the very beginning, providing the necessary inputs (virtual capital, side products, etc.) for a successful venture. Through partnerships with real companies, each student is assigned a role in the virtual company and designated certain responsibilities. In this authentic learning environment, students are exposed to principles of business, economics, and accounting.

Laptop/iPad Project:

Learning occurs via laptop computers with ongoing teacher facilitation, allowing youngsters to work at their own appropriate pace, conduct research, or develop an essay, all from the comfort of their own desks. Between the power of the Internet and loaded software, students' opportunities for independent learning are endless. Lessons can be differentiated and students can progress at their own pace.

Robotics:

Students are engaged in the creation of a robot that performs tasks by virtue of commands programmed by the students themselves. These complex machines can perform simple tasks independently, and more advanced tasks via remote control. The problem solving skills developed and mechanical knowledge acquired in this class make it truly remarkable.

New York Learns:

This is an all encompassing program whereby teachers plan lessons consistent with the Common Core, providing virtually unlimited resources in the presentations to their students. Teachers store their resources on the “Cloud” and can provide students and parents access to them via their websites. Additionally, they can search the New York Learns database for classroom resources ranging from virtual physics labs to scanned versions of firsthand historical documents. If teachers desire, they can also submit lessons for peer review and eventual inclusion in the New York Learns database.

College and Career Readiness

Voyager Program:

Beginning at the third grade, those students who demonstrate the ability and desire to be further academically challenged beyond the standard curriculum are provided with activities and competitions that sharpen their skills. This program has always challenged students to think creatively and ponder solutions for some of the world’s greatest problems. Through collaboration with the high school science research students, the Voyager students have been able to produce more refined projects that adhere more closely to the scientific method.

College Partnerships:

Currently students are given countless opportunities to receive college credit for their work in high school. Molloy College, SUNY Albany, SUNY Farmingdale and Marist College have approved many courses in the regular curriculum offerings to this end. In addition, these universities provide guidance and support to enhance our programs and better prepare our students for collegiate study.

Advanced Placement Program:

Not only have our students performed very well on the most challenging advanced placement examination, but also our high school has increased the number of offerings by just recently adding Psychology, BC Calculus, and Music. Our students’ performances on these exams have also increased and are a testament to our high level of instruction in both our AP and pre-AP courses.

Music Opportunities:

The Lynbrook school system takes intense pride in the music program, providing performance opportunities starting in the third grade. Lynbrook has now become one of the most highly regarded music programs on Long Island with many students attaining All State honors.

Literacy

Literacy Block:

Beginning in September 2012, all sixth graders will receive a double period of English Language Arts. During this newly created expanded time, students will have an opportunity to develop their skill in reading, writing and communicating. Rich Common Core lessons will teach students the skills necessary to work independently, read closely, and make convincing arguments based on non-fiction texts.

Read 180/Wilson:

Recognizing the unquestionable importance of good reading skills, Lynbrook is committed to assisting all students with support to develop such skills, especially those who are challenged in this area. Benchmark tests and targeted instruction have resulted in tremendous success in developing students' abilities in the five big ideas of reading, namely, the alphabetic principle, phonemic awareness, vocabulary, fluency, and comprehension. The Read 180 and Wilson programs are nationally recognized for their excellence in this critical area.

Balanced Literacy:

Our elementary school teachers have been engaged in balanced literacy training and implementation for the past six years. Attending professional development workshops and sharing strategies at grade level meetings have led to highly effective lessons and engaging lessons for our children in the area of literacy. Through combinations of adult lead and independent stations, all students have the opportunity to learn in small groups and hone their own skills.

Kurzweil:

This is a research based computer program that enables struggling readers to learn from the same content as their peers, as it provides access to any text or curriculum, including print, electronic, and web-based documents. It helps students read challenging material, highlights and organizes important information, and assists them in the writing process. Additionally, written text can be read in the language of the students' choice. This program has been very effective in both the special education and English as a second language programs.

FUTURE GOALS:

Technology Based Efforts

The Lynbrook UFSD continually strives to be innovative and implement the best programs for our students. We remain on the forefront on technology with plans to develop on-line learning opportunities, as well as inter-district collaborative courses where students utilize technology as the mechanism to extend the four walls of the classroom.

In addition, the District is developing a multiple network system where students will not only be able to utilize the equipment located in the schools but also bring in their own portable devices to assist in their learning. With the creation of smart phone technology which the student utilize almost every minute of the day, the schools will join the front and allow students the ability to use these devices during class time to provide feedback to teachers for assessment of understanding.

Appropriate Facilities

As part of a strategic planning effort, the District has analyzed its current facilities and projected its needs for the next five years. The District will work toward finding the resources, whether it is through a capital reserve funding source or through a bond initiative to fund much needed projects. These include additional classrooms at the high

school so a ten period day can be eliminated. Currently, Lynbrook High School is the only District in the county with a ten period day. Proper space for the fine and performing arts is also lacking in the high school. These are just two areas considered during the facilities study held by the strategic planning committee.

Combating Substance Abuse

Students are beginning at an earlier age to experiment with prescription drugs which are readily available to them. This leads to underage drinking and acts as a gateway to other substance abuse behaviors. The District is committed to developing programs and expanding the support services we have to better educate our students and prepare them to handle life's challenges in alternative ways, rather than through substance abuse. We will continue to focus on our social work efforts and activities to provide students the ability to become a participating member of the Lynbrook community rather than a passive member perceived to have no purpose.

Communication

The District is preparing a comprehensive communication plan to propose to the Board of Education this school year. The purpose is to develop a communication strategy so information can be disseminated appropriately and accurately to key stakeholders in the community. Garnering support for the schools during these tax cap years is paramount so the District will be making great efforts to ease the burden of misinformation by taking a proactive approach via an extensive communication model.

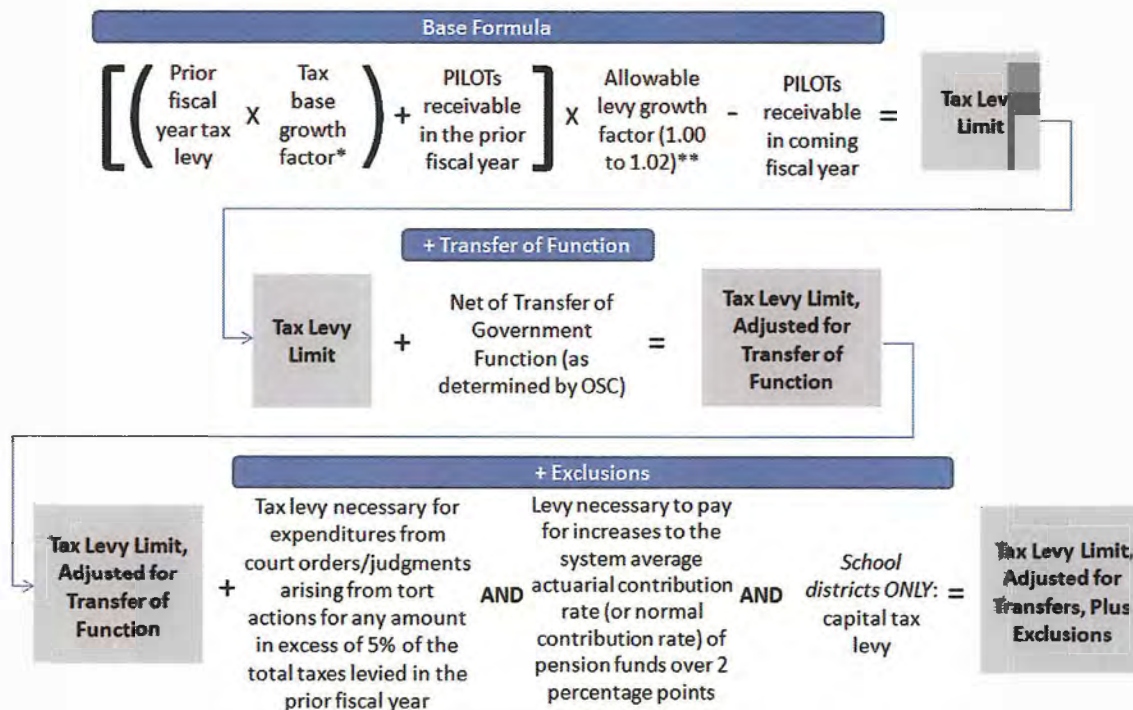
FACTORS AFFECTING FINANCIAL CONDITION:

It is best to understand the full financial condition of the District when the financial statements are reviewed as part of a broader perspective of the environment in which it operates.

During the 2011-2012 fiscal year, all school districts needed to abide by the Property Tax Cap Law (Chapter 97 of New York State Laws of 2011).

The tax cap applies to all independent school districts and all local governments outside of New York City, and is intended to capture the broad range of property taxes levied in New York. Accordingly, the tax cap applies broadly to property taxes that support all local governments, including special districts that are independently governed, as well as special districts that are established, governed and administered by another municipality. Where a local government, such as certain special districts, is wholly integrated within another local government – i.e. the special district is established, administered and governed by the board of that other local government, and is supported by a tax levy imposed by and under the authority of that other local government – then any property tax being levied by the overarching local government to support the operations of the subordinate special district is considered part of the tax levy of the overarching local government for purposes of administering the tax cap and override vote, if any.

The formula utilized to generate the tax levy limit pursuant to the tax cap legislation is noted below:



The Lynbrook Union Free School District satisfied the regulation and proposed a fiscal 2013 budget for voter approval that fell below the maximum tax levy limit.

Factors affecting the ability to satisfy the tax levy limit continue to be state aid and rising pension and benefit costs. During the 2011-2012 fiscal year, state aid comprised 9.9 percent of the revenue to offset district expenditures. Projected for the 2012-2013 fiscal year, that aid ratio drops to 9.54%.

The Lynbrook Union Free School District also participates in the New York State and Local Employees' Retirement system and the New York State Teachers' Retirement System. These systems are cost-sharing multiple-employer defined benefit pension plans. District obligations are governed by the New York State Retirement and Social Security Law and Education law. The District's contribution to the Systems equaled the actuarially required contribution for the fiscal year.

The District also provides health care benefits for retired employees. The cost of retiree health care benefits is recognized as an expenditure, as claims are paid. There were 244 retired employees covered under the plan for the 2011-2012 fiscal year. An actuarial study was performed on the District's OPEB obligation recognizing a net liability of \$8,741,796.

LONG RANGE FINANCIAL PLANNING:

The District has participated in a Strategic Planning Study which incorporated six main goal areas. These areas include: maximizing student achievement, ensuring appropriate facilities, combating substance abuse, ensuring effective communication, ensuring effective guidance and social work programs, and ensuring staff development.

Fiscal implications were identified in each category for the next several years and will be reviewed annually.

On the May 2012 budget vote day, the electorate approved the use of capital reserve funds to create an addition onto the North Middle School for the benefit of the music program, IT department and athletic program. In addition, a turf field was approved for Marion Street School and a new baseball field at South Middle School.

The Board of Education continues to address the financial challenges that face the District which include health care premium increases, escalating pension costs and contract obligations. By outlining these concerns, the District will be better equipped to satisfy the tax cap requirements in the upcoming years.

One additional note to mention is that during the preparation of this audit report, our Superintendent of Schools, Dr. Santo J. Barbarino, passed away suddenly. We mourn his loss and continued to synthesize all data necessary to complete this report in a timely manner.

Very truly yours,

A handwritten signature in black ink, appearing to read "Melissa Burak", written in a cursive style.

Melissa Burak
Interim Superintendent/Assistant
Superintendent for Business



Nawrocki Smith LLP
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

To the Board of Education of the
Lynbrook Union Free School District
Town of Hempstead, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary funds of the Lynbrook Union Free School District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's administration. Our responsibility is to express opinions 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 the significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund as well as the fiduciary funds of the Lynbrook Union Free School District, as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of the administration about the methods of preparing the information and comparing the information for consistency with the administration's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Nawrocki Smith LLP

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lynbrook Union Free School District's financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis, is not a required part of the financial statements but is supplemental information required by the New York State Education Department. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements. The supplemental information and the schedule of expenditures of federal awards are the responsibility of the administration and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Melville, New York
August 17, 2012

Nawrocki Smith LLP

LYNBROOK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The following is a discussion and analysis of the Lynbrook Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2012. This section is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position at June 30, 2012 increased by \$4,432,231 or 14.8% to \$34,415,813. This increase represents an increase in net investment in capital assets of \$2,820,327, an increase in restricted net position of \$2,467,533 offset by a decrease in unrestricted net position of \$855,629.
- The District's expenses for the year ended June 30, 2012 totaled \$69,185,205, which is an increase of \$717,633 or 1.1% from the year ended June 30, 2011. General support expenses for the year ended June 30, 2012 increased \$431,497 and instruction expenses for the year ended June 30, 2012 increased \$194,158 due to increased health and pension costs. Interest expense for the year ended June 30, 2012 declined \$40,674 as a result of lower interest rates on borrowed funds as well as expiring debt.
- The District's total fund balance for the year ended June 30, 2012, as reflected in the fund financial statements, increased by \$2,741,079. This was due primarily to actual costs coming in lower than projected in the expense budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of an introductory section, management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplemental information and a statistical section. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1: Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities and Change in Net Position 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial status is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the District-wide financial statements, the District's activities are shown as *governmental activities*; most of the District's basic services are included here, such as regular and special education, transportation and general support expenses. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, reconciliations of the District-wide and governmental funds statements are provided which explain the relationship (or differences) between them. In summary, the governmental fund statements focus primarily on the sources, uses and balances of current financial resources.
- **Fiduciary funds:** The District is the trustee or fiduciary, for assets that belong to others, such as the scholarship funds and student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position increased by 14.8% from the year before to \$34,415,813 as detailed in Tables A-2 and A-3.

Table A- 2: Condensed Statement of Net Position - Governmental Activities

	<u>6/30/11</u>	<u>6/30/12</u>	<u>% Change</u>
Current and other assets	\$ 24,483,140	\$ 28,283,459	15.5
Capital assets, net	<u>22,122,532</u>	<u>23,600,411</u>	6.7
Total assets	<u>\$46,605,672</u>	<u>\$51,883,870</u>	11.3
Current liabilities	\$ 6,177,394	\$ 6,812,641	10.3
Long-term liabilities	<u>10,444,696</u>	<u>10,655,416</u>	2.0
Total liabilities	<u>\$ 16,622,090</u>	<u>\$ 17,468,057</u>	5.1
Net position:			
Investment in capital assets, net of related debt	\$ 18,987,358	\$ 21,807,685	14.8
Restricted	14,796,583	17,264,116	16.7
Unrestricted (deficit)	<u>(3,800,359)</u>	<u>(4,655,988)</u>	(22.5)
Total net position	<u>\$ 29,983,582</u>	<u>\$ 34,415,813</u>	14.8

Changes in Net Position

The District's fiscal year 2012 revenues totaled \$73,617,436, which is 3.7% greater than fiscal year 2011 (See Table A-3). Property taxes, other tax items and state sources accounted for 96% of total revenues (See Table A-4). The remainder came from fees charged for services, operating grants and other miscellaneous sources. Revenue from real property taxes for the year ended June 30, 2012 increased to \$56,038,289 from \$53,525,013 for the year ended June 30, 2011. Revenue from operating grants decreased by 25% for the year ended June 30, 2012 as a result of non-recurring funding from the American Recovery and Reinvestment Act ("ARRA") grant. The District continues to propose conservative budgets while taking into consideration the State's reduction in funding and the Community's threshold for reduced property taxes.

The District's fiscal year 2012 expenses totaled \$69,185,205, and reflect a 1.1% increase over the prior year's expenses (See Table A-3). Instruction accounts for 80% of the total expense, while general support (16%) and transportation (3%) are contributing to most of the remaining expenses. General support expenses increased \$431,497 and instruction expenses increased \$194,158. Interest expense declined \$40,674 as a result of lower interest rates on borrowed funds.

Table A-3: Changes in Net Position from Operating Results - Governmental Activities Only

	<u>6/30/11</u>	<u>6/30/12</u>	<u>% Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 643,206	\$ 679,972	5.7
Operating grants	2,043,051	1,529,171	(25.2)
General revenues:			
Real property taxes	53,525,013	56,038,289	4.7
Other tax items	7,071,682	7,216,325	2.0
State sources	7,047,506	7,481,829	6.2
Use of money and property	88,473	130,952	48.0
Sale of property and compensation for loss	48,971	21,905	(55.3)
Miscellaneous	<u>554,139</u>	<u>518,993</u>	6.4
Total revenues	<u>71,022,041</u>	<u>73,617,436</u>	3.7
Expenses			
General support	10,860,020	11,291,517	4.0
Instruction	55,064,191	55,258,349	.4
Pupil transportation	1,864,438	1,969,153	5.6
Community services	174,833	179,135	2.5
Debt service – interest	178,143	137,469	(22.8)
School lunch program	<u>325,947</u>	<u>349,582</u>	7.3
Total expenses	<u>68,467,572</u>	<u>69,185,205</u>	1.1
Increase in net position	<u>\$ 2,554,469</u>	<u>\$ 4,432,231</u>	73.5

Table A-4: Revenues for Fiscal Year 2012

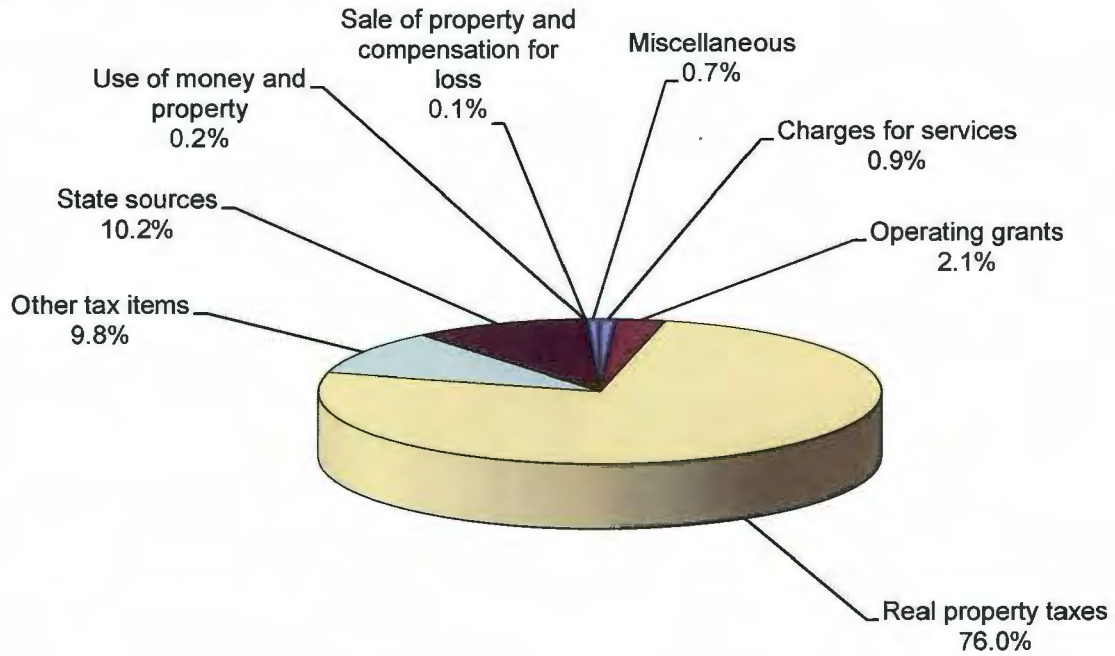
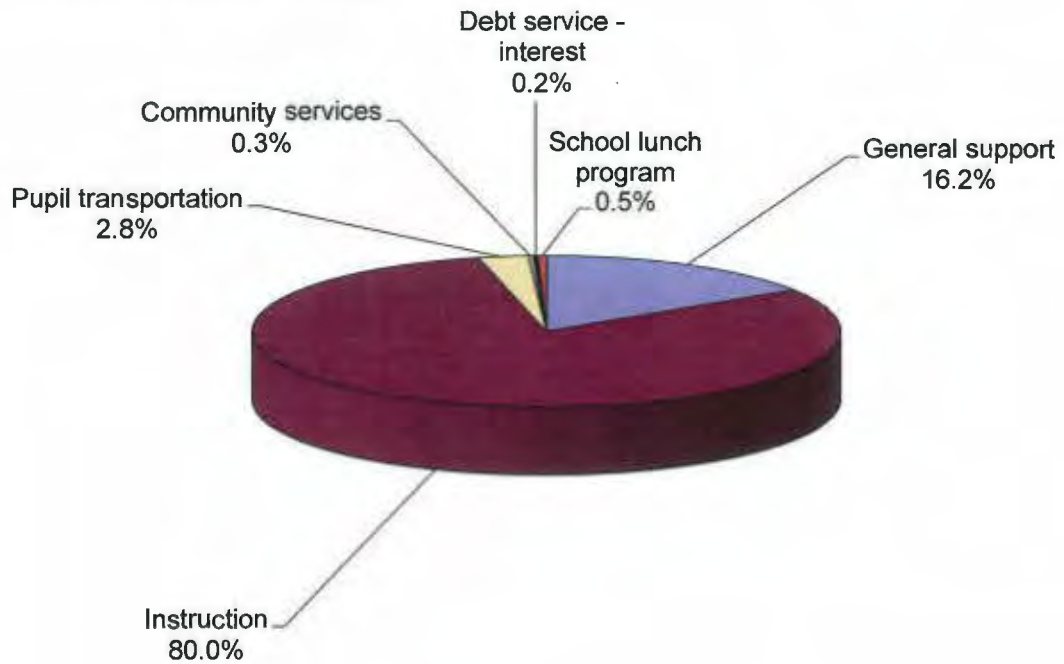


Table A-5: Expenses for Fiscal Year 2012



Governmental Activities

Revenues for the District's governmental activities totaled \$73,617,436 while total expenses were \$69,185,205, for the year ended June 30, 2012. Therefore, the increase in net position for governmental activities was \$4,432,231 in 2012. The District's financial condition was positively affected by:

- Community support of the District's annual budget as reflected in the increase in revenue from real property taxes;
- Tight fiscal management of District expenditures; and
- Strategic use of services from the Board of Cooperative Educational Services (BOCES).

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

No significant variances are reflected in the governmental fund financial statements for fiscal 2012.

General Fund Budgetary Highlights

Reference is made to Supplemental Schedule 1 on page 39 which presents original and revised budget amounts, as well as actual results for the District's General Fund.

- Actual revenues were higher than revised budgeted revenues by approximately \$477,118 due to higher than anticipated miscellaneous and other tax items.
- Actual expenditures were approximately \$5.4 million less than budget primarily due to lower than anticipated costs in the general support, instruction, pupil transportation and employee benefit categories. This is due to competitive bidding and consortium participation.
- As a result of a positive fund balance, the District was able to position itself with regard to increased appropriations in its reserves to weather projected future expenses in the areas of capital projects and employee benefits. The District is implementing a strategic plan to produce lower and stable budgets and levy increases over the next immediate budget years. Appropriate use of District reserves to help ease the burden on the individual household taxpayer is part of this plan to help stabilize tax levy increases in the future.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, the District had invested \$23,600,411, net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative offices.

Table A-7: Capital Assets (net of depreciation)

<u>Category</u>	<u>6/30/11</u>	<u>6/30/12</u>	<u>% Change</u>
Land	\$ 1,120,041	\$ 1,120,041	-
Buildings and building improvements	17,504,202	21,469,148	22.6
Furniture and equipment	1,244,855	1,008,065	(19.0)
Construction-in-progress	<u>2,253,434</u>	<u>3,157</u>	(99.9)
Totals	<u>\$ 22,122,532</u>	<u>\$ 23,600,411</u>	6.7

Long-Term Debt

As of June 30, 2012, the District had \$12,238,600 in general obligation bonds and other long-term debt. During the year, the District paid down its debt by retiring \$1,110,000 of outstanding bonds.

Table A-8: Outstanding Long-Term Debt

<u>Category</u>	<u>6/30/11</u>	<u>6/30/12</u>	<u>% Change</u>
General obligation bonds	\$ 2,735,000	\$ 1,625,000	(40.6)
Installment purchase debt payable	400,174	167,726	(58.1)
Other post-employment benefits	7,325,113	8,741,796	19.3
Compensated absences	<u>1,713,198</u>	<u>1,704,078</u>	(.05)
Totals	<u>\$ 12,173,485</u>	<u>\$ 12,238,600</u>	.05

FACTORS BEARING ON THE FUTURE OF DISTRICT

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The national economy continues to have a negative impact on almost all municipal budgets. New York State and local budgets have been particularly affected. That is expected to continue for a number of years.
- Significant increases over the past several years in the cost of the State health insurance plan and the contributions to the retirement systems have placed a greater burden on the District's finances. The Teachers Retirement System ("TRS") pension contribution is projected to increase significantly for the 2012-2013 school year.
- The "Tax Levy Limitation Law" which was enacted on June 24, 2011 restricts the amount of property taxes that may be levied by or on behalf of a school district in a particular year. Although there are exceptions, exemptions and overrides to the limitation, the new Law is expected to make budgetary decisions more difficult.

- A Nassau County Local Law was recently passed whereby the liability for a school district property tax deficiency existing or arising from a decrease in real property assessments or taxes that is due a taxpayer (tax certiorari judgments) will become that of the school district, rather than the County as it is currently. The legislation will take effect for the 2012-2013 year. The law is being challenged, but the outcome cannot be determined.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Lynbrook Union Free School District
Attn: Assistant Superintendent for Business
111 Atlantic Avenue
Lynbrook, New York 11563
(516) 887-0258

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2012

ASSETS

Current assets:

Cash:	
Unrestricted	\$ 6,968,595
Restricted	17,130,416
Receivables:	
Taxes receivable	1,878,442
State and federal aid	2,226,452
Due from other governments	22,214
Due from fiduciary funds	44,764
Other receivables	1,883
Inventories	10,693

Total current assets	28,283,459
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Noncurrent assets:

Capital assets, net of accumulated depreciation of \$20,163,674	23,600,411
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Total assets	\$ 51,883,870
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LIABILITIES

Current liabilities:

Payables:	
Accounts payable	\$ 303,416
Accrued liabilities	228,145
Accrued interest payable	27,500
Due to other governments	23,946
Due to fiduciary funds	23,466

Long-term liabilities, due within one year:

Bonds payable	1,155,000
Due to teachers' retirement system	3,982,494
Due to employees' retirement system	288,635
Compensated absences - current	260,458
Installment purchase debt payable	167,726
Workers' compensation claims payable	268,429

Total current liabilities	6,729,215
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Noncurrent liabilities:

Long-term liabilities, due after one year:

Bonds payable	470,000
Compensated absences	1,443,620
Other post-employment benefits	8,741,796

Total noncurrent liabilities	10,655,416
------------------------------	------------

Total liabilities	17,384,631
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DEFERRED INFLOWS

Deferred revenues	83,426
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NET POSITION

Invested in capital assets, net of related debt	21,807,685
Restricted	17,264,116
Unrestricted	(4,655,988)

Total net position	34,415,813
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Total liabilities and net position	\$ 51,883,870
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The accompanying notes to financial statements are an
integral part of this statement.

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues		Net (Expense)
	Expenses	Charges for	Operating	Revenue and
		Services	Grants	Change in
				Net Position
Functions and programs:				
General support	\$ 11,291,517	\$ -	\$ -	\$ (11,291,517)
Instruction	55,258,349	420,309	1,449,907	(53,388,133)
Pupil transportation	1,969,153	-	-	(1,969,153)
Community services	179,135	-	-	(179,135)
Debt service - interest	137,469	-	-	(137,469)
School lunch program	349,582	259,663	79,264	(10,655)
Total functions and programs	<u>\$ 69,185,205</u>	<u>\$ 679,972</u>	<u>\$ 1,529,171</u>	<u>(66,976,062)</u>
General revenues:				
Real property taxes				56,038,289
Other tax items				7,216,325
Use of money and property				130,952
Sale of property and compensation for loss				21,905
State sources				7,481,829
Miscellaneous				518,993
Total general revenues				<u>71,408,293</u>
Change in net position				4,432,231
Total net position, beginning of year				<u>29,983,582</u>
Total net position, end of year				<u>\$ 34,415,813</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash:						
Unrestricted	\$ 6,792,064	\$ 92,701	\$ 16,827	\$ -	\$ 67,003	\$ 6,968,595
Restricted	17,033,706	-	-	-	96,710	17,130,416
Receivables:						
Taxes receivable	1,878,442	-	-	-	-	1,878,442
Due from other funds	1,147,608	-	58,260	62,041	-	1,267,909
State and federal aid	706,395	1,139,887	3,687	-	-	1,849,969
Due from fiduciary funds	44,764	-	-	-	-	44,764
Due from other governments	22,214	-	-	-	-	22,214
Other receivables	1,883	-	-	-	-	1,883
Inventories	-	-	10,693	-	-	10,693
Total assets	<u>\$ 27,627,076</u>	<u>\$ 1,232,588</u>	<u>\$ 89,467</u>	<u>\$ 62,041</u>	<u>\$ 163,713</u>	<u>\$ 29,174,885</u>
LIABILITIES						
Payables:						
Accounts payable	\$ 286,024	\$ 15,415	\$ 1,977	\$ -	\$ -	\$ 303,416
Accrued liabilities	214,128	9,256	4,761	-	-	228,145
Due to other funds	74,194	1,126,712	-	-	67,003	1,267,909
Due to fiduciary funds	-	23,466	-	-	-	23,466
Due to other governments	23,569	-	377	-	-	23,946
Due to teachers' retirement system	3,944,357	38,137	-	-	-	3,982,494
Due to employees' retirement system	269,033	19,602	-	-	-	288,635
Compensated absences	260,458	-	-	-	-	260,458
Workers' compensation claims payable	268,429	-	-	-	-	268,429
Total liabilities	<u>5,340,192</u>	<u>1,232,588</u>	<u>7,115</u>	<u>-</u>	<u>67,003</u>	<u>6,646,898</u>
DEFERRED INFLOWS						
Deferred revenues	83,426	-	-	-	-	83,426
Total deferred inflows	<u>83,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,426</u>
FUND BALANCE						
Fund balance:						
Nonspendable	-	-	10,693	-	-	10,693
Restricted	17,033,706	-	71,659	62,041	96,710	17,264,116
Assigned	2,191,004	-	-	-	-	2,191,004
Unassigned	2,978,748	-	-	-	-	2,978,748
Total fund balance	<u>22,203,458</u>	<u>-</u>	<u>82,352</u>	<u>62,041</u>	<u>96,710</u>	<u>22,444,561</u>
Total liabilities and fund balance	<u>\$ 27,627,076</u>	<u>\$ 1,232,588</u>	<u>\$ 89,467</u>	<u>\$ 62,041</u>	<u>\$ 163,713</u>	<u>\$ 29,174,885</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2012

Total Fund Balance - Governmental Funds \$ 22,444,561

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Some revenues that are not considered "available" in the governmental funds 376,483

Capital assets less accumulated depreciation are included in the Statement of Net Position:

Capital assets:

Non-depreciable	\$	1,123,198	
Depreciable		42,640,887	
Accumulated depreciation		<u>(20,163,674)</u>	23,600,411

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental fund financial statements. However, these liabilities are included in the Statement of Net Position:

Bonds payable	(1,625,000)		
Installment purchase debt payable	(167,726)		
Compensated absences	(1,443,620)		
Other post-employment benefits	<u>(8,741,796)</u>		(11,978,142)

Interest payable applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental fund financial statements. However, these liabilities are included in the Statement of Net Position. (27,500)

Net Position - Governmental Activities \$ 34,415,813

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

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 56,038,289	\$ -	\$ -	\$ -	\$ -	\$ 56,038,289
Other tax items	7,216,325	-	-	-	-	7,216,325
Charges for services	420,309	-	-	-	-	420,309
Use of money and property	130,952	-	-	-	-	130,952
Sale of property and compensation for loss	21,905	-	-	-	-	21,905
State sources	7,105,346	202,433	4,333	-	-	7,312,112
Federal sources	-	1,247,474	74,931	-	-	1,322,405
Sales	-	-	259,663	-	-	259,663
Miscellaneous	518,713	-	280	-	-	518,993
Total revenues	71,451,839	1,449,907	339,207	-	-	73,240,953
EXPENDITURES						
General support	7,785,370	105,179	-	-	-	7,890,549
Instruction	41,314,589	1,307,242	-	-	-	42,621,831
Pupil transportation	1,953,236	-	-	-	-	1,953,236
Community services	129,588	-	-	-	-	129,588
Employee benefits	14,725,463	105,914	-	-	-	14,831,377
Debt service -				-		
Principal	1,110,000	-	-	-	-	1,110,000
Interest	157,351	-	-	-	-	157,351
Cost of sales	-	-	349,582	-	-	349,582
Capital outlay	-	-	-	-	1,456,360	1,456,360
Total expenditures	67,175,597	1,518,335	349,582	-	1,456,360	70,499,874
Excess (deficiency) of revenues over (under) expenditures	4,276,242	(68,428)	(10,375)	-	(1,456,360)	2,741,079
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	476,304	68,428	5,000	-	547,400	1,097,132
Interfund transfers out	(620,828)	-	-	-	(476,304)	(1,097,132)
Total other financing sources (uses)	(144,524)	68,428	5,000	-	71,096	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	4,131,718	-	(5,375)	-	(1,385,264)	2,741,079
Fund balance, beginning of year	18,071,740	-	87,727	62,041	1,481,974	19,703,482
Fund balance, end of year	\$ 22,203,458	\$ -	\$ 82,352	\$ 62,041	\$ 96,710	\$ 22,444,561

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

LYNBROOK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balance - governmental funds	\$	2,741,079
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:

Capital outlay	\$ 2,470,660	
Depreciation expense	<u>(992,781)</u>	1,477,879

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Repayment of bond principal	1,110,000	
Repayment of installment purchase debt	<u>232,448</u>	1,342,448

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	376,483
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Other post-employment benefits	(1,416,683)	
Compensated absences	(108,857)	
Accrued interest costs	<u>19,882</u>	<u>(1,505,658)</u>

Net change in net position - governmental activities	\$	<u><u>4,432,231</u></u>
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The accompanying notes to financial statements are an
integral part of this statement.

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2012

	Private Purpose Trust	Agency Funds
ASSETS		
Cash:		
Unrestricted	\$ 92,239	\$ 155,209
Restricted	-	126,949
Accounts receivable	-	153
	<hr/>	<hr/>
Total assets	\$ 92,239	\$ 282,311
	<hr/>	<hr/>
LIABILITIES		
Extraclassroom activity balances	\$ -	\$ 126,949
Other liabilities		134,064
Due to governmental funds	-	21,298
	<hr/>	<hr/>
Total liabilities	-	\$ 282,311
	<hr/>	<hr/>
NET POSITION		
Reserved for:		
Endowment scholarships	92,239	
	<hr/>	
Total net position	92,239	
	<hr/>	
Total liabilities and net position	\$ 92,239	
	<hr/>	

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

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Private Purpose Trust
ADDITIONS	
Contributions	\$ 7,364
Investments earnings:	
Interest	247
Total additions	<u>7,611</u>
DEDUCTIONS	
Scholarships and awards	<u>16,220</u>
Total deductions	<u>16,220</u>
Change in net position	(8,609)
Net position, beginning of year	<u>100,848</u>
Net position, end of year	<u><u>\$ 92,239</u></u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lynbrook Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A. Reporting entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity:

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found elsewhere in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint venture

The District is one of 56 component school districts in the Nassau County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$4,348,229 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$776,694.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of presentation

1. District-wide statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following fiduciary funds:

Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

D. Measurement focus and basis of accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property taxes

Real property taxes are levied annually by the Board of Education no later than October 1, and become a lien on December 1. Taxes are collected during the period from December 1 to June 30.

Uncollected real property taxes have been enforced by the County in which the District is located. The County has paid an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st. With respect to assessment rolls that are finalized in April 2012 and thereafter, the District will now be responsible to pay the costs of judgments, cancellations or credits of taxes for tax revenue received by the District. (See Note 12 for further details.)

F. Restricted resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G. Interfund transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds Balance Sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, revenues and expenditures activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Investments are stated at fair value.

J. Accounts receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and prepaid items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Other assets/restricted assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment may be classified as restricted assets in the District-wide financial statements as their use is limited by applicable bond covenants.

In the District-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

M. Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 1975. For assets acquired prior to June 30, 1975, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and building improvements	\$ 10,000	Straight line	50 years
Site improvements	\$ 10,000	Straight line	20 years
Furniture and equipment	\$ 5,000	Straight line	5-20 years

Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB Statement 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The District is required to conduct a condition assessment of these assets at least once every three years.

N. Deferred charges (outflows)

Discounts and expenses related to the issuance of long-term debt and any loss on the early retirement of refunded debt are amortized on a straight-line basis over the life of the later issue, and are presented net of accumulated amortization, in the District-wide financial statements. Bond issuance costs considered to be immaterial are not amortized. In the fund financial statements, bond issuance costs are recognized during the current period as expenditures.

O. Deferred inflows

Deferred inflows are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

P. Vested employee benefits - compensated absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Q. Other benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-term debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes to be converted to long-term financing within five years after the original issue date.

S. Accrued liabilities and long-term obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T. Equity classifications

District-wide statements

In the District-wide statements there may be three classes of net position:

Invested in capital assets, net of related debt: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted net position: Reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: Reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds statements

In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of \$10,693.

Restricted: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Capital

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of school district property or capital improvement.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Workers' Compensation

According to General Municipal Law §6-j, such amounts must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance

program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

Unemployment Insurance

Reserve for Unemployment Insurance (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

General Liability

According to General Municipal Law §6-n, such amounts must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund:	
Capital	\$ 10,843,954
Retirement Contributions	2,707,713
Employee Benefit Accrued Liability	1,337,673
Workers' Compensation	1,134,083
Unemployment Insurance	100,000
General Liability	910,283
Capital Fund	96,710
Debt Service Fund	62,041
School Lunch Fund	<u>71,659</u>
Total restricted funds	<u>\$ 17,264,116</u>

Committed: Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2012.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Amounts appropriated for the subsequent year totaling \$1,500,000 and encumbrances of the General Fund totaling \$691,004 are classified as Assigned Fund Balance in the General Fund.

Unassigned: Includes all other General Fund net position that do not meet the definition of the above four classifications and is deemed to be available for general use by the District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the funds statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheets.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. The categories are shown below:

1. Long-term revenue/expense differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Reclassifications and eliminations

Reclassifications and eliminations arise because the Statement of Activities reports program revenues (either charges for services or operating grants) net of their direct expenses. All other revenues are categorized as general revenues. Certain expenses have been reclassified so that all identifiable program expenses are accounted for within their proper program, such as the allocation of employee benefits and depreciation expense. Governmental funds account for all revenues and expenses based on their function.

3. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments are approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Planned use of specified reserves	<u>\$ 457,400</u>
Gifts and donations, net	<u>\$ 27,836</u>
Special legislative grant	<u>\$ 50,000</u>

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

4. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes. The District's aggregate bank balances disclosed in the financial statements, included balances not covered by depository insurance at year-end collateralized as follows:

Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution, in the District's name	\$ 24,544,840

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$126,949 in the fiduciary funds.

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2012 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,120,041	\$ -	\$ -	\$ 1,120,041
Construction-in-progress	<u>2,253,434</u>	<u>3,157</u>	<u>(2,253,434)</u>	<u>3,157</u>
Total nondepreciable assets	<u>3,373,475</u>	<u>3,157</u>	<u>(2,253,434)</u>	<u>1,123,198</u>
Capital assets that are depreciated:				
Buildings and building improvements	33,421,655	2,391,788	2,253,435	38,066,878
Furniture and equipment	<u>4,481,763</u>	<u>136,197</u>	<u>(43,951)</u>	<u>4,574,009</u>
Total depreciable assets	<u>37,903,418</u>	<u>2,527,985</u>	<u>2,209,484</u>	<u>42,640,887</u>
Less accumulated depreciation:				
Buildings and building improvements	15,917,453	680,277	-	16,597,730
Furniture and equipment	<u>3,236,908</u>	<u>312,504</u>	<u>16,532</u>	<u>3,565,944</u>
Total accumulated depreciation	<u>19,154,361</u>	<u>992,781</u>	<u>16,532</u>	<u>20,163,674</u>
Total capital assets, net	<u>\$ 22,122,532</u>	<u>\$ 1,538,361</u>	<u>\$ (60,482)</u>	<u>\$ 23,600,411</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 195,776
Instruction	793,232
Pupil transportation	894
Community services	<u>2,879</u>
	<u>\$ 992,781</u>

6. SHORT-TERM DEBT

Transactions in short-term debt for the year are summarized below and were issued in anticipation of receipt of revenues:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
TAN's maturing 6/25/12 at 1.25%	<u>\$ -</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$ -</u>

Interest on short-term debt for the year was composed of:

Interest paid	\$ 55,208
Less interest accrued in the prior year	-
Plus interest accrued in the current year	<u>-</u>
Total expense	<u>\$ 55,208</u>

7. LONG-TERM DEBT OBLIGATIONS

Long-term liability balances and activity for the year are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 2,735,000	\$ -	\$ 1,110,000	\$ 1,625,000	\$ 1,155,000
Installment purchase debt payable	400,174	-	232,448	167,726	167,726
Other post-employment benefits	7,325,113	1,416,683	-	8,741,796	-
Compensated absences	1,713,198	-	9,120	1,704,078	260,458
Workers' compensation claims payable	<u>313,857</u>	<u>254,109</u>	<u>299,537</u>	<u>268,429</u>	<u>268,429</u>
Total long-term liabilities	<u>\$12,487,342</u>	<u>\$1,670,792</u>	<u>\$ 1,651,105</u>	<u>\$12,507,029</u>	<u>\$ 1,851,613</u>

The following is a summary of the maturity of long-term indebtedness, all of which relate to bonds which were issued for capital improvements within the District:

<u>Description of Issue</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at 6/30/12</u>
Serial Bonds	\$ 7,400,000	7/15/1998	7/15/2012	4.3 – 4.35%	\$ 710,000
Serial Bonds	4,520,000	9/15/1999	9/15/2013	4.9-5%	<u>915,000</u>
					<u>\$ 1,625,000</u>

The following is a summary of maturing debt service requirements:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,155,000	\$ 50,068	\$ 1,205,068
2014	<u>470,000</u>	<u>11,750</u>	<u>481,750</u>
Totals	<u>\$ 1,625,000</u>	<u>\$ 61,818</u>	<u>\$ 1,686,818</u>

Installment purchase debt is comprised of the following which was used to purchase equipment:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2012</u>
Installment purchase debt	\$548,836	2008	2013	5.5%	\$ 107,010
Installment purchase debt	182,148	2010	2013	2.8%	<u>60,716</u>
					<u>\$ 167,726</u>

The following is a summary of installment purchase debt service requirements:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$ 167,726</u>	<u>\$ 4,402</u>	<u>\$ 172,128</u>

Interest on long-term debt for the year was composed of:

Interest paid	\$ 102,143
Less interest accrued in the prior year	(47,382)
Plus interest accrued in the current year	<u>27,500</u>
Total expense	<u>\$ 82,261</u>

8. PENSION PLANS

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing, multiple-employer, public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYSTRS, Office of the State Comptroller, 110 State Street, Albany, New York 12211-2395.

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute, and benefits to employees. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

The Systems are noncontributory for the employee except for those who either joined the Systems after July 27, 1976 with less than ten years of credited service, who contribute 3% of their salary or joined the Systems on or after January 1, 2010, who contribute 3% of their salary to NYSERS or 3.5% of their salary to NYSTRS throughout their active membership. For employees hired after April 1, 2012, employee contribution rates are dependent upon salaries and range from 3% to 6% throughout active membership. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at a rate determined actuarially by the Retirement Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions for the current and two preceding years were:

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2012	\$ 3,681,174	\$ 945,145
2011	2,832,866	684,248
2010	1,947,446	416,978

9. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,192,372	\$ 74,194	\$ 476,304	\$ 620,828
Special Aid Fund	-	1,150,178	68,428	-
School Lunch Fund	58,260	-	5,000	-
Debt Service Fund	62,041	-	-	-
Capital Projects Fund	-	67,003	547,400	476,304
Fiduciary Funds	-	21,298	-	-
Totals	<u>\$ 1,312,673</u>	<u>\$ 1,312,673</u>	<u>\$ 1,097,132</u>	<u>\$ 1,097,132</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

10. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

Plan description and annual OPEB cost

The District provides post-employment (health insurance, life insurance etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions, requires the District to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

Currently, 244 retired employees receive health benefits from the District. Retirees contribute 0% to 65% for coverage depending on position held, date of hire, years of service, and fiscal year of retirement.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2012, the District recognized \$2,392,949 for its share of insurance premiums for currently enrolled retirees. The District has obtained an actuarial valuation report as of June 30, 2011, which indicates that the total liability for other post-employment benefits is \$54,576,024.

The District's annual other post-employment benefit (OPEB) cost (expense) for its plan is calculated based on the *annual required contribution (ARC)* of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	For the Year Ended <u>June 30, 2012</u>
Annual required contribution	\$ 3,722,704
Interest on net OPEB obligation	227,451
Adjustment to annual required contribution	<u>(140,523)</u>
Annual OPEB cost	3,809,632
Contributions made	<u>2,392,949</u>
Increase in net OPEB obligation	1,416,683
Net OPEB obligation – beginning of year	<u>7,325,113</u>
Net OPEB obligation – end of year	<u>\$ 8,741,796</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2012 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/10	\$4,865,778	42.8%	\$5,686,264
6/30/11	3,809,632	57.0%	7,325,113
6/30/12	3,809,632	62.8%	8,741,796

Funded status and funding progress

As of the most recent actuarial valuation date of June 30, 2011, the plan was 0% funded. The actuarial accrued liability for benefits was \$54,576,024 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$54,576,024. The covered payroll (annual payroll of active employees covered by the plan) was \$39,298,620, and the ratio of the UAAL to the covered payroll was 138.9%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the projected unit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.5% initially, reduced by decrements to an ultimate rate of 5% after 6 years. Both rates included a 5.5 % inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 30 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was 26 years.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported and unreported claims which were incurred on or before year end but not reported (IBNR). Claims activity is summarized below:

	<u>2011</u>	<u>2012</u>
Unpaid claims at beginning of year	\$ 357,628	\$ 313,857
Incurrd claims and claim adjustments expenses	283,138	254,109
Claim payments	<u>(326,909)</u>	<u>(299,537)</u>
Unpaid claims at year end	<u>\$ 313,857</u>	<u>\$ 268,429</u>

12. CONTINGENCIES AND COMMITMENTS

The District has received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, the ultimate resolution of any existing matters is not expected to have a material adverse effect on the District's financial position.

On October 29, 2010, the Nassau County Legislature repealed the "County Guarantee" provision of the Nassau County Administrative Code which required the County to pay the costs of judgments, cancellations or credits of taxes for tax revenue received by towns, special districts and school districts. The effective date of such legislation shall be with respect to assessment rolls that are finalized in April 2012 and thereafter. As such, the District will now be responsible for the costs of judgments, cancellations or credits of taxes for tax revenue. Tax certiorari proceedings shall now be reflected in the District's financial statements at such time amounts can reasonably be determined by court decisions, judgments or other variables. There were no material liabilities determined as of June 30, 2012. While the extent of the District's prospective obligation cannot be determined at this time, this legislation will have a negative impact on future operating results of the District.

13. OPERATING LEASES

The District leases copier equipment under the terms of non-cancelable leases. Rental expense for the year was \$119,819.

Minimum annual rentals for each of the remaining operating leases are:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2013	\$ 116,807
2014	118,217
2015	118,217
2016	118,217
2017	<u>12,313</u>
	<u>\$ 483,771</u>

14. NEW ACCOUNTING STANDARDS

GASB has issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- A. Financial Accounting Standards Board ("FASB") Statements and Interpretations
- B. Accounting Principles Board Opinions
Accounting Research Bulletins of the American Institute of Certified Public Accountants'
(AICPA) Committee on Accounting Procedures

The District adopted the provisions of this Statement during the year ended June 30, 2012.

GASB has issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District adopted the provisions of this Statement during the year ended June 30, 2012.

GASB has issued Statement No. 66, Technical Corrections (effective for periods beginning after December 15, 2012), which resolves conflicting guidance that resulted from the issuance of two recent pronouncements; GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The District is currently studying the Statement and plans on adoption when required, which will be for the June 30, 2013 financial statements.

GASB has issued Statement No. 68, Accounting and Reporting for Pension Plans, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District is currently studying the Statement and plans on adoption when required, which will be for the June 30, 2015 financial statements.

15. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of August 17, 2012, which is the date the financial statements were available to be issued, noting no matters requiring further consideration.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Year-end Encumbrances</u>	<u>Variance</u>
REVENUES					
Local sources:					
Real property taxes	\$ 56,150,943	\$ 56,150,943	\$ 56,038,289		\$ (112,654)
Other tax items	6,800,000	6,800,000	7,216,325		416,325
Charges for services	326,000	326,000	420,309		94,309
Use of money and property	120,000	120,000	130,952		10,952
Sale of property and compensation for loss	19,000	19,000	21,905		2,905
Miscellaneous	236,000	313,836	518,713		204,877
Total local sources	63,651,943	63,729,779	64,346,493		616,714
State sources	7,151,751	7,151,751	7,105,346		(46,405)
Federal sources	93,191	93,191	-		(93,191)
Total revenues	70,896,885	70,974,721	71,451,839		477,118
EXPENDITURES					
General support:					
Board of Education	103,897	104,196	91,669	\$ 3,571	8,956
Central administration	332,950	333,109	326,524	699	5,886
Finance	724,680	777,120	681,893	51,000	44,227
Staff	295,120	386,523	261,057	77,382	48,084
Central services	6,148,424	6,464,749	5,568,004	115,490	781,255
Special items	991,825	980,385	856,223	-	124,162
Total general support	8,596,896	9,046,082	7,785,370	248,142	1,012,570
Instruction:					
Instruction, administration and improvement	3,319,170	3,422,759	3,320,888	1,337	100,534
Teaching - regular school	25,088,846	25,021,303	23,975,580	40,489	1,005,234
Programs for children with handicapping conditions	8,094,166	8,170,537	7,006,726	373,823	789,988
Occupational education	399,515	399,515	330,975	-	68,540
Teaching - special school	279,923	279,923	216,796	-	63,127
Instructional media	2,788,482	2,805,521	2,651,801	14,142	139,578
Pupil services	4,027,384	4,067,940	3,811,823	13,071	243,046
Total instruction	43,997,486	44,167,498	41,314,589	442,862	2,410,047
Pupil transportation	2,785,448	2,796,339	1,953,236	-	843,103
Community services	138,767	138,767	129,588	-	9,179
Employee benefits	15,902,345	15,749,110	14,725,463	-	1,023,647
Debt service:					
Principal	1,110,000	1,110,000	1,110,000	-	-
Interest	239,643	239,645	157,351	-	82,294
Total expenditures	72,770,585	73,247,441	67,175,597	\$ 691,004	5,380,840
Excess (deficiency) of revenue over (under) expenditures	(1,873,700)	(2,272,720)	4,276,242		\$ 5,857,958
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	476,304		
Interfund transfers out	(126,300)	(663,700)	(620,828)		
Appropriated reserves	2,000,000	2,936,420	-		
Total other financing sources and (uses)	1,873,700	2,272,720	(144,524)		
Net change in fund balance	\$ -	\$ -	4,131,718		
Fund balance, beginning of year			18,071,740		
Fund balance, end of year			\$ 22,203,458		

The accompanying notes to financial statements should be
read in conjunction with this schedule.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET
AND USE OF UNRESERVED FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

Change from adopted budget to revised budget:

Adopted budget		\$ 72,896,885
Add:		
Prior year encumbrances		479,020
Planned use of specific reserves		<u>457,400</u>
Revised budget		73,833,305
Budget revisions relating to:		
Gifts and donations	\$ 27,836	
Special legislative grant	<u>50,000</u>	<u>77,836</u>
Final budget		<u><u>\$ 73,911,141</u></u>
Next year's budget is a voter-approved budget		<u><u>\$ 74,468,696</u></u>

Use of unreserved fund balance:

Unreserved fund balance, beginning of year		\$ 4,415,875
Less:		
Designated fund balance used for levy of taxes - adopted budget		<u>1,500,000</u>
Undesignated fund balance, beginning of year		<u><u>\$ 2,915,875</u></u>

The accompanying notes to financial statements should be
read in conjunction with this schedule.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING SOURCES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

Project Title	Expenditures						Methods of Financing				Fund Balance	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Adjustments and Transfers	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	June 30, 2012
Atlantic Avenue HVAC	\$ 250,000	\$ 250,000	\$ 165,376	\$ -	\$ 84,624	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -
High School Bleachers	125,000	125,000	124,820	-	-	124,820	180	-	-	125,000	125,000	180
District Wide Tech Project	141,100	598,500	117,003	467,363	6,169	590,535	7,965	-	-	598,500	598,500	7,965
High School Boys Bathroom	-	90,000	-	3,157	-	3,157	86,843	-	-	90,000	90,000	86,843
High School Gym Roof and A/C	1,385,000	1,385,000	1,349,980	7,263	27,757	1,385,000	-	-	-	1,385,000	1,385,000	-
High School Windows	1,114,334	1,114,334	84,289	978,577	51,468	1,114,334	-	-	-	1,114,334	1,114,334	-
South Curtain Wall	1,350,000	1,350,000	1,348,278	-	-	1,348,278	1,722	-	-	1,350,000	1,350,000	1,722
North Roof and HVAC	1,000,000	1,140,000	833,714	-	306,286	1,140,000	-	-	-	1,140,000	1,140,000	-
	\$ 5,365,434	\$ 6,052,834	\$ 4,023,460	\$ 1,456,360	\$ 476,304	\$ 5,956,124	\$ 96,710	\$ -	\$ -	\$ 6,052,834	\$ 6,052,834	\$ 96,710

The accompanying notes to financial statements should be
read in conjunction with this schedule.

**SUPPLEMENTAL
SCHEDULE 4**

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES
COMPARED TO ST-3 DATA - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Code</u>	<u>ST-3 Amount</u>	<u>Audited Amount</u>
REVENUES			
Real property taxes	A-1001	\$ 56,038,289	\$ 56,038,289
Non-property taxes	AT-1099	7,216,325	7,216,325
State aid	AT-3999	7,105,346	7,105,346
Total revenues and other financing sources	AT-5999	71,928,143	71,928,143
EXPENDITURES			
General support	AT-1999	7,785,370	7,785,370
Pupil transportation	AT-5599	1,953,236	1,953,236
Debt service - principal	AT-9798.6	1,110,000	1,110,000
Debt service - interest	AT-9798.7	157,351	157,351
Total expenditures and other uses	AT-9999	67,796,425	67,796,425

The accompanying notes to financial statements should be
read in conjunction with this schedule.

SUPPLEMENTAL
SCHEDULE 5

LYNBROOK UNION FREE SCHOOL DISTRICT
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2012

Capital assets, net			\$ 23,600,411
Deduct:			
Short-term portion of bonds payable	\$ 1,155,000		
Long-term portion of bonds payable	470,000		
Short-term portion of installment purchase debt payable	<u>167,726</u>	<u>1,792,726</u>	
Investment in capital assets, net of related debt			<u>\$ 21,807,685</u>

The accompanying notes to financial statements should be
read in conjunction with this schedule.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
FOR THE YEAR ENDED JUNE 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	\$ -	\$ 54,666,150	\$ 54,666,150	\$ -	\$ 38,042,049	143.7%
6/30/2010	\$ -	\$ 51,329,718	\$ 51,329,718	\$ -	\$ 38,008,391	135.0%
6/30/2011	\$ -	\$ 54,576,024	\$ 54,576,024	\$ -	\$ 39,298,620	138.9%

The accompanying notes to financial statements should be
read in conjunction with this schedule.

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS
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Nawrocki Smith LLP
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON EXTRACLASSROOM
ACTIVITY FUNDS FINANCIAL STATEMENTS**

To the Board of Education of the
Lynbrook Union Free School District
Town of Hempstead, New York:

We have audited the accompanying statements of cash receipts and disbursements of the Extraclassroom Activity Funds of the Lynbrook Union Free School District (the "District") for the year ended June 30, 2012. These financial statements are the responsibility of the District's administration. 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 statements of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall presentation of the statements of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the statements of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of the Lynbrook Union Free School District for the year ended June 30, 2012, on the basis of accounting described in Note 1.

Nawrocki Smith LLP

Melville, New York
August 17, 2012

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Cash Balances June 30, 2011	Receipts	Disbursements	Cash Balances June 30, 2012
High School:				
Class of 2011	\$ 290.59	\$ -	\$ 290.59	\$ -
Class of 2012	8,122.51	18,565.49	26,688.00	-
Class of 2013	5,118.78	3,654.75	1,619.29	7,154.24
Class of 2014	2,559.75	5,189.75	2,258.00	5,491.50
Class of 2015	-	3,205.75	600.00	2,605.75
Yearbook	6,570.38	36,815.00	23,936.72	19,448.66
Driftstone	120.04	-	50.00	70.04
Athletic Club	16,541.98	32,477.85	31,029.31	17,990.52
Athletes Creating Excellence	600.57	-	101.14	499.43
Chess Club	40.00	-	40.00	-
Culinary Arts Club	241.02	1,304.00	1,180.68	364.34
Drama Club	7,196.00	13,271.34	9,468.29	10,999.05
Facing History	75.93	1,289.00	788.94	575.99
Gay/Straight Alliance	16.47	200.00	196.42	20.05
Globe Club	406.19	928.20	506.00	828.39
Horizon	7,927.06	4,061.80	4,801.78	7,187.08
Leadership	837.41	3,442.29	3,538.07	741.63
L.I. Toy Lending	368.49	830.71	834.27	364.93
Lynbrook Owl Adventure	2.00	-	-	2.00
Model Congress	381.07	-	381.07	-
Tri-M Fund	706.33	3,495.00	3,380.26	821.07
Music Fund	1,631.68	58,974.55	48,152.78	12,453.45
National Art Honor Society	346.01	3,218.00	3,469.99	94.02
National Honor Society	3,279.34	5,849.00	4,953.90	4,174.44
Peer Aids Education	48.00	-	48.00	-
Italian Club	353.35	1,413.00	1,354.48	411.87
Spanish Club	993.33	1,781.00	1,910.00	864.33
Japanese Club	9.46	1,658.50	1,667.80	0.16
SADD	2,984.37	1,059.00	676.04	3,367.33
Student Government Association	3,287.02	10,722.91	9,255.89	4,754.04
Key Club	18.08	-	18.08	-
	<u>\$ 71,073.21</u>	<u>\$ 213,406.89</u>	<u>\$ 183,195.79</u>	<u>\$ 101,284.31</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Cash Balances June 30, 2011	Receipts	Disbursements	Cash Balances June 30, 2012
Middle Schools:				
No. Middle-Student Activity	\$ 5,597.16	\$ 19,941.06	\$ 23,595.13	\$ 1,943.09
No. Middle-Yearbook	1,667.10	2,830.66	2,040.29	2,457.47
No. Middle-Play	4,853.12	1,044.01	741.20	5,155.93
No. Middle-Environment	-	11,550.00	11,550.00	-
So. Middle-Student Activity	5,352.94	15,073.19	14,705.94	5,720.19
So. Middle-Drama	6,951.78	1,625.00	200.00	8,376.78
So. Middle-Environment	42.17	32,226.00	32,096.00	172.17
So. Middle-Science	312.14	-	312.14	-
So. Middle-Yearbook	1,423.26	3,512.60	3,096.08	1,839.78
	<u>\$ 26,199.67</u>	<u>\$ 87,802.52</u>	<u>\$ 88,336.78</u>	<u>\$ 25,665.41</u>

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

EXTRACLASSROOM ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Lynbrook Union Free School District.

The accounts of the Extraclassroom Activity Funds of the District are maintained on a cash basis, and the statements of cash receipts and disbursements reflect only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United State of America, and which may be material in amount, are not recognized in the accompanying financial statements.

**SUPPLEMENTAL
SCHEDULE 7**

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
Passed-Through New York State Department of Education			
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-12-0428	\$ 641,669
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-12-0428	18,627
IDEA, Section 611 - ARRA, Special Education Grants to States	84.391A	5032-11-0428	87,051
IDEA, Section 619 - ARRA, Special Education Preschool Grants	84.392A	5033-11-0428	1,735
			<u>749,082</u>
State Fiscal Stabilization Fund Cluster:			
Teacher Center - ARRA	84.397	5425-12-0052	<u>50,777</u>
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-11-1545	8,153
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-12-1545	100,170
ESEA, Title IV, Part A, Safe and Drug-Free Schools	84.186A	0180-11-1545	694
ESEA, Title II, Part A, Training	84.367A	0147-11-1545	1,010
ESEA, Title II, Part A, Training	84.367A	0147-12-1545	70,527
Education Jobs Fund - ARRA	84.410	5400-12-1545	267,061
			<u>447,615</u>
Total U.S. Department of Education			<u>1,247,474</u>
<u>U.S. Department of Agriculture</u>			
Surplus Food	10.550	N/A	20,444
Passed-Through New York State Office of General Services			
National School Lunch Program	10.555	N/A	<u>54,487</u>
Total U.S. Department of Agriculture			<u>74,931</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,322,405</u></u>

The accompanying notes should be read
in conjunction with this schedule.

LYNBROOK UNION FREE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the Lynbrook Union Free School District (the "District"), an entity as defined in Note 1 to the District's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed-through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Accounting

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the financial statements.

3. Indirect Costs

Indirect costs may be included in the reported expenditures to the extent they are included in the federal financial reports used as the source of the data presented.

4. Matching Costs

Matching costs (i.e., the District's share of certain program costs) are not included in the reported expenditures.

5. Major Program Determination

The District has determined that all federal programs with expenditures of \$300,000 or more are Type A Programs for purposes of determining Major Programs.



Nawrocki Smith LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of the
Lynbrook Union Free School District
Town of Hempstead, New York:

We have audited the financial statements of the governmental activities, each major fund and the fiduciary funds of the Lynbrook Union Free School District (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 17, 2012. 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.

Internal Control Over Financial Reporting

The administration of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Nawrocki Smith LLP

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of the Board of Education, Audit Committee, administration, others within the District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Melville, New York
August 17, 2012

A handwritten signature in black ink that reads "Nawrocki Smith LLP". The signature is written in a cursive, flowing style.



Nawrocki Smith LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education of the
Lynbrook Union Free School District
Town of Hempstead, New York:

Compliance

We have audited Lynbrook Union Free School District's (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's administration. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The administration of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Nawrocki Smith LLP

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weakness. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, Audit Committee, administration, others within the District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Melville, New York
August 17, 2012

A handwritten signature in black ink that reads "Nawrocki Smith LLP". The signature is written in a cursive, flowing style.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. Summary Of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit.
4. No deficiencies or material weaknesses were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs that are required to be reported in accordance with section 510(a) of OMB Circular A-133, were disclosed during the audit.
7. The programs tested as a major program included:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	<u>U.S. Department of Education-</u>
84.027A	IDEA, Part B, Section 611, Special Education Grants to States
84.173A	IDEA, Part B, Section 619, Special Education Preschool Grants
84.391A	IDEA, Section 611 - ARRA, Special Education Grants to States
84.392A	IDEA, Section 619 - ARRA, Special Education Preschool Grants
84.397	Teacher Center - ARRA
84.410	Education Jobs Fund - ARRA

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Auditee was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None reported.

C. Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

LYNBROOK UNION FREE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Findings - Financial Statement Audit

None reported.

Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

OBJECTIVES OF STATISTICAL INFORMATION

The Statistical Section of this Comprehensive Annual Financial Report provides information regarding the District's economic condition. The schedules/information are organized around five objectives.

1. Financial Trends This information helps users to understand how the District's financial position has changed over time. The information provided tracks net position, revenues, expenses, changes in net position, governmental fund revenues and expenditures, as well as the net change in fund balances over a ten year period.
2. Revenue Capacity This information assists users understand the nature of major revenues and the District's ability to collect local source revenues through taxes.
3. Debt Capacity This information provides users with a better understanding of the debt burden of the District and its ability to issue additional debt.
4. Demographic and Economic Information This information helps users understand the environment in which the District is operating and also facilitate comparisons among other districts.
5. Operating Information This information helps users assess the size of the District, life cycle, capacity and enrollment, as well as general statistics.

LYNBROOK UNION FREE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year								
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:									
Invested in capital assets, net of related debt	\$ 5,353,599	\$ 6,640,207	\$ 9,484,992	\$ 10,517,232	\$ 13,589,268	\$ 13,977,143	\$ 17,072,438	\$ 18,987,358	\$ 21,807,685
Restricted	4,241,328	5,278,588	6,351,334	-	1,187,921	2,376,285	1,552,963	14,796,583	17,264,116
Unrestricted	5,143,281	5,007,896	4,759,711	12,773,825	10,509,130	7,126,208	8,803,712	(3,800,359)	(4,655,988)
Total net position	<u>\$ 14,738,208</u>	<u>\$ 16,926,691</u>	<u>\$ 20,596,037</u>	<u>\$ 23,291,057</u>	<u>\$ 25,286,319</u>	<u>\$ 23,479,636</u>	<u>\$ 27,429,113</u>	<u>\$ 29,983,582</u>	<u>\$ 34,415,813</u>

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
Expenses-									
General support	\$ 6,685,318	\$ 7,383,310	\$ 7,863,911	\$ 8,787,042	\$ 7,998,600	\$ 10,416,088	\$ 8,738,756	\$ 10,860,020	\$ 11,291,517
Instruction	37,949,134	41,544,989	44,657,812	47,111,596	50,240,363	54,628,392	54,157,673	55,064,191	55,258,349
Pupil transportation	1,420,209	1,598,010	1,570,621	1,668,047	2,308,538	1,791,551	1,894,448	1,864,438	1,969,153
Community services	162,572	169,984	174,701	191,797	155,891	175,989	167,206	174,833	179,135
Debt service interest	501,697	445,261	351,902	366,448	381,396	327,924	211,999	178,143	137,469
School lunch program	273,108	445,250	466,683	340,297	433,132	334,377	284,310	325,947	349,582
Depreciation - unallocated	801,207	814,548	-	-	-	-	-	-	-
Total expenses	47,793,245	52,401,352	55,085,630	58,465,227	61,517,920	67,674,321	65,454,392	68,467,572	69,185,205
Program revenues-									
Charges for services									
Instruction	221,972	316,798	293,843	332,578	332,872	328,225	442,672	392,441	420,309
Pupil transportation	-	-	-	-	9,589	-	-	-	-
School lunch program	305,463	426,678	335,797	291,868	297,317	249,568	229,693	250,765	259,663
Operating grants	984,006	994,524	929,678	848,149	1,034,324	1,674,488	2,887,931	2,043,051	1,529,171
Total program revenues	1,511,441	1,738,000	1,559,318	1,472,595	1,674,102	2,252,281	3,560,296	2,686,257	2,209,143
Net (expense)/revenue	<u>\$ (46,281,804)</u>	<u>\$ (50,663,352)</u>	<u>\$ (53,526,312)</u>	<u>\$ (56,992,632)</u>	<u>\$ (59,843,818)</u>	<u>\$ (65,422,040)</u>	<u>\$ (61,894,096)</u>	<u>\$ (65,781,315)</u>	<u>\$ (66,976,062)</u>

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/revenue	\$ (46,281,804)	\$ (50,663,352)	\$ (53,526,312)	\$ (56,992,632)	\$ (59,843,818)	\$ (65,422,040)	\$ (61,894,096)	\$ (65,781,315)	\$ (66,976,062)
General revenues and other changes in net position:									
Real property taxes	39,357,197	41,552,984	44,128,840	45,914,860	47,305,980	50,026,323	52,117,240	53,525,013	56,038,289
Other tax items	5,306,026	5,717,389	6,002,069	6,095,807	5,818,419	5,368,659	5,742,045	7,071,682	7,216,325
Use of money and property	194,283	347,296	572,140	876,100	687,231	307,371	185,312	88,473	130,952
Sale of property and compensation for loss	104,312	43,969	20,891	22,825	21,507	14,498	15,618	48,971	21,905
State source and local sources	4,998,831	4,943,326	5,647,956	6,608,487	7,757,001	8,741,947	7,426,419	7,047,506	7,481,829
Federal sources	81,043	44,946	27,518	16,174	-	-	-	-	-
Miscellaneous	159,218	201,925	169,922	153,399	248,943	352,074	356,939	554,139	518,993
Total	50,200,910	52,851,835	56,569,336	59,687,652	61,839,081	64,810,872	65,843,573	68,335,784	71,408,293
Change in net position	<u>\$ 3,919,106</u>	<u>\$ 2,188,483</u>	<u>\$ 3,043,024</u>	<u>\$ 2,695,020</u>	<u>\$ 1,995,263</u>	<u>\$ (611,168)</u>	<u>\$ 3,949,477</u>	<u>\$ 2,554,469</u>	<u>\$ 4,432,231</u>

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

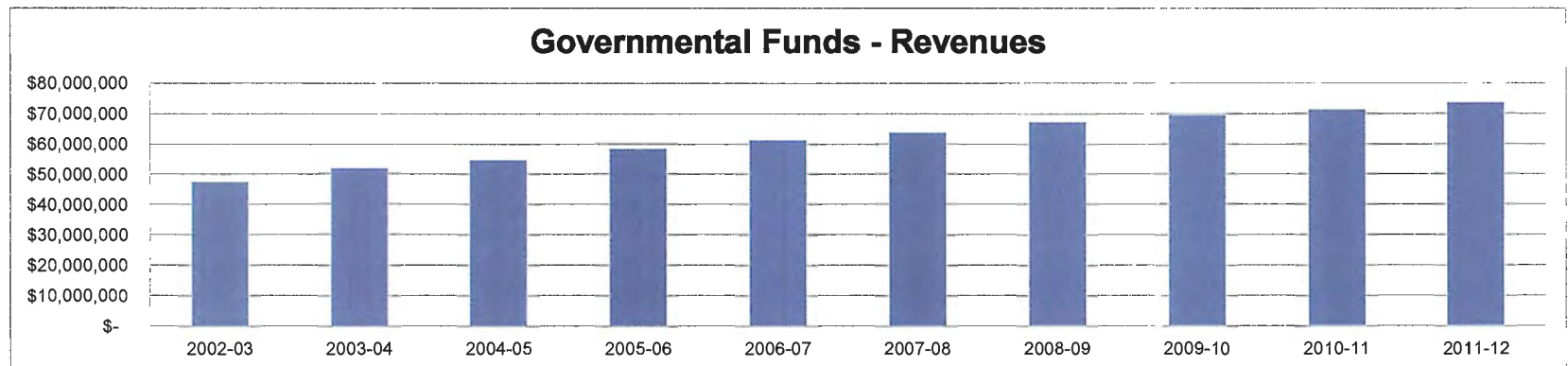
Fiscal Year	Reserved	Unreserved	Nonspendable	Restricted	Assigned	Unassigned	Total
<u>General Fund</u>							
2003	\$ 4,193,876	\$ 3,037,829	\$ -	\$ -	\$ -	\$ -	\$ 7,231,705
2004	5,483,797	2,988,623	-	-	-	-	8,472,420
2005	6,419,433	2,848,285	-	-	-	-	9,267,718
2006	8,064,448	3,111,791	-	-	-	-	11,176,239
2007	8,805,528	3,497,504	-	-	-	-	12,303,032
2008	7,876,707	4,053,871	-	-	-	-	11,930,578
2009	8,291,984	4,142,570	-	-	-	-	12,434,554
2010	11,369,625	4,336,303	-	-	-	-	15,705,928
2011	-	-	-	13,176,845	1,979,020	2,915,875	18,071,740
2012	-	-	-	17,033,706	2,191,004	2,978,748	22,203,458
<u>School Lunch Fund</u>							
2003	\$ 6,273	\$ 47,593	\$ -	\$ -	\$ -	\$ -	\$ 53,866
2004	9,832	139,290	-	-	-	-	149,122
2005	33,043	160,647	-	-	-	-	193,690
2006	8,608	131,209	-	-	-	-	139,817
2007	2,254	145,624	-	-	-	-	147,878
2008	3,158	93,819	-	-	-	-	96,977
2009	2,891	52,564	-	-	-	-	55,455
2010	10,679	69,806	-	-	-	-	80,485
2011	-	-	12,004	75,723	-	-	87,727
2012	-	-	10,693	71,659	-	-	82,352
<u>Debt Service Fund</u>							
2003	\$ 27,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,544
2004	36,733	-	-	-	-	-	36,733
2005	62,042	-	-	-	-	-	62,042
2006	62,042	-	-	-	-	-	62,042
2007	62,042	-	-	-	-	-	62,042
2008	62,041	-	-	-	-	-	62,041
2009	62,041	-	-	-	-	-	62,041
2010	62,041	-	-	-	-	-	62,041
2011	-	-	-	62,041	-	-	62,041
2012	-	-	-	62,041	-	-	62,041
<u>Capital Projects Fund</u>							
2003	\$ 392,179	\$ 288,493	\$ -	\$ -	\$ -	\$ -	\$ 680,672
2004	-	1,947,448	-	-	-	-	1,947,448
2005	775,932	1,162,914	-	-	-	-	1,938,846
2006	155,723	1,057,686	-	-	-	-	1,213,409
2007	1,117,317	751,837	-	-	-	-	1,869,154
2008	781,405	344,475	-	-	-	-	1,125,880
2009	1,155,607	1,158,637	-	-	-	-	2,314,244
2010	1,012,457	478,465	-	-	-	-	1,490,922
2011	-	-	-	1,481,974	-	-	1,481,974
2012	-	-	-	96,710	-	-	96,710

Note: Prior year amounts have not been restated for the implementation of GASB Statement 54.

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
GOVERNMENTAL FUNDS - REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

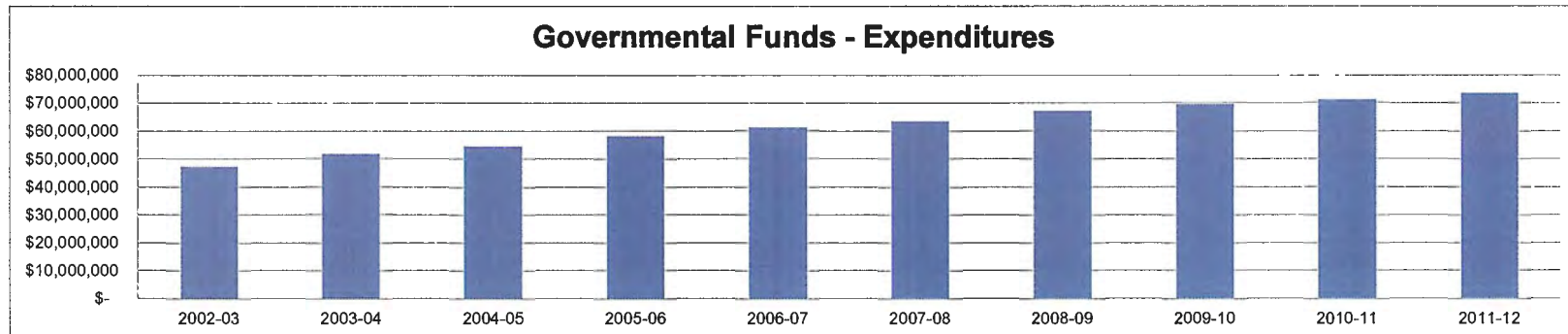
Fiscal Year	Property Taxes And Other Tax Items	Charges For Services	Use of Money and Property	Sale of Property/ Compensation for Loss	Miscellaneous including Forfeitures	State Sources	Federal Sources	Surplus Food	Sales School Lunch/Milk Program	Total
2002-03	\$ 40,553,001	\$ 346,455	\$ 190,429	\$ 26,347	\$ 124,613	\$ 5,171,484	\$ 694,717	\$ 14,813	\$ 214,901	\$ 47,336,760
2003-04	44,663,223	221,972	194,283	104,312	193,069	5,122,574	929,988	11,318	271,612	51,712,351
2004-05	47,270,373	316,798	347,296	43,969	283,123	5,078,470	890,367	13,959	345,480	54,589,835
2005-06	50,130,909	293,843	572,140	20,891	169,922	5,737,152	851,309	16,691	335,797	58,128,654
2006-07	52,010,667	332,578	876,100	22,825	153,399	6,660,660	796,258	15,892	291,868	61,160,247
2007-08	53,124,399	342,461	687,231	21,507	248,943	7,955,948	835,377	-	297,317	63,513,183
2008-09	55,394,982	328,225	307,371	14,498	352,074	9,459,429	957,006	-	249,568	67,063,153
2009-10	57,859,285	442,672	185,312	15,618	356,939	8,038,081	2,276,269	-	229,693	69,403,869
2010-11	60,596,695	392,441	88,473	48,971	554,139	7,309,326	1,781,231	-	250,765	71,022,041
2011-12	63,254,614	420,309	130,952	21,905	518,993	7,312,112	1,322,405	-	259,663	73,240,953
	<u>\$ 524,858,148</u>	<u>\$ 3,437,754</u>	<u>\$ 3,579,587</u>	<u>\$ 340,843</u>	<u>\$ 2,955,214</u>	<u>\$ 67,845,236</u>	<u>\$ 11,334,927</u>	<u>\$ 72,673</u>	<u>\$ 2,746,664</u>	<u>\$ 617,171,046</u>



See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
GOVERNMENTAL FUNDS - EXPENDITURES BY FUNCTION AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Fiscal Year	General Support	Instruction	Pupil Transportation	Community Services	Employee Benefits	Debt Service	Cost of Sales/Other School Lunch	Capital Outlay	Total	Net Change in Fund Balance
2002-03	\$ 5,689,529	\$ 30,431,735	\$ 1,256,964	\$ 125,409	\$ 6,685,013	\$ 1,259,007	\$ 273,500	\$ 616,308	\$ 46,337,465	\$ 999,295
2003-04	6,037,718	31,747,091	1,414,209	131,577	7,661,729	1,252,103	273,108	582,880	49,100,415	2,611,936
2004-05	6,494,829	33,354,157	1,590,707	133,091	9,474,466	1,244,160	445,250	996,602	53,733,262	856,573
2005-06	6,713,841	34,886,104	1,562,673	134,266	10,436,340	1,191,510	464,084	1,610,625	56,999,443	1,129,211
2006-07	7,477,840	36,692,763	1,661,453	147,100	11,308,928	1,240,187	357,339	484,038	59,369,648	1,790,599
2007-08	7,838,635	39,005,317	1,717,639	152,278	11,970,964	1,257,328	430,121	2,307,530	64,679,812	(1,166,629)
2008-09	7,543,413	40,801,778	1,771,854	164,409	12,230,738	1,254,547	327,169	1,318,427	65,412,335	1,650,818
2009-10	7,299,437	41,322,352	1,881,951	124,949	12,184,204	1,235,442	284,310	2,598,142	66,930,787	2,473,082
2010-11	7,789,399	42,644,390	1,850,255	128,886	13,418,521	1,252,035	325,947	1,248,502	68,657,935	2,364,106
2011-12	7,890,549	42,621,831	1,953,236	129,588	14,831,377	1,267,351	349,582	1,456,360	70,499,874	2,741,079
	<u>\$ 70,775,190</u>	<u>\$ 373,507,518</u>	<u>\$ 16,660,941</u>	<u>\$ 1,371,553</u>	<u>\$ 110,202,280</u>	<u>\$ 12,453,670</u>	<u>\$ 3,530,410</u>	<u>\$ 13,219,414</u>	<u>\$ 601,720,976</u>	<u>\$ 15,450,070</u>



See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
ASSESSED VALUATION OF TAXABLE REAL PROPERTY,
STATE EQUALIZATION RATE AND FULL VALUATION OF TAXABLE REAL PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Residential Assessed Valuation</u>	<u>Commercial Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2003	\$ 30,157,505	\$ 15,631,848	78.59%	\$ 58,262,308
2004	16,419,020	2,804,560	94.39%	20,366,210
2005	16,032,385	2,725,934	94.38%	19,874,484
2006	9,590,889	2,739,429	92.07%	13,391,956
2007	5,613,692	2,727,822	88.39%	9,436,660
2008	5,932,599	2,888,201	88.52%	9,964,852
2009	6,211,631	3,044,145	87.87%	10,533,826
2010	6,287,621	3,243,894	86.87%	10,972,324
2011	5,301,457	3,374,368	85.33%	10,166,822
2012	5,007,297	2,878,123	84.05%	9,381,548

Note: Nassau County has undergone a major reassessment program. The reduction in the assessed value of the District is a result of the County's new assessment procedures.

Source: Nassau County Records

See accompanying independent auditor's report on financial statements and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Lynbrook UFSD</u>	<u>Village of Lynbrook</u>	<u>Village of East Rockaway</u>	<u>Village of Hewlett Harbor</u>	<u>Town of Hempstead</u>	<u>Nassau County</u>	<u>Total School, Town and County Tax Rate (Lynbrook)</u>	<u>Total School, Town and County Tax Rate (East Rockaway)</u>	<u>Total School, Town and County Tax Rate (Hewlett Harbor)</u>	<u>Total Assessed Valuation</u>	<u>State Equalization Rate</u>
2003	78.363	10.28	16.29	2.10	0.914	3.505	93.062	99.072	84.882	\$ 58,262,308	78.59%
2004	161.195	11.80	18.42	2.90	1.693	5.958	180.646	187.266	171.746	20,366,210	94.39%
2005	176.989	12.60	19.96	5.55	1.832	4.897	196.318	203.678	189.268	19,874,484	94.38%
2006	320.869	13.69	21.00	2.90	3.068	6.092	343.719	351.029	332.929	13,391,956	92.07%
2007	571.917	13.69	21.69	19.98	5.239	18.965	609.811	617.811	616.101	9,436,660	88.39%
2008	560.692	13.66	22.32	19.03	4.959	21.106	600.417	609.077	605.787	9,964,852	88.52%
2009	564.945	14.04	22.95	N/A	4.959	22.067	606.011	614.921	591.971	10,533,826	87.87%
2010	586.907	14.74	23.75	19.06	4.959	22.199	628.805	637.815	633.125	10,972,324	86.87%
2011	732.545	15.23	25.04	24.95	5.854	29.716	783.345	793.155	793.065	10,166,822	85.33%
2012	800.273	16.28	24.16	29.56	6.165	22.213	844.931	852.811	858.211	9,381,548	84.05%

Note: Nassau County had undergone a major reassessment program.

Source: Nassau County Assessment Office, Tax Departments of the Villages of Lynbrook, East Rockaway and Hewlett Harbor

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND FOR THE NINTH FISCAL YEAR PRIOR

2003				2012			
Name of Firm	Nature of Property	Assessed Valuation	Percent of Total Assessed Valuation	Name of Firm	Nature of Property	Assessed Valuation	Percent of Total Assessed Valuation
LIPA	Public Utility	\$ 277,387	2.78%	LIPA	Public Utility	\$ 412,254	4.39%
K98 Senior LLC	Office Building	164,291	1.65%	Keyspan	Utility	257,705	2.75%
Fowler Daley Owners Inc.	Apartments	161,186	1.62%	K98 Senior LLC	Office Building	145,433	1.55%
South Shore Association	Apartments	125,529	1.26%	Fowler Daley Owners	Apartments	142,048	1.51%
Long Island Water Company	Public Utility	102,174	1.03%	Long Island Water	Public Utility	103,246	1.10%
Lighthouse Limited Partnership	Office Building	94,716	0.95%	Lighthouse 444 Limited Partners	Office Building	99,528	1.06%
303 Merrick LLC	Public Utility	89,063	0.89%	Wyndham House Owners Corp	Coop Apartments	92,477	0.99%
Wyndham House Owners Corp.	Coop Apartments	83,808	0.84%	Verizon, NY Inc	Public Utility	80,734	0.86%
Verizon	Public Utility	62,274	0.62%	RUPP Associates	Office Building	72,774	0.78%
210 Atlantic Avenue Corp.	Apartments	55,408	0.56%	210 Atlantic Ave. Corp	Commercial	59,645	0.64%
		<u>\$ 1,215,836</u>	<u>12.20%</u>			<u>\$ 1,465,844</u>	<u>15.63%</u>

Note: Includes applicable franchise assessments for utilities. County property is generally exempt from property taxes. Corporate lessees are responsible to the County for the payment of such taxes.

Source: County Assessment Rolls

See accompanying independent auditor's report on financial statements and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy*
2003	\$ 40,325,532	\$ 39,438,352	97.80%	\$ 1,101,427	\$ 40,539,779	100.53%
2004	44,473,623	43,601,953	98.04%	1,061,270	44,663,223	100.43%
2005	46,971,397	39,991,642	85.14%	7,278,731	47,270,373	100.64%
2006	49,916,282	50,130,909	100.43%	-	50,130,909	100.43%
2007	51,943,122	52,010,667	100.13%	-	52,010,667	100.13%
2008	52,986,033	53,120,765	100.25%	3,634	53,124,399	100.26%
2009	55,048,962	55,388,664	100.62%	6,318	55,394,982	100.63%
2010	57,612,480	56,002,541	97.21%	1,856,744	57,859,285	100.43%
2011	60,388,165	58,845,022	97.44%	1,751,672	60,596,694	100.35%
2012	62,950,943	61,372,255	97.49%	1,878,442	63,250,697	100.48%

*The District is in a position where property law allows residents to choose the school district based on the location of their property line. As a result, the Lynbrook District bills 2 neighboring districts for the tax money to educate the children in those households.

Source: District Records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Principal Debt	Capital Leases	Installment Debt	Total	Percentage of Personal Income*	Debt per Capita*
2003	\$ 9,890,000	\$ -	\$ -	\$ 9,890,000	0.31%	\$ 534
2004	9,145,000	228,686	-	9,373,686	0.34%	506
2005	8,360,000	-	-	8,360,000	0.40%	451
2006	7,535,000	-	-	7,535,000	0.50%	407
2007	6,665,000	-	586,251	7,251,251	0.56%	391
2008	5,755,000	-	750,446	6,505,446	0.57%	351
2009	4,795,000	-	858,743	5,653,743	0.63%	305
2010	3,790,000	-	577,570	4,367,570	0.81%	236
2011	2,735,000	-	400,174	3,135,174	1.16%	169
2012	1,625,000	-	167,726	1,792,726	2.02%	97

* See Personal Income and Population Data on "Demographic and Economic Statistics" schedule. These ratios are calculated using personal income and population for the prior year.

Source: District Records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR LONG-TERM DEBT
TO NONCAPITAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service (1)	Noncapital Governmental Expenditures	Debt Service as a Per Cent of Noncapital Governmental Expenditures
2003	\$ 710,000	\$ 470,388	\$ 1,180,388	\$ 47,869,327	2.47%
2004	745,000	337,748	1,082,748	50,229,914	2.16%
2005	785,000	402,910	1,187,910	53,724,660	2.21%
2006	825,000	366,510	1,191,510	56,274,006	2.12%
2007	870,000	328,041	1,198,041	60,025,393	2.00%
2008	910,000	287,328	1,197,328	63,867,525	1.87%
2009	960,000	244,380	1,204,380	66,220,162	1.82%
2010	1,005,000	199,236	1,204,236	65,707,465	1.83%
2011	1,055,000	151,896	1,206,896	68,508,987	1.76%
2012	1,110,000	157,351	1,267,351	69,128,138	1.83%

(1) Represents debt service expenditures for bonds and notes.

Source: District Records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
AND GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)(2)</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>General Bonded Debt (1)</u>	<u>General Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Bonded Debt Per Capita</u>
2003	18,523	\$ 2,173,966,716	\$ 9,890,000	0.45%	534
2004	18,523	2,262,912,222	9,145,000	0.40%	494
2005	18,523	2,423,717,560	8,360,000	0.34%	451
2006	18,523	3,145,553,333	7,535,000	0.24%	407
2007	18,523	3,145,553,333	6,665,000	0.21%	360
2008	18,523	3,321,617,333	5,755,000	0.17%	311
2009	18,523	3,291,820,625	4,795,000	0.15%	259
2010	18,523	3,324,946,666	3,790,000	0.11%	205
2011	18,523	2,824,117,222	2,735,000	0.10%	148
2012	17,607	2,842,890,909	1,625,000	0.06%	92

(1) District Records (TAN Official Statement)

(2) Population data can be found in the Schedule of Demographic and Economic Statistics

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
DIRECT AND OVERLAPPING DEBT

	<u>Reported as Of</u>	<u>Long-Term Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Town of Hempstead (a)	7/12/2011	\$ 296,255,000	2.88%	\$ 8,532,144
Nassau County (b)	3/31/2012	2,899,221,000	1.30%	37,689,873
Incorporating Villages (c)	2010	<u>31,372,223</u>	Various	<u>21,575,575</u>
Net Overlapping Debt		<u>\$ 3,226,848,223</u>		67,797,592
Net Direct Debt				<u>1,625,000</u>
Net Direct and Overlapping Debt				<u>\$ 69,422,592</u>

Source: Nassau County and Town of Hempstead

(a) Town of Hempstead Official Statement

(b) County of Nassau Official Statement

(c) New York State Comptroller's Special Report on Municipal Affairs - 2010

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries for the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for re-paying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental units taxable value that is within the District's boundaries and by dividing it by each of units taxable value.

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012:

Current Full Valuation of Taxable Real Property	<u>\$ 2,842,890,909</u>
Debt Limit (10% of Current Full Valuation)	\$ 284,289,091
Debt applicable to limit	<u>1,625,000</u>
Net Debt Contracting Margin	<u>\$ 282,664,091</u>

	<u>Fiscal Year</u>									
	<u>2003</u>	<u>2004</u>	<u>2005*</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 217,396,671	\$ 226,291,222	N/A	\$ 314,555,333	\$ 314,555,333	\$ 332,161,733	\$ 329,182,062	\$ 332,494,666	\$ 282,411,722	\$ 284,289,090
Total net debt applicable to limit - BANs and serial bonds	<u>9,420,000</u>	<u>8,650,000</u>	N/A	<u>6,665,000</u>	<u>6,095,000</u>	<u>4,795,000</u>	<u>4,170,000</u>	<u>3,790,000</u>	<u>2,735,000</u>	<u>1,625,000</u>
Net debt contracting margin	<u>\$ 207,976,671</u>	<u>\$ 217,641,222</u>		<u>\$ 307,890,333</u>	<u>\$ 308,460,333</u>	<u>\$ 327,366,733</u>	<u>\$ 325,012,062</u>	<u>\$ 328,704,666</u>	<u>\$ 279,676,722</u>	<u>\$ 282,664,090</u>
Total net debt applicable to the limit as a percentage of debt limit	4.3%	3.8%		2.1%	1.9%	1.4%	1.3%	1.1%	1.0%	0.6%

* No borrowing occurred in 2005

Source: District records (TAN Official Statement)

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population (1)	Personal Income (3)	Per Capita Personal Income	County Unemployment Rate (2)
2003	18,523	\$ 559,616,876	\$ 30,212	4.70%
2004	18,523	585,197,139	31,593	4.50%
2005	18,523	624,817,836	33,732	4.00%
2006	18,523	691,204,268	37,316	3.70%
2007	18,523	756,386,705	40,835	3.70%
2008	18,523	687,444,099	37,113	4.70%
2009	18,523	659,696,645	35,615	6.90%
2010	18,523	658,011,052	35,524	7.10%
2011	18,523	671,069,767	36,229	6.70%
2012	17,607	N/A	N/A	7.50%

Sources include: (1) District records (TAN Official Statement)
(2) New York State Department of Labor, rates for the Nassau County
(3) New York State Department of Education SAMS System

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOR THE NINTH FISCAL YEAR PRIOR
JUNE 30, 2012

	<u>2012</u>			<u>2003</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Lynbrook UFSD	490	1	N/A	464	1	N/A
Village of Lynbrook	280	2	N/A	300	2	N/A

Note: The information was not available in the level of detail required.

Source: New York State Department of Labor

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

Employee Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Supervisory										
Non-instructional administrators	10	10	12	12	12	12	13	11	10	10
Principals/asst. principals/deans	9	9	9	9	9	9	9	9	9	9
Total Supervisory	<u>19</u>	<u>19</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>19</u>	<u>19</u>
Instruction										
Elementary teachers/spec. ed.	123.8	123.8	122	119	115	118.5	122	120.1	119.7	120.2
Secondary teachers/spec. ed./chairs	137	137	148.3	149.2	151.7	160.3	153.6	144	145	141.68
Instructional aides/teachers aides	47	47	49	54	56	62	59	56	61	62
Total Instruction	<u>307.8</u>	<u>307.8</u>	<u>319.3</u>	<u>322.2</u>	<u>322.7</u>	<u>340.8</u>	<u>334.6</u>	<u>320.1</u>	<u>325.7</u>	<u>323.88</u>
Student Services										
Guidance counselors	8	8	8	8	8	8	9	9	9	9
Psychologists	6.3	6.3	6.3	7.3	6.4	6.4	7	8	8	8
Librarians	6	6	6	6	6	6	6	6	6	6
Social workers	1	1	1	1	1	2	2	2	2	2.5
Total Student Services	<u>21.3</u>	<u>21.3</u>	<u>21.3</u>	<u>22.3</u>	<u>21.4</u>	<u>22.4</u>	<u>24</u>	<u>25</u>	<u>25</u>	<u>25.5</u>
Support										
Clerical	35	35	35	35	35.3	35.4	35.4	37	37	37
Custodial	35.5	35.5	34.5	33.5	34.5	36.4	34.5	32.5	32.5	32.5
Maintainers	6	6	6	7	7	7	7	7	7	7
Grounds	6	6	5	5	5	5	5	4	4	4
Monitors	22	22	22	21	30	32	30	30	30	28
Nurses	8	8	8	8	8	9	9	9	9	9
Total Support	<u>112.5</u>	<u>112.5</u>	<u>110.5</u>	<u>109.5</u>	<u>119.8</u>	<u>124.8</u>	<u>120.9</u>	<u>119.5</u>	<u>119.5</u>	<u>117.5</u>
Data Specialist	0	0	0	0	0	0	0	1	1	1
Tech Support	2	2	2	2	2	2	2	2	2	2
Facilities Director	1	1	1	1	1	1	1	1	1	1
Total	<u>463.6</u>	<u>463.6</u>	<u>475.1</u>	<u>478</u>	<u>487.9</u>	<u>512</u>	<u>504.5</u>	<u>488.6</u>	<u>493.2</u>	<u>489.88</u>

Source: District Records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Teaching Staff (1)</u>	<u>Pupil - Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2003	3,104	329	10:1	2.32%
2004	3,144	329	10:1	2.35%
2005	3,144	341	10:1	2.07%
2006	3,131	345	10:1	3.80%
2007	3,134	344	10:1	4.15%
2008	3,062	363	9:1	4.11%
2009	3,014	359	9:1	4.51%
2010	2,949	345	9:1	4.75%
2011	2,896	351	9:1	5.28%
2012	2,834	349	9:1	6.32%

(1) Instruction and student services

Source: District records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

<u>Schools</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Elementary										
No. of buildings	3	3	3	3	3	3	3	3	3	3
Square feet	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,202	1,192	1,187	1,123	1,115	1,085	1,049	1,043	1,056	1,029
Middle										
No. of buildings	2	2	2	2	2	2	2	2	2	2
Square feet	124,601	124,601	131,307	131,307	131,307	131,307	131,307	131,307	131,307	131,307
Capacity	896	896	950	950	950	950	950	950	950	950
Enrollment	777	804	757	764	741	751	722	708	669	666
High										
No. of buildings	1	1	1	1	1	1	1	1	1	1
Square feet	136,900	136,900	136,900	136,900	136,900	136,900	136,900	136,900	136,900	136,900
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	907	928	1,017	1,030	1,036	1,050	1,032	992	982	950
Administration										
No. of buildings	1	1	1	1	1	1	1	1	1	1
Square feet	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment	218	220	193	217	213	176	205	206	189	189

Source: District records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
MISCELLANEOUS INFORMATION

SCHOOL DISTRICT

The District currently operates the following facilities:

<u>Facility</u>	<u>Grades</u>	<u>Rated Capacity</u>	<u>Year of Original Construction</u>
Lynbrook High School	9-12	1400	1922
Lynbrook South Middle	6-8	550	1959
Lynbrook North Middle	6-8	400	1959
Marion Street School	1-5	600	1927
Waverly Park School	1-5	300	1953
West End School	1-5	600	1925
Kindergarten Center	K	250	1909

STAFFING

The District provides services with approximately 500 employees, represented by the following units of organized labor:

<u>Organization</u>	<u>Approx. Number of Employees</u>	<u>Term of Contract</u>
Administrators and supervisors	15	6/30/2012
Teachers' association	286	6/30/2015
Custodial unit	44	6/30/2014
Secretarial unit	32	6/30/2012
Teacher aides and assistants	61	6/30/2012
Monitors	27	6/30/2013

Source: District records

See accompanying independent auditor's report on financial statements
and supplemental information.

LYNBROOK UNION FREE SCHOOL DISTRICT
MISCELLANEOUS INFORMATION
(Continued)

TOWN OF HEMPSTEAD

Date of Incorporation:	1643
Form of Government:	Supervisor Council Members
Land Area	142 Square Miles
Population:	762,000
Other:	65 Parks 22 Incorporated Villages 34 Unincorporated Villages

Source: Town Records

LYNBROOK UNION FREE SCHOOL DISTRICT

Date of Formation:	1897
Form of Government:	Elected Board of Education 7 Members 3 Year Term of Office
Land Area:	2.4 Square Miles
Population:	17,607

Source: District Records

See accompanying independent auditor's report on financial statements
and supplemental information.