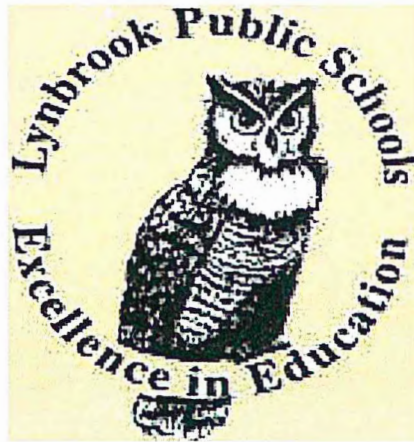


LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015



LYNBROOK
PUBLIC SCHOOLS

LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

Prepared by
Business Office
Superintendent of Schools

LYNBROOK UNION FREE SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lynbrook Union Free School District
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

LYNBROOK UNION FREE SCHOOL DISTRICT
LYNBROOK, NEW YORK

PRINCIPAL OFFICIALS

BOARD OF EDUCATION

Robert Paskoff, President
Sean Strife, Vice President
Heather Hanson, Secretary
William Belmont
Alicemarie Bresnihan
Ellen Marcus
Catherine Papandrew

SUPERINTENDENT OF SCHOOLS

Dr. Melissa Burak

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

Mr. Gerard Beleckas

**ASSISTANT SUPERINTENDENT FOR FINANCE,
OPERATIONS, AND INFORMATION SYSTEMS**

Dr. Paul Lynch

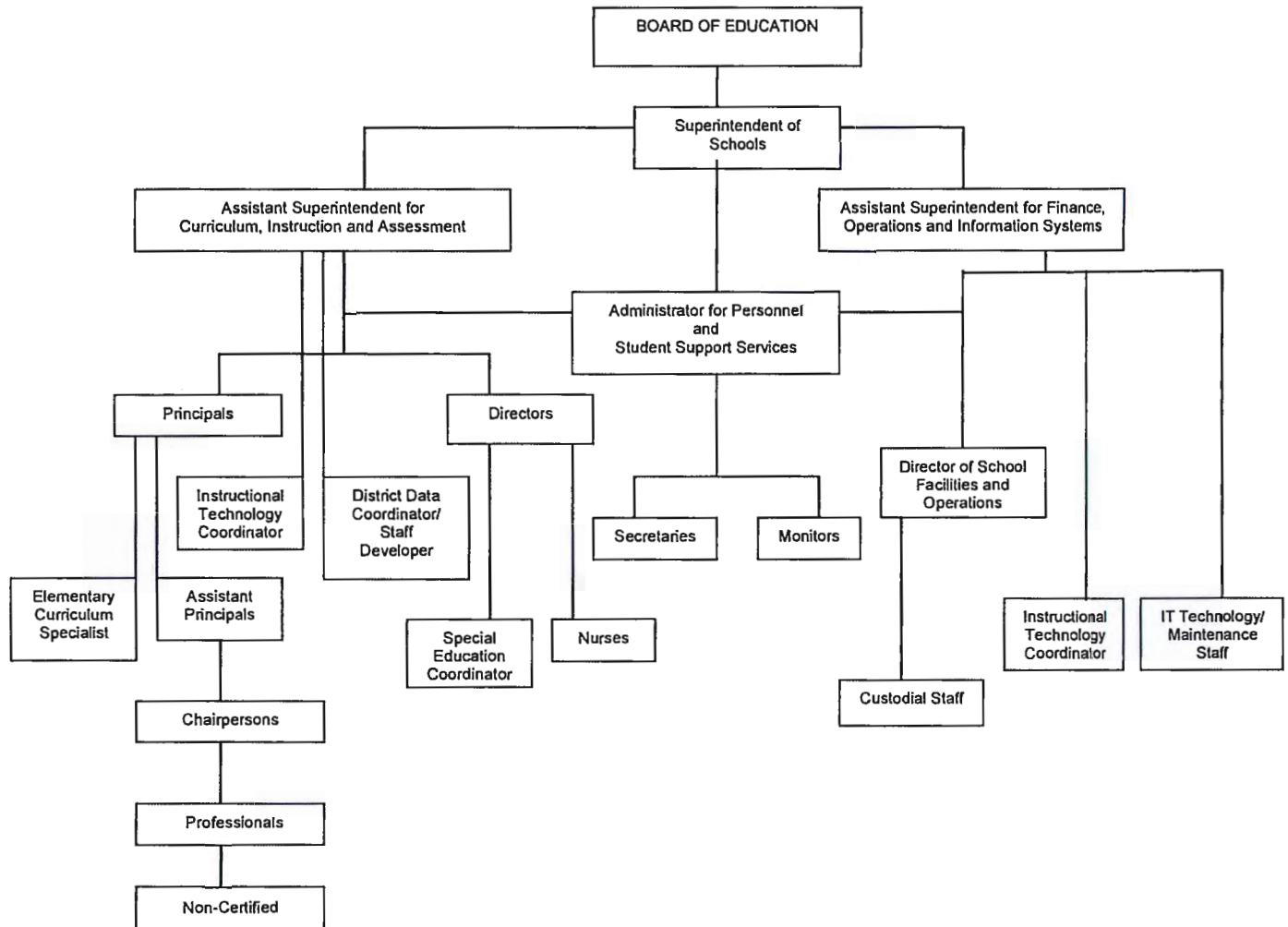
**ADMINISTRATOR FOR PERSONNEL AND STUDENT
SUPPORT SERVICES**

Ms. Maureen Berman

INDEPENDENT AUDITORS

Nawrocki Smith LLP

LYNBROOK UNION FREE SCHOOL DISTRICT
ORGANIZATIONAL CHART





web site:
www.lynbrookschoos.org

Lynbrook Public Schools
District Administrative Offices
111 Atlantic Avenue
Lynbrook, NY 11563
(516) 887-0253
FAX (516) 887-3263

Melissa Burak, Ed.D.
Superintendent of Schools

LETTER OF TRANSMITTAL

August 17, 2015

To the Honorable Members of 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 (the "District"), New York for the fiscal year ended June 30, 2015 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 U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. 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, 2015, 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 was established in 1892, and has 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 a School of Excellence, while South Middle School has been selected as a Blue Ribbon School 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 department that serve to prevent any matters that could become a concern. The challenges inherent in the present economic environment make Lynbrook'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:

The Lynbrook Public Schools continue to offer an array of academic options for our students. Our wide and varied educational opportunities may be organized by three important areas: Twenty-First Century Skills (including STEAM), 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.

We have expanded our science research component by early exposure in the elementary grades by focusing on inquiry based lessons and promoting science fairs in all elementary schools.

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/Tablet 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.

Our middle school tablet program extends this year to all sixth and seventh grade students. We are transforming the learning environment for each individual student by grounding our program in project based learning.

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.

In an effort to build the appropriate skills, we entered our second year offering of a Summer STEM Academy for middle school aged students to explore concepts in video game design as well as basic robotics building. This program is aimed to spark interest and excitement in the STEM arena.

STEAM:

Teachers encourage interdisciplinary lessons by incorporating STEM into the arts. Students explore movement and angles in the arts as well as design adaptive devices for students with disabilities. Students engineer and create devices using 3D printers to aid other young children.

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. For four years in a row, the Lynbrook Public Schools has received the designation of "Best Community for Music Education."

Literacy

Literacy Block:

Beginning in September 2012, all sixth graders receive a double period of English Language Arts. During this newly created expanded time, students will have an opportunity to develop their skills 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/System 44/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.

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 utilized 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 students 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 in the high school to better accommodate a growing instructional program and support our STEAM initiatives. 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. We have committed ourselves to using the 2015-2016 school year to make preparations for a bond vote in the spring of 2016.

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 prepared a comprehensive communication plan to propose to the Board of Education this school year. The purpose was 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

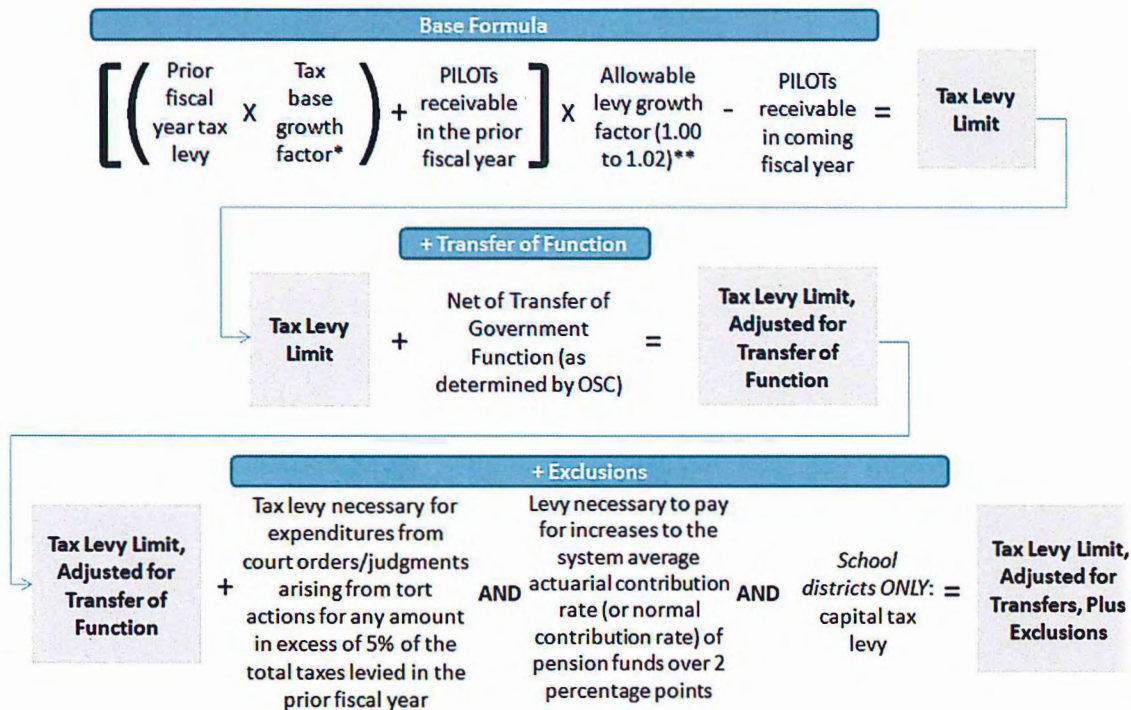
It is best to understand the full financial condition of a school district when the financial statements are reviewed as part of a broader perspective of the environment in which it operates.

During the 2014-2015 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 budget for voter approval that met the maximum tax levy limit.

Factors affecting the ability to satisfy the tax levy limit, continue to be the instability of state aid and rising pension and benefit costs. Another significant factor is the potential impact of the full implementation of the Affordable Health Care Act.

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 299 retired employees covered under the plan for the 2014-2015 fiscal year. An actuarial study was performed on the District's OPEB obligation recognizing a net liability of \$ 13,617,542.

Long Range Financial Planning

The District has participated in a Strategic Planning Study which incorporated six main goal areas. These areas included: 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.

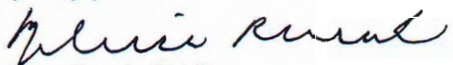
On the May 2015 budget vote day, the electorate approved the use of capital reserve funds to replace windows in the Kindergarten Center/Atlantic Avenue building, ceiling and lighting upgrades in the High School, basketball courts at South Middle School, bathroom upgrades at South Middle and Marion Street as well as a playground equipment replacement at West End School. Monies for computer replacements was also approved.

The Board of Education continues to address the financial challenges that face the School district which include health care premium increase, escalating pension costs and contract obligations. The implications of the Affordable Health Care Act also create a challenge as the District does not currently provide health insurance to teacher assistants and aides. A study was conducted to analyze the District's potential liability. By outlining these concerns, the District is better equipped to satisfy the tax cap requirements in the upcoming years.

The District also satisfied the requirement of preparing an efficiency plan as outlined by state regulations. We have saved the taxpayers at least 1% of the total levy by building our own educational program in lieu of sending students to out-of-district placements.

Overall, the Lynbrook School District maintains its strong fiscal health and conservative management of taxpayer funds. We strive to maintain the confidence of the community as we act as stewards of their tax money in a manner which still supports the diverse educational needs of our students.

Very truly yours,

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

Melissa Burak, Ed.D.
Superintendent of Schools



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and fiduciary funds of the Lynbrook Union Free School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 and fiduciary funds of the Lynbrook Union Free School District, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

NawrockiSmith

Change in Accounting Principle

As discussed in Note 16, as well as Management's Discussion and Analysis ("MD&A"), in 2015 the District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this statement resulted in a prior-period adjustment. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-13), budgetary comparison information (page 46), schedule of funding progress for the retiree health plan (page 47), schedules of District's proportionate share of the net pension asset/liability (pages 48-49) and schedules of District pension contributions (pages 50-51), respectively, 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 management about the methods of preparing the information and comparing the information for consistency with management'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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2015, 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* in considering the District's internal control over financial reporting and compliance.

Melville, New York
August 17, 2015



LYNBROOK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

The following is a discussion and analysis of the Lynbrook Union Free School District's (the "District") financial performance for the year ended June 30, 2015. 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, 2015 increased by \$8,021,891 or 19.2% to \$49,845,070.
- The District's expenses for the year ended June 30, 2015 totaled \$69,342,242, which is a decrease of \$1,770,613 or 2.5% from the year ended June 30, 2014.
- The District's total fund balance for the year ended June 30, 2015, as reflected in the fund financial statements, decreased by \$684,881.
- As described in Note 3 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$4,416,351, as indicated in Note 16 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

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 and other supplementary 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 financial 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.
- The *fiduciary funds financial 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 and other supplementary 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 Financial 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 Changes 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/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) 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 Financial Statements

The District-wide financial 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, deferred outflows of resources, liabilities and deferred inflows of resources. 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, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the District's financial health or *position*.

- 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, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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.

- 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 19.2% from the year before to \$49,845,080 as detailed in Tables A-2 and A-3.

The restricted net position balance of \$20,675,208 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of June 30, 2015, the District has an unrestricted net position of \$2,088,949. This surplus is primarily driven by the District's proportionate share of a net pension asset of \$25,359,740 (see Note 9 to the accompanying financial statements), offset by the required recognition of its obligation for post-employment benefits which currently totals \$13,617,542. This obligation will continue to grow into the future (see Note 11 to the accompanying financial statements).

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

	<u>6/30/15</u>	<u>6/30/14</u>	<u>% Change</u>
Current assets	\$ 34,336,110	\$ 34,382,792	(0.1)
Capital assets, net	27,681,668	24,567,058	12.7
Proportionate share of net pension asset	<u>25,359,740</u>	<u>1,469,147</u>	1,626.2
Total assets	87,377,518	60,418,997	44.6
Deferred outflows of resources	<u>4,699,738</u>	<u>3,888,898</u>	20.9
Total assets and deferred outflows of resources	<u>\$ 92,077,256</u>	<u>\$ 64,307,895</u>	43.2
Current liabilities	\$ 8,318,209	\$ 7,610,133	9.3
Long-term liabilities	<u>16,484,947</u>	<u>13,843,969</u>	19.1
Total liabilities	24,803,156	21,454,102	15.6
Deferred inflows of resources	<u>17,429,020</u>	<u>1,030,604</u>	1,591.1
Total liabilities and deferred inflows of resources	<u>42,232,176</u>	<u>22,484,706</u>	87.8
Net position:			
Net investment in capital assets	27,080,923	24,332,020	11.3
Restricted	20,675,208	21,408,457	(3.4)
Unrestricted (deficit)	<u>2,088,949</u>	<u>(3,917,288)</u>	153.3
Total net position	<u>49,845,080</u>	<u>41,823,189</u>	19.2
Total liabilities, deferred inflows of resources and net position	<u>\$ 92,077,256</u>	<u>\$ 64,307,895</u>	43.2

As of June 30, 2015, the District had positive working capital of \$26,017,901 as compared to \$26,772,659 as of June 30, 2014, due to an increase in cash of approximately \$1,335,591 offset by an increase in due to teachers' retirement system of approximately \$522,151.

As of June 30, 2015, the District had net capital assets of \$27,681,668 as compared to \$24,567,058. The increase is due to current year capital expenditures offset by the depreciation charges for ongoing capital projects.

Long-term liabilities increased \$2,640,978 due to the continued recognition of the other-post employment benefits obligation liability, with a current year charge of \$1,405,611.

Changes in Net Position

The District's fiscal year 2015 revenues totaled \$77,364,133, which is 1.1% greater than fiscal year 2014 (See Table A-3). Property taxes, other tax items and State sources accounted for 97.2% of total revenues (See Table A-4). The remainder came from fees charges for services, operating grants, use of money and property, sale of property and compensation for loss and other miscellaneous sources.

The District's fiscal year 2015 expenses totaled \$69,342,242, and reflect an 2.5% decrease from the prior year's expenses (See Table A-3). These expenses (96.1 percent) are predominantly related to instruction and general support (See Table A-6).

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

	<u>6/30/15</u>	<u>6/30/14</u>	<u>% Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 659,194	\$ 658,780	0.1
Operating grants	1,150,808	1,079,015	6.7
General revenues:			
Real property taxes	58,816,823	58,251,020	1.0
Other tax items	7,852,454	7,990,573	(1.7)
State sources	8,551,682	8,256,110	3.6
Use of money and property	61,607	99,330	(38.0)
Sale of property and compensation for loss	17,547	62,451	(71.9)
Miscellaneous	254,018	141,838	79.1
Total revenues	<u>77,364,133</u>	<u>76,539,117</u>	1.1
Expenses			
General support	9,991,817	10,044,962	(0.5)
Instruction	56,667,781	58,410,668	(3.0)
Pupil transportation	2,234,533	2,144,259	4.2
Community services	177,047	175,604	0.8
Debt service - interest	-	26,077	(100.0)
School lunch program	271,064	311,285	(12.9)
Total expenses	<u>69,342,242</u>	<u>71,112,855</u>	(2.5)
Increase in net position	<u>\$ 8,021,891</u>	<u>\$ 5,426,262</u>	47.8

Table A-4: Revenues for Fiscal Year 2015

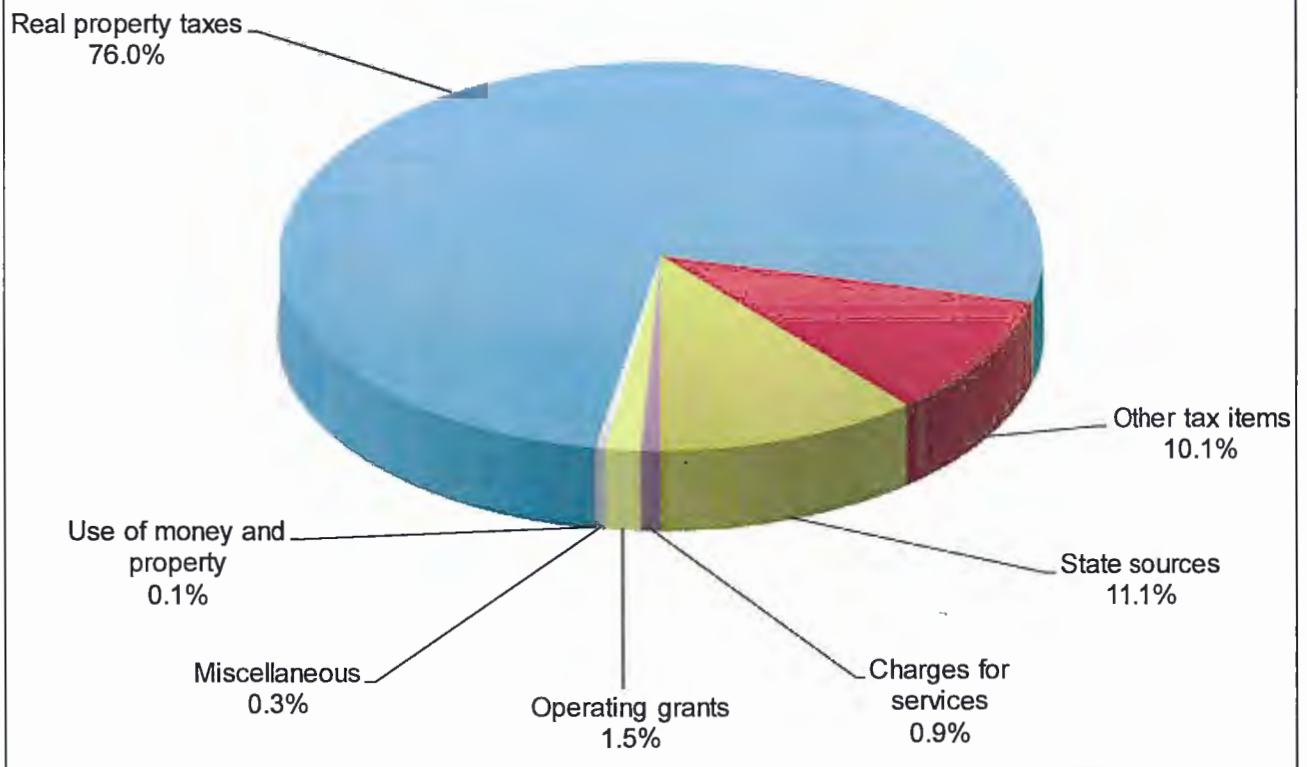


Table A-5: Revenues for Fiscal Year 2014

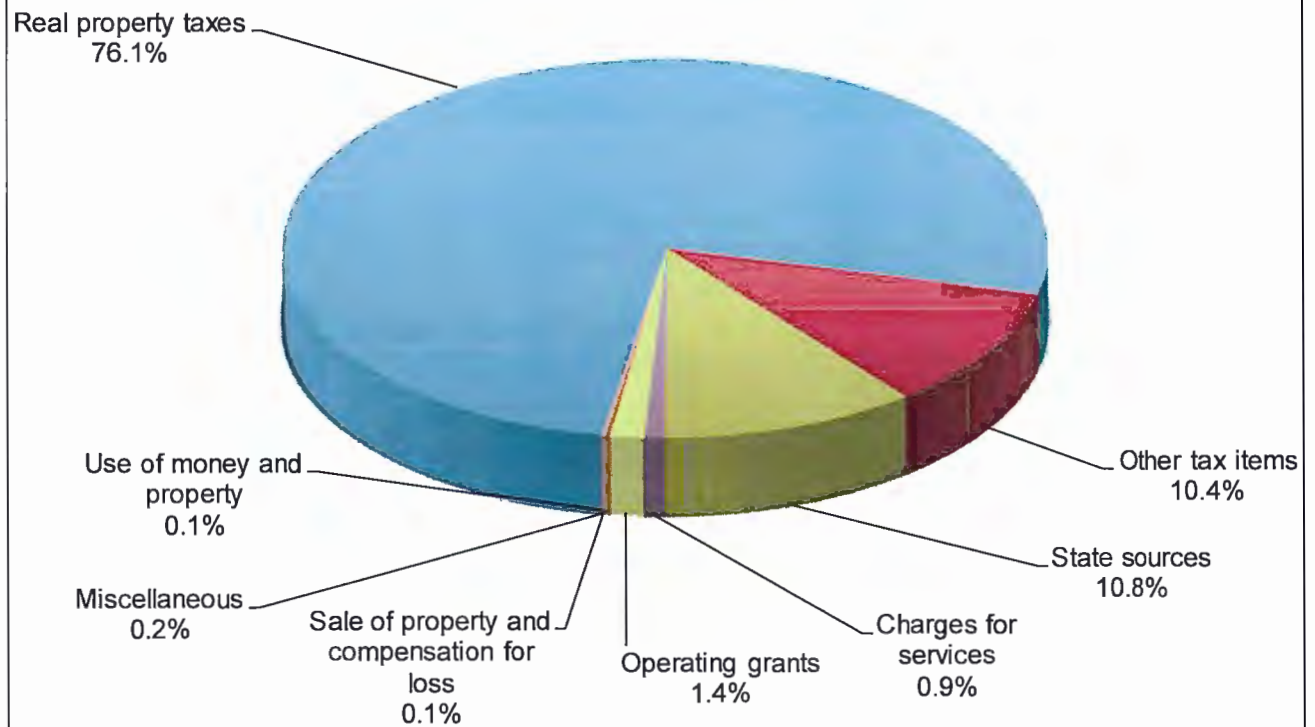


Table A-6: Expenses for Fiscal Year 2015

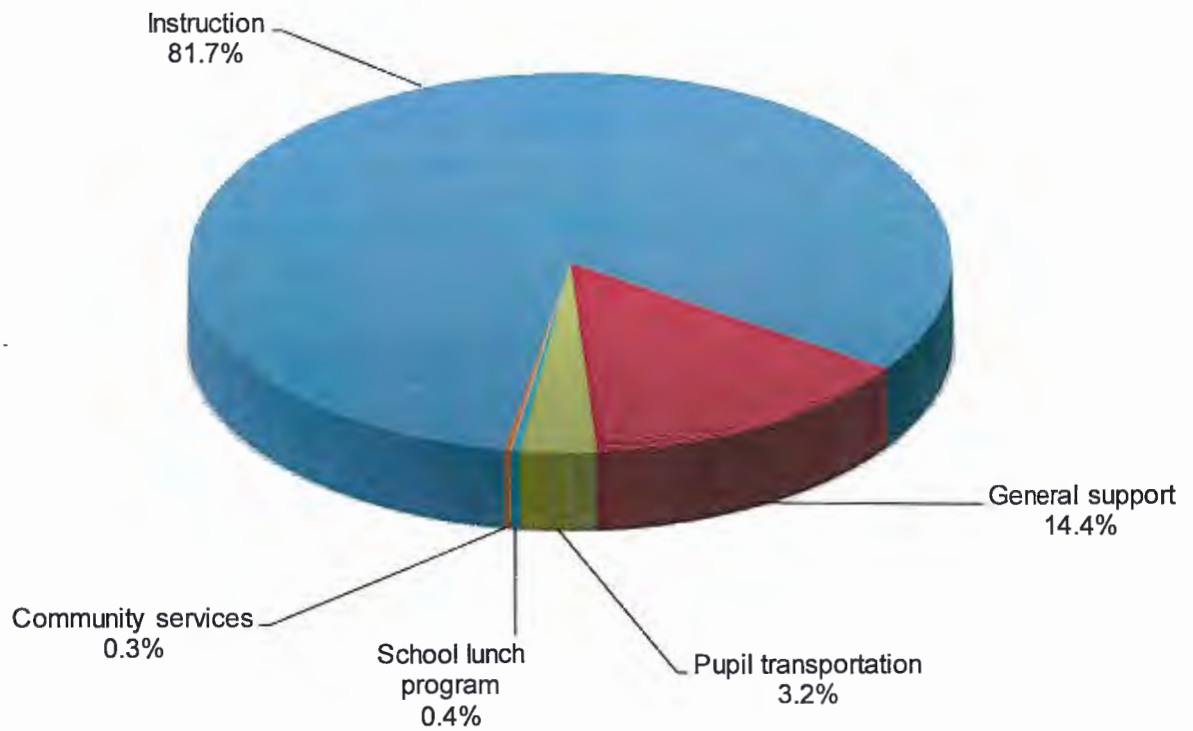
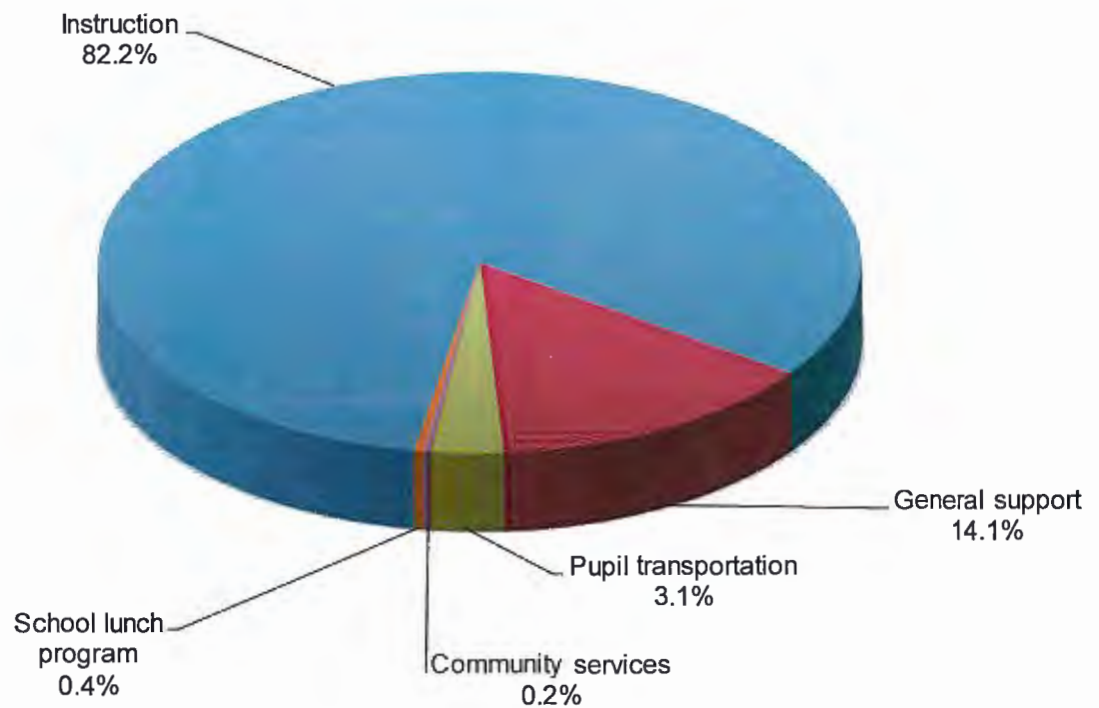


Table A-7: Expenses for Fiscal Year 2014



Governmental Activities

Revenues for the District's governmental activities totaled \$77,364,133 while total expenses were \$69,342,242, for the year ended June 30, 2015. Therefore, the increase in net position for governmental activities was \$8,021,891 in 2015. The District's financial condition is generally 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.

At June 30, 2015, the District's governmental funds reported a combined fund balance of \$26,159,569, which is a decrease of \$684,881 from June 30, 2014. General Fund fund balance increased due to an increase in the reserve for capital. Capital Projects Fund fund balance decreased \$2,037,737 due to ongoing capital projects during the year. Fund balances for the District's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	<u>6/30/15</u>	<u>6/30/14</u>	<u>% Change</u>
General Fund			
Restricted:			
Capital Reserve	\$ 10,017,852	\$ 8,231,549	21.7
Employee Benefit Accrued Liability	1,748,632	1,747,064	0.1
Retirement Contribution	3,027,781	3,518,459	(13.9)
Workers' Compensation	1,605,261	1,603,819	0.1
Unemployment Insurance	164,569	164,422	0.1
General Liability	1,040,662	1,039,728	0.1
Assigned:			
Designated for subsequent year's expenditures	1,500,000	1,500,000	0.0
Encumbrances	807,738	842,184	(4.1)
Unassigned	<u>3,174,951</u>	<u>3,089,159</u>	2.8
 Total General Fund	 <u>23,087,446</u>	 <u>21,736,384</u>	 6.2

Table A-8: Fund Balances - Governmental Funds (continued)**School Lunch Fund**

Nonspendable:

Inventory	1,672	4,650	(64.0)
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Restricted:

School Lunch Fund	<u>113,507</u>	<u>108,735</u>	4.4
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Total School Lunch Fund	<u>115,179</u>	<u>113,385</u>	1.6
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Debt Service Fund

Restricted:

Debt Service Fund	<u>23,791</u>	<u>23,791</u>	0.0
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Total Debt Service Fund	<u>23,791</u>	<u>23,791</u>	0.0
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Capital Projects Fund

Restricted:

Capital Projects Fund	<u>2,933,153</u>	<u>4,970,890</u>	(41.0)
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Total Capital Projects Fund	<u>2,933,153</u>	<u>4,970,890</u>	(41.0)
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Total fund balance	<u>\$ 26,159,569</u>	<u>\$ 26,844,450</u>	(2.6)
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General Fund Budgetary Highlights

Reference is made to supplementary schedule on page 46 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 \$964,000 due to higher than anticipated State sources.
- Actual expenditures were approximately \$5.2 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.

As of June 30, 2015, the District's unassigned fund balance was \$3,174,951 which was within the allowable 4% of the subsequent year's budget (\$79,373,791) as promulgated by New York State (see page 52). The following is a reconciliation of the General Fund's unassigned fund balance for the year ended June 30, 2015:

Unassigned fund balance, beginning of year	\$ 3,089,159
Add:	
Net change in fund balance	1,351,062
Prior-year appropriated fund balance	1,500,000
Prior-year encumbrances	842,184
Board approved use of Retirement Contribution	805,529
Voter-approved use of Capital Reserve	2,325,000
Less:	
Current-year appropriated fund balance	(1,500,000)
Current-year encumbrances	(807,738)
Transfer to Retirement Contribution	(314,851)
Transfer to General Liability Fund	(934)
Transfer to Employee Benefit Accrued Liability	(1,568)
Transfer to Capital Reserve	(4,111,303)
Transfer to Unemployment Insurance Reserve	(147)
Transfer to Workers' Compensation Reserve	(1,442)
Unassigned fund balance, end of year	<u>\$ 3,174,951</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the District had invested \$27,681,668, 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. See Note 7 in the accompanying notes to the financial statements for more information on capital assets.

Table A-9: Capital Assets (net of depreciation)

	<u>6/30/15</u>	<u>6/30/14</u>	<u>% Change</u>
Land	\$ 1,120,041	\$ 1,120,041	0.0
Construction-in-progress	4,149,177	1,920,862	116.0
Buildings and building improvements	21,511,341	20,345,039	5.7
Furniture and equipment	<u>901,109</u>	<u>1,181,116</u>	(23.7)
Totals	<u>\$ 27,681,668</u>	<u>\$ 24,567,058</u>	12.7

Long-Term Debt

As of June 30, 2015, the District had \$16,366,814 in long-term debt. (See Note 8 in the accompanying notes to the financial statements for details.)

Table A-10: Outstanding Long-Term Debt

<u>Category</u>	<u>6/30/15</u>	<u>6/30/14</u>	<u>% Change</u>
Installment purchase debt payable	\$ 600,745	\$ 235,038	155.6
Workers' compensation claims payable	302,760	177,019	71.0
Other post-employment benefits	13,617,542	12,211,931	11.5
Compensated absences	1,845,767	1,754,979	5.2
Totals	<u>\$ 16,366,814</u>	<u>\$ 14,378,967</u>	13.8

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 "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.
- The General Fund Budget for the 2015-16 school year was approved by the voters in the amount of 79,373,791. This is an increase of 2.8% over last year's budget.
- The General Fund Budget for the 2015-2016 school year is impacted by certain trends affecting school districts. These include potential increases in retirement contributions, health insurance costs, workers' compensation judgments, and potential unemployment insurance claims, which are beyond the District's control.

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 Finance,
Operations, and Information Systems
111 Atlantic Avenue
Lynbrook, New York 11563
(516) 887-0258

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Current assets:	
Cash:	
Unrestricted	\$ 14,553,376
Restricted	17,691,977
Receivables:	
Taxes receivable	553,225
State and federal aid	1,497,391
Due from fiduciary funds	23,087
Due from other governments	4,395
Other receivables	10,987
Inventories	1,672
Total current assets	<u>34,336,110</u>

Noncurrent assets:	
Capital assets, net of accumulated depreciation of \$21,769,416	27,681,668
Proportionate share of net pension asset - NYSTRS	<u>25,359,740</u>
Total assets	<u>87,377,518</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources - NYSTRS subsequent payments	4,454,950
Deferred outflow of resources - NYSERS pension related	<u>244,788</u>
Total deferred outflows of resources	<u>4,699,738</u>
Total assets and deferred outflows of resources	<u>\$ 92,077,256</u>

LIABILITIES

Current liabilities:	
Payables:	
Accounts payable	\$ 742,226
Accrued liabilities	238,511
Due to other governments	201,368
Due to fiduciary funds	172
Due to teachers' retirement system	6,249,196
Due to employees' retirement system	300,870
Long-term liabilities, due within one year:	
Installment purchase debt	282,562
Workers' compensation	129,754
Compensated absences	<u>173,550</u>
Total current liabilities	<u>8,318,209</u>

Noncurrent liabilities:	
Long-term liabilities, due after one year:	
Installment purchase debt payable	318,183
Workers' compensation	173,006
Compensated absences	1,672,217
Other post-employment benefits	13,617,542
Proportionate share of net pension liability - NYSERS	<u>703,999</u>
Total noncurrent liabilities	<u>16,484,947</u>
Total liabilities	<u>24,803,156</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow of resources - NYSTRS pension related	<u>17,429,020</u>
Total deferred inflows of resources	<u>17,429,020</u>
Total liabilities and deferred inflows of resources	<u>42,232,176</u>

NET POSITION

Net investment in capital assets	27,080,923
Restricted:	
Capital Reserve	10,017,852
Employee Benefit Accrued Liability	1,748,632
Retirement Contribution	3,027,781
Workers' Compensation	1,605,261
Unemployment Insurance	164,569
General Liability	1,040,662
School Lunch Fund	113,507
Debt Service Fund	23,791
Capital Projects Fund	2,933,153
Unrestricted	<u>2,088,949</u>
Total net position	<u>49,845,080</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 92,077,256</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants	Changes in
				Net Position
Functions and programs:				
General support	\$ 9,991,817	\$ -	\$ -	\$ (9,991,817)
Instruction	56,667,781	456,940	959,610	(55,251,231)
Pupil transportation	2,234,533	15,215	106,505	(2,112,813)
Community services	177,047	-	-	(177,047)
School lunch program	271,064	187,039	84,693	668
Total functions and programs	<u>\$ 69,342,242</u>	<u>\$ 659,194</u>	<u>\$ 1,150,808</u>	<u>(67,532,240)</u>
General revenues:				
Real property taxes				58,816,823
Other tax items				7,852,454
Use of money and property				61,607
Sale of property and compensation for loss				17,547
State sources				8,551,682
Miscellaneous				<u>254,018</u>
Total general revenues				<u>75,554,131</u>
Change in net position				8,021,891
Total net position, beginning of year (as restated, see Note 16)				<u>41,823,189</u>
Total net position, end of year				<u>\$ 49,845,080</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, 2015

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash:						
Unrestricted	\$ 14,459,805	\$ 93,571	\$ -	\$ -	\$ -	\$ 14,553,376
Restricted	17,604,757	-	14,188	-	73,032	17,691,977
Receivables:						
Taxes receivable	553,225	-	-	-	-	553,225
State and federal aid	874,691	621,612	1,088	-	-	1,497,391
Due from other funds	628,722	-	115,386	23,791	2,883,912	3,651,811
Due from fiduciary funds	23,087	-	-	-	-	23,087
Due from other governments	4,395	-	-	-	-	4,395
Other receivables	10,839	-	148	-	-	10,987
Inventories	-	-	1,672	-	-	1,672
Total assets	\$ 34,159,521	\$ 715,183	\$ 132,482	\$ 23,791	\$ 2,956,944	\$ 37,987,921
LIABILITIES						
Payables:						
Accounts payable	\$ 708,625	\$ 21,195	\$ 12,406	\$ -	\$ -	\$ 742,226
Accrued liabilities	228,247	5,711	4,553	-	-	238,511
Due to other funds	2,999,298	628,722	-	-	23,791	3,651,811
Due to fiduciary funds	172	-	-	-	-	172
Due to other governments	201,024	-	344	-	-	201,368
Due to teachers' retirement system	6,209,242	39,954	-	-	-	6,249,196
Due to employees' retirement system	281,269	19,601	-	-	-	300,870
Compensated absences	173,550	-	-	-	-	173,550
Workers' compensation claims payable	129,754	-	-	-	-	129,754
Total liabilities	10,931,181	715,183	17,303	-	23,791	11,687,458
DEFERRED INFLOWS OF RESOURCES						
Summer playground fees received in advance	140,894	-	-	-	-	140,894
Total deferred inflows of resources	140,894	-	-	-	-	140,894
Total liabilities and deferred inflows of resources	11,072,075	715,183	17,303	-	23,791	11,828,352
FUND BALANCE						
Fund balance:						
Nonspendable	-	-	1,672	-	-	1,672
Restricted	17,604,757	-	113,507	23,791	2,933,153	20,675,208
Assigned	2,307,738	-	-	-	-	2,307,738
Unassigned	3,174,951	-	-	-	-	3,174,951
Total fund balance	23,087,446	-	115,179	23,791	2,933,153	26,159,569
Total liabilities, deferred inflows of resources and fund balance	\$ 34,159,521	\$ 715,183	\$ 132,482	\$ 23,791	\$ 2,956,944	\$ 37,987,921

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, 2015

Total Fund Balance - Governmental Funds	\$ 26,159,569
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Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

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

Capital assets:		
Non-depreciable	\$ 5,269,218	
Depreciable	44,181,866	
Accumulated depreciation	<u>(21,769,416)</u>	27,681,668

Proportionate share of net pension asset - NYSTRS	25,359,740
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Deferred outflows of resources - NYSTRS and NYSERS pension related	4,699,738
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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:

Workers' compensation claims payable	(173,006)	
Installment purchase debt payable	(600,745)	
Compensated absences	(1,672,217)	
Other post-employment benefits	<u>(13,617,542)</u>	(16,063,510)

Proportionate share of net pension liability - NYSERS	(703,999)
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Deferred inflows of resources - NYSTRS pension related	(17,429,020)
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Revenue that was not accrued on the governmental funds financial statements because it does not meet the availability criteria under the modified accrual basis of accounting is included in the Statement of Net Position.

	<u>140,894</u>
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Net Position - Governmental Activities	<u><u>\$ 49,845,080</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 58,816,823	\$ -	\$ -	\$ -	\$ -	\$ 58,816,823
Other tax items	7,852,454	-	-	-	-	7,852,454
Charges for services	472,155	-	-	-	-	472,155
Use of money and property	61,607	-	-	-	-	61,607
Sale of property and compensation for loss	17,547	-	-	-	-	17,547
State sources	8,551,682	259,603	3,393	-	-	8,814,678
Federal sources	-	806,512	81,300	-	-	887,812
Sales	-	-	187,039	-	-	187,039
Miscellaneous	252,892	-	1,126	-	-	254,018
Total revenues	76,025,160	1,066,115	272,858	-	-	77,364,133
EXPENDITURES						
General support	8,709,374	-	-	-	-	8,709,374
Instruction	43,642,432	1,125,344	-	-	-	44,767,776
Pupil transportation	2,226,833	-	-	-	-	2,226,833
Community services	137,777	-	-	-	-	137,777
Employee benefits	17,881,893	-	-	-	-	17,881,893
Cost of sales	-	-	271,064	-	-	271,064
Capital outlay	-	-	-	-	4,420,004	4,420,004
Total expenditures	72,598,309	1,125,344	271,064	-	4,420,004	78,414,721
Excess (deficiency) of revenues over (under) expenditures	3,426,851	(59,229)	1,794	-	(4,420,004)	(1,050,588)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	162,733	59,229	-	-	2,545,000	2,766,962
Operating transfers out	(2,604,229)	-	-	-	(162,733)	(2,766,962)
Proceeds of installment purchase debt	624,675	-	-	-	-	624,675
Payments of installment purchase debt	(258,968)	-	-	-	-	(258,968)
Total other financing sources (uses)	(2,075,789)	59,229	-	-	2,382,267	365,707
Change in fund balance	1,351,062	-	1,794	-	(2,037,737)	(684,881)
Fund balance, beginning of year	21,736,384	-	113,385	23,791	4,970,890	26,844,450
Fund balance, end of year	\$ 23,087,446	\$ -	\$ 115,179	\$ 23,791	\$ 2,933,153	\$ 26,159,569

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, 2015

Net Change in Fund Balance - Governmental Funds \$ (684,881)

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	\$ 4,173,429	
Depreciation expense	<u>(1,058,819)</u>	3,114,610

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.

Proceeds from issuance of installment purchase debt	(624,675)	
Repayment of installment purchase debt	<u>258,968</u>	(365,707)

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	(1,405,611)	
Workers' compensation claims payable	(261,144)	
Compensated absences	<u>114,516</u>	<u>(1,552,239)</u>

(Increases) decreases in the proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	6,461,573	
Employees' Retirement System	<u>1,048,535</u>	<u>7,510,108</u>

Net Change in Net Position - Governmental Activities \$ 8,021,891

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, 2015

	<u>Scholarship Trusts</u>	<u>Agency Funds</u>
ASSETS		
Cash:		
Unrestricted	\$ 80,493	\$ 163,316
Restricted	-	120,499
Accounts receivable	-	62
Due from other funds	-	172
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 80,493</u></u>	<u><u>\$ 284,049</u></u>
LIABILITIES		
Extraclassroom activity balances	-	\$ 120,499
Other liabilities	-	140,463
Due to other funds	-	23,087
	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u><u>\$ 284,049</u></u>
NET POSITION		
Restricted:		
Endowment scholarships	<u>80,493</u>	
	<u> </u>	
Total net position	<u>80,493</u>	
	<u> </u>	
Total liabilities and net position	<u><u>\$ 80,493</u></u>	

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

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Scholarship Trusts
ADDITIONS	
Contributions	\$ 13,745
Investment earnings:	
Interest	85
Total additions	<u>13,830</u>
DEDUCTIONS	
Scholarships and awards	<u>14,310</u>
Total deductions	<u>14,310</u>
Change in net position	(480)
Net position, beginning of year	<u>80,973</u>
Net position, end of year	<u><u>\$ 80,493</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, 2015

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. 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 a component school district 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 §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 §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§ 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §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, § 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 \$4,274,816 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,023,917.

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

C. Basis of presentation

1. District-wide financial 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, while the capital grants column reflects capital-specific 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.

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

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. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

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 benefit 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

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 1.

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 financial 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 10 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, useful lives of long-lived assets and proportionate share of net pension assets and liabilities.

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 the 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 portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as 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 are 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 guidelines. 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 outflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. A government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (New York State Employees' Retirement System ("NYSERS") and New York State Teachers' Retirement System ("NYSTRS")) subsequent to the measurement date.

O. Deferred inflows of resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has several items that qualify for reporting in this category. First arises only under the modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (NYSERS) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

P. Unearned revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Q. 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 Pronouncements, 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.

R. 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.

S. 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.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no

later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

T. 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 only to the extent they are due for payment in the current year. 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.

U. Equity classifications

District-wide statements

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

1. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.
2. Restricted net position: Reports net position when constraints placed on the assets or deferred outflows of resources 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 of enabling legislation.
3. Unrestricted net position: Reports the balance of 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:

1. Nonspendable - 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 \$1,672.
2. 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.

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

According to General Municipal Law §6-m, must be 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 school 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.

Debt Service

According to General Municipal Law §6-I, 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 District property or capital improvement.

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.

3. 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, 2015.
4. Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, established by the Board which is the District's highest level of decision-making authority, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance as of June 30, 2015 and amounted to \$807,738.
5. Unassigned - Includes all other General Fund net position that does not meet the definition of the above four classifications and is deemed to be available for general use by the District.

Fund balances for all governmental funds as of June 30, 2015 were distributed as follows:

	General	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable					
Inventory	\$ -	\$ 1,672	\$ -	\$ -	\$ 1,672
Total nonspendable	-	1,672	-	-	1,672
Restricted					
Capital Reserve	10,017,852	-	-	-	10,017,852
Employee Benefit Accrued Liability	1,748,632	-	-	-	1,748,632
Retirement Contribution	3,027,781	-	-	-	3,027,781
Workers' Compensation	1,605,261	-	-	-	1,605,261
Unemployment Insurance	164,569	-	-	-	164,569
General Liability	1,040,662	-	-	-	1,040,662
School Lunch Fund	-	113,507	-	-	113,507
Debt Service Fund	-	-	23,791	-	23,791
Capital Projects Fund	-	-	-	2,933,153	2,933,153
Total restricted	17,604,757	113,507	23,791	2,933,153	20,675,208
Assigned					
Designated for subsequent year's expenditures	1,500,000	-	-	-	1,500,000
Encumbrances	807,738	-	-	-	807,738
Total assigned	2,307,738	-	-	-	2,307,738
Unassigned	3,174,951	-	-	-	3,174,951
Total	\$ 23,087,446	\$ 113,507	\$ 23,791	\$ 2,933,153	\$ 26,159,569

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 fund 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 District-wide statements, 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 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 funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of the following 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 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. Pension differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

3. **CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – (Amendment to GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or liability its portion of the collective net pension's asset and liability in the New York State Employees' and Teachers' Retirement Systems. The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension systems subsequent to the measurement date. See Note 16 for the financial statement impact of implementation of the Statements.

4. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

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:

Voter-approved use of Capital Reserve	<u>\$ 2,325,000</u>
Gifts and donations, net	<u>\$ 36,443</u>
Special legislative grant	<u>\$ 25,000</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.

Encumbrances

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.

5. 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	\$ 32,609,661

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 \$17,691,977 in the governmental funds and \$120,499 in the fiduciary funds.

6. RECEIVABLES

A. State and federal aid receivable

State and federal aid receivable at June 30, 2015, consisted of the following:

General Fund	
BOCES Aid	\$ 540,933
New York State Aid - excess cost aid	324,697
Medicaid	9,061
Special Aid Fund	
State and federal grants	621,612
School Lunch Fund	
School breakfast and lunch reimbursement	<u>1,088</u>
	<u>\$ 1,497,391</u>

B. Due from other governments

Due from other governments at June 30, 2015, consisted of the following:

General Fund	
Other districts	\$ 1,023
Education services	<u>3,372</u>
	<u>\$ 4,395</u>

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 1,120,041	\$ -	\$ -	\$ 1,120,041
Construction-in-progress	1,920,862	3,971,509	(1,743,194)	4,149,177
Total nondepreciable assets	3,040,903	3,971,509	(1,743,194)	5,269,218
Capital assets that are depreciated:				
Buildings and building improvements	38,520,076	204,457	1,743,194	40,467,727
Furniture and equipment	3,746,451	-	(32,312)	3,714,139
Total depreciable assets	42,266,527	204,457	1,710,882	44,181,866
Less accumulated depreciation:				
Buildings and building improvements	18,175,037	781,349	-	18,956,386
Furniture and equipment	2,565,335	277,470	(29,775)	2,813,030
Total accumulated depreciation	20,740,372	1,058,819	(29,775)	21,769,416
Total capital assets, net	\$ 24,567,058	\$ 3,117,147	\$ (2,537)	\$ 27,681,668

Depreciation expense was charged to governmental functions as follows:

General support	\$ 102,641
Instruction	952,419
Pupil transportation	616
Community services	3,143
	<u>\$ 1,058,819</u>

8. LONG-TERM DEBT OBLIGATIONS

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Installment purchase debt payable	\$ 235,038	\$ 624,675	\$ 258,968	\$ 600,745	\$ 282,562
Workers' compensation claims payable	177,019	269,959	144,218	302,760	129,754
Other post-employment benefits	12,211,931	3,775,937	2,370,326	13,617,542	-
Compensated absences	1,754,979	97,775	6,987	1,845,767	173,550
Total long-term liabilities	\$ 14,378,967	\$ 4,768,346	\$ 2,780,499	\$ 16,366,814	\$ 585,866

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/15
Installment purchase debt	2013	2015	4.0%	\$ 74,337
Installment purchase debt	2015	2017	3.5%	196,534
Installment purchase debt	2015	2018	3.5%	329,874
				<u>\$ 600,745</u>

The following is a summary of maturing debt service requirements:

	Installment Purchase Debt		
	Principal	Interest	Total
June 30,			
2016	\$ 282,562	\$ 10,261	\$ 292,823
2017	208,225	7,288	215,513
2018	109,958	3,849	113,807
	<u>\$ 600,745</u>	<u>\$ 21,398</u>	<u>\$ 622,143</u>

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

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

Interest paid	\$ 9,496
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Total interest expense	<u>\$ 9,496</u>

9. **PENSION OBLIGATIONS**

The District participates in the New York State Employees' Retirement System ("NYSERS") and the New York State Teachers' Retirement System ("NYSTRS") (the "Systems").

Plan descriptions and benefits provided

Employees' Retirement System

The New York State Employees' Retirement System is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in NYSERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("NYSGLIP"), which provides death benefits in the form of life insurance. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Teachers' Retirement System

The New York State Teachers' Retirement System is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits, as well as death and disability 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 is governed by a 10 member Board of Trustees. NYSTRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York public schools and BOCES who elected to participate in NYSTRS. Once a public employer elects to participate in NYSTRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding NYSTRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial Report which can be found on the NYSTRS website at www.nystrs.org.

Contributions

The Systems are noncontributory for the employee who joined prior to July 27, 1976 (tiers I and II). For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary (tiers III and IV). For NYSERS, employees who joined the System between January 1, 2010 and April 1, 2012, are required to contribute 3% of their salary (tier V). For NYSTRS, employees who joined the System between January 1, 2010 and April 1, 2012, are required to contribute 3.5% of their salary (tier V). In addition, employee contribution rates (3% to 6%) under NYSERS and NYSTRS tier VI (those who joined after April 1, 2012) vary based on a sliding salary scale. With the exception of NYSERS and NYSTRS tier V and VI employees, employees in the System more than ten years are no longer required to contribute. 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 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>NYSERS</u>	<u>NYSTRS</u>
2015	\$ 1,093,481	\$ 6,035,432
2014	1,137,878	5,521,092
2013	1,173,439	3,892,263

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

The net pension asset/(liability) was measured as of March 31, 2015 for NYSERS and June 30, 2014 for NYSTRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSERS and NYSTRS Systems in reports issued to the District.

At June 30, 2015, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems.

	<u>NYSERS</u>	<u>NYSTRS</u>
Actuarial valuation date	April 1, 2014	June 30, 2013
Net pension asset (liability)	\$ (703,999)	\$ 25,359,740
District's portion of the Plan's total net pension asset (liability)	0.436688%	0.227659%

For the year ended June 30, 2015, the District recognized pension expense of \$662,120 for NYSERS and pension income of \$996,890 for NYSTRS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources - NYSERS</u>	<u>Deferred Outflows of Resources - NYSTRS</u>	<u>Deferred Inflows of Resources - NYSERS</u>	<u>Deferred Inflows of Resources - NYSTRS</u>
Differences between expected experience and actual	\$ 22,536	\$ -	\$ -	\$ 370,840
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	122,276	-	-	17,031,822
Changes in proportion and differences between the District's contributions and proportionate share of contributions	99,976	-	-	26,358
Employer contributions subsequent to the measurement date	-	4,454,950	-	-
Total	<u>\$ 244,788</u>	<u>\$ 4,454,950</u>	<u>\$ -</u>	<u>\$ 17,429,020</u>

The District reported \$4,699,738 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as an addition/reduction of the net pension asset/liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	<u>NYSERS</u>	<u>NYSTRS</u>
2016	\$ 61,197	\$ 4,304,141
2017	61,197	4,304,141
2018	61,197	4,304,141
2019	61,197	4,304,141
2020	-	46,186
Thereafter	-	166,269

Actuarial assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>NYSERS</u>	<u>NYSTRS</u>
Measurement date	March 31, 2015	June 30, 2014
Actuarial valuation date	April 1, 2014	June 30, 2013
Interest rate	7.50%	8.00%
Salary scale	4.90%	4.01% - 10.91%
Decrement tables	April 1, 2005 to March 31, 2010 System's Experience	July 1, 2005 to June 30, 2010 System's Experience
Inflation rate	2.70%	3.00%

For NYSERS, annuitant mortality rates are based on April 1, 2005 - March 31, 2010 system's experience with adjustments for mortality improvements based on MP-2014. For NYSTRS, annuitant mortality rates are based on July 1, 2005 - June 30, 2010 system's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For NYSERS, the actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010. For NYSTRS, the actuarial assumptions used in the June 30, 2013 valuation are based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>NYSERS</u>	<u>NYSTRS</u>
Measurement date	March 31, 2015	June 30, 2014
Asset type		
Absolute return strategies	3.00%	-
Alternative investments	-	7.00%
Bonds and mortgages	18.00%	8.00%
Cash	2.00%	-
Domestic equity	38.00%	37.00%
Domestic fixed income	-	18.00%
Global fixed income	-	2.00%
Inflation-indexed bonds	2.00%	-
International equity	13.00%	18.00%
Opportunistic portfolio	3.00%	-
Private equity	10.00%	-
Real assets	3.00%	-
Real estate	8.00%	10.00%
	<u>100.00%</u>	<u>100.00%</u>

Discount rate

The discount rate used to calculate the total pension liability was 7.5% for NYSERS and 8.0% for NYSTRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.5% for NYSERS and 8.0% for NYSTRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (6.5% for NYSERS and 7.0% for NYSTRS) or 1% point higher (8.5% for NYSERS and 9.0% for NYSTRS) than the current rate:

	1% Decrease (6.5%)	Current assumption (7.5%)	1% Increase (8.5%)
<u>NYSERS</u>			
Employer's proportionate share of the net pension asset (liability)	<u>\$ (4,692,458)</u>	<u>\$ (703,999)</u>	<u>\$ 2,663,250</u>
	1% Decrease (7.0%)	Current assumption (8.0%)	1% Increase (9.0%)
<u>NYSTRS</u>			
Employer's proportionate share of the net pension asset (liability)	<u>\$ (547,045)</u>	<u>\$ 25,359,740</u>	<u>\$ 46,503,604</u>

Pension plan fiduciary net position

The components of the current-year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)		
	<u>NYSERS</u>	<u>NYSTRS</u>	<u>Total</u>
Valuation date	April 1, 2014	June 30, 2013	
Employers' total pension asset/(liability)	\$ (164,591,504)	\$ (97,015,707)	\$ (261,607,211)
Plan net position	<u>161,213,259</u>	<u>108,155,083</u>	<u>269,368,342</u>
Employers' net pension asset/(liability)	<u>\$ (3,378,245)</u>	<u>\$ 11,139,376</u>	<u>\$ 7,761,131</u>
Ratio of plan net position to the employers' total pension asset/(liability)	<u>97.9%</u>	<u>111.5%</u>	

Payables to the pension plan

For NYSERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2015 amounted to \$300,870.

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2015 are paid to the system in September, October and November 2015 through a State aid intercept. Accrued retirement contributions as of June 30, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued retirement contributions as of June 30, 2015 amounted to \$6,249,196.

10. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 651,809	\$ 2,999,470	\$ 162,733	\$ 2,604,229
Special Aid Fund	-	628,722	59,229	-
School Lunch Fund	115,386	-	-	-
Debt Service Fund	23,791	-	-	-
Capital Projects Fund	2,883,912	23,791	2,545,000	162,733
Fiduciary Funds	172	23,087	-	-
Totals	<u>\$ 3,675,070</u>	<u>\$ 3,675,070</u>	<u>\$ 2,766,962</u>	<u>\$ 2,766,962</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.

11. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

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.

The District implemented GASB Standard, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*, (standards codified in 2012) in the school year ended June 30, 2009. This 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, 299 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, 2015, the District recognized \$2,370,326 for its share of insurance premiums for currently enrolled retirees.

The District has obtained an actuarial valuation report as of June 30, 2015, which indicates that the total liability for other post-employment benefits is \$57,445,835.

The District's annual OPEB cost (expense) is calculated based on the *annual required contribution* ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and 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, 2015</u>
Annual required contribution	\$ 3,757,050
Interest on net OPEB obligation	488,477
Adjustment based on revised actuarial valuation	<u>(469,590)</u>
Annual OPEB cost	3,775,937
Contributions made	<u>(2,370,326)</u>
Increase in net OPEB obligation	1,405,611
Net OPEB obligation, beginning of year	<u>12,211,931</u>
Net OPEB obligation, end of year	<u><u>\$ 13,617,542</u></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, 2015 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>
06/30/13	\$ 4,015,778	57.9%	\$ 10,432,311
06/30/14	4,163,360	57.3%	12,211,931
06/30/15	3,775,937	62.8%	13,617,542

Funded status and funding progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$57,445,835 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$57,445,835. The covered payroll (annual payroll of active employees covered by the plan) was \$41,092,547, and the ratio of the UAAL to the covered payroll was 139.8%. 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, 2015 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 inflation (trend) rate of 9% beginning 2014 and, reduced by 1% per year until an ultimate rate of 5% by 2018. 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 dollar closed group amortization basis. The remaining amortization period at June 30, 2015 was 23 years.

12. 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 three 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:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
For the fiscal years ended June 30:				
2013	\$ 268,429	\$ 483,965	\$ 255,208	\$ 497,186
2014	497,186	38,783	358,950	177,019
2015	177,019	269,959	144,218	302,760

There have been no significant reductions in insurance coverage as compared to the prior years, and there were no settlements in excess of coverage over the last three years.

The District has not purchased any annuity contracts.

13. CONTINGENCIES AND COMMITMENTS

Government grants

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.

Litigation

The District is involved in lawsuits arising from the normal conduct of business. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years beginning in 2012-13 through at least June 15, 2016, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent or the rate of inflation (but not less than 1 percent), whichever is less, with some exceptions. The New York State Comptroller set the allowable levy growth factor for local governments for fiscal years beginning July 1, 2014 at 1.46 percent (before exemptions). Local governments can exceed the tax levy limit by a 60 percent vote of the governing body, or by local law. In July 2015, the Real Property Tax Cap Law was extended to June 15, 2020.

Service concession arrangements

In accordance with GASB standards, the District is required to recognize a liability for certain obligations to sacrifice financial resources (i.e. capital improvements) under the terms of a service concession arrangement or, a deferred inflow for up-front or installment payments received from the operator in advance of the revenue being earned. For the year ended June 30, 2015, the District did not have any such liability or deferred inflow reflected on the financial statements.

14. LEASE COMMITMENTS

The District leases copier equipment under the terms of non-cancelable leases. The operating lease expense for the year ended June 30, 2015 was \$118,217. Future minimum payments are as follows:

Fiscal year ended June 30,	
2016	\$ 118,217
2017	12,313
	<hr/>
	\$ 130,530
	<hr/>

15. FUTURE ACCOUNTING STANDARDS

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

16. PRIOR PERIOD ADJUSTMENT/RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (Amendment to GASB Statement No. 27). The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources, liability and deferred inflow of resources related to the District's participation in the New York State Employees' and New York State Teachers' retirement systems. The District's net position has been restated as follows:

Balance as of July 1, 2014, as previously stated	\$ 37,406,838
GASB Statement No. 68 implementation:	
Add: Beginning system asset - Teachers' Retirement System	1,469,147
Less: Beginning System liability - Employees' Retirement System	(941,694)
Beginning deferred outflow of resources for contributions subsequent to the measurement date:	
Add: Teachers' Retirement System	<u>3,888,898</u>
Balance as of July 1, 2014, as restated	<u><u>\$ 41,823,189</u></u>

17. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of August 17, 2015, which is the date the financial statements were available to be issued, noting no matters requiring further financial statement disclosure.

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, 2015

	Adopted Budget	Final Budget	Actual	Year-end Encumbrances	Variance Favorable (Unfavorable)
REVENUES					
Local sources:					
Real property taxes	\$ 59,065,631	\$ 59,065,631	\$ 58,816,823		\$ (248,808)
Other tax items	8,038,087	8,038,087	7,852,454		(185,633)
Charges for services	334,000	334,000	472,155		138,155
Use of money and property	91,000	91,000	61,607		(29,393)
Sale of property and compensation for loss	11,000	11,000	17,547		6,547
Miscellaneous	84,000	120,443	252,892		132,449
Total local sources	67,623,718	67,660,161	67,473,478		(186,683)
State sources	7,376,085	7,401,085	8,551,682		1,150,597
Total revenues	74,999,803	75,061,246	76,025,160		963,914
OTHER FINANCING SOURCES					
Appropriated reserves	2,229,207	5,396,391	-		(5,396,391)
Total revenues and other financing sources	77,229,010	80,457,637	76,025,160		(4,432,477)
EXPENDITURES					
General support:					
Board of Education	122,517	132,447	105,552	\$ 745	26,150
Central administration	277,125	277,617	270,494	20	7,103
Finance	750,947	801,047	678,951	45,000	77,096
Staff	386,440	437,156	264,520	63,614	109,022
Central services	6,201,305	6,896,507	6,562,960	298,260	35,287
Special items	954,143	877,658	826,897	228	50,533
Total general support	8,692,477	9,422,432	8,709,374	407,867	305,191
Instruction:					
Instruction, administration and improvement	3,466,920	3,540,472	3,408,353	-	132,119
Teaching - regular school	25,737,739	26,098,114	24,976,823	83,818	1,037,473
Programs for children with handicapping conditions	8,849,136	9,040,582	7,797,510	214,918	1,028,154
Teaching - special school	292,492	292,492	227,973	-	64,519
Instructional media	2,909,258	3,192,680	3,091,137	32,741	68,802
Pupil services	4,309,436	4,425,763	4,140,636	54,912	230,215
Total instruction	45,564,981	46,590,103	43,642,432	386,389	2,561,282
Pupil transportation	2,653,366	2,678,566	2,226,833	13,482	438,251
Community services	142,878	157,873	137,777	-	20,096
Employee benefits	19,827,808	18,965,863	17,881,893	-	1,083,970
Debt service:					
Interest	70,000	10,300	-	-	10,300
Total expenditures	76,951,510	77,825,137	72,598,309	807,738	4,419,090
OTHER FINANCING USES					
Operating transfers in	-	-	162,733		
Operating transfers out	(277,500)	(2,632,500)	(2,604,229)		
Proceeds of installment purchase debt	-	-	624,675	-	624,675
Payments of installment purchase debt	-	-	(258,968)	-	(258,968)
Total expenditures and other financing uses	77,229,010	80,457,637	74,674,098	\$ 807,738	\$4,784,797
Net change in fund balance	\$ -	\$ -	1,351,062		
Fund balance, beginning of year			21,736,384		
Fund balance, end of year			\$ 23,087,446		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

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, 2015

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)
6/30/2015	\$ -	\$ 57,445,835	\$ 57,445,835	\$ -	\$ 41,092,547	139.8%
6/30/2014	\$ -	\$ 62,803,944	\$ 62,803,944	\$ -	\$ 39,922,902	157.3%
6/30/2013	\$ -	\$ 58,749,961	\$ 58,749,961	\$ -	\$ 39,691,606	148.0%

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

REQUIRED
SUPPLEMENTARY
INFORMATION

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NYSERS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>**2013</u>	<u>**2012</u>	<u>**2011</u>	<u>**2010</u>	<u>**2009</u>	<u>**2008</u>	<u>**2007</u>	<u>**2006</u>
District's proportionate share of the net pension liability	0.01625%	0.01625%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	\$ (704)	\$ (942)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 6,010	\$ 5,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability as a percentage of covered payroll	-11.71%	-15.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.20%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

N/A = Not available

****Note to Required Supplementary Information**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

REQUIRED
SUPPLEMENTARY
INFORMATION

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET - NYSTRS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>**2013</u>	<u>**2012</u>	<u>**2011</u>	<u>**2010</u>	<u>**2009</u>	<u>**2008</u>	<u>**2007</u>	<u>**2006</u>
District's proportionate share of the net pension asset	0.223189%	0.227659%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension asset	\$ 25,360	\$ 1,469	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 34,429	\$ 33,896	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension asset as a percentage of covered payroll	73.66%	4.33%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension asset	111.48%	100.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined (bi-annually) as of June 30.

N/A = Not available

****Note to Required Supplementary Information**

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read in conjunction with this schedule.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - NYSERS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 1,094	\$ 1,138	\$ 1,173	\$ 945	\$ 684	\$ 417	\$ 477	\$ 414	\$ 496	\$ 441
Contributions in relation to the contractually required contribution	<u>1,094</u>	<u>1,138</u>	<u>1,173</u>	<u>945</u>	<u>684</u>	<u>417</u>	<u>477</u>	<u>414</u>	<u>496</u>	<u>441</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,010	\$ 5,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.20%	18.99%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not available

Note to Required Supplementary Information

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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read in conjunction with this schedule.

REQUIRED
SUPPLEMENTARY
INFORMATION

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - NYSTRS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 6,035	\$ 5,521	\$ 3,892	\$ 3,681	\$ 2,833	\$ 1,947	\$ 2,429	\$ 2,650	\$ 2,467	\$ 2,137
Contributions in relation to the contractually required contribution	<u>6,035</u>	<u>5,521</u>	<u>3,892</u>	<u>3,681</u>	<u>2,833</u>	<u>1,947</u>	<u>2,429</u>	<u>2,650</u>	<u>2,467</u>	<u>2,137</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 34,429	\$ 33,896	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	17.53%	16.29%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not available

Note to Required Supplementary Information

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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 FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Change from adopted budget to final budget:

Adopted budget		\$ 77,229,010
Add:		
Prior year's encumbrances		842,184
Voter-approved use of Capital Reserve		<u>2,325,000</u>
Revised budget		80,396,194
Budget revisions relating to:		
Gifts and donations	\$ 36,443	
Special legislative grant	<u>25,000</u>	<u>61,443</u>
Final budget		<u><u>\$ 80,457,637</u></u>

§ 1318 of Real Property Tax Law Limit calculation:

2015-2016 voter-approved budget		<u><u>\$ 79,373,791</u></u>
Maximum allowed (4% of 2015-2016 budget)		<u><u>\$ 3,174,951</u></u>
General Fund fund balance subject to § 1318 of real property tax law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 2,307,738	
Unassigned fund balance	<u>3,174,951</u>	\$ 5,482,689
Less:		
Appropriated fund balance	1,500,000	
Encumbrances	<u>807,738</u>	<u>2,307,738</u>
General Fund fund balance subject to § 1318 of Real Property Tax Law		<u><u>\$ 3,174,951</u></u>
Actual percentage		<u><u>4.00%</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, 2015

Project Title	Expenditures						Methods of Financing				Fund	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Transfers	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2015
High School Bleachers	\$ 125,000	\$ 125,000	\$ 124,820	\$ -	\$ -	\$ 124,820	\$ 180	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 180
District-Wide Tech Project	141,100	141,100	133,133	-	7,967	141,100	-	-	-	141,100	141,100	-
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
District-Wide Tech Upgrade	662,000	962,000	650,591	304,667	-	955,258	6,742	-	-	962,000	962,000	6,742
Middle School Turf Field	1,500,000	1,450,000	1,265,942	91,432	92,626	1,450,000	-	-	-	1,450,000	1,450,000	-
North Addition	3,500,000	4,325,000	259,073	2,746,923	-	3,005,996	1,319,004	-	-	4,325,000	4,325,000	1,319,004
South Ball Field	550,000	550,000	492,295	52,396	5,309	550,000	-	-	-	550,000	550,000	-
WE Boys Bathroom	200,000	200,000	180,848	-	19,152	200,000	-	-	-	200,000	200,000	-
High School Girls Bathroom	60,000	60,000	57,680	-	2,320	60,000	-	-	-	60,000	60,000	-
High School Boiler Project	1,000,000	1,000,000	-	30,374	-	30,374	969,626	-	-	1,000,000	1,000,000	969,626
High School Chiller Tower	60,000	60,000	54,640	-	5,360	60,000	-	-	-	60,000	60,000	-
WE Girls Bathroom	110,000	110,000	3,703	63,490	-	67,193	42,807	-	-	110,000	110,000	42,807
South Door Replacement	15,000	15,000	-	-	15,000	15,000	-	-	-	15,000	15,000	-
Middle School Door Replacement	15,000	15,000	-	-	15,000	15,000	-	-	-	15,000	15,000	-
Middle School Boys Bathroom	110,000	110,000	-	4,982	-	4,982	105,018	-	-	110,000	110,000	105,018
South Boys Bathroom	110,000	110,000	-	3,925	-	3,925	106,075	-	-	110,000	110,000	106,075
South Track and Tennis Courts	1,324,000	1,324,000	70,206	1,114,163	-	1,184,369	139,631	-	-	1,324,000	1,324,000	139,631
South Air Conditioning Project	250,000	250,000	-	7,652	-	7,652	242,348	-	-	250,000	250,000	242,348
Totals	\$ 11,082,100	\$ 12,157,100	\$ 4,641,209	\$ 4,420,004	\$ 162,734	\$ 9,223,947	\$ 2,933,153	\$ -	\$ -	\$ 12,157,100	\$ 12,157,100	\$ 2,933,153

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

OTHER
SUPPLEMENTARY
INFORMATION

LYNBROOK UNION FREE SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2015

Capital assets, net			\$ 27,681,668
Deduct:			
Short-term installment purchase debt payable	\$ 282,562		
Long-term installment purchase debt payable	<u>318,183</u>	<u>600,745</u>	
Net investment in capital assets			<u>\$ 27,080,923</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
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**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 various Extraclassroom Activity Funds of the Lynbrook Union Free School District (the "District") for the year ended June 30, 2015, and the related note to the financial statements, which collectively comprise the financial statements of the District's Extraclassroom Activity Funds.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of cash receipts and disbursements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

NawrockiSmith

Opinion

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, 2015 in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of these financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Melville, New York
August 17, 2015

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
EXTRACLASROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	Cash Balances July 1, 2014	Receipts	Disbursements	Cash Balances June 30, 2015
High School:				
Class of 2013	\$ 640.98	\$ -	\$ -	\$ 640.98
Class of 2014	1,071.87	25.00	-	1,096.87
Class of 2015	6,716.39	15,956.00	20,014.21	2,658.18
Class of 2016	5,942.42	2,285.00	2,607.96	5,619.46
Class of 2017	1,747.22	2,585.00	527.96	3,804.26
Class of 2018	-	2,940.00	805.96	2,134.04
Athletes Creating Excellence	462.13	-	21.65	440.48
Athletic Club	16,936.07	22,477.45	24,365.57	15,047.95
Culinary Arts Club	507.89	958.00	1,245.00	220.89
Drama Club	15,842.16	12,862.00	8,895.95	19,808.21
Driftstone	126.04	-	100.00	26.04
Facing History	92.42	540.00	527.82	104.60
Gay/Straight Alliance	145.54	180.00	56.25	269.29
Globe Club	778.39	24.20	-	802.59
Horizon	8,081.57	3,535.00	4,255.81	7,360.76
Italian Club	902.86	1,764.00	1,941.49	725.37
Japanese Club	0.16	-	-	0.16
L.I. Toy Lending	444.75	2,532.00	2,257.00	719.75
Leadership	608.68	2,194.00	2,405.70	396.98
Lynbrook Owl Adventure	2.00	-	-	2.00
Music Fund	9,766.75	128,425.95	131,463.66	6,729.04
National Art Honor Society	1,203.71	6,619.00	6,211.40	1,611.31
National Honor Society	4,101.24	6,181.00	5,864.95	4,417.29
Owl's Buddy Club	93.00	-	-	93.00
Photography Club	75.00	-	-	75.00
Robotics Club	53.06	978.70	1,001.16	30.60
SADD	2,777.35	135.00	329.64	2,582.71
Spanish Club	417.83	1,327.00	1,200.00	544.83
Student Government Association	2,579.72	11,041.00	6,807.15	6,813.57
Tri-M Fund	352.87	3,806.00	3,313.49	845.38
Virtual Enterprise Club	26.08	-	-	26.08
Yearbook	1,752.10	2,956.00	277.55	4,430.55
	<u>\$ 84,248.25</u>	<u>\$ 232,327.30</u>	<u>\$ 226,497.33</u>	<u>\$ 90,078.22</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, 2015

	Cash Balances July 1, 2014	Receipts	Disbursements	Cash Balances June 30, 2015
Middle Schools:				
No. Middle-Student Activity	\$ 1,116.13	\$ 5,898.67	\$ 6,982.81	\$ 31.99
No. Middle-Yearbook	4,062.29	2,943.25	321.50	6,684.04
No. Middle-Play	6,010.99	1,054.00	1,187.69	5,877.30
No. Middle-Environment	20.00	14,620.00	14,640.00	-
So. Middle-Student Activity	5,410.09	17,680.37	17,069.59	6,020.87
So. Middle-Drama	5,546.87	-	214.38	5,332.49
So. Middle-Environment	4,719.46	26,425.00	31,144.46	-
So. Middle-Yearbook	3,354.65	4,910.07	1,791.00	6,473.72
	<u>\$ 30,240.48</u>	<u>\$ 73,531.36</u>	<u>\$ 73,351.43</u>	<u>\$ 30,420.41</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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.

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 in understanding 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 facilitates comparisons among other districts.
5. Operating Information This information enables users to 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 TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	*2014	2015
Governmental activities:										
Invested in capital assets	\$ 9,484,992	\$ 10,517,232	\$ 13,589,268	\$ 13,977,143	\$ 17,072,438	\$ 18,987,358	\$ 21,807,685	\$ 22,308,528	\$ 24,332,020	\$ 27,080,923
Restricted	6,351,334	-	1,187,921	2,376,285	1,552,963	14,796,583	17,264,116	20,835,559	21,408,457	20,675,208
Unrestricted	4,759,711	12,773,825	10,509,130	7,126,208	8,803,712	(3,800,359)	(4,655,988)	(6,747,160)	(3,917,288)	2,088,949
Total net position	<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>	<u>\$ 36,396,927</u>	<u>\$ 41,823,189</u>	<u>\$ 49,845,080</u>

*Restated to reflect a change in accounting principle (see Note 16 to accompanying financial statements)

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	*2014	2015
Governmental activities:										
Expenses-										
General support	\$ 7,863,911	\$ 8,787,042	\$ 7,998,600	\$ 10,416,088	\$ 8,738,756	\$ 10,860,020	\$ 11,291,517	\$ 10,004,690	\$ 10,044,962	\$ 9,991,817
Instruction	44,657,812	47,111,596	50,240,363	54,628,392	54,157,673	55,064,191	55,258,349	59,614,917	58,410,668	56,667,781
Pupil transportation	1,570,621	1,668,047	2,308,538	1,791,551	1,894,448	1,864,438	1,969,153	2,114,556	2,144,259	2,234,533
Community services	174,701	191,797	155,891	175,989	167,206	174,833	179,135	130,704	175,604	177,047
Debt service interest	351,902	366,448	381,396	327,924	211,999	178,143	137,469	72,199	26,077	-
School lunch program	466,683	340,297	433,132	334,377	284,310	325,947	349,582	352,408	311,285	271,064
Total expenses	55,085,630	58,465,227	61,517,920	67,674,321	65,454,392	68,467,572	69,185,205	72,269,474	71,112,855	69,342,242
Program revenues-										
Charges for services										
Instruction	293,843	332,578	332,872	328,225	442,672	392,441	420,309	378,368	400,147	456,940
Pupil transportation	-	-	9,589	-	-	-	-	11,401	11,706	15,215
School lunch program	335,797	291,868	297,317	249,568	229,693	250,765	259,663	270,041	246,927	187,039
Operating grants	929,678	848,149	1,034,324	1,674,488	2,887,931	2,043,051	1,529,171	968,414	1,079,015	1,150,808
Total program revenues	1,559,318	1,472,595	1,674,102	2,252,281	3,560,296	2,686,257	2,209,143	1,628,224	1,737,795	1,810,002
Net (expense)/revenue	\$ (53,526,312)	\$ (56,992,632)	\$ (59,843,818)	\$ (65,422,040)	\$ (61,894,096)	\$ (65,781,315)	\$ (66,976,062)	\$ (70,661,250)	\$ (69,375,060)	\$ (67,532,240)

*Restated to reflect a change in accounting principle (see Note 16 to accompanying financial statements)

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	*2014	2015
Net (expense)/revenue	\$ (53,526,312)	\$ (56,992,632)	\$ (59,843,818)	\$ (65,422,040)	\$ (61,894,096)	\$ (65,781,315)	\$ (66,976,062)	\$ (70,661,250)	\$ (69,375,060)	\$ (67,532,240)
General revenues and other changes in net position:										
Real property taxes	44,128,840	45,914,860	47,305,980	50,026,323	52,117,240	53,525,013	56,038,289	57,441,404	58,251,020	58,816,823
Other tax items	6,002,069	6,095,807	5,818,419	5,368,659	5,742,045	7,071,682	7,216,325	7,331,820	7,990,573	7,852,454
Use of money and property	572,140	876,100	687,231	307,371	185,312	88,473	130,952	131,455	99,330	61,607
Sale of property and compensation for loss	20,891	22,825	21,507	14,498	15,618	48,971	21,905	51,936	62,451	17,547
State source and local sources	5,647,956	6,608,487	7,757,001	8,741,947	7,426,419	7,047,506	7,481,829	6,975,946	8,256,110	8,551,682
Federal sources	27,518	16,174	-	-	-	-	-	-	-	-
Miscellaneous	169,922	153,399	248,943	352,774	356,939	554,139	518,993	709,801	141,838	254,018
Total	56,569,336	59,687,652	61,839,081	64,810,872	65,843,573	68,335,784	71,408,293	72,642,362	74,801,322	75,554,131
Change in net position	<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>	<u>\$ 1,981,112</u>	<u>\$ 5,426,262</u>	<u>\$ 8,021,891</u>

*Restated to reflect a change in accounting principle (see Note 16 to accompanying financial statements)

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

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

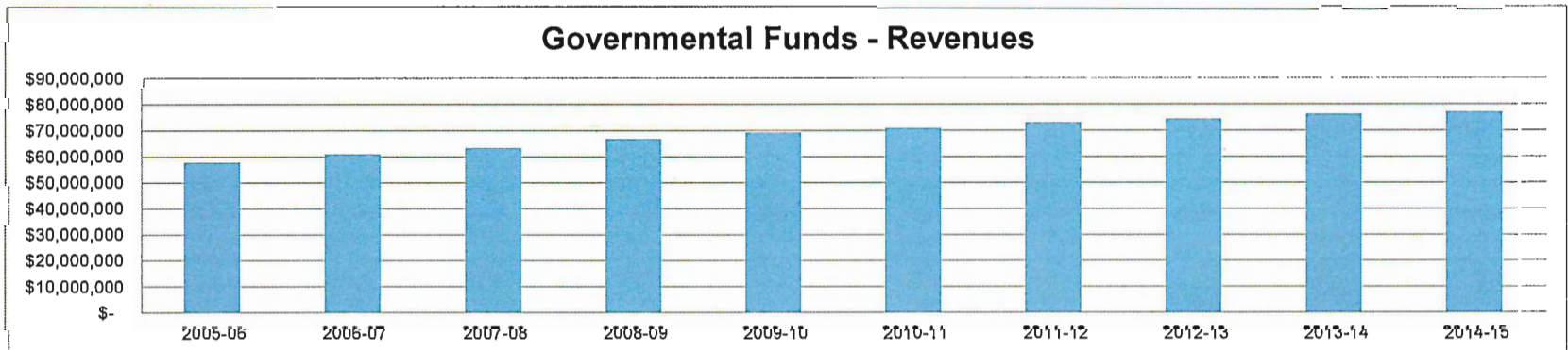
Fiscal Year	Reserved	Unreserved	Nonspendable	Restricted	Assigned	Unassigned	Total
General Fund							
2006	\$ 8,064,448	\$ 3,111,791	\$ -	\$ -	\$ -	\$ -	\$ 11,176,239
2007	8,805,528	3,497,504	-	-	-	-	12,303,032
2008	7,876,707	4,053,871	-	-	-	-	11,930,578
2009	8,291,984	4,142,570	-	-	-	-	12,434,554
2010	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
2013	-	-	-	15,243,188	2,409,219	3,047,694	20,700,101
2014	-	-	-	16,305,041	2,342,184	3,089,159	21,736,384
2015	-	-	-	17,604,757	2,307,738	3,174,951	23,087,446
School Lunch Fund							
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
2013	-	-	2,175	89,872	-	-	92,047
2014	-	-	4,650	108,735	-	-	113,385
2015	-	-	1,672	113,507	-	-	115,179
Debt Service Fund							
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
2013	-	-	-	32,041	-	-	32,041
2014	-	-	-	23,791	-	-	23,791
2015	-	-	-	23,791	-	-	23,791
Capital Projects Fund							
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
2013	-	-	-	5,470,458	-	-	5,470,458
2014	-	-	-	4,970,890	-	-	4,970,890
2015	-	-	-	2,933,153	-	-	2,933,153

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 supplementary information.

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

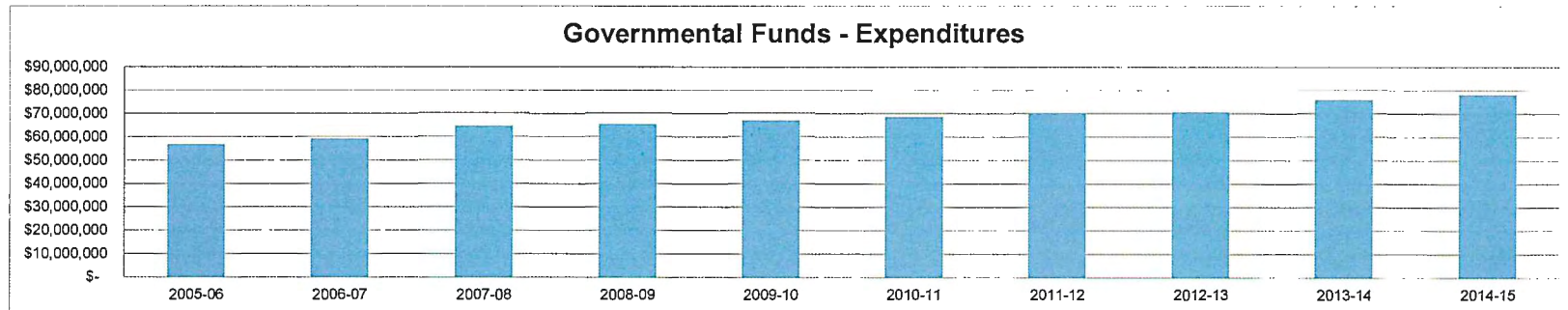
Fiscal Year	Property Taxes And Other Tax Items	Charges For Services	Use of Money and Property	Sale of Property/ Compensation for Loss	Miscellaneous including Forfeitures	State Sources	Federal Sources	Surplus Food	Sales School Lunch/Milk Program	Total
2005-06	\$ 50,130,909	\$ 293,843	\$ 572,140	\$ 20,891	\$ 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
2012-13	64,773,224	389,769	131,455	51,936	709,801	7,511,132	809,711	-	270,041	74,647,069
2013-14	66,241,593	411,853	99,330	62,451	141,838	8,504,246	830,879	-	246,927	76,539,117
2014-15	66,669,277	472,155	61,607	17,547	254,018	8,814,678	887,812	-	187,039	77,364,133
	<u>\$ 590,055,645</u>	<u>\$ 3,826,306</u>	<u>\$ 3,139,971</u>	<u>\$ 288,149</u>	<u>\$ 3,460,066</u>	<u>\$ 77,302,764</u>	<u>\$ 11,348,257</u>	<u>\$ 32,583</u>	<u>\$ 2,618,678</u>	<u>\$ 692,082,419</u>



See accompanying independent auditor's report on financial statements
and supplementary 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
						Principal	Interest				
2005-06	\$ 6,713,841	\$ 34,886,104	\$ 1,562,673	\$ 134,266	\$ 10,436,340	\$ 825,000	\$ 366,510	\$ 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	870,000	370,187	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	910,000	347,328	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	960,000	294,547	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	1,005,000	230,442	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	1,055,000	197,035	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	1,110,000	157,351	349,582	1,456,360	70,499,874	2,741,079
2012-13	8,130,003	43,070,608	2,044,333	130,704	15,407,324	1,155,000	92,845	352,408	413,758	70,796,983	3,850,086
2013-14	8,555,117	44,424,447	2,130,619	130,789	17,217,207	470,000	32,931	311,285	2,716,919	75,989,314	549,803
2014-15	8,709,374	44,767,776	2,226,833	137,777	17,881,893	-	-	271,064	4,420,004	78,414,721	(684,881)
	<u>\$ 77,947,608</u>	<u>\$ 410,237,366</u>	<u>\$ 18,800,846</u>	<u>\$ 1,380,746</u>	<u>\$ 136,887,496</u>	<u>\$ 8,360,000</u>	<u>\$ 2,089,176</u>	<u>\$ 3,473,309</u>	<u>\$ 18,574,305</u>	<u>\$ 677,750,852</u>	<u>\$ 14,697,274</u>



See accompanying independent auditor's report on financial statements
and supplementary 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

Fiscal Year Ended June 30,	Residential Assessed Valuation	Commercial Assessed Valuation	Total Taxable Assessed Valuation	State Equalization Rate	Full Valuation	Total Direct Tax Rate
2006	\$ 9,590,889	\$ 2,739,429	\$ 13,391,956	92.07%	\$ 3,145,553,333	\$ 320.87
2007	5,613,692	2,727,822	9,436,660	88.39%	3,145,553,333	571.92
2008	5,932,599	2,888,201	9,964,852	88.52%	3,322,186,666	560.69
2009	6,211,631	3,044,145	10,533,826	87.87%	3,291,820,625	564.95
2010	6,287,621	3,243,894	10,972,324	86.87%	3,324,946,666	586.91
2011	5,301,457	3,374,368	10,166,822	85.33%	2,824,117,222	732.55
2012	5,007,297	2,878,123	9,381,548	84.05%	2,842,890,909	800.27
2013	4,495,198	2,493,957	8,818,170	79.26%	2,672,172,727	881.46
2014	4,490,709	2,473,062	8,459,281	82.32%	2,563,418,485	950.98
2015	4,346,487	2,406,464	8,237,669	81.98%	2,657,312,581	1,006.01

Note: Nassau County had 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: Office of the State Comptroller and Nassau County Records

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>
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%
2013	881.460	17.98	24.04	29.56	9.141	24.142	932.723	938.783	944.303	8,818,170	79.26%
2014	950.979	17.14	25.23	35.67	12.812	18.711	999.642	1,007.732	1,018.172	8,459,281	82.32%
2015	1006.010	18.86	25.16	38.36	16.935	24.008	1,065.813	1,072.113	1,085.313	8,237,669	81.98%

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 supplementary information.

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

2006				2015			
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	\$ 267,087	1.31%	PSEG Long Island	Public Utility	\$ 447,658	5.29%
K98 Senior LLC	Office Building	164,291	0.81%	National Grid	Utility	270,114	3.19%
Fowler Daley Owners Inc.	Apartments	161,186	0.79%	Long Island Water	Public Utility	141,732	1.68%
South Shore Association	Apartments	125,529	0.62%	VTR Lynbrook LLC	Office Buildings	97,238	1.15%
Long Island Water Company	Public Utility	102,174	0.50%	Verizon, NY Inc	Public Utility	68,181	0.81%
Verizon	Public Utility	98,413	0.48%	Fowler Daley Owners	Apartments	50,497	0.60%
Lighthouse Limited Partnership	Office Building	94,716	0.47%	RUPP Associates	Commercial	50,152	0.59%
Keyspan	Public Utility	89,980	0.44%	210 Atlantic Ave. Corp	Apartments	49,891	0.59%
Wyndham House Owners Corp.	Coop Apartments	83,808	0.41%	Lynbrook Sunrise Realty	Commercial	49,349	0.58%
210 Atlantic Avenue Corp.	Apartments	<u>55,408</u>	<u>0.27%</u>	Wyndham House Owners Corp	Coop Apartments	<u>82,178</u>	<u>0.97%</u>
		<u>\$ 1,242,592</u>	<u>6.10%</u>			<u>\$ 1,306,990</u>	<u>15.45%</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 supplementary 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*
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%
2013	64,423,666	62,815,970	97.50%	1,621,636	64,437,606	100.02%
2014	66,241,593	65,501,541	98.88%	-	65,501,541	98.88%
2015	66,358,631	65,278,496	98.37%	1,189,378	66,467,874	100.16%

*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 School 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 supplementary 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*
2006	\$ 7,535,000	\$ -	\$ -	\$ 7,535,000	1.43%	\$ 407
2007	6,665,000	-	586,251	7,251,251	1.05%	391
2008	5,755,000	-	750,446	6,505,446	0.86%	351
2009	4,795,000	-	858,743	5,653,743	0.82%	305
2010	3,790,000	-	577,570	4,367,570	0.66%	236
2011	2,735,000	-	400,174	3,135,174	0.48%	169
2012	1,625,000	-	167,726	1,792,726	0.27%	97
2013	470,000	-	172,728	642,728	0.10%	37
2014	-	-	235,038	235,038	0.03%	13
2015	-	-	600,745	600,745	0.09%	34

* 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 supplementary 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
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%
2013	1,155,000	92,845	1,247,845	70,383,225	1.77%
2014	470,000	11,750	481,750	73,272,395	0.66%
2015	-	-	-	74,360,424	0.00%

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

Source: District Records

See accompanying independent auditor's report on financial statements
and supplementary 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)

Fiscal Year Ended June 30,	Population (1)(2)	Estimated Actual Value of Taxable Property	General Bonded Debt (1)	General Bonded Debt to Estimated Actual Value of Taxable Property	General Bonded Debt Per Capita
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	3,322,186,666	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
2013	17,607	2,672,172,727	470,000	0.02%	27
2014	17,607	2,563,418,485	-	0.00%	0
2015	17,607	2,657,312,581	-	0.00%	0

(1) District Records (TAN Official Statement)

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

Nassau County had undertaken a major reassessment of the District's assessed valuation. The reduction in assessed valuation of the District for the fiscal years ending June 30, 2004-2009 is a result of the County's new assessment procedures.

See accompanying independent auditor's report on financial statements
and supplementary 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)	2013	\$ 301,443,999	2.81%	\$ 8,470,576
Nassau County (b)	2013	4,375,113,419	1.30%	56,876,474
Incorporating Villages (c)	2013	<u>12,314,505</u>	Various	<u>12,314,505</u>
Net Overlapping Debt		<u>\$ 4,688,871,923</u>		77,661,555
Net Direct Debt				<u>-</u>
Net Direct and Overlapping Debt				<u>\$ 77,661,555</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 - 2012

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 the units taxable value.

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

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

Legal Debt Margin Calculation for Fiscal Year 2015:

Current Full Valuation of Taxable Real Property	<u>\$ 2,657,312,581</u>
Debt Limit (10% of Current Full Valuation)	\$ 265,731,258
Debt applicable to limit	<u>-</u>
Net Debt Contracting Margin	<u>\$ 265,731,258</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 314,555,333	\$ 314,555,333	\$ 332,161,733	\$ 329,182,062	\$ 332,494,666	\$ 282,411,722	\$ 284,289,090	\$ 267,217,273	\$ 256,341,849	\$ 265,731,258
Total net debt applicable to limit - BANs and serial bonds	<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>	<u>470,000</u>	<u>-</u>	<u>-</u>
Net debt contracting margin	<u>\$ 307,890,333</u>	<u>\$ 307,890,333</u>	<u>\$ 327,366,733</u>	<u>\$ 325,012,062</u>	<u>\$ 328,704,666</u>	<u>\$ 279,675,722</u>	<u>\$ 282,664,090</u>	<u>\$ 266,747,273</u>	<u>\$ 256,341,849</u>	<u>\$ 265,731,258</u>
Total net debt applicable to the limit as a percentage of debt limit	2.1%	1.9%	1.4%	1.3%	1.1%	1.0%	0.6%	0.2%	0.0%	0.0%

Source: District records (TAN Official Statement)

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income</u>	<u>County Unemployment Rate (2)</u>
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%
2013	17,607	745,652,708	42,350	5.80%
2014	17,607	669,210,210	38,008	5.30%
2015	17,607	686,388,937	38,984	4.30%

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

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

LYNBROOK UNION FREE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOR THE NINTH FISCAL YEAR PRIOR
JUNE 30, 2015

	<u>2015</u>			<u>2006</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	497	1	N/A	478	1	N/A
Village of Lynbrook	200	2	N/A	275	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 supplementary information.

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

Employee Type	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Supervisory										
Non-instructional administrators	12	12	12	13	11	10	10	10	10	10
Principals/asst. principals/deans	9	9	9	9	9	9	9	9	9	9
Total Supervisory	21	21	21	22	20	19	19	19	19	19
Instruction										
Elementary teachers/spec. ed.	119	115	118.5	122	120.1	119.7	120.2	119	108	109
Secondary teachers/spec. ed./chairs	149.2	151.7	160.3	153.6	144	145	141.7	143	155	156
Instructional aides/teachers aides	54	56	62	59	56	61	62	63	65	65
Total Instruction	322.2	322.7	340.8	334.6	320.1	325.7	323.9	325	328	330
Student Services										
Guidance counselors	8	8	8	9	9	9	9	9	9	9
Psychologists	7.3	6.4	6.4	7	8	8	8	8	6.5	8
Librarians	6	6	6	6	6	6	6	6	6	6
Social workers	1	1	2	2	2	2	2.5	4	4	4.5
Total Student Services	22.3	21.4	22.4	24	25	25	25.5	27	25.5	27.5
Support										
Clerical	35	35.3	35.4	35.4	37	37	37	37	37	37
Custodial	33.5	34.5	36.4	34.5	32.5	32.5	32.5	32.5	32.5	32.5
Maintainers	7	7	7	7	7	7	7	7	7	7
Grounds	5	5	5	5	4	4	4	4	4	4
Monitors	21	30	32	30	30	30	28	28	27	27
Nurses	8	8	9	9	9	9	9	9	9	9
Total Support	109.5	119.8	124.8	120.9	119.5	119.5	117.5	117.5	116.5	116.5
Data Specialist	0	0	0	0	1	1	1	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	478	487.9	512	504.5	488.6	493.2	489.9	492.5	493	497

Source: District Records

See accompanying independent auditor's report on financial statements
and supplementary 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>
2006	3,131	345	9:1	3.80%
2007	3,134	344	9:1	4.15%
2008	3,062	363	8:1	4.11%
2009	3,014	359	8:1	4.51%
2010	2,949	345	9:1	4.75%
2011	2,896	351	8:1	5.28%
2012	2,834	349	8:1	6.32%
2013	2,794	352	8:1	5.94%
2014	2,816	354	8:1	6.90%
2015	2,800	357	8:1	10.47%

(1) Instruction and student services

Source: District records

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

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

Schools	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	1,123	1,115	1,085	1,049	1,043	1,056	1,029	1,005	1,047	1,049
Middle										
No. of buildings	2	2	2	2	2	2	2	2	2	2
Square feet	131,307	131,307	131,307	131,307	131,307	131,307	131,307	131,307	131,307	131,307
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	764	741	751	722	708	669	666	671	661	675
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	1,030	1,036	1,050	1,032	992	982	950	931	921	907
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	217	213	176	205	206	189	189	187	187	169

Source: District records

See accompanying independent auditor's report on financial statements
and supplementary 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	6/30/2016
Teachers' association	314	6/30/2015
Custodial unit	44	6/30/2018
Secretarial unit	36	6/30/2015
Teacher aides and assistants	61	6/30/2015
Monitors	27	6/30/2016

Source: District records

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

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass - Through Grantor/ Cluster Title/Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
<u>Passed-Through Programs From:</u>			
New York State Department of Education			
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-14-1545	\$ 7,708
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-15-1545	134,852
ESEA, Title II, Part A, Training	84.367A	0147-15-1545	66,981
ESEA, Title III, LEP	84.365A	0293-15-1545	6,847
			<u>216,388</u>
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-15-0428	568,081
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-15-0428	22,043
			<u>590,124</u>
Total Special Education Cluster			
			<u>590,124</u>
Total U.S. Department of Education			<u>806,512</u>
<u>U.S. Department of Agriculture</u>			
<u>Direct Program:</u>			
Supplemental Nutrition Assistance Program	10.551	N/A	63,494
<u>Passed-Through Program From:</u>			
New York State Office of General Services			
National School Lunch Program	10.555	N/A	17,806
			<u>17,806</u>
Total U.S. Department of Agriculture			<u>81,300</u>
Total Expenditures of Federal Awards			<u><u>\$ 887,812</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.



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, in accordance with the 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, the financial statements of the governmental activities, each major fund and fiduciary funds of the Lynbrook Union Free School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

NawrockiSmith

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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Melville, New York
August 17, 2015

Nawrocki Smith LLP



CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Lynbrook Union Free School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2015.

NawrockiSmith

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lynbrook Union Free School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Lynbrook Union Free School District's internal control over compliance.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Melville, New York
August 17, 2015

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, 2015

A. Summary Of Auditor's Results:

1. The auditor's report expresses an unmodified 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 unmodified 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

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, 2015

Findings - Financial Statement Audit

None reported.

Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

LYNBROOK UNION FREE SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2015

This section presents findings and recommendations resulting from the audit of the financial statements of the Lynbrook Union Free District as of and for the year ended June 30, 2015. This section also presents the status of findings and recommendations resulting from the prior year audit.

Current Year Recommendation:

1. Extraclassroom Activity Funds

We noted an account balance for a class of students that graduated over a year ago. This matter is inconsistent with the guidelines for the proper functioning of the Extraclassroom Activity Funds.

We recommend that policies and procedures be established with respect to the timely disposition of funds relating to a graduating class. In this manner, the Extraclassroom Activity Funds may be transacted in accordance with the requisite guidelines.

Prior Year Recommendations:

1. Payroll reconciliations

We recommended that reconciliations of the general ledger payroll accounts to the quarterly tax filings be performed on a timely basis.

We noted that this recommendation was implemented.

2. Timely authorization of minutes of Board of Education meetings

We recommended that Board of Education meeting minutes be authorized and signed on the date such minutes are approved by the Board at the next succeeding meeting.

We noted that this recommendation was implemented.

3. Credit card policy

We recommended that the District adhere to the Board policy and properly inform the Board of the job titles of employees who maintain credit cards.

We noted that this recommendation was implemented.

4. Budget transfer policy

We recommended that the District adhere to their current policy, and the Superintendent should review and sign all budget transfers under \$5,000.

We noted that this recommendation was implemented.

5. Claims Auditor report

We recommended that the Claims Auditor consider revising the monthly reports to include all pertinent information.

We noted that this recommendation was implemented.

6. Segregation of duties - cash receipts

We recommended that the District consider re-assigning certain responsibilities to ensure an adequate segregation of duties over cash receipts.

We noted that this recommendation was not implemented.