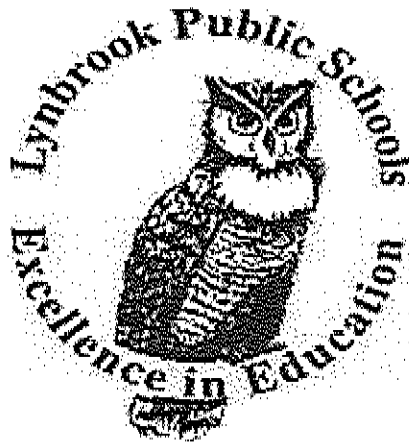


LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016



LYNBROOK
PUBLIC SCHOOLS

LYNBROOK UNION FREE SCHOOL DISTRICT
TOWN OF HEMPSTEAD, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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**

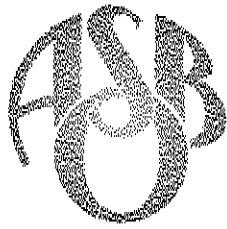
Presented to

**Lynbrook Union Free School District
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



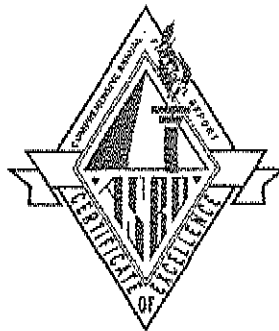
ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Lynbrook Union Free School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

LYNBROOK UNION FREE SCHOOL DISTRICT
LYNBROOK, NEW YORK

PRINCIPAL OFFICIALS

BOARD OF EDUCATION

William Belmont, President
Ellen Marcus, Vice President
Heather Hanson, Secretary
Alicemarie Bresnihan
Lesli Deninno
Robert Paskoff
David Yaker

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

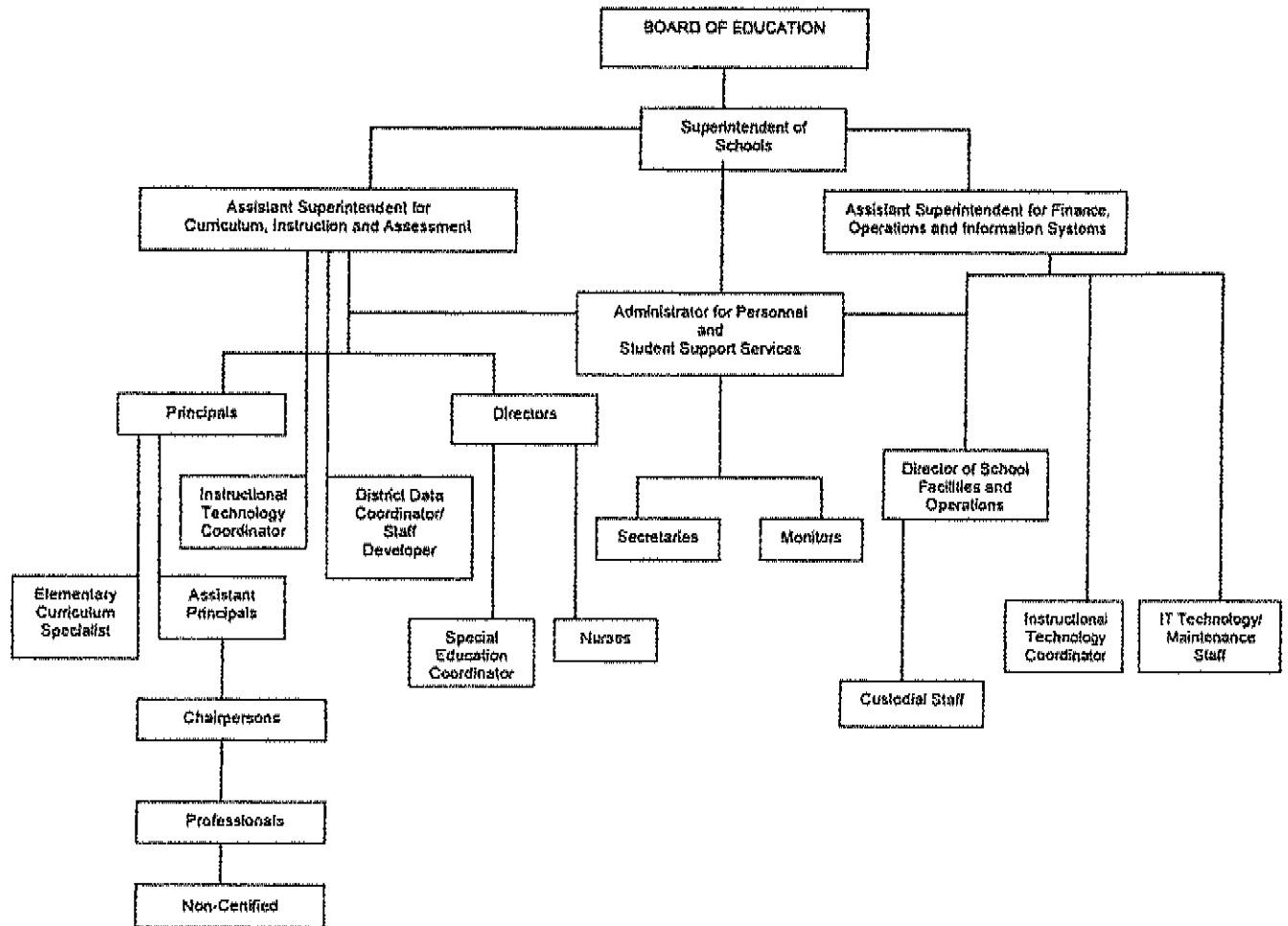
**ADMINISTRATOR FOR PERSONNEL AND STUDENT
SUPPORT SERVICES**

Ms. Maureen Berman

INDEPENDENT AUDITORS

Nawrocki Smith LLP

LYNBROOK UNION FREE SCHOOL DISTRICT
ORGANIZATIONAL CHART





web site:
www.lynbrookschoools.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 23, 2016

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, 2016 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, 2016, 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 124 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. Lynbrook High School has also been recognized as a New York State Rewards School for the past 4 years and this year, was recognized nationally by Newsweek Magazine as one of the nation's top 500 public high schools.

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 (Science, Technology, Engineering, Arts, and Mathematics), College and Career Readiness, and Literacy and Math. 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. The District also holds an annual Girls and STEAM event to promote female interest in STEAM related careers.

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 now incorporates the entire middle school. We are transforming the learning environment for each individual student by grounding our program in project based learning. Reliance of paper handouts is becoming a thing of the past as staff and students collaborate and communicate using electronic means as their primary resource tool for educational purposes.

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 third year offering of a Summer STEAM Academy for middle school aged students to explore concepts in video game design as well as basic robotics building. The original program was aimed to spark interest and excitement in the STEAM arena. This past summer, we added experimental science as well as art courses into the academy to make the experience a true STEAM program.

STEAM:

Teachers encourage interdisciplinary lessons by incorporating STEAM 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. Our high school staff and students partner with a local children's hospital to design and create devices to help disabled children cope with basic life functions. This program has earned a tremendous amount of media attention and was presented at the National School Boards Conference held in the spring in Boston.

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 and Math

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.

Math:

Our teachers have participated in extensive professional development on the new Common Core math curriculum and have been able to implement skills, concepts and methodologies into the classroom. A math rotation model helps address individual student needs with clarity.

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 forefront and allow students the ability to use these devices during class time to provide feedback to teachers for assessment of understanding.

Appropriate Facilities:

As an ongoing effort to provide appropriate facilities, the District routinely analyzes its current facilities and projected its needs for the upcoming 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 on the high school level 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.

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.

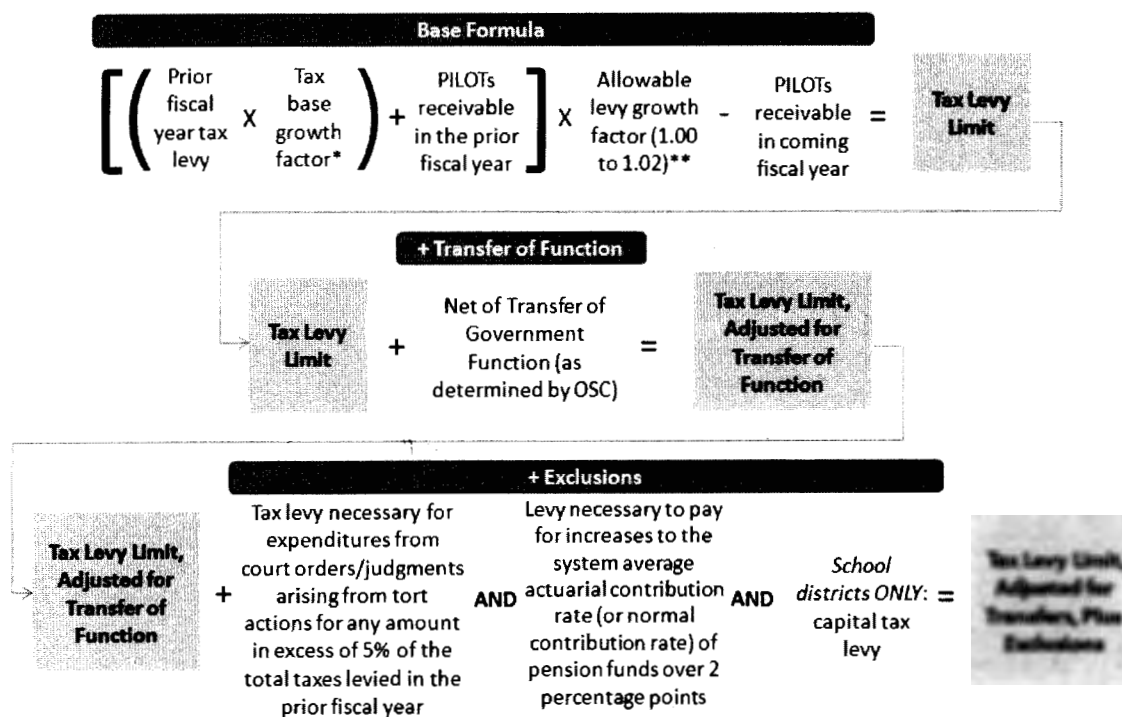
FACTORS AFFECTING FINANCIAL CONDITION

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 2015-2016 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 high 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 2015-2016 fiscal year. An actuarial study was performed on the District's OPEB obligation recognizing a net liability of \$15,198,099.

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 2016 budget vote day, the electorate approved the use of capital reserve funds to replace boilers at both middle schools, high school ceiling and lighting, bathroom upgrade and parking lot replacement at North Middle School and replacement of South Middle's gymnasium floor. Monies for computer replacements were also approved.

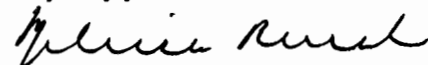
The Board of Education continues to address the financial challenges that face the School district which include health care premium increase, high pension costs and contract obligations. The implications of the Affordable Health Care Act also created a challenge as the District did not provide health insurance to teacher assistants and aides as well as monitors. A study was conducted to analyze the District's potential liability. A cost efficient plan was obtained and the district was able to negotiate with the bargaining units impacted to meet the requirements of the Affordable Health Care Act.

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.

The District is also heavily involved in the Smart Bond Act funding plan to tighten and upgrade its security network in our schools. Security vestibules and cameras along with infrastructure upgrades are to be considered for use of the state funding.

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,



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, 2016, and the related notes to 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, 2016, 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

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 other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the New York State Education Department. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 23, 2016, 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 23, 2016

LYNBROOK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. 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, 2016 increased by \$10,158,850 or 20.4% to \$60,003,930.
- The District's expenses for the year ended June 30, 2016 totaled \$69,754,763, which is an increase of \$412,521 or 0.6% from the year ended June 30, 2015.
- The District's total fund balance for the year ended June 30, 2016, as reflected in the fund financial statements, increased by \$1,717,124.

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 20.4% from the year before to \$60,003,930 as detailed in Tables A-2 and A-3.

The restricted net position balance of \$22,319,192 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of June 30, 2016, the District has an unrestricted net position of \$9,224,283. This surplus is primarily driven by the District's proportionate share of a net pension asset of \$23,603,056 (see Note 8 to the accompanying financial statements), offset by the required recognition of its obligation for post-employment benefits which currently totals \$15,198,099. This obligation will continue to grow into the future (see Note 10 to the accompanying financial statements).

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

	<u>06/30/2016</u>	<u>06/30/2015</u>	<u>% Change</u>
Current assets	\$ 14,120,988	\$ 16,644,133	(15.2)
Noncurrent assets	20,597,985	17,691,977	16.4
Capital assets, net	29,095,558	27,681,668	5.1
Proportionate share of net pension asset	<u>23,603,056</u>	<u>25,359,740</u>	(6.9)
Total assets	87,417,587	87,377,518	0.1
Deferred outflows of resources	<u>9,240,351</u>	<u>4,699,738</u>	96.6
Total assets and deferred outflows of resources	<u>\$ 96,657,938</u>	<u>\$ 92,077,256</u>	5.0
Current liabilities	\$ 7,035,935	\$ 8,318,209	(15.4)
Long-term liabilities	<u>21,071,857</u>	<u>16,484,947</u>	27.8
Total liabilities	28,107,792	24,803,156	13.3
Deferred inflows of resources	<u>8,546,216</u>	<u>17,429,020</u>	(51.0)
Total liabilities and deferred inflows of resources	<u>36,654,008</u>	<u>42,232,176</u>	(13.2)
Net position:			
Net investment in capital assets	28,460,455	27,080,923	5.1
Restricted	22,319,192	20,675,208	8.0
Unrestricted	<u>9,224,283</u>	<u>2,088,949</u>	341.6
Total net position	<u>60,003,930</u>	<u>49,845,080</u>	20.4
Total liabilities, deferred inflows of resources and net position	<u>\$ 96,657,938</u>	<u>\$ 92,077,256</u>	5.0

As of June 30, 2016, the District had positive working capital of \$7,085,053 as compared to \$8,325,924 as of June 30, 2015, due to a decrease in cash of \$3,578,538, an increase in taxes receivable of \$820,082 and a decrease in due to teachers' retirement system of \$1,218,383.

As of June 30, 2016, the District had net capital assets of \$29,095,558 as compared to \$27,681,668 as of June 30, 2015. The increase is due to current year capital expenditures offset by the depreciation charges for ongoing capital projects.

Long-term liabilities increased \$4,586,910 due to the continued recognition of the other-post employment benefits obligation liability, with a current year charge of \$1,580,557 and the recognition of the proportionate share of the New York State Employee Retirement System net pension liability, with a current year charge of \$2,735,820.

Changes in Net Position

The District's fiscal year 2016 revenues totaled \$79,913,613, which is 3.3% greater than fiscal year 2015 (See Table A-3). Property taxes, other tax items and State sources accounted for 97.5% of total revenues (See Table A-4). The remainder came from 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 2016 expenses totaled \$69,754,763, and reflect a 0.6% increase from the prior year's expenses (See Table A-3). These expenses (96 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>06/30/2016</u>	<u>06/30/2015</u>	<u>% Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 630,984	\$ 659,194	(4.3)
Operating grants	1,038,631	1,150,808	(9.7)
General revenues:			
Real property taxes	58,118,119	58,816,823	(1.2)
Other tax items	10,948,752	7,852,454	39.4
State sources	8,817,220	8,551,682	3.1
Use of money and property	67,039	61,607	8.8
Sale of property and compensation for loss	58,788	17,547	235.0
Miscellaneous	234,080	254,018	(7.8)
Total revenues	<u>79,913,613</u>	<u>77,364,133</u>	3.3
Expenses			
General support	9,298,977	9,991,817	(6.9)
Instruction	57,678,131	56,657,914	1.8
Pupil transportation	2,353,143	2,234,533	5.3
Community services	160,844	177,047	(9.2)
Debt service - interest	10,261	9,867	100.0
School lunch program	253,407	271,064	(6.5)
Total expenses	<u>69,754,763</u>	<u>69,342,242</u>	0.6
Increase in net position	<u>\$ 10,158,850</u>	<u>\$ 8,021,891</u>	26.6

Table A-4: Revenues for Fiscal Year 2016

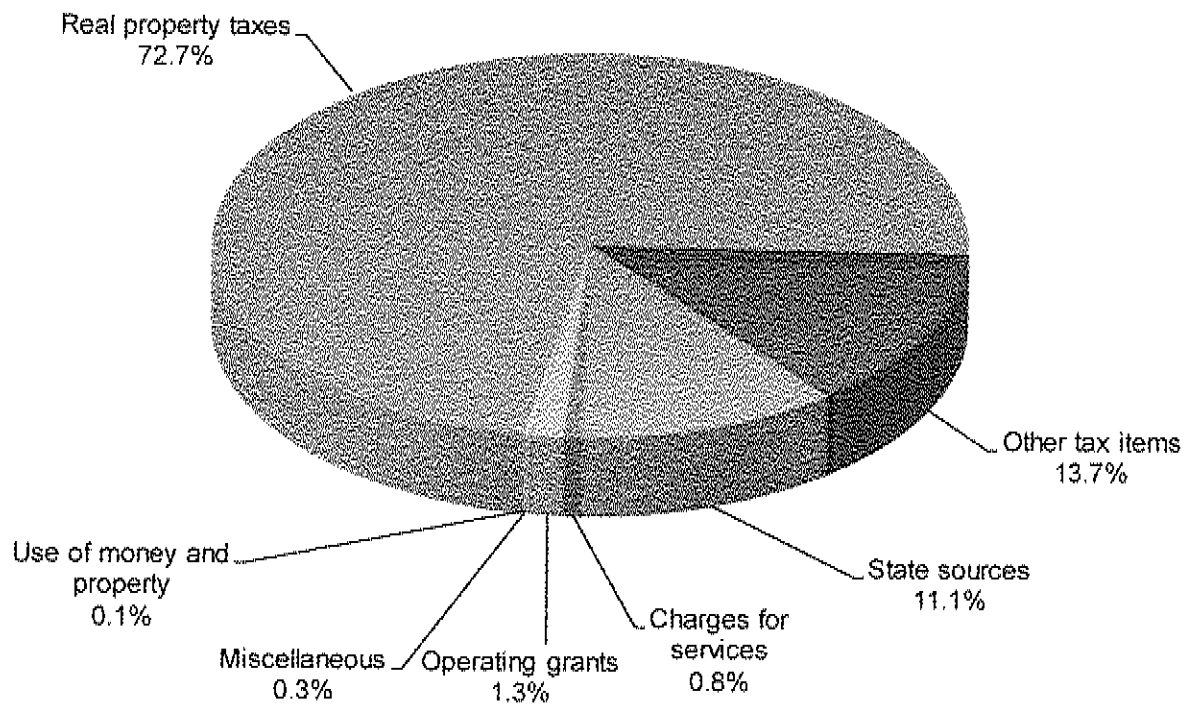


Table A-5: Revenues for Fiscal Year 2015

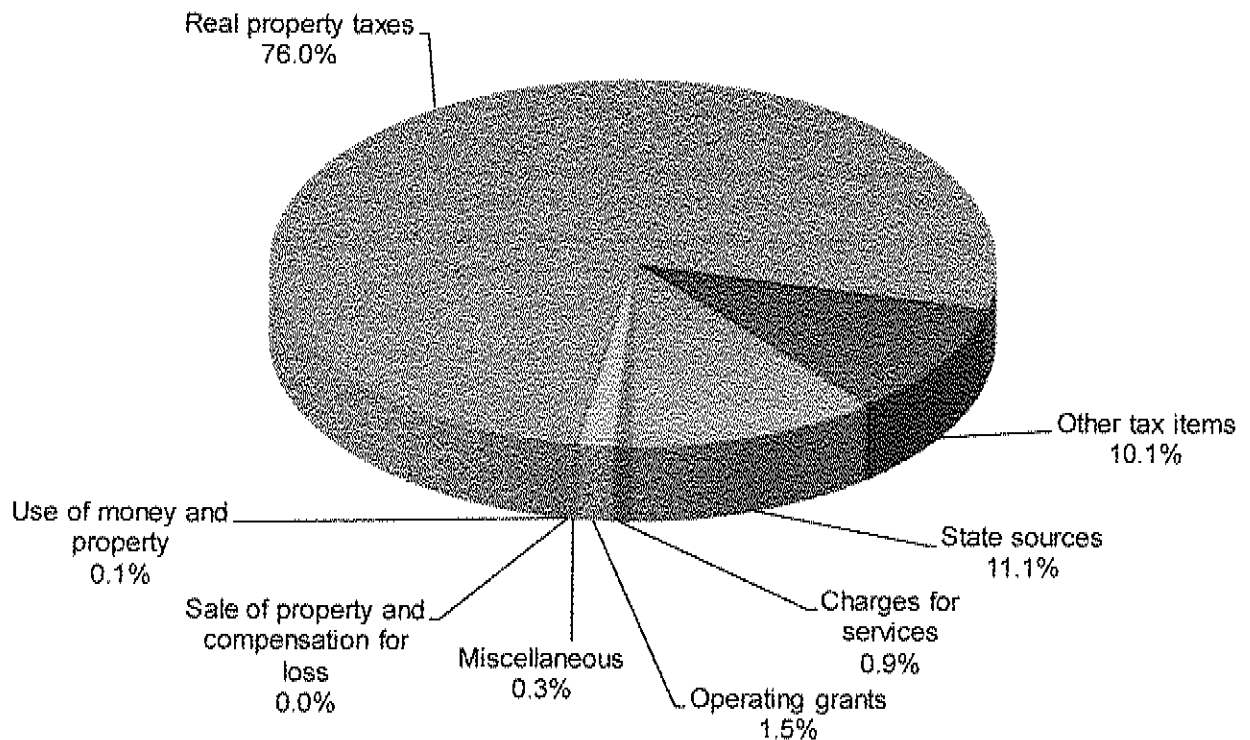


Table A-6: Expenses for Fiscal Year 2016

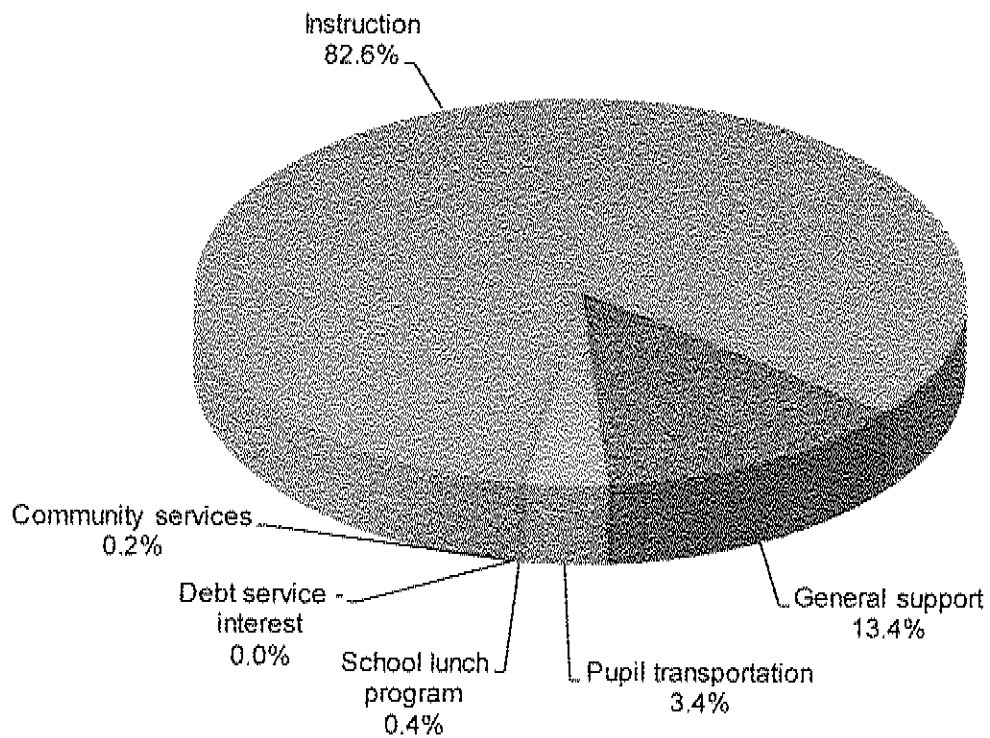
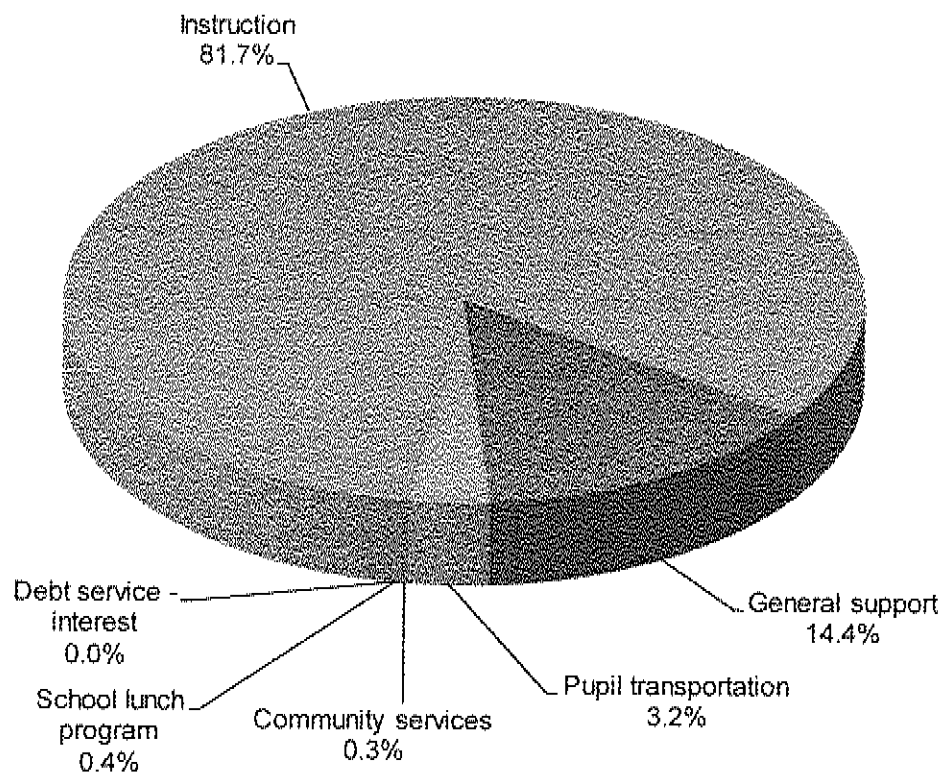


Table A-7: Expenses for Fiscal Year 2015



Governmental Activities

Revenues for the District's governmental activities totaled \$79,913,613 while total expenses were \$69,754,763, for the year ended June 30, 2016. Therefore, the increase in net position for governmental activities was \$10,158,850 in 2016. The District's financial condition is generally affected by:

- Community support of the District's annual budget
- 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, 2016, the District's governmental funds reported a combined fund balance of \$27,876,693, which is a increase of \$1,717,124 from June 30, 2015. General Fund fund balance increased due to an increase in the reserve for capital. Capital Projects Fund fund balance decreased \$1,263,366 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>06/30/2016</u>	<u>06/30/2015</u>	<u>% Change</u>
General Fund			
Restricted:			
Capital Reserve	\$ 12,797,759	\$ 10,017,852	27.7
Employee Benefit Accrued Liability	1,749,906	1,748,632	0.1
Retirement Contribution	3,145,193	3,027,781	3.9
Workers' Compensation	1,606,431	1,605,261	0.1
Unemployment Insurance	164,809	164,569	0.1
General Liability	1,041,420	1,040,662	0.1
Assigned:			
Designated for subsequent year's expenditures	1,500,000	1,500,000	0.0
Encumbrances	822,583	807,738	1.8
Unassigned	<u>3,234,694</u>	<u>3,174,951</u>	1.9
Total General Fund	<u>26,062,795</u>	<u>23,087,446</u>	12.9

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

School Lunch Fund			
Nonspendable:			
Inventory	224	1,672	(86.6)
Restricted:			
School Lunch Fund	<u>120,096</u>	<u>113,507</u>	5.8
Total School Lunch Fund	<u>120,320</u>	<u>115,179</u>	4.5
Debt Service Fund			
Restricted:			
Debt Service Fund	<u>23,791</u>	<u>23,791</u>	0.0
Total Debt Service Fund	<u>23,791</u>	<u>23,791</u>	0.0
Capital Projects Fund			
Restricted:			
Capital Projects Fund	<u>1,669,787</u>	<u>2,933,153</u>	(43.1)
Total Capital Projects Fund	<u>1,669,787</u>	<u>2,933,153</u>	(43.1)
Total fund balance	<u>\$ 27,876,693</u>	<u>\$ 26,159,569</u>	6.6

General Fund Budgetary Highlights

Reference is made to the 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 \$1,554,000 due to higher than anticipated other tax items and State sources.
- Actual expenditures were approximately \$5.3 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, 2016, the District's unassigned fund balance was \$3,234,694 which was within the allowable 4% of the subsequent year's budget (\$80,867,382) 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, 2016:

Unassigned fund balance, beginning of year	\$ 3,174,951
Add:	
Net change in fund balance	2,975,349
Prior-year appropriated fund balance	1,500,000
Prior-year encumbrances	807,738
Board approved use of Retirement Contribution	730,000
Voter-approved use of Capital Reserve	2,200,000
Less:	
Current-year appropriated fund balance	(1,500,000)
Current-year encumbrances	(822,583)
Transfer to Retirement Contribution	(847,412)
Transfer to General Liability Fund	(758)
Transfer to Employee Benefit Accrued Liability	(1,274)
Transfer to Capital Reserve	(4,979,907)
Transfer to Unemployment Insurance Reserve	(240)
Transfer to Workers' Compensation Reserve	(1,170)
Unassigned fund balance, end of year	<u>\$ 3,234,694</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, the District had invested \$29,095,558, 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 6 in the accompanying notes to the financial statements for more information on capital assets.

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

	<u>06/30/2016</u>	<u>06/30/2015</u>	<u>% Change</u>
Land	\$ 1,120,041	\$ 1,120,041	0.0
Construction-in-progress	4,181,826	4,149,177	0.8
Buildings and building improvements	23,094,109	21,511,341	7.4
Furniture and equipment	699,582	901,109	(22.4)
Totals	<u>\$ 29,095,558</u>	<u>\$ 27,681,668</u>	5.1

Long-Term Debt

As of June 30, 2016, the District had \$18,305,442 in long-term debt. (See Note 7 in the accompanying notes to the financial statements for details.)

Table A-10: Outstanding Long-Term Debt

<u>Category</u>	<u>06/30/2016</u>	<u>06/30/2015</u>	<u>% Change</u>
Installment purchase debt payable	\$ 635,103	\$ 600,745	5.7
Workers' compensation claims payable	555,403	302,760	83.4
Other post-employment benefits	15,198,099	13,617,542	11.6
Compensated absences	1,916,837	1,845,767	3.9
Totals	<u>\$ 18,305,442</u>	<u>\$ 16,366,814</u>	11.8

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 2016-17 school year was approved by the voters in the amount of \$80,867,382. This is an increase of 1.9% over last year’s budget.
- The General Fund Budget for the 2016-2017 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.
- On July 8, 2015, the District submitted a valid tax levy to Nassau County in the amount of \$67,596,033. On November 10, 2015, the District received a letter from the Acting County Assessor, notifying the District of a reduction in the 2015-16 tax levy by \$2,875,219 and providing a copy of a “statutory PILOT” invoice to be billed and collected from the Long Island Power Authority (“LIPA”) for 2015-16 for this same amount. While the District was made whole for this amount, it joined several other districts in Nassau County in a lawsuit disputing the County’s authority to unilaterally reduce their certified tax levies and asking for assurances that this “statutory PILOT” would be subject to the “County Guarantee”, whereby the County would ensure that districts would continue to be made whole should LIPA default on these payments.

On June 30, 2016, the Board of Education adopted a resolution authorizing the District to enter into a Settlement Agreement and Release with Nassau County, the Long Island Power Authority and PSEG Long Island regarding LIPA PILOT payments, ensuring that LIPA will pay the full amount of the PILOT payments as billed by the County for the 2015-16 school year and that the District will be made whole for the anticipated, combined tax and PILOT income for the 2016-2017 year.

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, 2016

ASSETS

Current assets:	
Cash:	
Unrestricted	\$ 10,974,838
Receivables:	
Taxes receivable	1,373,307
State and federal aid	1,590,704
Due from fiduciary funds	23,889
Due from other governments	145,394
Other receivables	12,632
Inventories	224
Total current assets	<u>14,120,988</u>
Noncurrent assets:	
Restricted cash	20,597,985
Capital assets, net of accumulated depreciation of \$22,890,514	29,095,558
Proportionate share of net pension asset - NYSTRS	<u>23,603,056</u>
Total assets	<u>87,417,587</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources - NYSERS pension related	4,212,436
Deferred outflow of resources - NYSTRS subsequent payments	<u>5,027,913</u>
Total deferred outflows of resources	<u>9,240,351</u>

LIABILITIES

Current liabilities:	
Payables:	
Accounts payable	594,662
Accrued liabilities	252,072
Due to other governments	215,857
Due to teachers' retirement system	5,030,813
Due to employees' retirement system	269,127
Long-term liabilities, due within one year:	
Installment purchase debt	313,865
Workers' compensation	166,621
Compensated absences	<u>192,918</u>
Total current liabilities	<u>7,035,935</u>
Noncurrent liabilities:	
Long-term liabilities, due after one year:	
Installment purchase debt payable	321,238
Workers' compensation	388,762
Compensated absences	1,723,919
Other post-employment benefits	15,190,099
Proportionate share of net pension liability - NYSERS	<u>3,439,819</u>
Total noncurrent liabilities	<u>21,071,857</u>
Total liabilities	<u>28,107,792</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow of resources - NYSERS pension related	407,733
Deferred inflow of resources - NYSTRS pension related	<u>8,138,483</u>
Total deferred inflows of resources	<u>8,546,216</u>

NET POSITION

Net investment in capital assets	28,460,455
Restricted:	
Capital	12,797,759
Employee Benefit Accrued Liability	1,749,806
Retirement Contribution	3,145,193
Workers' Compensation	1,606,431
Unemployment Insurance	164,809
General Liability	1,041,420
School Lunch Fund	120,096
Debt Service Fund	23,791
Capital Projects Fund	1,669,787
Unrestricted	<u>9,224,283</u>
Total net position	<u>\$ 60,003,930</u>

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants	Changes in
				Net Position
Functions and programs:				
General support	\$ 9,323,074	\$ -	\$ -	\$ (9,323,074)
Instruction	57,654,034	446,735	854,046	(56,353,253)
Pupil transportation	2,353,143	15,597	94,789	(2,242,757)
Community services	160,844	-	-	(160,844)
Debt service - interest	10,261	-	-	(10,261)
School lunch program	253,407	168,652	89,796	5,041
Total functions and programs	<u>\$ 69,754,763</u>	<u>\$ 630,984</u>	<u>\$ 1,038,631</u>	<u>(68,085,148)</u>
General revenues:				
Real property taxes				58,118,119
Other tax items				10,948,752
Use of money and property				67,039
Sale of property and compensation for loss				58,788
State sources				8,817,220
Miscellaneous				<u>234,080</u>
Total general revenues				<u>78,243,998</u>
Change in net position				10,158,850
Total net position, beginning of year				<u>49,845,080</u>
Total net position, end of year				<u>\$ 60,003,930</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, 2016

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash:						
Unrestricted	\$ 10,881,398	\$ 59,781	\$ 33,659	\$ -	\$ -	\$ 10,974,838
Restricted	20,505,518	-	-	-	92,467	20,597,985
Receivables:						
Taxes receivable	1,373,307	-	-	-	-	1,373,307
State and federal aid	995,558	590,535	4,611	-	-	1,590,704
Due from other funds	578,017	-	84,250	23,791	1,601,111	2,287,169
Due from fiduciary funds	23,889	-	-	-	-	23,889
Due from other governments	145,394	-	-	-	-	145,394
Other receivables	12,568	-	64	-	-	12,632
Inventories	-	-	224	-	-	224
Total assets	<u>\$ 34,515,649</u>	<u>\$ 650,316</u>	<u>\$ 122,808</u>	<u>\$ 23,791</u>	<u>\$ 1,693,578</u>	<u>\$ 37,006,142</u>
LIABILITIES						
Payables:						
Accounts payable	\$ 593,599	\$ 1,063	\$ -	\$ -	\$ -	\$ 594,662
Accrued liabilities	237,949	11,940	2,183	-	-	252,072
Due to other funds	1,685,361	578,017	-	-	23,791	2,287,169
Due to other governments	211,147	4,405	305	-	-	215,857
Due to teachers' retirement system	4,995,523	35,290	-	-	-	5,030,813
Due to employees' retirement system	249,526	19,601	-	-	-	269,127
Compensated absences	192,918	-	-	-	-	192,918
Workers' compensation claims payable	166,621	-	-	-	-	166,621
Unearned revenues	120,210	-	-	-	-	120,210
Total liabilities	<u>8,452,854</u>	<u>650,316</u>	<u>2,488</u>	<u>-</u>	<u>23,791</u>	<u>9,129,449</u>
FUND BALANCE						
Fund balance:						
Nonspendable	-	-	224	-	-	224
Restricted	20,505,518	-	120,096	23,791	1,669,787	22,319,192
Assigned	2,322,583	-	-	-	-	2,322,583
Unassigned	3,234,694	-	-	-	-	3,234,694
Total fund balance	<u>26,062,795</u>	<u>-</u>	<u>120,320</u>	<u>23,791</u>	<u>1,669,787</u>	<u>27,876,693</u>
Total liabilities and fund balance	<u>\$ 34,515,649</u>	<u>\$ 650,316</u>	<u>\$ 122,808</u>	<u>\$ 23,791</u>	<u>\$ 1,693,578</u>	<u>\$ 37,006,142</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

Total Fund Balance - Governmental Funds	\$ 27,876,693
-----------------------------------------	---------------

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	\$ 5,301,867	
Depreciable	46,684,205	
Accumulated depreciation	<u>(22,890,514)</u>	29,095,558

Proportionate share of long-term asset and liability, and deferred outflows and inflows associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the governmental funds financial statements

Proportionate share of net pension asset - NYSTRS	23,603,056	
Deferred outflows of resources - NYSERS and NYSTRS pension related	9,240,351	
Proportionate share of net pension liability - NYSERS	(3,439,819)	
Deferred inflows of resources - NYSERS and NYSTRS pension related	<u>(8,546,216)</u>	20,857,372

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	(388,762)	
Installment purchase debt payable	(635,103)	
Compensated absences	(1,723,919)	
Other post-employment benefits	<u>(15,198,099)</u>	(17,945,903)

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.

120,210

Net Position - Governmental Activities

\$ 60,003,930

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, 2016

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 58,118,119	\$ -	\$ -	\$ -	\$ -	\$ 58,118,119
Other tax items	10,948,752	-	-	-	-	10,948,752
Charges for services	462,332	-	-	-	-	462,332
Use of money and property	67,039	-	-	-	-	67,039
Sale of property and compensation for loss	58,788	-	-	-	-	58,788
State sources	8,837,904	196,921	3,374	-	-	9,038,199
Federal sources	-	751,914	86,422	-	-	838,336
Sales	-	-	168,652	-	-	168,652
Miscellaneous	233,980	-	100	-	-	234,080
Total revenues	78,726,914	948,835	258,548	-	-	79,934,297
EXPENDITURES						
General support	8,282,880	-	-	-	-	8,282,880
Instruction	45,953,960	1,006,254	-	-	-	46,960,214
Pupil transportation	2,348,350	-	-	-	-	2,348,350
Community services	138,144	-	-	-	-	138,144
Employee benefits	17,127,710	-	-	-	-	17,127,710
Cost of sales	-	-	253,407	-	-	253,407
Capital outlay	-	-	-	-	3,130,565	3,130,565
Debt service -						
Principal	282,562	-	-	-	-	282,562
Interest	10,261	-	-	-	-	10,261
Total expenditures	74,143,867	1,006,254	253,407	-	3,130,565	78,534,093
Excess (deficiency) of revenues over (under) expenditures	4,583,047	(57,419)	5,141	-	(3,130,565)	1,400,204
OTHER FINANCING SOURCES (USES)						
Operating transfers in	507,801	57,419	-	-	2,375,000	2,940,220
Operating transfers out	(2,432,419)	-	-	-	(507,801)	(2,940,220)
Proceeds of installment purchase debt	316,920	-	-	-	-	316,920
Total other financing sources (uses)	(1,607,698)	57,419	-	-	1,867,199	316,920
Change in fund balance	2,975,349	-	5,141	-	(1,263,366)	1,717,124
Fund balance, beginning of year	23,087,446	-	115,179	23,791	2,933,153	26,159,569
Fund balance, end of year	\$ 26,062,795	\$ -	\$ 120,320	\$ 23,791	\$ 1,669,787	\$ 27,876,693

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, 2016

Net Change in Fund Balance - Governmental Funds \$ 1,717,124

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:

Capital outlay	\$ 2,539,037	
Depreciation expense	<u>(1,125,147)</u>	1,413,890

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. (20,684)

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	(316,920)	
Repayment of installment purchase debt	<u>282,562</u>	(34,358)

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	(1,580,557)	
Workers' compensation claims payable	(215,776)	
Compensated absences	<u>(51,702)</u>	(1,848,035)

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.

Pension related - NYSTRS	8,106,816	
Pension related - NYSERS	<u>824,097</u>	<u>8,930,913</u>

Net Change in Net Position - Governmental Activities \$ 10,158,850

LYNBROOK UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Scholarship Trusts</u>	<u>Agency Funds</u>
ASSETS		
Cash:		
Unrestricted	\$ -	\$ 177,111
Restricted	<u>77,052</u>	<u>123,278</u>
Total assets	<u>\$ 77,052</u>	<u>\$ 300,389</u>
LIABILITIES		
Extraclassroom activity balances	\$ -	\$ 123,278
Other liabilities	-	153,222
Due to governmental funds	<u>-</u>	<u>23,889</u>
Total liabilities	<u>-</u>	<u>\$ 300,389</u>
NET POSITION		
Restricted:		
Endowment scholarships	<u>77,052</u>	
Total net position	<u>77,052</u>	
Total liabilities and net position	<u>\$ 77,052</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, 2016

	Scholarship Trusts
ADDITIONS	
Contributions	\$ 16,021
Investment earnings:	
Interest	82
Total additions	<u>16,103</u>
DEDUCTIONS	
Scholarships and awards	<u>19,544</u>
Total deductions	<u>19,544</u>
Change in net position	(3,441)
Net position, beginning of year	<u>80,493</u>
Net position, end of year	<u>\$ 77,052</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, 2016

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 such criteria, the District's Extraclassroom Activity Funds have been included in the accompanying financial statements. See corresponding note below.

B. 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.

C. 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 \$4,491,284 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,042,695.

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

D. 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 financial 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.

E. 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.

F. 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.

G. 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.

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

I. 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.

J. Cash and cash equivalents

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.

K. 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.

L. 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.

M. 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.

N. 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

O. 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 and Local Employees' Retirement System ("NYSERS") and New York State Teachers' Retirement System ("NYSTRS")) subsequent to the measurement date.

P. 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.

Q. Unearned revenue

The District reports unearned revenue 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.

R. 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.

S. Other benefits

District employees participate in the New York State and Local 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.

T. 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.

As of June 30, 2016, the District does not have any outstanding short-term debt.

U. 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.

V. 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, constructions or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
2. Restricted net position: Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted net position: Is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position, 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 \$224.
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 Contribution

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 are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board of Education is the decision-making authority that can, by Board resolution, commit fund balance. The District has no committed fund balances as of June 30, 2016.
4. Assigned - Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's highest level of decision-making authority, or by their designated body or official. They also include amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the assignment must be narrower than the purpose of the General Fund. All encumbrances of the General Fund are classified as assigned fund balance as of June 30, 2016 based on the fact that there are no restricted resources on hand to liquidate them, and amounted to \$822,583.
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, 2016 were distributed as follows:

	General	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable					
Inventory	\$ -	\$ 224	\$ -	\$ -	\$ 224
Total nonspendable	-	224	-	-	224
Restricted					
Capital	12,797,759	-	-	-	12,797,759
Employee Benefit Accrued Liability	1,749,906	-	-	-	1,749,906
Retirement Contribution	3,145,193	-	-	-	3,145,193
Workers' Compensation	1,606,431	-	-	-	1,606,431
Unemployment Insurance	164,809	-	-	-	164,809
General Liability	1,041,420	-	-	-	1,041,420
School Lunch Fund	-	120,096	-	-	120,096
Debt Service Fund	-	-	23,791	-	23,791
Capital Projects Fund	-	-	-	1,669,787	1,669,787
Total restricted	20,505,518	120,096	23,791	1,669,787	22,319,192
Assigned					
Designated for subsequent year's expenditures	1,500,000	-	-	-	1,500,000
Encumbrances	822,583	-	-	-	822,583
Total assigned	2,322,583	-	-	-	2,322,583
Unassigned	3,234,694	-	-	-	3,234,694
Total	\$ 26,662,795	\$ 120,320	\$ 23,791	\$ 1,669,787	\$ 27,876,693

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. 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>\$ 2,200,000</u>
Gifts and donations, net	<u>\$ 29,163</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.

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

The District's investment policies are governed by State statutes. In addition, the District has its own written investment policy. District monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The District Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit 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.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Custodial credit risk - deposits/investments: Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks in the District's name. They consisted of:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund	\$ 31,566,714	\$ 31,386,916
Fidiciary Funds	529,522	377,441
Capital Fund	112,267	92,467
School Lunch Fund	69,774	33,659
Special Aid Fund	62,101	59,781
	<u>\$ 32,340,378</u>	<u>\$ 31,950,264</u>

5. RECEIVABLES

A. State and federal aid receivable

State and federal aid receivable at June 30, 2016, consisted of the following:

General Fund:

BOCES Aid	\$ 782,764
New York State Aid - excess cost aid	198,266
Medicaid	14,528

Special Aid Fund:

State and federal grants	590,535
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School Lunch Fund:

School breakfast and lunch reimbursement	<u>4,611</u>
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\$ 1,590,704

B. Due from other governments

Due from other governments at June 30, 2016, consisted of the following:

General Fund:

Other districts	\$ 87,369
Nonresident tuition	50,454
Education services	<u>7,571</u>
	<u>\$ 145,394</u>

C. Other receivables

Other receivables at June 30, 2016, consisted of the following:

General Fund:

Use of facilities	\$ 12,568
School Lunch Fund:	
Sales	<u>64</u>
	<u>\$ 12,632</u>

6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 1,120,041	\$ -	\$ -	\$ 1,120,041
Construction-in-progress	<u>4,149,177</u>	<u>1,326,118</u>	<u>(1,293,469)</u>	<u>4,181,826</u>
Total nondepreciable assets	<u>5,269,218</u>	<u>1,326,118</u>	<u>(1,293,469)</u>	<u>5,301,867</u>
Capital assets that are depreciated:				
Buildings and building improvements	40,467,727	1,170,976	1,293,469	42,932,172
Furniture and equipment	<u>3,714,139</u>	<u>41,943</u>	<u>(4,049)</u>	<u>3,752,033</u>
Total depreciable assets	<u>44,181,866</u>	<u>1,212,919</u>	<u>1,289,420</u>	<u>46,684,205</u>
Less accumulated depreciation:				
Buildings and building improvements	18,956,386	881,677	-	19,838,063
Furniture and equipment	<u>2,813,030</u>	<u>243,470</u>	<u>(4,049)</u>	<u>3,052,451</u>
Total accumulated depreciation	<u>21,769,416</u>	<u>1,125,147</u>	<u>(4,049)</u>	<u>22,890,514</u>
Total capital assets, net	<u>\$ 27,681,668</u>	<u>\$ 1,413,890</u>	<u>\$ -</u>	<u>\$ 29,095,558</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 97,203
Instruction	1,025,314
Pupil transportation	459
Community services	<u>2,171</u>
	<u>\$ 1,125,147</u>

7. 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	\$ 600,745	\$ 316,920	\$ 282,562	\$ 635,103	\$ 313,865
Workers' compensation claims payable	302,760	420,798	168,155	555,403	166,621
Other post-employment benefits	13,617,542	3,911,267	2,330,710	15,198,099	-
Compensated absences	1,845,767	94,798	23,728	1,916,837	192,918
Total long-term liabilities	<u>\$ 16,366,814</u>	<u>\$ 4,743,783</u>	<u>\$ 2,805,155</u>	<u>\$ 18,305,442</u>	<u>\$ 673,404</u>

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 6/30/16
Installment purchase debt	2015	2017	3.5%	\$ 98,267
Installment purchase debt	2015	2018	3.5%	219,916
Installment purchase debt	2016	2019	3.5%	316,920
				<u>\$ 635,103</u>

The following is a summary of maturing debt service requirements:

	Installment Purchase Debt		
	Principal	Interest	Total
June 30,			
2017	\$ 313,865	\$ 10,985	\$ 324,850
2018	215,598	7,546	223,144
2019	105,640	3,697	109,337
	<u>\$ 635,103</u>	<u>\$ 22,228</u>	<u>\$ 657,331</u>

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

Interest paid	\$ 10,261
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Total interest expense	<u>\$ 10,261</u>

8. PENSION OBLIGATIONS

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

Plan descriptions and benefits provided

Employees' Retirement System

The New York State and Local 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. NYSTRS 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 the System, 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 the System, 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 System's 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.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Year</u>	<u>NYSERS</u>	<u>NYSTRS</u>
2016	\$ 1,161,374	\$ 5,983,799
2015	1,093,481	6,035,432
2014	1,137,878	5,521,092

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, 2016 for NYSERS and June 30, 2015 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, 2016, 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, 2015	June 30, 2014
Net pension asset (liability)	\$ (3,439,819)	\$ 23,603,056
District's portion of the Plan's total net pension asset (liability)	0.021432%	0.227241%

For the year ended June 30, 2016, the District recognized pension expense of \$1,302,959 for NYSERS and pension income of \$1,562,919 for NYSTRS. At June 30, 2016, 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	\$ 17,382	\$ -	\$ 407,733	\$ 654,141
Changes of assumptions	917,296	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,040,689	-	-	7,461,049
Changes in proportion and differences between the District's contributions and proportionate share of contributions	271,388	13,054	-	23,293
Employer contributions subsequent to the measurement date	965,683	5,014,859	-	-
Total	<u>\$ 4,212,438</u>	<u>\$ 5,027,913</u>	<u>\$ 407,733</u>	<u>\$ 8,138,483</u>

District contributions subsequent to the measurement date will be recognized as an addition/reduction of the net pension asset/liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the year ended:</u>	<u>NYSERS</u>	<u>NYSTRS</u>
2017	\$ 725,312	\$ (3,011,281)
2018	725,312	(3,011,281)
2019	725,312	(3,011,281)
2020	663,086	1,238,858
2021	-	(83,484)
Thereafter	-	(246,961)

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 significant actuarial valuations used the following actuarial assumptions:

	<u>NYSERS</u>	<u>NYSTRS</u>
Measurement date	March 31, 2016	June 30, 2015
Actuarial valuation date	April 1, 2015	June 30, 2014
Interest rate	7.00%	8.00%
Salary scale	3.80%	4.01% - 10.91%
Decrement tables	April 1, 2010 to March 31, 2015 System's Experience	July 1, 2005 to June 30, 2010 System's Experience
Inflation rate	2.50%	3.00%

For NYSERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 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, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For NYSTRS, the actuarial assumptions used in the June 30, 2014 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:

	NYSERS		NYSTRS	
	Target allocation	Long-term rate	Target allocation	Long-term rate
Measurement date	March 31, 2016	March 31, 2016	June 30, 2015	June 30, 2015
Asset type				
Absolute return strategies	3.00%	6.75%	-	-
Alternative investments	-	-	7.00%	9.90%
Bonds and mortgages	18.00%	4.00%	8.00%	3.40%
Cash	2.00%	2.25%	-	-
Domestic equity	38.00%	7.30%	37.00%	6.50%
Domestic fixed income	-	-	18.00%	2.10%
Global fixed income	-	-	2.00%	1.90%
Inflation-indexed bonds	2.00%	4.00%	-	-
International equity	13.00%	8.55%	18.00%	7.70%
Opportunistic portfolio	3.00%	8.60%	-	-
Private equity	10.00%	11.00%	-	-
Real assets	3.00%	8.65%	-	-
Real estate	8.00%	8.25%	10.00%	4.60%
Short-term	-	-	1.00%	1.20%
	<u>100.00%</u>		<u>100.00%</u>	

Discount rate

The discount rate used to calculate the total pension liability was 7.0% 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 7.0% 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-percentage point lower (6.0% for NYSERS and 7.0% for NYSTRS) or 1-percentage point higher (8.0% for NYSERS and 9.0% for NYSTRS) than the current rate:

	1% Decrease (6.00%)	Current assumption (7.00%)	1% Increase (8.00%)
<u>NYSERS</u>			
Employer's proportionate share of the net pension asset (liability)	<u>\$ (7,756,542)</u>	<u>\$ (3,439,819)</u>	<u>\$ 207,627</u>
	1% Decrease (7.00%)	Current assumption (8.00%)	1% Increase (9.00%)
<u>NYSTRS</u>			
Employer's proportionate share of the net pension asset (liability)	<u>\$ (1,610,033)</u>	<u>\$ 23,603,056</u>	<u>\$ 45,104,525</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, 2015	June 30, 2014	
Employers' total pension asset/(liability)	\$ 172,303,544	\$ 99,332,104	\$ 271,635,648
Plan net position	<u>156,253,265</u>	<u>109,718,917</u>	<u>265,972,182</u>
Employers' net pension asset/(liability)	<u>\$ (16,050,279)</u>	<u>\$ 10,386,813</u>	<u>\$ (5,663,466)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.68%	110.46%	97.92%

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, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2016 amounted to \$269,127.

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2016 are paid to the system in September, October and November 2016 through a State aid intercept. Accrued retirement contributions as of June 30, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 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, 2016 amounted to \$5,027,913.

9. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 601,906	\$ 1,685,361	\$ 507,801	\$ 2,432,419
Special Aid Fund	-	578,017	57,419	-
School Lunch Fund	84,250	-	-	-
Debt Service Fund	23,791	-	-	-
Capital Projects Fund	1,601,111	23,791	2,375,000	507,801
Fiduciary Funds	-	23,889	-	-
Totals	<u>\$ 2,311,058</u>	<u>\$ 2,311,058</u>	<u>\$ 2,940,220</u>	<u>\$ 2,940,220</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.

10. 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 \$2,330,710 for its share of insurance premiums for currently enrolled retirees.

The District has obtained an actuarial valuation report as of June 30, 2016, which indicates that the total liability for other post-employment benefits is \$59,303,555.

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 06/30/2016
Annual required contribution	\$ 3,836,155
Interest on net OPEB obligation	544,702
Adjustment based on revised actuarial valuation	<u>(469,590)</u>
Annual OPEB cost	3,911,267
Contributions made	<u>(2,330,710)</u>
Increase in net OPEB obligation	1,580,557
Net OPEB obligation, beginning of year	<u>13,617,542</u>
Net OPEB obligation, end of year	<u>\$ 15,198,099</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, 2016 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>
06/30/14	\$ 4,163,360	57.3%	\$ 12,211,931
06/30/15	3,775,937	62.8%	13,617,542
06/30/16	3,911,267	59.6%	15,198,099

Funded status and funding progress

As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$59,303,555 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$59,303,555. The covered payroll (annual payroll of active employees covered by the plan) was \$43,163,447, and the ratio of the UAAL to the covered payroll was 137.4%. 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, 2016 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 2016 and, reduced by 1% per year until an ultimate rate of 5% by 2020. 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, 2016 was 22 years.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past 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 claims and do not include 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:				
2014	\$ 497,186	\$ 38,783	\$ 358,950	\$ 177,019
2015	177,019	269,959	144,218	302,760
2016	302,760	420,798	168,155	555,403

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.

12. 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, 2015 at 1.62 percent (before exemptions). School districts can exceed the tax levy limit by a 60 percent vote of the governing body, or by local law. For fiscal years beginning July 1, 2016, the allowable levy growth factor was set at .12 percent. 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, 2016 the District did not have any such liability or deferred inflow reflected on the financial statements.

13. LEASE COMMITMENTS

The District leases copier equipment under the terms of non-cancelable leases. The operating lease expense for the year ended June 30, 2016 was \$12,313. Future minimum payments are as follows:

Fiscal year ended June 30,	
2017	\$ 12,313

14. FUTURE ACCOUNTING STANDARDS

GASB has issued Statement No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, effective for the year ending June 30, 2017. This Statement establishes new accounting and financial reporting requirements for defined contribution OPEB plans. The new criteria will require more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments.

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.

GASB has issued Statement No. 77, Tax Abatement Disclosures, effective for the year ending June 30 2017. This Statement will required disclosure regarding tax abatement agreements, specifically: a brief description, the gross dollar amount of taxes abated, and commitments made by the government, other than to abate taxes, as part of a tax abatement agreement.

GASB has issued Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, effective for the year ending June 30, 2017. This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing, multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local employees, and (3) has no predominant state or local governmental employer.

GASB has issued Statement No. 80, Blending Requirements For Certain Component Units - An Amendment of GASB No. 14, effective for the year ending June 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The new criteria will require blending of a component unit incorporated as not-for-profit corporation in which the primary government is the sole corporate member.

GASB has issued Statement No. 82, Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73, effective for the year ending June 30, 2018. This Statement addresses the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from actuarial standards, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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.

15. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of August 23, 2016, which is the date the financial statements were available to be issued, noting no matters requiring further financial statement disclosure.

REQUIRED
SUPPLEMENTARY
INFORMATION

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, 2016

	Adopted Budget	Final Budget	Actual	Year-end Encumbrances	Variance Favorable (Unfavorable)
REVENUES					
Local sources:					
Real property taxes	\$ 59,732,391	\$ 59,732,391	\$ 58,118,119		\$ (1,614,272)
Other tax items	8,524,958	8,524,958	10,948,752		2,423,794
Charges for services	342,000	342,000	462,332		120,332
Use of money and property	91,000	91,000	67,039		(23,961)
Sale of property and compensation for loss	11,000	11,000	58,788		47,788
Miscellaneous	84,000	113,153	233,980		120,817
Total local sources	68,785,349	68,814,512	69,889,010		1,074,498
State sources	8,358,442	8,358,442	8,837,904		479,462
Total revenues	77,143,791	77,172,954	78,726,914		1,553,960
OTHER FINANCING SOURCES					
Appropriated reserves	2,230,000	5,237,738	-		(5,237,738)
Total revenues and other financing sources	79,373,791	82,410,692	78,726,914		(3,683,778)
EXPENDITURES					
General support:					
Board of Education	90,447	120,455	103,029	\$ 825	16,601
Central administration	316,468	318,220	309,931	298	7,991
Finance	773,843	818,338	726,159	43,000	49,179
Staff	394,000	462,609	294,852	71,306	98,351
Central services	6,610,431	6,767,611	6,025,253	110,718	631,640
Special items	895,823	883,851	847,653	382	35,816
Total general support	9,080,812	9,371,084	8,306,977	228,529	837,578
Instruction:					
Instruction, administration and improvement	3,539,160	3,585,445	3,477,607	400	107,438
Teaching - regular school	26,720,205	26,981,463	26,072,758	35,663	673,052
Programs for children with handicapping conditions	10,175,056	10,713,174	8,579,776	421,315	1,712,083
Teaching - special school	293,586	293,288	197,901	-	95,385
Instructional media	2,902,052	3,217,383	3,323,767	34,572	(140,956)
Pupil services	4,595,749	4,712,084	4,278,054	72,394	361,636
Total instruction	48,225,808	49,502,835	45,929,863	564,334	3,008,638
Pupil transportation	2,820,387	2,834,069	2,348,350	11,696	474,023
Community services	147,229	147,729	138,144	-	9,585
Employee benefits	18,467,995	17,793,305	17,127,710	20,024	645,571
Debt service:					
Principal	282,562	282,562	282,562	-	-
Interest	60,261	10,371	10,261	-	110
Total expenditures	78,622,492	79,659,393	74,143,867	822,583	4,975,505
OTHER FINANCING USES					
Operating transfers in	-	-	507,801	-	507,801
Operating transfers out	(268,847)	(2,468,847)	(2,432,419)	-	36,428
Proceeds of installment purchase debt	-	-	316,920	-	316,920
Total expenditures and other financing uses	78,091,339	82,128,240	75,751,565	\$ 822,583	\$5,836,654
Net change in fund balance	\$ 282,452	\$ 282,452	2,975,349		
Fund balance, beginning of year			23,087,446		
Fund balance, end of year			\$ 26,062,795		

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.

REQUIRED
SUPPLEMENTARY
INFORMATION

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
FOR THE YEAR ENDED JUNE 30, 2016

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)- Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
06/30/2016	\$ -	\$ 59,303,555	\$ 59,303,555	\$ -	\$ 43,163,447	137.4%
06/30/2015	-	57,445,835	57,445,835	-	41,092,547	139.8%
06/30/2014	-	62,803,944	62,803,944	-	39,922,902	157.3%

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>2016</u>	<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>
District's proportionate share of the net pension liability	0.021432%	0.016247%	0.016247%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	\$ (3,440)	\$ (704)	\$ (942)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 6,680	\$ 6,010	\$ 5,992	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	-51.49%	-11.71%	-15.72%	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	90.68%	97.90%	97.20%	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.

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)

	2016	2015	2014	**2013	**2012	**2011	**2010	**2009	**2008	**2007
District's proportionate share of the net pension asset	0.227241%	0.223189%	0.227659%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension asset	\$ 23,603	\$ 25,360	\$ 1,469	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 34,735	\$ 34,429	\$ 33,896	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	67.95%	73.66%	4.33%	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	110.46%	111.48%	100.70%	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**

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.

REQUIRED
SUPPLEMENTARY
INFORMATION

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

	<u>2016</u>	<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>
Contractually required contribution	\$ 1,161	\$ 1,094	\$ 1,138	\$ 1,173	\$ 945	\$ 684	\$ 417	\$ 477	\$ 414	\$ 496
Contributions in relation to the contractually required contribution	<u>1,161</u>	<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>
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 payroll	\$ 6,680	\$ 6,010	\$ 5,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	17.38%	18.20%	18.99%	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.

REQUIRED
SUPPLEMENTARY
INFORMATION

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

	<u>2016</u>	<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>
Contractually required contribution	\$ 5,984	\$ 6,035	\$ 5,521	\$ 3,892	\$ 3,681	\$ 2,833	\$ 1,947	\$ 2,429	\$ 2,650	\$ 2,467
Contributions in relation to the contractually required contribution	<u>5,984</u>	<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>
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 payroll	\$ 34,735	\$ 34,429	\$ 33,896	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	17.23%	17.53%	16.29%	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**

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.

OTHER
SUPPLEMENTARY
INFORMATION

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, 2016

Change from adopted budget to final budget:

Adopted budget		\$ 79,373,791
Add:		
Prior year's encumbrances		807,738
Voter-approved use of Capital Reserve		<u>2,200,000</u>
Revised budget		82,381,529
Budget revisions relating to:		
Gifts and donations		<u>29,163</u>
Final budget		<u>\$ 82,410,692</u>

§ 1318 of Real Property Tax Law Limit calculation:

2016-2017 voter-approved budget		<u>\$ 80,867,382</u>
Maximum allowed (4% of 2016-2017 budget)		<u>\$ 3,234,694</u>

General Fund fund balance subject to § 1318 of real property tax law:

Unrestricted fund balance:		
Assigned fund balance	\$ 2,322,583	
Unassigned fund balance	<u>3,234,694</u>	\$ 5,557,277
Less:		
Appropriated fund balance	1,500,000	
Encumbrances	<u>822,583</u>	<u>2,322,583</u>
General Fund fund balance subject to § 1318 of Real Property Tax Law		<u>\$ 3,234,694</u>
Actual percentage		<u>4.00%</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, 2016

Project Title	Expenditures						Methods of Financing				Fund Balance 06/30/2016	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Transfers	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources		Total
High School Bleachers	\$ 125,000	\$ 125,000	\$ 124,820	\$ -	\$ -	\$ 124,820	\$ 180	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 180
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	862,000	1,462,000	955,258	504,867	1,875	1,462,000	-	-	-	1,462,000	1,462,000	-
North Addition	3,500,000	4,325,000	3,005,996	1,278,444	-	4,284,440	40,560	-	-	4,325,000	4,325,000	40,560
High School Boiler Project	1,000,000	1,000,000	30,374	540,888	428,738	1,000,000	-	-	-	1,000,000	1,000,000	-
WE Girls Bathroom	110,000	110,000	67,193	40,490	2,317	110,000	-	-	-	110,000	110,000	-
Middle School Boys Bathroom	110,000	110,000	4,982	82,468	22,550	110,000	-	-	-	110,000	110,000	-
South Boys Bathroom	110,000	110,000	3,825	97,007	9,068	110,000	-	-	-	110,000	110,000	-
South Track and Tennis Courts	1,324,000	1,324,000	1,164,369	105,300	34,331	1,324,000	-	-	-	1,324,000	1,324,000	-
South Air Conditioning Project	250,000	250,000	7,652	240,970	1,378	250,000	-	-	-	250,000	250,000	-
South Basketball Courts	65,000	65,000	-	63,924	1,076	65,000	-	-	-	65,000	65,000	-
WE Playground	35,000	35,000	-	28,532	6,468	35,000	-	-	-	35,000	35,000	-
High School Air Conditioning Project	50,000	50,000	-	50,000	-	50,000	-	-	-	50,000	50,000	-
High School Ceiling and Lights	50,000	50,000	-	50,000	-	50,000	-	-	-	50,000	50,000	-
AA Windows	1,300,000	1,300,000	-	42,048	-	42,048	1,257,952	-	-	1,300,000	1,300,000	1,257,952
High School Bathroom	125,000	125,000	-	2,057	-	2,057	122,943	-	-	125,000	125,000	122,943
Marion Street 2nd Floor Bathroom	125,000	125,000	-	1,699	-	1,699	123,301	-	-	125,000	125,000	123,301
South 2nd Floor Bathroom	125,000	125,000	-	1,871	-	1,871	123,129	-	-	125,000	125,000	123,129
Totals	\$ 10,416,000	\$ 12,041,000	\$ 6,732,847	\$ 3,130,565	\$ 507,801	\$ 10,371,213	\$ 1,669,787	\$ -	\$ -	\$ 12,041,000	\$ 12,041,000	\$ 1,669,787

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, 2016

Capital assets, net			\$ 29,095,558
Deduct:			
Short-term installment purchase debt payable	\$ 313,865		
Long-term installment purchase debt payable	<u>321,238</u>	<u>635,103</u>	
Net investment in capital assets			<u>\$ 28,460,455</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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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the accompanying statements of cash receipts and disbursements of the various Extraclassroom Activity Funds of the Lynbrook Union Free School District (the "District") for the year ended June 30, 2016, and the related note to 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, 2016 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 23, 2016

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	Cash Balances July 1, 2015	Receipts	Disbursements	Cash Balances June 30, 2016
High School:				
Class of 2013	\$ 640.98	\$ -	\$ 640.98	\$ -
Class of 2014	1,096.87	-	1,096.87	-
Class of 2015	2,658.18	-	2,658.18	-
Class of 2016	5,619.46	16,273.66	20,677.29	1,215.83
Class of 2017	3,804.26	4,344.79	934.01	7,215.04
Class of 2018	2,134.04	2,374.50	434.01	4,074.53
Class of 2019	-	3,020.16	434.02	2,586.14
Athletes Creating Excellence	440.48	-	73.52	366.96
Athletic Club	15,047.95	18,638.00	22,547.41	11,138.54
Culinary Arts Club	220.89	1,230.00	700.00	750.89
Drama Club	19,808.21	15,976.67	11,205.17	24,579.71
Driftstone	26.04	178.00	150.00	54.04
Facing History	104.60	-	-	104.60
Film Club	-	688.00	242.82	445.18
Gay/Straight Alliance	269.29	428.00	311.25	386.04
Globe Club	802.59	509.00	527.05	784.54
Horizon	7,360.76	3,630.00	5,549.95	5,440.81
Italian Club	725.37	1,745.00	1,810.64	659.73
Japanese Club	0.16	-	-	0.16
Key Club	-	803.00	803.00	-
L.I. Toy Lending	719.75	-	189.22	530.53
Leadership	396.98	2,800.00	2,391.48	805.50
Lynbrook Owl Adventure	2.00	-	-	2.00
Music Fund	6,729.04	88,016.51	89,174.28	5,571.27
National Art Honor Society	1,611.31	8,636.00	8,718.98	1,528.33
National Honor Society	4,417.29	7,053.00	7,489.29	3,981.00
Owl's Buddy Club	93.00	-	-	93.00
Photography Club	75.00	-	-	75.00
Robotics Club	30.60	-	-	30.60
SADD	2,582.71	-	-	2,582.71
Spanish Club	544.83	1,589.00	1,667.56	466.27
START	-	1,487.00	1,153.00	334.00
Student Government Association	6,813.57	12,374.35	7,936.75	11,251.17
Tri-M Fund	845.38	4,597.00	4,066.06	1,376.32
Virtual Enterprise Club	26.08	407.32	433.40	-
Yearbook	4,430.55	596.13	1,413.88	3,612.80
	<u>\$ 90,078.22</u>	<u>\$ 197,395.09</u>	<u>\$ 195,430.07</u>	<u>\$ 92,043.24</u>

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

LYNBROOK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	Cash Balances July 1, 2015	Receipts	Disbursements	Cash Balances June 30, 2016
Middle Schools:				
No. Middle-Student Activity	\$ 31.99	\$ 5,505.99	\$ 5,323.65	\$ 214.33
No. Middle-Yearbook	6,684.04	-	658.00	6,026.04
No. Middle-Play	5,877.30	1,875.00	2,850.60	4,901.70
No. Middle-Environment	-	12,330.00	12,330.00	-
So. Middle-Student Activity	6,020.87	12,098.13	9,851.99	8,267.01
So. Middle-Drama	5,332.49	-	160.00	5,172.49
So. Middle-Environment	-	25,650.00	25,650.00	-
So. Middle-Yearbook	6,473.72	2,808.00	2,628.47	6,653.25
	<u>\$ 30,420.41</u>	<u>\$ 60,267.12</u>	<u>\$ 59,452.71</u>	<u>\$ 31,234.82</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, 2016

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 "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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Invested in capital assets	\$ 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	\$ 28,460,455
Restricted	-	1,187,921	2,376,285	1,552,963	14,796,583	17,264,116	20,835,559	21,408,457	20,675,208	22,319,192
Unrestricted	12,773,825	10,509,130	7,126,208	8,803,712	(3,800,358)	(4,655,988)	(6,747,160)	(3,917,288)	2,088,949	9,224,283
Total net position	<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>	<u>\$ 60,003,930</u>

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Expenses-										
General support	\$ 8,787,042	\$ 7,998,600	\$ 10,416,088	\$ 8,738,756	\$ 10,680,020	\$ 11,291,517	\$ 10,004,690	\$ 10,044,962	\$ 9,991,817	\$ 9,323,074
Instruction	47,111,596	50,240,363	54,628,392	54,157,673	55,064,191	55,258,349	59,614,917	58,410,668	56,657,914	57,654,034
Pupil transportation	1,668,047	2,308,638	1,791,551	1,894,448	1,864,438	1,969,153	2,114,556	2,144,259	2,234,533	2,353,143
Community services	191,797	155,891	175,989	167,206	174,833	179,135	130,704	175,604	177,047	160,844
Debt service interest	366,448	381,396	327,924	211,999	178,143	137,469	72,199	26,077	9,867	10,261
School lunch program	340,297	433,132	334,377	284,310	325,947	349,582	352,408	311,285	271,064	253,407
Total expenses	58,465,227	61,517,920	67,674,321	65,454,392	68,467,572	69,185,205	72,289,474	71,112,855	69,342,242	69,754,763
Program revenues-										
Charges for services										
Instruction	332,576	332,872	328,225	442,672	392,441	420,309	378,368	400,147	456,940	446,735
Pupil transportation	-	9,589	-	-	-	-	11,401	11,706	15,215	15,597
School lunch program	291,868	297,317	249,568	229,693	250,766	259,663	270,041	246,927	187,039	168,652
Operating grants	848,149	1,034,324	1,674,488	2,887,931	2,043,051	1,529,171	988,414	1,079,015	1,150,808	1,038,631
Total program revenues	1,472,593	1,674,102	2,252,281	3,560,296	2,686,257	2,209,143	1,628,224	1,737,795	1,810,002	1,669,515
Net (expense)/revenue	\$ (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)	\$ (68,085,148)

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue	\$ (56,992,632)	\$ (59,843,818)	\$ (65,422,040)	\$ (61,894,095)	\$ (65,781,315)	\$ (66,976,062)	\$ (70,661,250)	\$ (69,375,060)	\$ (67,532,240)	\$ (68,085,148)
General revenues and other changes in net position:										
Real property taxes	45,914,880	47,305,980	50,026,323	52,117,240	53,525,013	56,038,289	57,441,404	58,251,020	58,816,823	58,118,119
Other tax items	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	10,948,752
Use of money and property	876,100	687,231	307,371	185,312	88,473	130,952	131,455	98,330	61,607	67,039
Sale of property and compensation for loss	22,825	21,507	14,498	15,618	48,971	21,905	51,938	62,451	17,547	58,788
State source and local sources	6,606,487	7,757,001	8,741,947	7,428,419	7,047,506	7,481,829	6,975,946	8,256,110	8,551,682	8,817,220
Federal sources	16,174	-	-	-	-	-	-	-	-	-
Miscellaneous	153,399	248,943	352,074	356,939	554,139	519,993	709,801	141,838	254,018	234,089
Total	59,687,652	61,839,081	64,810,872	65,843,573	68,335,784	71,408,293	72,642,362	74,901,322	75,554,131	78,243,998
Change in net position	\$ 2,695,020	\$ 1,995,263	\$ (611,166)	\$ 3,949,477	\$ 2,554,469	\$ 4,432,231	\$ 1,981,112	\$ 5,426,262	\$ 8,021,891	\$ 10,158,850

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)

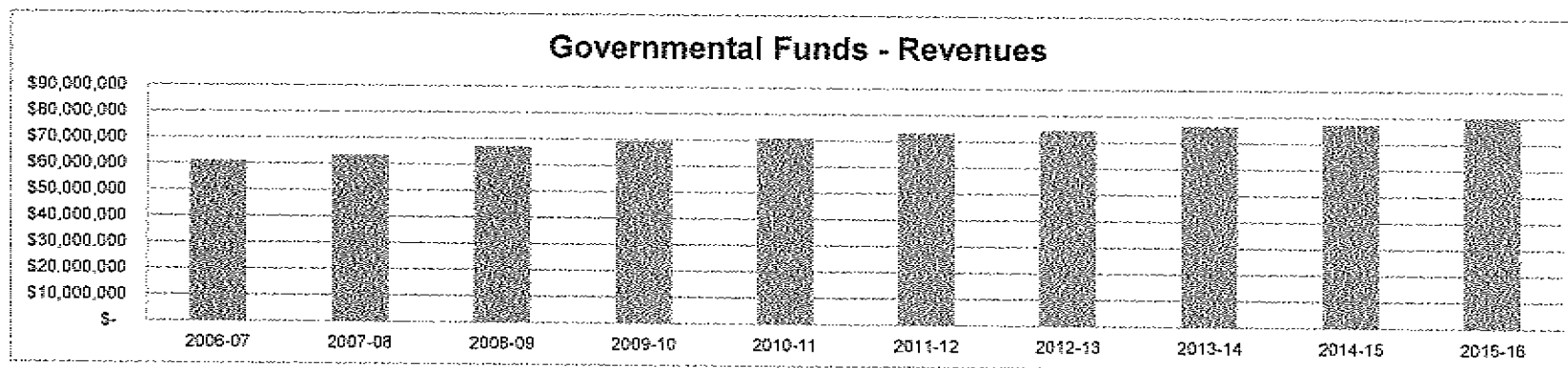
Fiscal Year	Reserved	Unreserved	Nonspendable	Restricted	Assigned	Unassigned	Total
<u>General Fund</u>							
2007	\$ 8,805,528	\$ 3,497,504	\$ -	\$ -	\$ -	\$ -	\$ 12,303,032
2008	7,876,707	4,053,871	-	-	-	-	11,930,578
2009	8,291,984	4,142,570	-	-	-	-	12,434,554
2010	11,369,625	4,336,303	-	-	-	-	15,705,928
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
2016	-	-	-	20,505,518	2,322,583	3,234,694	26,062,795
<u>School Lunch Fund</u>							
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
2016	-	-	224	120,096	-	-	120,320
<u>Debt Service Fund</u>							
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
2016	-	-	-	23,791	-	-	23,791
<u>Capital Projects Fund</u>							
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
2016	-	-	-	1,669,787	-	-	1,669,787

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)

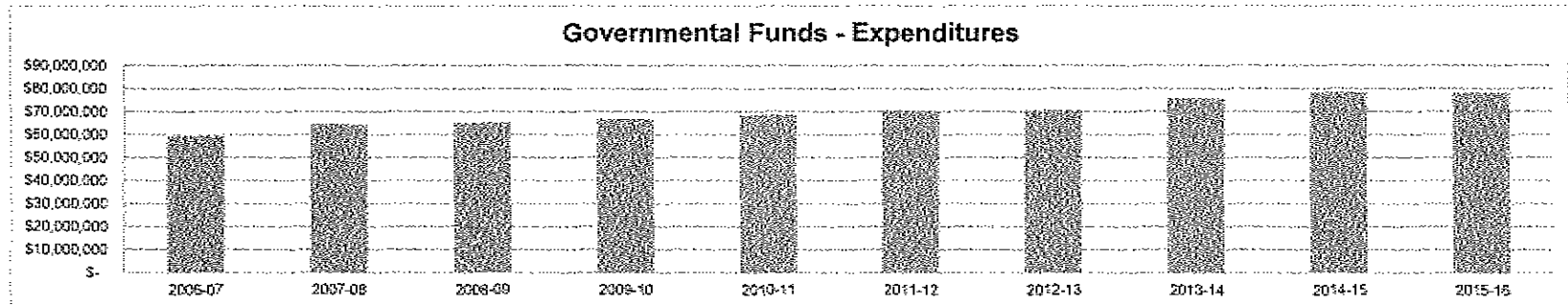
Fiscal Year	Property Taxes And Other Tax Items	Charges For Services	Use of Money and Property	Sale of Property/ Compensation for Loss	Miscellaneous including Forfeitures	State Sources	Federal Sources	Surplus Food	Sales School Lunch/Milk Program	Total
2006-07	\$ 52,010,667	\$ 332,578	\$ 876,100	\$ 22,825	\$ 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	356,938	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
2015-16	68,066,871	462,332	67,039	58,788	234,080	9,038,199	838,336	-	168,652	79,934,297
	<u>\$ 608,991,607</u>	<u>\$ 3,994,795</u>	<u>\$ 2,634,870</u>	<u>\$ 336,046</u>	<u>\$ 3,524,224</u>	<u>\$ 80,603,811</u>	<u>\$ 11,335,284</u>	<u>\$ 15,892</u>	<u>\$ 2,451,533</u>	<u>\$ 713,888,062</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				
2006-07	\$ 7,477,840	\$ 36,692,763	\$ 1,681,453	\$ 147,100	\$ 11,308,925	\$ 870,000	\$ 370,187	\$ 357,339	\$ 484,038	\$ 59,369,648	\$ 1,790,590
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	12,230,739	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	66,657,936	2,364,108
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	43,079,606	2,044,333	130,704	15,467,324	1,155,000	92,845	352,408	413,758	70,796,983	3,850,088
2013-14	8,555,117	44,424,447	2,130,819	130,789	17,217,207	470,000	32,931	311,285	2,716,919	75,989,314	543,803
2014-15	8,708,374	44,767,776	2,226,833	137,777	17,891,993	-	-	271,064	4,420,034	76,414,721	(684,581)
2015-16	8,317,238	46,936,117	2,348,350	138,144	17,127,710	-	-	253,407	3,130,565	78,257,531	1,717,124
	<u>\$ 79,551,005</u>	<u>\$ 422,297,379</u>	<u>\$ 19,586,523</u>	<u>\$ 1,384,624</u>	<u>\$ 143,578,966</u>	<u>\$ 7,535,000</u>	<u>\$ 1,722,686</u>	<u>\$ 3,262,632</u>	<u>\$ 20,094,245</u>	<u>\$ 699,002,940</u>	<u>\$ 15,285,187</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
2007	\$ 5,613,692	\$ 2,727,822	\$ 9,436,660	88.39%	\$ 3,146,553,333	\$ 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%	2,563,418,465	950.98
2015	4,346,487	2,406,464	8,237,669	81.95%	2,657,312,581	1,006.01
2016	4,222,904	2,351,702	7,625,169	86.22%	2,629,368,620	1,065.27

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>
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	19.030	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	1,006.010	\$ 18.86	\$ 25.16	38.36	16.935	24.008	1,065.813	1,072.113	1,085.313	8,237,669	81.98%
2016	1,065.270	\$ 19.70	\$ 25.57	40.29	27.352	17.056	1,129.378	1,135.248	1,149.968	7,625,169	86.22%

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

2007				2016			
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	2.83%	PSEG Long Island	Public Utility	\$ 447,658	5.87%
K98 Senior LLC	Office Building	164,291	1.74%	National Grid	Utility	270,114	3.54%
Fowler Daley Owners, Inc.	Apartments	161,186	1.71%	Long Island Water	Public Utility	141,732	1.86%
South Shore Association	Apartments	125,529	1.33%	VTR Lynbrook LLC	Office Buildings	97,238	1.28%
Long Island Water Company	Public Utility	102,174	1.08%	Wyndham House Owners Corp	Co-Op Apartments	82,178	1.08%
Verizon	Public Utility	98,413	1.04%	Verizon, NY Inc	Public Utility	68,181	0.89%
Lighthouse Limited Partnership	Office Building	84,716	1.00%	Fowler Daley Owners	Apartments	50,497	0.66%
Keyspan	Public Utility	89,980	0.95%	RUPP Associates	Commercial	50,152	0.65%
Wyndham House Owners Corp.	Co-Op Apartments	83,808	0.89%	210 Atlantic Ave. Corp	Apartments	49,891	0.65%
210 Atlantic Avenue Corp.	Apartments	55,408	0.59%	Lynbrook Sunrise Realty	Commercial	49,349	0.65%
		<u>\$ 1,242,592</u>	<u>13.17%</u>			<u>\$ 1,306,990</u>	<u>17.14%</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*
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	65,405,239	65,501,541	100.15%	-	65,501,541	100.15%
2015	66,358,631	65,278,496	98.37%	1,189,378	66,467,874	100.16%
2016**	64,596,033	65,399,295	101.24%	-	65,399,295	101.24%

*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.

**Levy saw a major restructuring in 2016 due to transfer of LIPA/PSEG to "statutory PILOT" of \$2,875,219 by Nassau County. Levy was thereby reduced from \$67,471,251 to \$64,596,033.

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

<u>Fiscal Year Ended June 30,</u>	<u>General Bonded Principal Debt</u>	<u>Capital Leases</u>	<u>Installment Debt</u>	<u>Total</u>	<u>Percentage of Personal Income*</u>	<u>Debt per Capita*</u>
2007	\$ 6,665,000	\$ -	\$ 586,251	\$ 7,251,251	0.96%	391
2008	5,755,000	-	750,446	6,505,446	0.95%	351
2009	4,795,000	-	858,743	5,653,743	0.86%	305
2010	3,790,000	-	577,570	4,367,570	0.66%	236
2011	2,735,000	-	400,174	3,135,174	0.47%	169
2012	1,625,000	-	167,726	1,792,726	1.98%	102
2013	470,000	-	172,728	642,728	0.10%	37
2014	-	-	235,038	235,038	0.04%	13
2015	-	-	600,745	600,745	0.09%	34
2016	-	-	635,103	635,103	0.09%	36

* 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)

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (1)</u>	<u>Noncapital Governmental Expenditures</u>	<u>Debt Service as a Per Cent of Noncapital Governmental Expenditures</u>
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	102,143	1,212,143	69,128,138	1.75%
2013	1,155,000	92,845	1,247,845	70,383,225	1.77%
2014	445,000	34,625	479,625	73,272,395	0.65%
2015	-	-	-	74,360,424	0.00%
2016	-	-	-	75,155,324	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
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%	-
2015	17,607	2,657,312,581	-	0.00%	-
2016	17,607	2,629,368,620	-	0.00%	-

(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)	2014	\$ 386,804,074	2.88%	\$ 11,139,957
Nassau County (b)	2014	4,195,289,522	1.30%	54,538,764
Incorporating Villages (c)	2014	<u>36,587,518</u>	Various	<u>36,587,518</u>
Net Overlapping Debt		<u>\$ 4,618,681,114</u>		102,266,239
Net Direct Debt				<u>-</u>
Net Direct and Overlapping Debt				<u>\$ 102,266,239</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 - 2014

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 2016:

Current Full Valuation of Taxable Real Property	<u>\$ 2,629,368,620</u>
Debt Limit (10% of Current Full Valuation)	\$ 262,936,862
Debt applicable to limit	<u>-</u>
Net Debt Contracting Margin	<u>\$ 262,936,862</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 314,555,333	\$ 332,161,733	\$ 329,182,062	\$ 332,494,666	\$ 282,411,722	\$ 284,259,090	\$ 267,217,273	\$ 256,341,649	\$ 262,936,862	\$ 262,936,862
Total net debt applicable to limit - BANDs and serial bonds	<u>6,995,000</u>	<u>4,795,000</u>	<u>4,170,000</u>	<u>3,799,000</u>	<u>2,735,000</u>	<u>1,625,000</u>	<u>470,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt contracting margin	<u>\$ 307,890,333</u>	<u>\$ 327,366,733</u>	<u>\$ 325,012,062</u>	<u>\$ 328,704,666</u>	<u>\$ 279,676,722</u>	<u>\$ 282,664,090</u>	<u>\$ 266,747,273</u>	<u>\$ 256,341,649</u>	<u>\$ 262,936,862</u>	<u>\$ 262,936,862</u>
Total net debt applicable to the limit as a percentage of debt limit	1.9%	1.4%	1.3%	1.1%	1.0%	0.6%	0.2%	0.0%	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>
2007	18,523	\$ 756,394,743	\$ 40,835	3.70%
2008	18,523	687,438,931	37,113	4.70%
2009	18,523	659,696,437	35,615	6.90%
2010	18,523	658,005,556	35,524	7.10%
2011	18,523	671,069,767	36,229	6.70%
2012	17,607	N/A	N/A	7.30%
2013	17,607	673,567,437	38,256	5.80%
2014	17,607	669,210,210	38,008	5.30%
2015	17,607	686,388,937	38,984	4.30%
2016	17,607	708,835,904	40,259	3.60%

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, 2016

	<u>2016</u>			<u>2007</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	511	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supervisory										
Non-instructional administrators	12	12	13	11	10	10	10	10	10	10
Principals/asst. principals/deans	9	9	9	9	9	9	9	9	9	9
Total Supervisory	<u>21</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
Instruction										
Elementary teachers/spec. ed.	115	118.5	122	120.1	119.7	120.2	119	108	109	112
Secondary teachers/spec. ed./chairs	151.7	160.3	153.6	144	145	141.7	143	155	158	154
Instructional aides/teachers aides	56	62	59	56	61	62	63	65	65	75
Total Instruction	<u>322.7</u>	<u>340.8</u>	<u>334.6</u>	<u>320.1</u>	<u>325.7</u>	<u>323.9</u>	<u>325</u>	<u>328</u>	<u>330</u>	<u>341</u>
Student Services										
Guidance counselors	8	8	9	9	9	9	9	9	9	9
Psychologists	6.4	6.4	7	8	8	8	8	8	8	9
Librarians	6	6	6	6	6	6	6	6	6	6
Social workers	1	2	2	2	2	2.5	4	4	4.5	5
Total Student Services	<u>21.4</u>	<u>22.4</u>	<u>24</u>	<u>25</u>	<u>25</u>	<u>25.5</u>	<u>27</u>	<u>27</u>	<u>27.5</u>	<u>29</u>
Support										
Clerical	35.3	35.4	35.4	37	37	37	37	37	37	37
Custodial	34.5	36.4	34.5	32.5	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	4	4	4	4	4	4	4
Monitors	30	32	30	30	30	28	28	27	27	29
Nurses	8	9	9	9	9	9	9	9	9	9
Total Support	<u>119.8</u>	<u>124.8</u>	<u>120.9</u>	<u>119.5</u>	<u>119.5</u>	<u>117.5</u>	<u>117.5</u>	<u>116.5</u>	<u>116.5</u>	<u>118.5</u>
Data Specialist	0	0	0	1	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	<u>487.9</u>	<u>512.0</u>	<u>504.5</u>	<u>488.6</u>	<u>493.2</u>	<u>489.9</u>	<u>492.5</u>	<u>494.5</u>	<u>497.0</u>	<u>511.5</u>

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>
2007	3,134	323	10:1	4.15%
2008	3,062	341	9:1	4.11%
2009	3,014	335	9:1	4.51%
2010	2,949	320	9:1	4.75%
2011	2,896	326	9:1	5.28%
2012	2,834	324	9:1	6.32%
2013	2,794	324	9:1	5.94%
2014	2,822	355	8:1	6.90%
2015	2,798	358	8:1	10.47%
2016	2,771	370	7:1	15.60%

(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

<u>Schools</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Elementary										
No. of buildings	3	3	3	3	3	3	3	3	3	3
Square feet	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990	178,990
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,115	1,085	1,049	1,043	1,056	1,029	1,005	1,047	1,049	1,005
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	741	751	722	708	669	666	671	661	675	660
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	1,036	1,050	1,032	992	982	950	931	921	907	915
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	213	176	205	206	189	189	187	187	169	191

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 511 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	313	6/30/2018
Custodial unit	43	6/30/2018
Secretarial unit	34	6/30/2019
Teacher aides and assistants	75	6/30/2019
Monitors	31	6/30/2020

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, 2016

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	0021-15-1545	\$ 9,220
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-16-1545	117,208
ESEA, Title II, Part A, Training	84.367A	0147-15-1545	2,408
ESEA, Title II, Part A, Training	84.367A	0147-16-1545	68,683
ESEA, Title III, LEP	84.365A	0293-15-1545	1,896
ESEA, Title III, LEP	84.365A	0293-16-1545	<u>7,462</u>
			206,877
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-16-0428	527,731
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-16-0428	<u>17,306</u>
Total Special Education Cluster			<u>545,037</u>
Total U.S. Department of Education			<u>751,914</u>
<u>U.S. Department of Agriculture</u>			
<u>Direct Program:</u>			
Supplemental Nutrition Assistance Program	10.551	N/A	69,013
<u>Passed-Through Program From:</u>			
New York State Office of General Services National School Lunch Program	10.555	N/A	<u>17,409</u>
Total U.S. Department of Agriculture			<u>86,422</u>
Total Expenditures of Federal Awards			<u>\$ 838,336</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 (the "Schedule") includes the federal award activity of the Lynbrook Union Free School District (the "District") under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2. Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs may have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

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

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

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

3. Subrecipients

No amounts were provided to subrecipients.

4. Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

5. Major Program Determination

The District was deemed to be a "low-risk auditee", therefore, major programs were determined based on 20% of total federal award expenditures.



NawrockiSmith

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, 2016, 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 23, 2016.

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 23, 2016



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Melville, New York
August 23, 2016

LYNBROOK UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

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 2 CFR 200.516 (a) of the Uniform Guidance, 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 \$750,000.
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, 2016

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, 2016

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, 2016. This section also presents the status of findings and recommendations resulting from the prior year audit.

Current Year Recommendation:

1. **Extraclassroom Activity Funds - inactive clubs**

During our review of the Extraclassroom Activity Funds, we noted that there were several clubs with no activity during the year. Inactive clubs with small balances should either be closed or merged with other larger activities.

We recommend that the District review and evaluate any inactive clubs and merge funds with other appropriate activities. In this manner, internal control over Extraclassroom Activity Funds may be enhanced.

Prior Year Recommendations:

1. **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.

2. **Extraclassroom Activity Funds**

We recommended that policies and procedures be established with respect to the timely disposition of funds relating to a graduating class.

We noted that this recommendation was implemented.