

**LANSINGBURGH CENTRAL
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS
JUNE 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Lansingburgh Central School District
576 Fifth Avenue
Troy, New York 12182

Dear Board Member:

We have audited the accompanying financial statements of the governmental activities of Lansingburgh Central School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lansingburgh Central School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, in the fiscal year ended June 30, 2018, the District adopted new accounting guidance, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and supplementary schedule information on pages 3-15 and 24-31 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

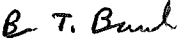
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lansingburgh Central School District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 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 schedule of expenditures of federal awards is the responsibility of management and was 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018 on our consideration of the Lansingburgh Central School 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 Lansingburgh Central School District's internal control over financial reporting and compliance.

Very truly yours,
STARK & BASILA
Certified Public Accountants, PC


BRYAN T. BASILA, CPA

Dated: September 28, 2018

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

The discussion and analysis of Lansingburgh Central School District at Troy's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2018 are as follows:

- In total, net position decreased \$1,483,765. Net assets of governmental activities, other than school lunch, decreased \$1,639,969, which represents a 12.2% decrease in total net position of governmental activities, other than school lunch. Net position of school lunch increased \$156,204 or 17.8% of total net position of school lunch activities.
- General revenues accounted for \$45,988,045 in revenue or 91.4% of all revenues. Program specific revenues, in the form of charges for services, sales, grants, and contributions, accounted for \$4,355,288 or 8.6% of total revenues of \$50,343,333.
- The District had \$51,827,098 in expenses related to governmental activities; only \$4,355,288 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues (primarily property taxes, state and federal aid) \$45,988,045 were adequate to provide for these programs.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts: management's discussion and analysis, the basic financial statement, and required supplementary information.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

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

Figure A-1 shows how the required parts of the Financial Section are arranged and related to another.

Figure A-1
Required Components of
Lansingburgh Central School District at Troy's
Financial Report

Management's Discussion And Analysis	Basic Financial Statements	Required Supplementary Information
Government -wide Financial Statements	Fund Financial Statements	Notes to the Financial Statements

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Figure A-2
Major Features of Lansingburgh Central School District at Troy's
Government-wide and Fund Financial Statements

	Entity-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as employee benefits
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<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 measurement focus	Accrual accounting and economic resources focus
Type of asset and liability Information	All assets and liabilities, both financial and capital and short- term and long-term	Current Assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term; funds do not contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; 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

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Entity-wide Statements

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

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

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the performance of the students.

Net assets of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net asset balances as follows:
 - 1) Net Position invested in capital assets, net of related debt;
 - 2) Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
 - 3) Unrestricted net position is net position that do not meet any of the above restrictions.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York

Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others, such as 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 entity-wide financial statements because it cannot use these assets to finance operations. This report should be used to support the District's own programs and is developed using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post employment healthcare plans.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was \$(13,694,146) at June 30, 2018.

Table A-3
Condensed Statement of Net Position -
Governmental Activities

	Fiscal Year 2018	RESTATED Fiscal Year 2017	Percent Change
Current and other assets	\$ 16,523,119	\$ 17,032,758	(3.0)
NonCurrent Assets	\$ 67,291,590	\$ 56,129,876	19.9
Total Assets	\$ 83,814,709	\$ 73,162,634	14.6
Deferred Outflows of Resources	\$ 11,679,885	\$ 8,875,618	31.5
Total Assets and Deferred Outflows Of Resources	\$ 95,494,594	\$ 82,038,252	16.4
Current and other liabilities	\$ 17,419,734	\$ 6,671,490	161.1
Long-Term Liabilities	\$ 88,509,375	\$ 86,993,419	1.7
Total Liabilities	\$105,929,109	\$ 93,664,909	13.1
Deferred Inflows of Resources	\$ 3,259,631	\$ 583,704	458.4
Total Liabilities and Deferred Inflows Of Resources	\$109,188,740	\$ 94,248,613	8.0
Net Position			
Invested in capital assets,			
Net of related debt	\$ 31,673,060	\$ 30,409,876	4.2
Restricted	\$ 7,731,898	\$ 9,099,630	(15.0)
Unrestricted	\$(53,099,104)	\$(51,719,867)	(2.7)
Total Net Position	\$(13,694,146)	\$ (12,210,361)	(12.1)

Most of the District's net position are invested in capital assets (buildings, land and equipment). The remaining unrestricted net position are combined of designated and undesignated amounts. The designated balances are amounts set-aside to fund future purchases, debt payments, tax certioraries or capital projects as planned by the district.

The District's fiscal year 2017 – 2018 revenues totaled \$50,543,333. Property taxes and state aid accounted for most of the District's revenue by contributing 30.5% and 58.1%, respectively, of every dollar raised. The remainder came from fees charged for services, operating grants, federal sources, school lunch sales, and other miscellaneous sources.

The total cost of all programs and services totaled \$51,827,098 for the fiscal year 2017 – 2018. These expenses (87.9%) are predominantly to support general instruction and caring for (pupil services) and transporting students. The District's administrative and business activities accounted for 3.3% of total costs.

Net position decreased by \$1,483,765.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Table A-4 takes the information from that Statement, rearranges it slightly, so you can see our total revenues for the year.

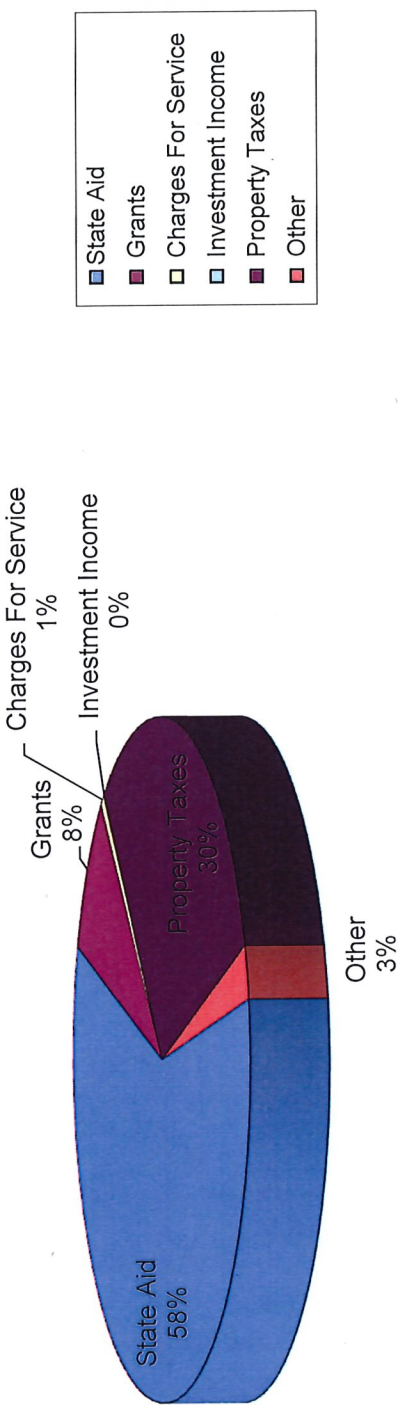
Table A-4
Fiscal Year Ended June 30, 2018
Changes in Net Position Governmental Activities Only

	Fiscal Year 2018	RESTATED Fiscal Year 2017	Percent Change
Revenues			
Program Revenues			
Charges for Services	\$ 307,836	\$ 374,876	(17.9)
Operating Grants	\$ 4,047,452	\$ 4,035,337	0.3
Capital Grants	\$ -0-	\$ -0-	0.0
 General Revenues			
Property Taxes	\$ 15,373,237	\$ 15,173,265	1.3
State Aid	\$ 29,268,047	\$ 29,741,246	(1.6)
Investment Earnings	\$ 53,512	\$ 153,356	(65.1)
Other	\$ 1,293,249	\$ 1,075,449	20.3
Total Revenues	\$ 50,543,333	\$ 50,553,529	0.1
Expenses			
Instruction	\$ 26,061,069	\$ 24,210,589	7.6
Administrative & Business	\$ 1,686,968	\$ 1,370,534	23.1
Operation & Maintenance	\$ 2,698,349	\$ 2,951,701	(8.6)
Pupil Transportation	\$ 4,278,125	\$ 3,600,407	18.8
Employee Benefits	\$ 13,174,788	\$ 12,277,982	7.3
Depreciation expense	\$ 1,032,418	\$ 1,009,590	2.3
Community Service	\$ -0-	\$ -0-	0.0
Food Services	\$ 1,037,655	\$ 1,017,762	2.0
Other Expense	\$ 416,316	\$ 114,598	263.3
Interest Expense	\$ 1,441,410	\$ 1,268,111	13.7
Total Expenses	\$ 51,827,098	\$ 47,821,274	8.4
 Increase (decrease) in net position	 \$ (1,483,765)	 \$ 2,732,255	 (154.3)

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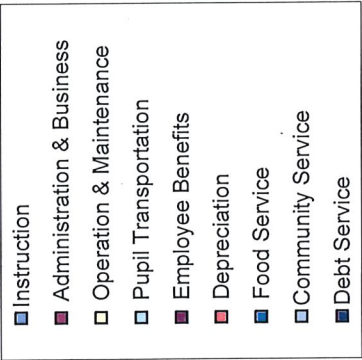
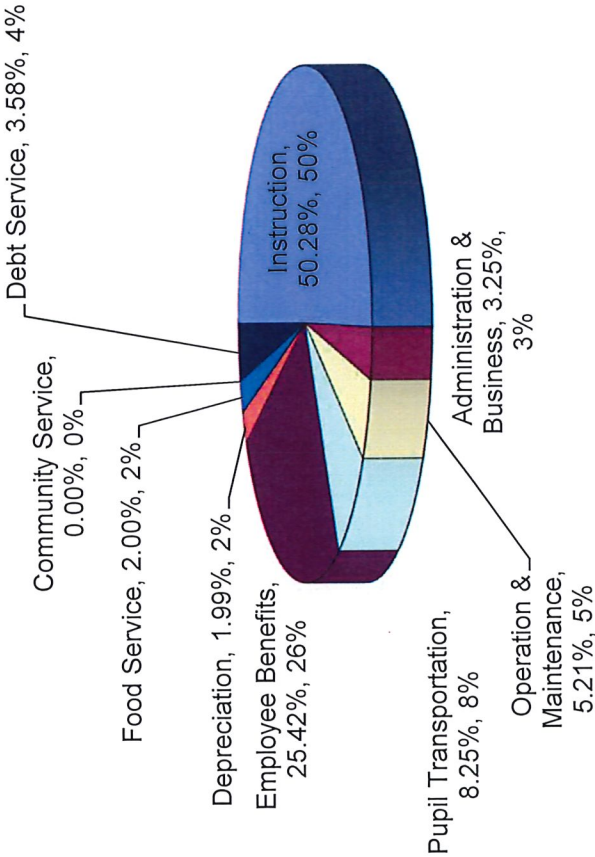
Table A-5

Sources of Revenues



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Expenses for Fiscal Year



**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental Activities

Revenues for the District's governmental activities totaled \$50,543,333 while total expenses equaled \$51,827,098. Therefore, the decrease in net position for governmental activities was \$1,483,765 in the fiscal year 2017 – 2018.

Table A-7 presents the cost of eight major District activities: Instruction, Administration & Business, Operation & Maintenance, Pupil Transportation, Employee Benefits, Depreciation, Food Service, and Interest. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of the functions.

Table A-7
Fiscal Year Ended June 30, 2018
Net Cost of Governmental Activities

<u>Category</u>	<u>Total Cost</u>	<u>Net Cost</u>
Instruction	\$ 26,061,069	\$ 22,944,746
Administration & Business	\$ 1,686,968	\$ 1,686,968
Operation & Maintenance	\$ 2,698,349	\$ 2,698,349
Pupil Transportation	\$ 4,278,125	\$ 4,278,125
Employee Benefits	\$ 13,174,788	\$ 13,129,682
Depreciation	\$ 1,032,418	\$ 1,032,418
Community Service	\$ -0-	\$ -0-
Food Service	\$ 1,037,655	\$ (156,204)
Other Expense	\$ 416,316	\$ 416,316
Interest	\$ 1,441,410	\$ 1,441,410
Total	<u>\$ 51,827,098</u>	<u>\$ 47,471,810</u>

- The cost of all governmental activities this year was \$51,827,098.
- The users of the District's programs (\$307,836) financed some of the cost.
- The federal and state governments subsidized certain programs with grants (\$4,047,452).
- Most of the District's net costs (\$47,471,810) were financed by taxpayers and state aid.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

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 current payments for debt.

There are significant variances reflected in the governmental fund financial statements for the fiscal year 2017 – 2018

- In the fiscal year 2017-2018, cash decreased \$1,559,801. The decrease was due to an increase in receivables.
- In the fiscal year 2017-2018, liabilities increased \$12,637,366. The increase was due to short-term borrowings to finance the capital project.
- In the fiscal year 2017-2018, expenses increased \$10,023,515. The increase was due to the capital project.

At June 30, 2018, the District governmental funds reported a combined fund balance of \$1,833,276 which is a decrease of \$11,246,570.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2018, the District had \$66,538,060 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$10,408,184 or 18.5% from last year.

Table A-8
Governmental Activities
Capital assets – net of depreciation

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Land	\$ 221,200	\$ 221,200
Buildings	\$ 52,273,717	\$ 32,959,029
Construction-In-Progress	\$ 13,304,504	\$ 22,111,203
Furniture & Equipment	\$ 738,639	\$ 838,444
Total	<u>\$ 66,538,060</u>	<u>\$ 56,129,876</u>

See Note 7 in the notes to financial statement for changes.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

DEBT ADMINISTRATION

At year end, the District had \$22,865,000 in general obligation and other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.

Table A-9
Outstanding Long-Term Debt

Category	June 30, 2018	June 30, 2017
General Obligation Bonds	\$ 22,865,000	\$ 25,720,000
Other General Obligation Debt	\$ -0-	\$ -0-
Total	<u>\$ 22,865,000</u>	<u>\$ 25,720,000</u>

During the year, the District paid \$2,745,000 towards its long-term debt obligations and borrowed \$-0- and issued advance refunding bond in the amount of \$4,020,000 to pay \$4,130,000 on the defeased bond.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time that these financial statements were prepared and audited, the district was aware of existing circumstances that could significantly affect its financial health in the future. The most pressing concern at this time is the economy, both New York State and that of the Nation. As the economy struggles, less funding will be available for education. Since LCSD depends on 60% of its General Fund revenue from State Aid, any decreases in state funding would result in program cuts. Increasing taxes to offset the state aid losses is no longer an option since the passage of the Property Tax Cap. Further exacerbating this situation, the district is still funding very high Charter School Tuitions.

YEAR	BUDGET	STATE AID	LEVY
2007-2008	\$33,920,293	\$20,166,703	\$12,585,090
2008-2009	\$36,626,265	\$22,949,942	\$12,723,525
2009-2010	\$38,160,241	\$24,010,772	\$12,959,885
2010-2011	\$38,784,854	\$22,319,683	\$13,335,930
2011-2012	\$39,162,748	\$21,718,119	\$13,600,394
2012-2013	\$39,049,510	\$22,496,109	\$13,872,402
2013-2014	\$40,718,411	\$23,405,208	\$14,158,767
2014-2015	\$41,141,040	\$24,873,352	\$14,485,049
2015-2016	\$43,550,151	\$26,314,746	\$14,803,730
2016-2017	\$45,239,433	\$27,887,328	\$15,097,310
2017-2018	\$46,687,963	\$28,988,451	\$15,368,411

Charter School Impact

YEAR	BUDGET	STATE AID	IMPACT ON LEVY
2007-2008	\$225,000	\$0	\$225,000
2008-2009	\$350,000	\$0	\$350,000
2009-2010	\$510,120	\$0	\$510,120
2010-2011	\$595,140	\$81,656	\$513,484
2011-2012	\$692,983	\$67,334	\$625,649
2012-2013	\$1,000,664	\$202,002	\$798,662
2013-2014	\$1,234,464	\$286,170	\$948,294
2014-2015	\$891,632	\$379,690	\$511,942
2015-2016	\$1,191,106	\$241,969	\$949,137
2016-2017	\$1,460,000	\$124,185	\$1,335,815
2017-2018	\$1,570,763	\$116,618	\$1,454,145

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

The District is in the position of having to cut program for the 2400 plus students in our buildings in order to meet our charter school obligations, deal with state aid reductions and stay within the tax cap.

The District continues to face billing issues from specific Charter Schools. Per state law, the district is only responsible for paying tuition to Charter Schools for students who are residents of the district. A few Charter Schools continue to invoice the district for students who are either not residents, or have failed to provide any valid proof of residency. In such cases, the district withholds payment for these students. The Charter Schools' practice of requesting State Aid intercepts by NYSED has reduced significantly since our candid conversations with Commissioner Elia. Therefore, District Administration still needs to be vigilant to ensure our tax dollars are spent on District residents only. We continue to lobby for the recoupment of lost funds from past intercepts that, in our opinion, were approved in error by SED.

An ongoing issue facing our District is the rise in homeless students and students in extreme poverty. These students require much greater allocation of resources to make them successful. We have seen a large influx of both types of students over the past few years. In 2016-17, the District was identified as a Community School by NYS and allocated aid for specific activities. This allocation continued in 2017-18 and was used to assist families in ascertaining the social services they require. However, the shift in the responsibility and cost to transport homeless students placed by social services was strongly felt in 2017-18. Regardless, The District continues to assist these families in obtaining the services they need but it should be noted that the educational and operational costs associated with these types of students continue to stretch the district resources.

The construction on the TES addition began in earnest in 2017-18. To finance these activities, the District entered into a short-term borrowing of \$12 million. This borrowing significantly increased our 2017-18 liabilities. To minimize our overall debt liability, the District restructured some long-term debt to take advantage of a lower interest rate. This action will lower future debt payments by the District.

New in 2017-18 was the implementation of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This implementation necessitated the revision of the June 30, 2017 Statement of Net Position. A few years ago, we implemented GASB 68 *Accounting and Financial Reporting for Pensions* which revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. A reevaluation uncovered an error made in 2017 by overstating deferred inflows for pensions and understating deferred outflows for pension on the government wide financial statements

Revenue discussed above are for General Fund only. The District has also seen significant reductions in our federal grant allocations. As these funds are reduced, the employees' salaries included in these programs must either be eliminated or moved to the General Fund. Often we don't know what these reductions will be until after our budget is approved by the voters.

Further concern is the potential for another low tax cap for the upcoming 2018-19 school year. With this in mind, it is unlikely that our cap will approach the 2% level.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

It is the intent of this report 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 funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Lansingburgh Central School District
576 Fifth Avenue
Troy, New York 12182
Phone 233-6850

Lansingburgh Central School District
Statement of Net Position
June 30, 2018

ASSETS	
Current Assets	
Cash	
Unrestricted	\$ 7,699,956
Restricted	3,431,570
Investments	
Unrestricted	
Restricted	
Receivables	
Taxes	
Due from fiduciary funds	1,125,502
State and Federal Aid	3,563,271
Due from other governments	688,818
Other - Deferred Expenditure	
Inventories	14,002
Total Current Assets	<u>16,523,119</u>
Noncurrent Assets	
Capital Assets	83,190,458
Less: Accumulated Depreciation	(16,652,398)
Capital Assets, net	<u>66,538,060</u>
Net Pension Asset - Proportionate Share	753,530
Total Noncurrent Assets	<u>67,291,590</u>
TOTAL ASSETS	<u>83,814,709</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	9,173,517
OPEB	2,506,368
Total Deferred Outflows of Resources	<u>11,679,885</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 95,494,594</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 648,088
Accrued Liabilities	364,513
Due to other governments	1
Due to fiduciary funds	1,716
Bond interest and matured bonds	
Notes Payable	
Tax anticipation	
Revenue anticipation	
Bond anticipation	12,000,000
Unearned credits	
Overpayments and collections in advance	
Unearned revenues - planned balance	
Unearned revenues - other	13,785
Due and payable within one year	
Bonds payable	2,465,000
Installment purchase debt payable	
Due to teachers' retirement system	1,775,111
Due to employees' retirement system	112,548
Compensated absences payable	38,972
Other postemployment benefits payable	
Judgement and claims payable	
Total Current Liabilities	<u>17,419,734</u>
Long-Term Liabilities	
Due and payable after one year	
Bonds payable	20,400,000
Installment purchase debt payable	
Due to teachers' retirement system	
Due to employees' retirement system	
Compensated absences payable	
Other postemployment benefits payable	67,795,496
Net pension liability - proportionate share	313,879
Judgement and claims payable	
Total Noncurrent Liabilities	<u>88,509,375</u>
Total Liabilities	<u>105,929,109</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,157,445
Revenue not earned due to time restrictions	102,186
Total Deferred Inflows of Resources	<u>3,259,631</u>
NET POSITION	
Net Investment in Capital	31,673,060
Restricted	7,731,898
Unrestricted (deficit)	(53,099,104)
Total Net Position	<u>(13,694,146)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 95,494,594</u>

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2018

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General Support	\$ 4,385,317	\$ -	\$ -	\$ -	\$ (4,385,317)
Instruction	26,061,069		267,822	2,848,501	(22,944,746)
Pupil Transportation	4,278,125			-	(4,278,125)
Community Service	-				-
Employee Benefits	13,174,788			45,106	(13,129,682)
Debt Service	1,441,410				(1,441,410)
Other expenses	416,316				(416,316)
Depreciation - unallocated	1,032,418				(1,032,418)
School Lunch Program	1,037,655		40,014	1,153,845	156,204
Total Functions and Programs	<u>\$ 51,827,098</u>	<u>\$ -</u>	<u>\$ 307,836</u>	<u>\$ 4,047,452</u>	<u>(47,471,810)</u>
GENERAL REVENUES					
Real property taxes					13,268,039
Other tax items					2,105,198
Nonproperty taxes					-
Use of money and property					53,512
Sale of property and compensation for loss					-
Miscellaneous					1,146,967
Interfund revenue					-
State sources					29,268,047
Federal sources					146,282
Total General Revenues					<u>45,988,045</u>
Change in Net Position					(1,483,765)
Total Net Position - Beginning of year - Restated					<u>(12,210,381)</u>
Total Net Position - End of year					<u>\$ (13,694,146)</u>

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Balance Sheet - Governmental Funds
June 30, 2018

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	\$ 4,784,452	\$ 289,618	\$ 950,862	\$ -	\$ 1,675,024	\$ 7,699,956
Restricted Investments	2,574,476			857,094		3,431,570
Investments						-
Unrestricted						-
Restricted						-
Receivables						-
Taxes	-					-
Due from other funds	4,745,259	276,978	-	5,839,278	714,964	11,576,479
Due From Fiduciary funds	1,125,502					1,125,502
State and Federal Aid	1,313,445	2,177,569	72,257			3,563,271
Due from other governments	688,818					688,818
Other	-					-
Inventories			14,002			14,002
Prepaid Expenditures						-
Total Assets	<u>\$ 15,231,952</u>	<u>\$ 2,744,165</u>	<u>\$ 1,037,121</u>	<u>\$ 6,696,372</u>	<u>\$ 2,389,988</u>	<u>\$ 28,099,598</u>
LIABILITIES						
Payables						
Accounts Payable	\$ 486,217	\$ 32,513	\$ -	\$ -	\$ 129,358	\$ 648,088
Accrued Liabilities	36,408					36,408
Due to other funds	5,511,884	2,699,461	-		3,365,134	11,576,479
Due to fiduciary funds	1,716					1,716
Due to other governments	-		1			1
Retainage payable						-
Due to teachers' retirement system	1,775,111					1,775,111
Due to employees' retirement system	112,548					112,548
Judgement and claims payable						-
Bond interest and matured bonds						-
Compensated absences payable						-
Other postemployment benefits payable						-
Other liabilities						-
Notes Payable						-
Tax anticipation						-
Revenue anticipation						-
Bond anticipation					12,000,000	12,000,000
Budget Note						-
Deficiency Note						-
Unearned credits						-
Overpayments and collections in advance						-
Unearned revenues		12,191	1,594			13,785
Planned balance						-
Total Liabilities	<u>7,923,884</u>	<u>2,744,165</u>	<u>1,595</u>	<u>-</u>	<u>15,494,492</u>	<u>26,164,136</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	102,186					102,186
Total Deferred inflows of Resources	<u>102,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,186</u>
FUND BALANCE						
Nonspendable			14,002			14,002
Restricted	2,574,477			6,696,372		9,270,849
Committed						-
Assigned	1,994,764	-	1,021,524		(13,104,504)	(10,088,216)
Unassigned	2,636,641					2,636,641
Total Fund Balance	<u>7,205,882</u>	<u>-</u>	<u>1,035,526</u>	<u>6,696,372</u>	<u>(13,104,504)</u>	<u>1,833,276</u>
Total Liabilities and Fund Balances	<u>\$ 15,231,952</u>	<u>\$ 2,744,165</u>	<u>\$ 1,037,121</u>	<u>\$ 6,696,372</u>	<u>\$ 2,389,988</u>	<u>\$ 28,099,598</u>

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2018

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
Revenues						
Real property taxes	\$ 13,268,039	\$ -	\$ -	\$ -	\$ -	\$ 13,268,039
Other tax items	2,105,198					2,105,198
Nonproperty taxes						-
Charges for services	267,822					267,822
Use of property and compensation for loss	49,286			4,226		53,512
Miscellaneous	364,731			782,236		1,146,967
Interfund revenue						-
State Sources	29,268,047	1,169,976	27,283			30,465,306
Federal sources	146,282	1,723,631	1,030,779			2,900,692
Surplus food			95,783			95,783
Sales - school lunch			40,014			40,014
Total Revenues	45,469,405	2,893,607	1,193,859	786,462	-	50,343,333
EXPENDITURES						
General Support	4,282,880			102,437		4,385,317
Instruction	23,137,788	2,935,580				26,073,368
Pupil Transportation	4,278,125					4,278,125
Community Service	-					-
Employee benefits	9,907,430	45,106	3,790			9,956,326
Debt service						-
Principal	2,745,000					2,745,000
Interest	1,163,283					1,163,283
Cost of Sales			1,033,865			1,033,865
Other expenditures				4,546,316		4,546,316
Capital Outlay					11,428,303	11,428,303
Total expenditures	45,514,506	2,980,686	1,037,655	4,648,753	11,428,303	65,609,903
Excess (Deficiency) of Revenues Over Expenditures	(45,101)	(87,079)	156,204	(3,862,291)	(11,428,303)	(15,266,570)
OTHER FINANCING SOURCES AND USES						
Proceeds from debt	-	-	-	4,020,000	-	4,020,000
Operating transfers in	104,317	87,079	-	114,998	200,000	506,394
Operating transfers (out)	(287,079)	-	-	(104,317)	(114,998)	(506,394)
Total Other Sources (Uses)	(182,762)	87,079	-	4,030,681	85,002	4,020,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(227,863)	-	156,204	168,390	(11,343,301)	(11,246,570)
Fund Balances - Beginning of year	7,433,745	-	879,322	6,527,982	(1,761,203)	13,079,846
Fund Balances - End of year	\$ 7,205,882	\$ -	\$ 1,035,526	\$ 6,696,372	\$ (13,104,504)	\$ 1,833,276

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash	\$ 11,131,526	\$ -	\$ -	\$ 11,131,526
Accounts Receivable	3,563,271			3,563,271
Due from other funds	11,576,479		(11,576,479)	-
Due From fiduciary funds	1,125,502			1,125,502
Due from other governments	688,818			688,818
Inventories	14,002			14,002
Mortgages receivable				-
Deferred expenditure				-
Net pension asset - proportionate share		753,530		753,530
Land, buildings and equipment (net)		66,538,060		66,538,060
Total Assets	28,099,598	67,291,590	(11,576,479)	83,814,709
DEFERRED OUTFLOWS OF RESOURCES				
Pensions/OPEB		11,679,885		11,679,885
Total Deferred Outflows of Resources	-	11,679,885	-	11,679,885
Total Assets and Deferred Outflows of Resources	\$ 28,099,598	\$ 78,971,475	\$ (11,576,479)	\$ 95,494,594
LIABILITIES				
Accounts Payable	\$ 648,088	\$ -	\$ -	\$ 648,088
Accrued liabilities	36,408	328,105		364,513
Bonds payable		22,865,000		22,865,000
Bond anticipation notes payable	12,000,000			12,000,000
Bond interest and matured bonds				-
Due to other funds	11,576,479		(11,576,479)	-
Due to fiduciary funds	1,716			1,716
Due to other governments	1			1
Due to teachers' retirement system	1,775,111			1,775,111
Due to employees' retirement system	112,548			112,548
Compensated absences		38,972		38,972
Installment purchase debt payable		67,795,496		67,795,496
Postemployment benefits		313,879		313,879
Net pension liability - proportionate share				13,785
Deferred revenues	13,785			13,785
Total Liabilities	26,164,136	91,341,452	(11,576,479)	105,929,109
DEFERRED INFLOWS OF RESOURCES				
Pensions		3,157,445		3,157,445
Revenue not earned due to time restrictions	102,186			102,186
Total Deferred inflows of Resources	102,186	3,157,445	-	3,259,631
FUND EQUITY\NET POSITION				
Total Fund Equity\Net Position	1,833,276	(15,527,422)	-	(13,694,146)
Total Liabilities, Deferred inflows of resources, and fund balance/net position	\$ 28,099,598	\$ 78,971,475	\$ (11,576,479)	\$ 95,494,594

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Reconciliation of Governmental funds Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2018

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Eliminations and Reclassifications	Long-term Debt Transactions	Statement of Activities Totals
REVENUES						
Real property taxes	\$ 13,268,039	\$ -	\$ -	\$ -	\$ -	\$ 13,268,039
Other tax items	2,105,198					2,105,198
Charges for services	267,822					267,822
Use of money and property	53,512					53,512
Sale of property and compensation for loss	-					-
Miscellaneous	1,146,967					1,146,967
Interfund revenue						-
State sources	30,465,306					30,465,306
Medicaid reimbursement						-
Federal sources	2,900,692					2,900,692
Surplus food	95,783					95,783
Sales - school lunch	40,014					40,014
Total Revenues	50,343,333	-	-	-	-	50,343,333
EXPENDITURES/EXPENSES						
General support	4,385,317		-	-		4,385,317
Instruction	26,073,368		(12,299)			26,061,069
Pupil transportation	4,278,125					4,278,125
Community service	-					-
Employee benefits	9,956,326	8,145		(3,790)	3,214,107	13,174,788
Debt service	3,908,283	278,127			(2,745,000)	1,441,410
Cost of sales	1,033,865			(1,033,865)		-
School Lunch Program				1,037,655		1,037,655
Other expenditures	4,546,316				(4,130,000)	416,316
Depreciation - unallocated			1,032,418			1,032,418
Capital outlay	11,428,303		(11,428,303)			-
Total Expenditures	65,609,903	286,272	(10,408,184)	-	(3,660,893)	51,827,098
Excess (Deficiency) of Revenues Over Expenditures	(15,266,570)	(286,272)	10,408,184	-	3,660,893	(1,483,765)
OTHER SOURCES AND USES						
Proceeds from debt	4,020,000				(4,020,000)	-
Operating transfers in	506,394			(506,394)		-
Operating transfers (out)	(506,394)			506,394		-
Total Other Sources (Uses)	4,020,000	-	-	-	(4,020,000)	-
Net Change for the Year	\$ (11,246,570)	\$ (286,272)	\$ 10,408,184	\$ -	\$ (359,107)	\$ (1,483,765)

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2018

	Private Purpose Trusts	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 157,077	\$ 1,551,170
Due from agency fund		
Due from governmental funds		1,716
Accounts receivable		
	<u> </u>	<u> </u>
Total Assets	<u>\$ 157,077</u>	<u>\$ 1,552,886</u>
LIABILITIES		
Due to governmental funds	\$ -	\$ 1,125,502
Due to private purpose trust		
Extraclassroom activity balances		26,423
Other liabilities		400,961
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>\$ 1,552,886</u>
NET POSITION		
Reserved for scholarships	<u>\$ 157,077</u>	

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
For The Year Ended June 30, 2018

	<u>Private Purpose Trusts</u>
ADDITIONS	
Contributions	\$ 3,470
Investment Earnings	
Interest	<u>111</u>
Total Additions	<u>3,581</u>
 DEDUCTIONS	
Scholarships and awards	<u>8,550</u>
Change in Net Position	(4,969)
Net Position - Beginning of year	<u>162,046</u>
Net Position - End of year	<u><u>\$ 157,077</u></u>

See independent auditor's report and notes to financial statements

Lansingburgh Central School District
Schedule of Change from Original Budget to Final Budget
And the Real Property Tax Limit
For the Year Ended June 30, 2018

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 46,687,963
Add: Prior Year Encumbrances	2,069,688
Original Budget	<u>48,757,651</u>
Budget Revisions:	<u>-</u>
Revised Budget	<u><u>\$ 48,757,651</u></u>
See Accompanying Notes to Financial Statements	

SECTION 1318 OF REAL PROPERTY TAX LIMIT CALCULATION

2018-19 voter approved expenditure budget	\$ 50,696,799
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance	
Committed fund balance	\$ -
Assigned fund balance	1,994,764
Unassigned fund balance	2,636,641
Total unrestricted fund balance	<u><u>\$ 4,631,405</u></u>
Less:	
Appropriated fund balance	\$ 900,000
Encumbrances included in committed and assigned fund balance	1,094,764
Total adjustments	<u><u>\$ 1,994,764</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	<u><u>\$ 2,636,641</u></u>
Actual percentage	<u>5.2%</u>

See Paragraph on supplementary schedules included in the Independent Auditor's Report

Supplemental Schedule #2

Lansingburgh Central School District
Schedule of Revenues Compared
to Budget - General Fund
For the Year Ended June 30, 2018

REVENUES	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Local Sources				
Real Property Taxes	\$ 13,368,411	\$ 13,368,411	\$ 13,268,039	\$ (100,372)
Other Tax Items	2,044,000	2,044,000	2,105,198	61,198
Nonproperty Tax Items	-	-	-	-
Charges for Services	385,500	385,000	267,822	(117,178)
Use of Money and Property	50,000	50,000	39,889	(10,111)
Sale of Property and Compensation for Loss	18,000	18,000	9,397	(8,603)
Miscellaneous	357,500	357,500	364,731	7,231
Interfund Revenues	-	-	-	-
Total Local Sources	16,223,411	16,223,411	16,055,076	(167,835)
State Sources	28,988,451	28,988,451	29,268,047	279,596
Federal Sources	112,000	112,000	146,282	34,282
Total Revenues	45,323,862	45,323,862	45,469,405	146,043
Other Sources				
Operating Transfers In	89,101	89,101	104,317	15,216
Proceeds of Long-term Debt				-
TOTAL REVENUES AND OTHER SOURCES	45,412,963	45,412,963	\$ 45,573,722	\$ 161,259
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	1,275,000	3,344,688		
Appropriated Reserve Revenues				
Total Revenues, Appropriated Reserves and Designated Fund Balance	\$ 46,687,963	\$ 48,757,651		

See Paragraph on supplementary schedules included in the Independent Auditor's Report

Lansingburgh Central School District
Schedule of Expenditures, Other Uses and Encumbrances
Compared to Budget - General Fund
For the Year Ended June 30, 2018

EXPENDITURES	Original Budget	Revised Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
General Support					
Board of Education	\$ 12,524	\$ 13,256	\$ 6,620	\$ -	\$ 6,636
Central Administration	291,670	291,628	258,932	-	32,696
Finance	585,950	588,837	564,577	17,773	6,487
Staff	162,640	117,176	87,765	-	29,411
Central Services	2,862,807	3,021,397	2,698,349	65,635	257,413
Special Items	591,348	671,145	666,637	-	4,508
Total General Support	4,506,939	4,703,439	4,282,880	83,408	337,151
Instructional					
Instruction, Administration & Improvement	1,526,967	1,294,802	1,223,817	10,710	60,275
Teaching - Regular School	13,364,245	12,726,260	11,676,249	819,399	230,612
Programs for Children With Handicapping Conditions	7,651,154	7,728,350	7,443,141	98,516	186,693
Occupational Education	654,534	773,486	747,501	-	25,985
Teaching - Special Schools	43,013	47,564	46,676	-	888
Instructional Media	557,381	745,461	656,570	58,243	30,648
Pupil Services	1,483,365	1,441,090	1,343,834	3,951	93,305
Total Instruction	25,280,659	24,757,013	23,137,788	990,819	628,406
Pupil Transportation	3,203,908	4,300,909	4,278,125	20,537	2,247
Community Service	1,500	1,500	-	-	1,500
Employee Benefits	9,342,899	10,065,159	9,907,430	-	157,729
Debt Service					-
Principal	2,740,000	2,745,000	2,745,000	-	-
Interest	1,537,058	1,532,058	1,163,283	-	368,775
Total Debt Service	4,277,058	4,277,058	3,908,283	-	368,775
Total Expenditures	46,612,963	48,105,078	45,514,506	1,094,764	1,495,808
Other Uses					
Operating Transfers Out	75,000	652,573	287,079	-	365,494
Total Expenditures & Other Uses	\$ 46,687,963	\$ 48,757,651	\$ 45,801,585	\$ 1,094,764	\$ 1,861,302

See Paragraph on supplementary schedules included in the Independent Auditor's Report

Lansingburgh Central School District
Schedule of Project Expenditures
Capital Projects Fund
For the Year Ended June 30, 2018

Supplemental Schedule #4

Project Title	Expenditures										Fund Balance June 30, 2018
	Original Budget	Revised Budget	Prior Years	Current Years	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	
Renovations 2010 - Project #: 0010-016 0006-010, 0015-011, 0014-010, 2020-001	\$ 18,500,000	\$ 18,500,000	\$ 18,386,002	\$ 114,998	\$ 18,500,000	\$ -	\$ 17,144,378	\$ 1,355,622	\$ -	\$ 18,500,000	\$ -
Cateleira Renovation Project #: 0006-011, 0010-017	846,273	2,073,608	1,850,000	-	1,850,000	223,608	-	-	1,850,000	1,850,000	-
Turnpike Elementary Renovation - Project # 0015-012, 0015-013	18,141,539	18,141,539	1,876,201	11,428,303	13,304,504	4,837,035	-	-	-	-	(13,304,504)
LHS Cement Flooring Repair	200,000	200,000	-	-	-	200,000	-	-	200,000	200,000	200,000
Totals	\$ 37,687,812	\$ 38,915,147	\$ 22,111,203	\$ 11,543,301	\$ 33,654,504	\$ 5,260,643	\$ 17,144,378	\$ 1,355,622	\$ 2,050,000	\$ 20,550,000	\$ (13,104,504)

See Paragraph on supplementary schedules included in the Independent Auditor's Report

Lansingburgh Central School District
Schedule of Funding Progress
Other Post Employment Benefits Plan
For the Year Ended June 30, 2018

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (in thousands) (b)	Unfunded AAL (UAAL) (in thousands) (b-a)	Funded Ratio (a/b)	Covered Payroll (in thousands) (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
July 1, 2010	\$ -	\$ 30,120	\$ 30,120	0.00%	\$ 16,170	186.27%
July 1, 2011	\$ -	\$ 32,490	\$ 32,490	0.00%	\$ 18,050	180.00%
July 1, 2012	\$ -	\$ 31,990	\$ 31,990	0.00%	\$ 18,440	173.48%
July 1, 2013	\$ -	\$ 34,940	\$ 34,940	0.00%	\$ 18,300	190.93%
July 1, 2013	\$ -	\$ 34,940	\$ 34,940	0.00%	\$ 18,300	190.93%
July 1, 2015	\$ -	\$ 37,970	\$ 37,970	0.00%	\$ 19,270	197.04%
July 1, 2016	\$ -	\$ 40,410	\$ 40,410	0.00%	\$ 19,270	209.70%
July 1, 2017	\$ -	\$ 67,796	\$ 67,796	0.00%	\$ 21,375	317.17%

See Paragraph on supplementary schedules included in the Independent Auditor's Report

Supplemental Schedule #6

Lansingburgh Central School District
Schedule of Investment in Capital Assets, Net of Related Debt
For the Year Ended June 30, 2018

Capital assets, net		\$	66,538,060
Additions:			
Unamortized bond issuance costs			
Discounts on bonds payable			
Other:			
Total Additions			-
Deductions:			
Bond anticipation notes	12,000,000		
Premium on bonds payable			
Short-term portion of bonds payable	2,465,000		
Long-Term portion of bonds payable	20,400,000		
Less: unspent bond proceeds	-		
Short-term portion of capital leases			
Long-term portion of capital leases			
Other short or long-term debt related to capital assets			
Other:			
Total Deductions	34,865,000	(34,865,000)	
Investment in capital assets, net of related debt		\$	<u>31,673,060</u>

See Accompanying Notes to Financial Statements

See Paragraph on Supplementary Schedules Included in Independent Auditor's Report.

Lansingburgh Central School District
Schedule of District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2018

	Teachers' Retirement System		
	2018	2017	2016
District's proportion of the net pension liability	9.913600%	0.097670%	9.825500%
District's proportionate share of the net pension liability	(753,530)	1,046,085	(10,205,541)
District's Covered Payroll	16,684,150	16,820,124	15,891,446
District's proportionate share of the net pension liability as a percentage of its covered payroll	-4.516442%	6.219247%	-64.220342%
Plan fiduciary net position as a percentage of the total pension liability	100.66%	99.01%	110.46%
	Employees' Retirement System		
	2018	2017	2016
District's proportion of the net pension liability	0.9725300%	0.0091649%	0.0092618%
District's proportionate share of the net pension liability	313,879	861,155	1,486,542
District's Covered Payroll	3,159,515	2,524,055	2,520,204
District's proportionate share of the net pension liability as a percentage of its covered payroll	9.934404%	34.117917%	58.984987%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each plans measurement date as disclosed in the footnotes.

Lansingburgh Central School District
Schedule of District Contributions
For the Year Ended June 30, 2018

	Teachers' Retirement System		
	2018	2017	2016
Contractually required contribution	1,841,183	1,998,474	2,587,288
Contributions in relation to the contractually required contribution	1,841,183	1,998,474	2,587,288
Contribution deficiency (excess)	-	-	-
District's covered employee payroll	16,684,150	16,064,704	16,954,705
Contributions as a percentage of covered employee payroll	11.04%	12.44%	15.26%
	Employees' Retirement System		
	2018	2017	2016
Contractually required contribution	416,367	499,780	428,577
Contributions in relation to the contractually required contribution	416,367	499,780	428,577
Contribution deficiency (excess)	-	-	-
District's covered employee payroll	3,159,515	3,365,408	2,724,100
Contributions as a percentage of covered employee payroll	13.18%	14.85%	15.73%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each plans measurement date as disclosed in the footnotes.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 1 – Summary of Certain Significant Accounting Policies:

The financial statements for the Lansingburgh Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as apply to governmental 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.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity:

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

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

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

i) 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 at the end of this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

B) Joint Venture:

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

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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 provision 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(4)(b)(7) 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 \$3,929,956 for BOCES administrative and Program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of \$-0-.

The District's share of BOCES aid amounted to \$1,125,550.

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

C) Basis of Presentation:

i) District-Wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. 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. 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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefits 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 to determine who benefits.

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

D) Measurement Focus and Basis of Accounting:

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

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

E) Cash and Investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of State and its municipalities and districts. Investments are stated at fair value.

F) Property Taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 28, 2017. Taxes are collected during the period September 1 to October 31, 2017.

The County in which the District is located enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the County to the District no later than the following April 1.

G) Accounts Receivable:

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

H) 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 are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

I) 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 with one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

J) Vested Employee Benefits:

Compensated absences:

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

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

In the fund 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.

K) Capital Assets:

Capital assets are reported at actual cost for acquisitions in which the cost could be determined. For assets in which the actual cost could not be determined, 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.

Land and construction in process are not depreciated. 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 statement are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-Line	15-50 yrs
Building Improvements	5,000	Straight-Line	15-50 yrs
Site improvements	5,000	Straight-Line	15-50 yrs
Furniture and equipment	5,000	Straight-Line	5-15 yrs

L) Other Benefits:

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

District employees may choose to participate in the District's elective deferred compensation plan established under Internal Revenue Code Sections 403(b).

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 provision 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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

M) Unearned Revenue:

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

N) Deferred Outflows and Inflows 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. The government has four items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-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. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the District Wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the statement of net position or balance sheet 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first arises only under a 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 (ERS System) 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. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) 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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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 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, if notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

P) 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, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that 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.

Q) Restricted Resources:

When an expense is incurred for purposes for which other 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.

R) Equity Classifications:

District-wide statements:

In the district-wide statements there are three classes of net assets:

Net Investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Funds statements:

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

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$14,002.

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 School 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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form of the required legal notice for the vote on establishing the funding of the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education law. This reserve is accounted for in the General Fund under restricted Fund Balance.

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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. This reserve is accounted for in the General Fund.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Insurance

According to General Municipal Law §6-n, 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. This reserve is accounted for in the General Fund.

Liability Claims and Property Loss

According to Education Law §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

Repairs

According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Retirement Contributions

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

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Uncollected Taxes in a City School District

According to Education Law §3651[1-b], must be used to cover uncollected real property taxes for a given tax fiscal year in city school districts provided the city or county is not required to pay to the treasurer of a city school district the amount of unpaid taxes during the fiscal year for which they are levied. Is created by resolution of the governing board, without voter approval, provided that the ratio of the amount of such reserve to the total principal amount of the district's tax levy for the fiscal year is not less than the ration of the principal amount of the school district taxes as levied for the last completed fiscal year but not received by the district before the end of that fiscal year, to the total principal amount of the tax levy for the last completed fiscal year. Source of funds generally is through budgetary appropriations. If the city or county is not required to pay to the treasurer of a city school district unpaid taxes pursuant to section 1332 of the Real Property Tax Law, the board of education of the city school district shall establish a reserve pursuant to this subdivision, provided that such reserve shall not be less than the amount of taxes for the fiscal year for which the budget is being prepared which are estimated to be unpaid during such fiscal year under the Real Property Tax Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

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. This reserve is accounted for in the General Fund.

Worker's Compensation

According to General Municipal Law §6-j, 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. This reserve is accounted for in the General Fund.

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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Restricted fund balance includes the following:

General Fund:	
Capital	\$ -0-
Debt Service	-0-
Employee Benefit Accrued Liability	414,052
Insurance	-0-
Liability Claims and Property Loss	-0-
Repairs	693,997
Retirement Contributions	504,129
Tax Certiorari	756,709
Uncollected Taxes in a City School District	-0-
Unemployment Insurance	-0-
Workers' Compensation	205,590
Capital Fund	-0-
Debt Service Fund	6,696,372
Special Aid Fund	-0-
School Lunch Fund	-0-
Total Restricted Funds	<u>\$ 9,270,849</u>

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The School District has not committed fund balances as of June 30, 2018.

Assigned – includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an appropriation to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the year. Encumbrances and appropriated fund balance reported in the General Fund amounted to \$1,094,764.

Reserve for Insurance Recoveries

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the General Fund.

Unassigned – includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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 purpose 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 and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

S) Use of Estimates:

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

T) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards board (GASB) that are applicable. At June 30, 2018, the District implemented the following new standard issued by GASB:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

GASB Statement No. 81, Split Interest Agreements

GASB No. 85, Omnibus

GASB No. 86, Certain Debt Extinguishment

Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements:

Due to the differences in the measurement focus and basis of accounting used in the governmental 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 governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of Capital assets and long-term liabilities, including pensions.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

- i) Long-term Revenue 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.
- ii) Capital Related Differences:
Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- iii) 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.
- iv) 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.
- v) OPEB differences:
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 3 – Changes in Accounting principles

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of the statement requires District's to report Other Post-Employment Benefits (OPEB) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB.

RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75 *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27*. The implementation of Statement No. 75 resulted in adjusting the June 30, 2017 OPEB liability. The District's net position has been restated as follows:

Net position beginning of year, as previously stated	\$ 30,058,465
GASB Statement No. 75 Implementation	
Beginning OPEB liability adjustments	<u>(42,268,846)</u>
Net position beginning of year, as restated	<u>\$ (12,210,381)</u>

Note 4 – Stewardship, compliance and accountability:

Budgets:

The District Administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal appropriated budgets are adopted:
General Fund

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) which 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. 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. No supplemental appropriations occurred during the year.

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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. The District has a few emergency capital projects that have to be funded in the next year.

The Capital Project fund has a deficit fund balance of \$13,104,504. This will be funded when the District obtains permanent financing for its current construction projects.

Note 5 – Cash:

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ -0-
Collateralized with securities held by the pledging financial institutions, or trust department or agent, but not in the District's name	\$ 14,068,086

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$3,431,570 within the governmental funds and \$1,760,856 in the fiduciary funds.

Note 6 – Investments:

The District had no security Investments during the year.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 7 – Capital Assets:

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclass</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not depreciated:				
Land	\$ 221,200	\$ -0-	\$ -0-	\$ 221,200
Construction in progress	22,111,203	11,428,303	(20,235,002)	13,304,504
Total nondepreciable historical cost	<u>22,332,403</u>	<u>11,428,303</u>	<u>(20,235,002)</u>	<u>13,525,704</u>
Capital Assets that are depreciated:				
Buildings	45,951,007	-0-	20,235,002	66,186,009
Furniture and Equipment	3,466,446	12,299	-0-	3,478,745
Total depreciable historical cost	<u>49,417,453</u>	<u>12,299</u>	<u>20,235,002</u>	<u>69,664,754</u>
Less accumulated depreciation				
Buildings	12,991,978	920,314	-0-	13,912,292
Furniture and Equipment	2,628,002	112,104	-0-	2,740,106
Total Accumulated depreciation	<u>15,619,980</u>	<u>1,032,418</u>	<u>-0-</u>	<u>16,652,398</u>
Total depreciable historical Cost, net	<u>\$56,129,876</u>	<u>\$ 10,408,184</u>	<u>\$ -0-</u>	<u>\$66,538,060</u>

Depreciation expense was not charged to a specific governmental function.

Note 8 – Short-Term Debt:

Transactions in short-term debt for the year are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN maturing 7/18 at 2.50%	\$ -0-	\$12,000,000	\$ -0-	\$12,000,000
Total	<u>\$ -0-</u>	<u>\$12,000,000</u>	<u>\$ -0-</u>	<u>\$12,000,000</u>

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

Interest paid	\$ -0-
Less interest accrued in the prior year	-0-
Plus interest accrued in the current year	<u>283,562</u>
Total expense	<u>\$ 283,562</u>

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Note 9 – Long-term Debt:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Bonds and notes payable:					
General obligation debt:					
Refunding Bonds – 2012	\$ 375,000	\$ -0-	\$ 375,000	\$ -0-	\$ -0-
Refunding Bonds – 2017	4,790,000	-0-	790,000	4,000,000	815,000
Refunding Bonds – 2017	-0-	4,020,000	5,000	4,015,000	5,000
Serial Bonds – 2010	6,600,000	-0-	4,915,000	1,685,000	820,000
Serial Bonds – 2015	13,955,000	-0-	790,000	13,165,000	825,000
Total bonds & notes payable	<u>\$25,720,000</u>	<u>\$ 4,020,000</u>	<u>\$ 6,875,000</u>	<u>\$22,865,000</u>	<u>\$ 2,465,000</u>
Other Liabilities:					
Postretirement Benefits					
Payable	\$62,106,199	\$ 5,689,297	\$ -0-	\$67,795,496	\$ -0-
Pension	1,907,240	-0-	1,593,361	313,879	-0-
Compensated Absences	30,827	8,145	-0-	38,972	30,827
Long term liabilities	<u>\$89,764,266</u>	<u>\$ 9,717,442</u>	<u>\$ 8,468,361</u>	<u>\$91,013,347</u>	<u>\$ 2,495,827</u>

Other liabilities are disclosed as net activities in the schedule above.

On November 9, 2017, \$4,020,000 in general obligation bonds with an average interest rate of 3.75 percent were issued to advance refund \$4,130,000 of outstanding bonds with an average interest rate of 4.33 percent. The net proceeds of \$4,546,316 (after payment of \$102,437 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

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

Description of Issue	Issue Date	Final Maturity	Interest Rate
Serial Bonds			
Refunding	2012	2018	2.50%
Refunding	2017	2023	2-4.0%
Refunding	2017	2025	2.0-5.0%
Construction	2010	2020	3.0-5.0%
Construction	2015	2030	3.0-5.0%

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2018	\$ 2,465,000	\$ 1,073,775	\$ 3,538,775
2019	2,585,000	958,825	3,543,825
2020	2,680,000	838,125	3,518,125
2021	2,800,000	719,775	3,519,775
2022	2,510,000	595,125	3,105,125
2023 & thereafter	<u>9,825,000</u>	<u>1,761,275</u>	<u>11,586,275</u>
Totals	<u>\$22,865,000</u>	<u>\$ 5,946,900</u>	<u>\$28,811,900</u>

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

Interest paid	\$ 1,163,283
Less interest accrued in the prior year	49,978
Plus interest accrued in the current year	<u>44,543</u>
Total Expense	<u>\$ 1,157,848</u>

Note 10 – Pension Plans:

General information:

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

Provisions and administration:

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. 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 the Teachers Retirement System. Once a public employer elects to participate in the System, the election is irrevocable. The New York Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can change for future members only by enactment of a State statute. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

NYSERS 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 System. NYSRSSL govern obligations of employers and employees to contribute and benefits to employees. Once a public employer elects to participate in the

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding policies:

The Systems are noncontributory for the employee, except for those who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined after January 1, 2010 who contribute 3% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. For NYERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the Employers' contributions for the NYERS fiscal year ended March 31. For NYSTRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

	<u>NYSTRS</u>	<u>NYERS</u>
2017 – 2018	\$1,593,895	\$ 408,321
2016 – 2017	\$1,883,152	\$ 395,680
2015 – 2016	\$1,998,152	\$ 393,671

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Since 1989, the NYERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation required participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.5% interest factor added. Local governments were given the option to prepay this liability. The total unpaid liability at the end of the year was \$-0-.

PENSION ASSETS, LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2018, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2018 for ERS and June 30, 2017 for TRS. 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 ERS and TRS Systems in reports provided to the District.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	04/01/17	06/30/17
Net pension asset/(liability)	\$(313,879)	\$ 753,530
District's portion of Plan's total net pension asset/(liability)	0.0097253%	0.099136%

For the year ended June 30, 2018, the District recognized pension expense (credit) of \$390,674 for ERS and the actuarial value \$1,642,720 for TRS. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected And actual experience	\$ 111,950	\$ 619,970	\$ 92,512	\$ 293,793
Changes of assumptions	\$ 208,128	\$7,667,318	\$ -0-	\$ -0-
Net differences between projected and actual earnings on pension plan investments	\$ 455,884	\$ -0-	\$ 899,870	\$ 1,774,782
Changes in proportion and differences between the District's and proportionate share of contributions	\$ 74,878	\$ 35,388	\$ 4,917	\$ 91,571
District's contributions subsequent To the measurement date	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	<u>\$ 850,840</u>	<u>\$8,322,676</u>	<u>\$ 997,299</u>	<u>\$ 2,160,146</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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>ERS</u>	<u>TRS</u>
Year Ended:		
2019	\$ 86,446	\$ 170,041
2020	72,102	2,024,203
2021	(212,005)	1,447,319
2022	(93,002)	356,038
2023	-0-	1,443,096
Thereafter	-0-	721,833

ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Interest Rate	7.0%	7.25%
Salary Scale	3.8%	1.90% - 4.72%
Decrement tables	4/1/10 -03/31/15	07/01/09-06/30/14
	System Experience	System Experience
Inflation Rate	2.5%	2.5%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Societies of Actuaries' scale MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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 the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2018	June 30, 2017
Asset Type		
Domestic Equity	36%	35%
International Equity	14%	18%
Real Estate	10%	11%
Domestic Fixed Income Securities		16%
Global Fixed Income Securities		2%
High Yield Income Securities		1%
Short-Term		1%
Mortgages		8%
Private Equity	10%	8%
Absolute Return Strategies	2%	
Opportunistic Portfolio	3%	
Real Assets	3%	
Bonds and Mortgages	17%	
Cash	1%	
Inflation Indexed Bonds	4%	

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% for TRS. 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 FOR THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS and 7.25% for TRS, 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 ERS and 6.25% for TRS) or 1 percentage point higher (8.0% for ERS and 8.25% for TRS) than the current rate :

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	\$(2,374,893)	\$(313,879)	\$ 1,429,656
TRS	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension asset (liability)	\$(12,981,096)	\$ 753,530	\$ 12,255,598

PENSION PLAN FIDUCIARY NET POSITION

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

	(Dollars in Thousands)	
	ERS	TRS
Valuation date	March 31, 2018	June 30, 2017
Employers' total pension asset/(liability)	\$(183,400,590)	\$(114,708,261)
Plan Net Position	\$ 180,173,145	\$ 115,468,360
Employers' net pension asset/(liability)	\$(3,227,445)	\$ 760,099
Ratio of plan net position to the Employers' total pension asset/(liability)	98.24%	100.66%

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2018 represent the projected employer contribution for the period of April 1, 2018 through June 30, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2018 amounted to \$112,548. Employee contributions are remitted monthly.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2018 are paid to the System in September, October and November 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2018 represent employee and employer contributions for the fiscal year ended June 30, 2018 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2018 amounted to \$1,775,111.

Note 11 – Interfund Transactions – Governmental Funds:

Interfund balances at June 30, 2018, are as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 5,870,761	\$ 5,513,600	\$ 104,317	\$ 287,079
Special Aid Funds	276,978	2,699,461	87,079	-0-
School Lunch Fund	-0-	-0-	-0-	-0-
Debt Service Fund	5,839,278	-0-	114,998	104,317
Capital Funds	714,964	3,365,134	200,000	114,998
Total Government Funds	<u>\$12,701,981</u>	<u>\$11,578,195</u>	<u>\$ 506,394</u>	<u>\$ 506,394</u>
 Fiduciary Agency Fund	 \$ 1,716	 \$ 1,125,502	 \$ -0-	 \$ -0-
Totals	<u>\$12,703,697</u>	<u>\$12,703,697</u>	<u>\$ 506,394</u>	<u>\$ 506,394</u>

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

Note 12 – Post-Employment Benefits:

General Information about the OPEB Plan

The District implemented GASB Statement #75, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions, in the school year ended June 30, 2018.

Plan Description - The District provides medical and dental benefits to its eligible retirees. The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. The plan is a single-employer defined benefit OPEB plan administered by the District. The District does not have legal authority to fund the future OPEB liability.

Benefits Provided - The District provides medical and Medicare Part B benefits to retired employees and their eligible employees. The benefits provided to employees upon retirement are based on provisions in various contracts that the District has in place with different classifications of employees. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Active	306
Retired	<u>167</u>
Total	<u>473</u>

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Total OPEB Liability

The District's total OPEB liability of \$67,795,496 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	3%
Salary Increases	3%
Discount Rate	2.98%
Healthcare Cost Trend Rate	8% for year 1 and decreasing 0.5 each year for 7 years and then remaining constant
Participation Rate	100% of eligible retirees expected to participate.

The discount rate was based on S & P Municipal Bond 20 year High Grade Rate Index.

Mortality rates were based on the RP-2014 mortality table with MP-2016 projection.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$62,106,199
Changes for The Year	
Service Costs	2,439,120
Interest Cost	1,834,513
Changes of benefit terms	-0-
Differences between expected and Actual experience	2,506,368
Changes in assumptions or other inputs	-0-
Benefit Payments	<u>(1,090,704)</u>
Net Changes	5,689,297
Balance at June 30, 2018	<u>\$67,795,496</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.98%) or 1 percentage point higher (3.98%) than the current discount rate:

Sensitivity – Discount Rate	Decrease (1.98%)	Assumption (2.98%)	Increase (3.98%)
Total OPEB Liability	\$ 80,255,860	\$ 67,795,496	\$ 55,335,134

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7% decreasing to 4%) or 1 percentage point higher (9% decreasing to 6%) than the current healthcare cost trend rate:

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Sensitivity – Health Care Trend Rate	Decrease 7% to 4%	Assumption 8% to 5%	Increase 9% to 6%
Total OPEB Liability	\$ 54,410,983	\$ 67,795,496	\$ 84,222,993

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 2,506,368	\$ -0-
Changes of assumptions or other inputs	-0-	-0-
Contributions subsequent to the measurement period	-0-	-0-
Total	<u>\$ 2,506,368</u>	<u>\$ -0-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended:	
2019	\$ 147,433
2020	147,433
2021	147,433
2022	147,433
2023	147,433
Thereafter	1,769,203

Note 13 – Risk Management:

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

Note 13 – Contingent Liabilities:

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 audits, the District's administration believes disallowances, if any, will be immaterial.

Note 14 – Prior Period Adjustment

Total Net Position as of July 1, 2017, has been increased by \$16,021,942 to correct an error made in 2017 by overstating deferred inflows for pensions and understating deferred outflows for pensions on the government wide financial statements. The change does not have an effect on the District's fund financial statements. Deferred outflow of resources related to the District's share of NYS pension liability was stated at \$864,647 instead of the correct amount of \$8,875,618 and Deferred inflow of resources related to the District's share of NYS Pension Liability was stated at \$8,492,448 instead of the correct amount of \$481,477.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

The District has restated its previously issued June 30, 2017 financial statements for matters related to the following previously reported items: deferred outflow of resources – pension, deferred inflow of resources – pension, employee benefit expenses. The financial statements for 2017 have been restated to reflect the corrections. The correction does not have an effect on the fund financial statements.

The following is a summary of the restatements for 2017:

Increase in Deferred Outflow of Resources - Pension	\$ 8,010,971
Reduction in Deferred Inflow of Resources - Pension	\$ 8,010,971
Employee Benefit Expense	\$12,277,982

The effect on the District's previously issued June 30, 2017 financial statements is summarized as follows:

Statement of Financial Position as of June 30, 2017:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Deferred Outflow Of Resources – Pension	864,647	8,010,971	8,875,618
Total Deferred Outflows of Resources	864,647	8,010,971	8,875,618
Total Assets and Deferred Outflows of Resource	74,027,281	8,010,971	82,038,252
Deferred Inflow Of Resources – Pension	8,492,448	(8,010,971)	481,477
Total Deferred Inflows of Resources	8,594,675	(8,010,971)	583,704
Net Position – Unrestricted	(25,472,983)	16,021,942	(9,451,041)
Total Net Position	14,036,523	16,021,942	30,058,465

Statement of Activities for the year ended June 30, 2017:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Employee Benefits	28,299,924	(16,021,942)	12,277,982
Total Functions and Programs	63,843,216	(16,021,942)	47,821,274
Change in Net Position	(13,289,687)	16,021,942	2,732,255
Total Net Position – End of Year	14,036,523	16,021,942	30,058,465

Note 15 – Subsequent Events

The District has evaluated subsequent events through September 24, 2018, which is the date these financial statements were available to be issued.

LANSINGBURGH CENTRAL SCHOOL DISTRICT AT TROY
MANAGEMENT LETTER
JUNE 30, 2018

Our examination of your financial statements is designed to express an opinion as to the fairness of presentation of those statements. During the course of our examination, certain practices or procedures came to our attention which require comment.

Internal Control System

The system of control currently in use is generally adequate.

Improvements recommended last year (June 30, 2017)

All Funds

Our test disclosed a few instances in which a payment was made without the authorization and instances in which invoices were not properly cancelled. Invoices should have the necessary paper work filed with them and be on approved warrant before they are paid. Invoices should have the remittance voucher attached, be signed received and be authorized. The invoice should be marked paid in order to avoid duplicate payments.

Current Findings (June 30, 2018)

General Fund

The unreserved fund balance at June 30, 2018 is in excess of the four percent permitted under Section 1318 of the Real Property Tax Law. (5.2%)

Extraclassroom

Our test disclosed instances in which a payment was made without an invoice and one was not signed by the student treasurer. Invoices should have the necessary paper work filed with them before they are paid. Invoices should have the remittance voucher attached, be signed received by the club advisor and authorized by the club advisor and student treasurer. The invoice should be marked paid in order to avoid duplicate payments.

All Funds

Our test disclosed a few instances in which a payment was made without the authorization and instances in which invoices were not properly cancelled. Invoices should have the necessary paper work filed with them and be on approved warrant before they are paid. Invoices should have the remittance voucher attached, be signed received and be authorized. The invoice should be marked paid in order to avoid duplicate payments.

Dated: September 28, 2018

Marie E. Stark, C.P.A.
mstark@wsbcpas.net

Bryan T. Basila, C.P.A.
basila@wsbcpas.net



STARK & BASILA
Certified Public Accountants, P.C.

132 Mohawk Street
PO Box 260
Cohoes, New York
12047

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

The Board of Education
Lansingburgh Central School District
576 Fifth Avenue
Troy, New York 12182

Dear Board Member:

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 of Lansingburgh Central School District for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Lansingburgh Central School District's basic financial statements, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lansingburgh Central School District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lansingburgh Central School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lansingburgh Central School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

Compliance and Other Matters

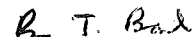
As part of obtaining reasonable assurance about whether Lansingburgh Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain matters we have reported to management of Lansingburgh Central School District in a separate letter dated September 28, 2018.

Purpose of this Report

The 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.

Very truly yours,
STARK & BASILA
Certified Public Accountants, PC



BRYAN T. BASILA, CPA

Dated: September 28, 2018

Marie E. Stark, C.P.A.
mstark@wsbcpas.net

Bryan T. Basila, C.P.A.
basila@wsbcpas.net



STARK & BASILA
Certified Public Accountants, P.C.

132 Mohawk Street
PO Box 260
Cohoes, New York
12047

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance

The Board of Education
Lansingburgh Central School District
576 Fifth Avenue
Troy, New York 12182

Dear Board Member:

Report on Compliance for Each Major Federal Program

We have audited Lansingburgh Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lansingburgh Central School District's major federal programs for the year ended June 30, 2018. Lansingburgh Central School 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

Lansingburgh Central School District's management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lansingburgh Central School 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 of 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 Lansingburgh Central School 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 Lansingburgh Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Lansingburgh Central School 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, 2018.

Report on Internal Control Over Compliance

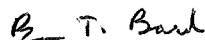
Management of Lansingburgh Central School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lansingburgh Central School District's 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 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 Lansingburgh Central 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Very truly yours,
STARK & BASILA
Certified Public Accountants, PC



BRYAN T. BASILA, CPA

Dated: September 28, 2018

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I - Summary of Auditor's Results (June 30, 2018)

Financial Statement

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

- Material weaknesses identified?
- Reportable conditions identified that are not considered to be material weaknesses

 Yes X No

 Yes X Not reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs?

- Material weaknesses identified?
- Reportable conditions identified that are not considered to be material weaknesses?

 Yes X No

 Yes X None reported

Type of Auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

 Yes X No

Identification of major programs:

ESEA – Title I
School Breakfast Program
National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

 X Yes No

Section II - Financial Statement Findings

There is nothing to be reported under this schedule.

Section III - Federal Award Findings and Questioned Costs

There is nothing to be reported under this schedule.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/ Pass Through

<u>Grantor/ Program Title US Dept of Education Pass-Through NYS Dept of Education</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>Special Education Cluster:</u>			
IDEA - Section 611	84.027	032-18-0751	681,957
IDEA - Section 619	84.173	033-18-0751	40,812
Total Special Education Cluster			<u>722,769</u>
ESEA - Title I	84.010	021-17-2495	30,452
ESEA - Title I	84.010	021-18-2495	794,253
ESEA - Title I, School Improvement	84.010	011-17-2608	1,645
ESEA - Title I, School Improvement	84.010	011-18-2608	3,971
Homeless Children	84.196	212-17-3008	15,942
Homeless Children	84.196	212-18-3008	11,940
Homeless Children	84.196	212-18-3056	16,726
ESEA - Title IIA	84.367	147-18-2495	124,802
ESEA - Title IIA	84.367	147-17-2495	1,131
Total			<u>1,000,862</u>
Total US Department of Education			<u>1,723,631</u>
<u>US Dept of Agriculture Pass-Through from New York State Education Department Child Nutrition Cluster:</u>			
School Breakfast Program	10.553		229,448
National School Lunch Program	10.555		897,114
Total US Department of Agriculture			<u>1,126,562</u>
Total Federal Assistance Programs			<u><u>2,850,193</u></u>

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
NOTES TO SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Note 1 – Summary of Certain Significant Accounting Policies:

The accompanying schedule of expenditures of Federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 have been charged with indirect costs, based upon a rate established by New York State.

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 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.

Note 2 – 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.

**LANSINGBURGH CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I - Summary of Auditor's Results (June 30, 2017)

Financial Statement

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

- Material weaknesses identified?
- Reportable conditions identified that are not considered to be material weaknesses

 Yes X No

 Yes X Not reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs?

- Material weaknesses identified?
- Reportable conditions identified that are not considered to be material weaknesses?

 Yes X No

 Yes X None reported

Type of Auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

 Yes X No

Identification of major programs:

School Breakfast Program
National School Lunch Program
ESEA – Title I

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

 X Yes No

Section II - Financial Statement Findings

There is nothing to be reported under this schedule.

Section III - Federal Award Findings and Questioned Costs

There is nothing to be reported under this schedule.

Marie E. Stark, C.P.A.
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STARK & BASILA
Certified Public Accountants, P.C.

132 Mohawk Street
PO Box 260
Cohoes, New York
12047

Independent Auditor's Opinion of Extraclassroom Activity Fund

The Board of Education
Lansingburgh Central School District
576 Fifth Avenue
Troy, New York 12182

Dear Board Member:

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity of the Lansingburgh Central School District for the year ended June 30, 2018.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

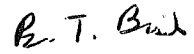
Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash and fund balances of the Extraclassroom Activity Fund, of the Lansingburgh Central School District as of June 30, 2018 arising from the cash transactions, cash collected and disbursements made and changes in fund balance during the year then ended, on a basis consistent with that of the preceding year.

Basis of Accounting

The financial statement is prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Very truly yours,
STARK & BASILA
Certified Public Accountants, PC

A handwritten signature in black ink, appearing to read "B. T. Basila".

BRYAN T. BASILA, CPA

Dated: September 28, 2018

LANSINGBURGH CENTRAL SCHOOL DISTRICT AT TROY
EXTRACLASROOM FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING JUNE 30, 2018

<u>Account Name</u>	<u>Opening Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
<u>High School</u>				
Class of 2017	\$ 1,747	\$ -	\$ 1,747	\$ -
Class of 2018	3,211	2,867	5,104	974
Class of 2019	1,064	13,476	11,036	3,504
Class of 2020	229	629	217	641
Class of 2021	-	361	-	361
Drama Club	11,442	29,214	31,646	9,010
BBC Club	163	42	-	205
Music Department	22	27,115	26,599	538
Yearbook	3,470	5,020	5,638	2,852
Honor Society	33	325	188	170
Student Government	708	5,277	3,584	2,401
Robotics	1,122	2,310	1,383	2,049
SADD	82	-	-	82
<u>Middle School</u>				
National Junior Honor Society	75	-	-	75
Student Senate	983	1,725	1,349	1,359
Student Council	1,522	401	166	1,757
Eight Grade	86	2,618	2,259	445
Totals	\$ 25,959	\$ 91,380	\$ 90,916	\$ 26,423