

**ONEIDA SPECIAL SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**June 30, 2010**

# INTRODUCTORY SECTION

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**ONEIDA SPECIAL SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**June 30, 2010**

**Elected Officials**

**Board of Education**

Chairman

Secretary/Treasurer

Vice Chairman

Member

Member

Nancy Williamson  
F.H.(Brom) Shoemaker  
Danny W. Cross  
Dorothy Watson  
Lori Phillips-Jones

**Appointed Officials**

Director of Schools

Instructional Supervisor

Elementary Principal

Middle School Principal

High School Principal

S. Henry Baggett  
Ann Daugherty  
Melinda Miller  
Cheryl Butler  
Jimmy May

# FINANCIAL SECTION

# Dennis E. Jeffers CPA, PC

Member of Tennessee Society of Certified Public Accountants

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Oneida, Tennessee 37841  
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## Independent Auditor's Report

Board of Education  
Oneida Special School District  
Oneida, Tennessee

We have audited the accompanying financial statements of the governmental activities, each major fund, and the blended component unit of Oneida Special School District, Oneida, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oneida Special School District, Oneida, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the blended component unit of the Oneida Special School District, Oneida, Tennessee, as of June 30, 2010, and the respective changes in financial position and the respective budgetary comparison for the General Purpose School Fund, Debt Service Fund, Federal Projects Fund and the Capital Projects Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2010, on our consideration of the Oneida Special School District, Oneida, Tennessee's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12 and the Schedule of Funding Progress – Pension Plan on page 47, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oneida Special School District's financial statements as a whole. The introductory section and supplemental information section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and remaining supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Dennis E. Jeffers CPA PC*

Oneida, Tennessee  
November 15, 2010

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

Our discussion and analysis of Oneida Special School Districts' financial performance provides an overview of the school system's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the school system's financial performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the school system's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- The net assets of the school system increased by \$ 314,312. This represents a 104.26 percent increase from 2009. The fund balance of governmental activities decreased by \$ 9,023 as cash and cash investments increased by \$ 99,417, receivables decreased by \$ 88,538 and capital assets increased by \$ 101,539. Unrestricted net assets increased by \$ 39,289.
- General revenues accounted for \$ 9,488,844 or 90.43 percent of total revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$ 1,004,561 or 9.57 percent of total revenues of \$ 10,493,405.
- The school district had \$ 10,179,093 in expenses. Only \$ 1,004,561 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state and federal funding) of \$ 9,488,844 were adequate to provide for these programs.
- Among major funds, the General Purpose School Fund had \$ 8,440,459 in revenues and \$ 8,440,104 in expenses. The fund balance for the General Purpose School Fund increased by \$ 355 from 2009.

**Using This Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oneida Special School District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the school system, presenting both an aggregate view of the school systems financial and a longer-term view of those finances. Fund financial statements provide the

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school system's most significant funds with all other non-major fund presented in one column. In the case of Oneida Special School District, the General Purpose School Fund is by far the most significant fund.

### **Reporting the School System as a Whole**

#### The Statement of Net Assets and the Statement of Activities

While this document contains the funds used by the school system to provide programs and activities, the view of the system as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the school system's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school system as a whole, the financial position of the system has improved or diminished. The cause of this change may be the result of many factors, some financial, and some not. Non-financial factors include the school system's tax base, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the school system reports governmental activities. Governmental activities are the activities where most of the school system's programs and services are reported, including, but not limited to, instruction, support services, operation and maintenance of plant, and pupil transportation. Oneida Special School District does not have any business-type activities.

### **Reporting the School System's Most Significant Funds**

#### **Fund Financial Statements**

Fund financial reports provide detailed information about the school system's major funds. The school system uses many funds to account for a multitude of financial transactions. However, these funds financial statements focus on the school system's

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

most significant funds. The school system's major governmental fund is the General Purpose School Fund.

**Governmental Funds**

All of the school system's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending in future periods. These funds are reported using a method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the school system's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School System as a Whole**

The Statement of Net Assets provides the perspective of the school system as a whole. Table 1 provides a summary of the Oneida Special School District's net assets for 2010 compared to 2009.

**Table 1**

	2009	2010	Change
<b>Assets</b>			
Current and Other Assets	\$ 2,191,215	\$ 2,164,440	\$ (26,775)
Capital Assets	<u>8,248,028</u>	<u>8,349,567</u>	<u>101,539</u>
Total Assets	<u><u>10,439,243</u></u>	<u><u>10,514,007</u></u>	<u><u>74,764</u></u>
<b>Liabilities</b>			
Long-Term Liabilities	995,883	840,359	(155,524)
Other Liabilities	<u>1,051,324</u>	<u>1,033,386</u>	<u>(17,938)</u>
	2,047,207	1,873,745	(173,462)
<b>Net Assets</b>			
Investment in Capital Assets , Net of Related Debt	7,252,145	7,509,208	257,063
Restricted	650,358	602,232	(48,126)
Unrestricted	<u>489,533</u>	<u>528,822</u>	<u>39,289</u>
	8,392,036	8,640,262	248,226
Total Liabilities and Net Assets	<u><u>\$ 10,439,243</u></u>	<u><u>\$ 10,514,007</u></u>	<u><u>\$ 74,764</u></u>

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

Total assets of governmental activities increased by \$ 314,312 as cash and cash equivalents increased by \$ 99,417. Receivables decreased by \$ 88,538. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grant requirements or legal requirements increased by \$ 39,289.

Table 2 shows the changes in net assets for fiscal year 2009 and 2010.

Changes in Net Assets	2009	2010	Percentage Change
<b>Revenues</b>			
Property Taxes	\$ 1,147,499	\$ 1,149,629	0.19%
Other Local Revenue	134,841	441,271	227.25%
Other Local Taxes	340,721	557,643	63.67%
State and Federal Through State	7,385,980	7,717,053	4.48%
Other Revenues	372,858	34,005	-90.88%
Interest Earnings	28,919	30,514	5.52%
Food Services	527,084	563,290	6.87%
<b>Total Revenues</b>	<b>9,937,902</b>	<b>10,493,405</b>	<b>5.59%</b>
<b>Program Expenses</b>			
Regular Instruction Program	4,951,666	4,723,157	-4.61%
Special Education Instruction Program	785,681	967,485	23.14%
Vocational Education Instruction Program	196,939	203,390	3.28%
Support Services	954,957	1,020,589	6.87%
Administration	999,622	975,099	-2.45%
Community Services	33,300	33,300	0.00%
Student Transportation	181,816	180,750	-0.59%
Operation and Maintenance of Plant	1,225,742	1,122,329	-8.44%
Early Childhood Education	299,766	300,592	0.28%
Interest and Fiscal Charges	53,715	116,601	117.07%
Food Service	556,004	535,801	-3.63%
<b>Total Expenses</b>	<b>10,239,208</b>	<b>10,179,093</b>	<b>-0.59%</b>
Increase (Decrease) in Net Assets	(301,306)	314,312	-204.32%
Beginning Net Assets	8,659,596	8,325,950	-3.85%
<b>Ending Net Assets</b>	<b>\$ 8,358,290</b>	<b>\$ 8,640,262</b>	<b>3.37%</b>

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

**Governmental Activities**

State and federal aid through state revenues comprises 73.54 percent of revenues for governmental activities for the Oneida Special School District system for fiscal year 2010. Sales taxes make up 5.31 percent of revenues, with property taxes making up 10.96 percent.

Instruction total 57.90 percent of system expenses. Support services expenses comprise 10.02 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<b>Total Cost of Services 2009</b>	<b>Net Cost of Services 2009</b>	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>
Instruction	\$ 5,934,286	\$ 3,593,565	\$ 5,894,032	\$ 5,799,273
Support Services	934,957	934,957	1,020,589	1,020,589
Food Services	556,004	28,920	535,801	(27,489)
Administration	999,622	999,622	975,099	975,099
Other Education Costs	215,116	215,116	214,050	214,050
Operation and Maintenance	1,525,508	1,525,508	1,422,921	1,076,409
Interest and Fiscal Charges	53,715	53,715	116,601	116,601
Depreciation - Unallocated	-	-	-	-
	<u>\$ 10,219,208</u>	<u>\$ 7,351,403</u>	<u>\$ 10,179,093</u>	<u>\$ 9,174,532</u>

Instruction expenses include activities directly relating to teaching students and the interaction between teachers and students.

Support services include a broad range of activities that assist the educational process. These activities include assisting staff with the content and process of teaching pupils; conveyance of students to and from school and school activities; keeping school grounds and buildings in working order; administration and financial supervision of the system.

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

Operations of non-instructional services include expenses relating to after-school programs for students and parental resource programs.

Food services involve the preparation and serving of breakfast and lunch meals to students and school staff.

Capital outlay and contributions includes costs for major additions, improvements or renovations to school buildings, school grounds or equipment.

Interest and fiscal charges involve the transactions associated with payment of interest and other related charges to debt of the school system.

Unallocated depreciation includes depreciation, which was not allocated to a specific governmental function because the expense or activity was shared by multiple functions.

The dependence upon tax revenue is apparent. Over 91 percent of instruction activities are supported through taxes and other general revenues. The community as a whole is the primary support for the Oneida Special School District.

### **The School System's Funds**

Information about the school system's major funds is detailed in the basic financial statement section of the financial statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 10,493,405 and expenditures of \$ 10,502,428.

As the school system completed the year, all governmental funds had a fund balance of \$1,147,006 this represents a decrease of \$ 9,023 from 2009.

### **General Purpose School Fund Budgetary Highlights**

The school system's budget is prepared according to Tennessee law and is based on general accepted accounting principles. The most significant budgeted fund is the General Purpose School Fund.

The school system amended its budget at the end of the 2010 fiscal year. The items amended fell into three categories. The first category included all professional salaries and related benefits, which were increased in January by the State of Tennessee.

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

The second category included increases in capital outlay caused by building projects at the schools. The third category included transfers made from line items to line items to prevent budget overruns. Overall appropriations decreased by \$ 34,308.

**Capital Assets**

At the end of fiscal year 2010, the school system had \$ 8,349,567 invested in land, buildings and improvements, machinery and equipment, and vehicles, net of depreciation.

Table 4 shows fiscal 2010 balances compared to 2009.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<b>2009</b>	<b>2010</b>
Land	\$ 473,271	\$ 547,786
Construction in Progress	-	278,034
Buildings and Improvements	7,642,205	7,419,647
Machinery and Equipment	132,552	104,100
	\$ 8,248,028	\$ 8,349,567

Depreciation expenses for the year were \$ 251,010.

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

**Debt Administration**

At June 30, 2010, the school system had outstanding bonds and notes payable totaling \$ 840,359, with \$ 186,570 due within one year.

**Table 5  
Outstanding Debt at June 30**

	2009	2010
1,280,000 School Refunding Bonds, Series 1998, Interest 4.5 to 5% Matures 12/1/10, annual payments of \$75,000 to \$125,000	245,000	125,000
First National Bank 1994 Issue for \$1,008,359.17 At 5%, monthly Payments of \$2,253.76 matures 9/27/09	583,689	607,674
Brewco LLC 2000 \$240,000 at 6% \$2025.59 Monthly, matures 8/15/15	124,964	107,685
Tennessee Department of Economic Dev 2004, Annual Payments of \$43,496.58 includes interest at 3% seven payments	42,230	-
	\$ 995,883	\$ 840,359

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

**Current Financial Issues and Concerns**

Local economic factors present a less than favorable outlook for the Oneida Special School District. The decline in state revenues is a huge concern for the district. In addition, the school system's student population has increased by 3 percent each year, impacting the division of county tax revenue and increasing funding from the state.

A concern that remains in the forefront of the minds of the administration and Board of Education is the uncertain state financial situation. These scenarios require the school system to plan carefully and prudently to provide resources to meet student needs over the next several years.

In conclusion, the Oneida Special School District has committed itself to financial excellence for many years. In addition, the school system's system of budgeting and internal financial controls is well regarded. The school system plans to continue its sound financial management to meet the challenges of the future.

**Contacting the School System's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Oneida Special School District's finances and to show the school system's accountability for the money it receives. If you have questions about this report or need additional financial information contact S. Henry Baggett, Director of Schools at Oneida Special School District, 195 N. Bank Street, Oneida TN 37841, email at [hbaggett@OneidaSchools.org](mailto:hbaggett@OneidaSchools.org).

# **BASIC FINANCIAL STATEMENTS**

**Oneida Special School District  
Government-wide Statement of Net Assets  
June 30, 2010**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 442,193
Investments	470,895
Receivables (net of allowance for uncollectible)	
Due from Other Governments	210,335
Property taxes	1,027,291
Total current assets	<u>2,150,714</u>
<b>Restricted assets:</b>	
Temporarily restricted:	
Investments	13,726
Total restricted assets	<u>13,726</u>
<b>Capital assets</b>	
Land	547,786
Buildings	11,097,902
Machinery and equipment	494,658
Construction in Progress	278,034
Less: Accumulated Depreciation	(4,068,813)
Total capital assets	<u>8,349,567</u>
<b>Total Assets</b>	<u><u>\$ 10,514,007</u></u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
Government-wide Statement of Net Assets  
June 30, 2010**

	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and other current liabilities	\$ -
Deferred Revenue	1,017,436
Notes Payable - Current	186,570
Current liabilities	<u>1,204,006</u>
Noncurrent liabilities:	
Compensated Absences	15,950
Notes & Bonds Payable	653,789
Total Noncurrent liabilities	<u>669,739</u>
Total liabilities	<u>1,873,745</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	7,509,208
Restricted for:	
Cafeteria fund	73,176
Debt Service	393,318
Capital Projects	24,113
Building Fund	60,985
Scholarship	13,339
Other Purposes	37,301
Unrestricted	528,822
Total net assets	<u>8,640,262</u>
Total Liabilities and Net Assets	<u>\$ 10,514,007</u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
Government-wide Statement of Activities  
For the Year Ended June 30, 2010**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total Governmental Activities</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b><u>Functions/Programs</u></b>				
<b>Primary government:</b>				
Government activities:				
Regular Instruction Program	\$ 4,723,157	\$ -	\$ 94,759	\$ (4,628,398)
Special Education Program	967,485	-	-	(967,485)
Vocational Education Program	203,390	-	-	(203,390)
Support Services	1,020,589	-	-	(1,020,589)
Food Services	535,801	207,598	355,692	27,489
Administration	975,099	-	-	(975,099)
Community Services	33,300	-	-	(33,300)
Student Transportation	180,750	-	-	(180,750)
Operation and Maintenance of Plant	1,122,329	-	346,512	(775,817)
Early Childhood Education	300,592	-	-	(300,592)
Interest and fees on long-term debt	116,601	-	-	(116,601)
Total governmental activities	<u>\$ 10,179,093</u>	<u>\$ 207,598</u>	<u>\$ 796,963</u>	<u>(9,174,532)</u>
General revenues:				
Property taxes				1,149,629
Other Local revenue				557,643
State and Federal Through State				7,717,053
Other Revenues				34,005
Unrestricted Investment Earnings				30,514
Total general revenues				<u>9,488,844</u>
Change in net assets				314,312
Net assets - beginning of year as previously stated				8,392,036
Adjustments necessary for prior year correction (See Note V-J)				<u>(66,086)</u>
Net assets - beginning of year as restated				<u>8,325,950</u>
Net assets - ending				<u>\$ 8,640,262</u>

*The notes to financial statements are an integral part of these financial statement.*

Oneida Special School District  
Balance Sheet  
Governmental Funds  
June 30, 2010

	MAJOR FUNDS						TOTAL
	General Purpose School	Debt Service Fund	Federal Projects	Food Service	Capital Projects	Building Fund	Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 406,015	\$ -	\$ -	\$ 73,176	\$ -	\$ 656	\$ 479,847
Investments	-	391,362	-	-	19,204	60,329	470,895
Restricted Cash	13,726	-	-	-	-	-	13,726
Property Taxes Receivables (Net)	1,027,291	-	-	-	-	-	1,027,291
Due from other funds	-	-	-	-	-	-	-
Due from other Governments	165,818	1,956	37,652	-	4,909	-	210,335
Total assets	<u>1,612,850</u>	<u>393,318</u>	<u>37,652</u>	<u>73,176</u>	<u>24,113</u>	<u>60,985</u>	<u>2,202,094</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other funds	-	-	37,652	-	-	-	37,652
Deferred revenue	1,017,436	-	-	-	-	-	1,017,436
Total liabilities and credits	<u>1,017,436</u>	<u>-</u>	<u>37,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,055,088</u>
Fund balances:							
Reserved for:							
Building Program	-	-	-	-	-	60,985	60,985
Debt service	-	393,318	-	-	-	-	393,318
Capital Projects	-	-	-	-	24,113	-	24,113
Food Service	-	-	-	73,176	-	-	73,176
Scholarship	13,339	-	-	-	-	-	13,339
Other Purposes	37,301	-	-	-	-	-	37,301
Unreserved, reported in:							
General fund	544,774	-	-	-	-	-	544,774
Total fund balances	<u>595,414</u>	<u>393,318</u>	<u>-</u>	<u>73,176</u>	<u>24,113</u>	<u>60,985</u>	<u>1,147,006</u>
Total liabilities and fund balances	<u>\$ 1,612,850</u>	<u>\$ 393,318</u>	<u>\$ 37,652</u>	<u>\$ 73,176</u>	<u>\$ 24,113</u>	<u>\$ 60,985</u>	<u>\$ 2,202,094</u>

The notes to financial statements are an integral part of these financial statements.

**Oneida Special School District  
 Reconciliation of Balance Sheet of Governmental Funds to  
 the Statement of Net Assets  
 June 30, 2010**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - total governmental funds (Page16)		\$ 1,147,006
1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Add: Land	547,786	
Buildings	11,097,902	
Machinery and equipment	494,658	
Construction in progress	278,034	
Less: Accumulated Depreciation	<u>(4,068,813)</u>	
		8,349,567
2) Long-term Liabilities are not due and payable in the current period and are therefore are not reported in the governmental funds.		
Less: Compensated Absences	(15,950)	
Notes and Bonds Payable	<u>(840,360)</u>	
		(856,310)
Net Assets (page 14)		<u><u>\$ 8,640,263</u></u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance:**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	MAJOR FUNDS						TOTAL
	General Purpose School Fund	Debt Service Fund	Federal Projects Fund	Capital Projects Fund	Cafeteria Fund	School Bldg Fund	Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 1,149,629	-	\$ -	\$ -	\$ -	\$ -	\$ 1,149,629
Local option sales tax:	557,643	-	-	-	-	-	557,643
Cafeteria Charges	-	-	-	-	207,598	-	207,598
Other Revenues	20,512	-	-	-	-	-	20,512
Federal and State Revenue:	6,588,314	-	1,128,739	-	355,692	-	8,072,745
Miscellaneous	10,524	1,956	-	1,013	-	-	13,493
Proceeds from Scott County Deb:	-	-	-	346,512	-	-	346,512
Interest earnings	19,078	9,859	-	144	91	1,342	30,514
Contributions and donations	94,759	-	-	-	-	-	94,759
Total revenues	8,440,459	11,815	1,128,739	347,669	563,381	1,342	10,493,405
<b>EXPENDITURES</b>							
Regular Instruction Program:	4,061,917	-	609,226	-	-	-	4,671,143
Special Education Program	564,827	-	402,658	-	-	-	967,485
Vocational Education Program:	188,974	-	14,416	-	-	-	203,390
Support Services -- Attendance	19,217	-	8,931	-	-	-	28,148
Support Services -- Health Service:	157,473	-	53,655	-	-	-	211,128
Support Services -- Other Student Support:	253,327	-	22,109	-	-	-	275,436
Support Services -- Regular Instructor	390,396	-	800	-	-	-	391,196
Support Services -- Special Educator	114,681	-	-	-	-	-	114,681
Administration -- Board of Educator	178,018	-	-	-	-	-	178,018
Administration -- Office of the Director of School:	190,981	-	-	-	-	-	190,981
Administration -- Office of the Principals	473,538	-	-	-	-	-	473,538
Business Administration -- Fiscal Service:	115,618	-	16,944	-	-	-	132,562
Community Services:	33,300	-	-	-	-	-	33,300
Student Transportation	180,750	-	-	-	-	-	180,750
Operation of Plant	812,697	-	-	-	-	-	812,697
Maintenance of Plant	58,622	-	-	-	-	-	58,622
Early Childhood Education	300,592	-	-	-	-	-	300,592
School Food Service	-	-	-	-	535,801	-	535,801
Debt Service:							
Principal	-	221,610	-	-	-	-	221,610
Interest	-	114,686	-	-	-	-	114,686
Other Capital Outlay	-	1,915	-	352,549	-	-	354,464
Total expenditures	8,094,928	338,211	1,128,739	352,549	535,801	-	10,450,228
Excess (deficiency) of revenues over (under) expenditures:	345,531	(326,396)	-	(4,880)	27,580	1,342	43,177
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds of Notes Payable	-	-	-	-	-	-	-
Transfers in	-	292,976	-	25,000	-	-	317,976
Transfers out	(345,176)	(25,000)	-	-	-	-	(370,176)
Total other financing sources and uses:	(345,176)	267,976	-	25,000	-	-	(52,200)
Net change in fund balances:	355	(58,420)	-	20,120	27,580	1,342	(9,023)
Fund balances - beginning	595,059	451,738	-	3,993	45,596	59,643	1,156,029
Fund balances - ending	\$ 595,414	\$ 393,318	\$ -	\$ 24,113	\$ 73,176	\$ 60,985	\$ 1,147,006

The notes to financial statements are an integral part of these financial statement

**Oneida Special School District  
 Reconciliation of the Statement of Revenues  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended June 30, 2010**

Amounts reported for governmental activities in the statement of activities (page 18) are different because:

Net change in fund balances--total governmental funds ( page 18)	\$	(9,023)
--	----	---------

- 1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: Capitalized Land and Building	352,549	
Less: Depreciation expense	<u>(251,010)</u>	
	101,539	101,539

- 2) The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Add: Principal payments on bonds	<u>221,610</u>	221,610
----------------------------------	----------------	---------

- 3) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences Balance Prior	16,136	
Compensated Absences Current	<u>(15,950)</u>	
Less: Decrease in compensated absences		186

	<u>\$</u>	<u>314,312</u>
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Change in net assets of governmental activities (page 15)

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
Combining Statements of Assets and Liabilities - All Agency Funds  
June 30, 2010**

	<b>Elementary School Activity Fund</b>	<b>Middle School Activity Fund</b>	<b>High School Activity Fund</b>	<b>Totals</b>
<b>Assets</b>				
Cash	\$ 25,778	\$ 30,873	\$ 111,444	\$ 168,095
Investments	-	-	10,000	10,000
<b>Total Assets</b>	<u>25,778</u>	<u>30,873</u>	<u>121,444</u>	<u>178,095</u>
<b>Liabilities</b>				
Activity Funds Due to Schools	<u>\$ 25,778</u>	<u>\$ 30,873</u>	<u>\$ 121,444</u>	<u>\$ 178,095</u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
General Purpose School Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Local Taxes</b>				
County Property Taxes - Current	\$ 680,000	\$ 647,460	\$ 647,460	\$ -
County Property Taxes - Prior Years	57,000	53,082	50,222	(2,860)
County Property Taxes - Delinquent	22,000	21,709	17,148	(4,561)
Interest and Penalty on Delinquent County Taxes	10,125	7,588	7,980	392
Payment in Lieu of Taxes - TVA	13	12	12	-
Payment in Lieu of Taxes - Local Utilities	90,000	93,959	93,959	-
Local Option Sales Taxes	560,000	513,312	557,643	44,331
Coal Severance Tax	6,000	-	-	-
Interstate Telecommunications Tax	1,200	519	577	58
School District Property Taxes - Current	305,000	308,152	308,324	172
School District Property Taxes - Prior Years	27,500	32,516	32,516	-
School District in Lieu of Taxes	45,000	57,757	57,757	-
Interest and Penalty on Delinquent School District Taxes	3,200	2,587	2,587	-
Pick-up Taxes	-	550	550	-
Marriage Licenses	300	253	272	19
Receipts from Individual Schools	7,000	9,702	9,702	-
Investment Income	8,000	8,511	8,511	-
E-Rate Funding	21,154	25,366	25,366	-
Miscellaneous Refunds	5,430	5,430	5,504	74
Contributions and Gifts	96,852	94,759	94,759	-
Other Local Revenues	-	-	15,008	15,008
<b>Total Local Revenues</b>	<b>1,945,774</b>	<b>1,883,224</b>	<b>1,935,857</b>	<b>52,633</b>
<b>State of Tennessee and Federal Revenues</b>				
Basic Education Program	5,687,128	5,693,128	5,693,128	-
Basic Education Program (ARRA)	233,700	233,700	233,700	-
Driver Education	4,500	5,563	5,563	-
Other State Education Funds	322,092	322,959	311,929	(11,030)
Coordinated School Health (ARRA)	90,000	90,000	90,000	-
Career Ladder Program	67,000	51,587	51,587	-
Career Ladder Extended Contract (ARRA)	14,300	14,299	10,876	(3,423)
Other Direct Federal Revenue-Vocational	25,000	25,000	25,000	-
Other State and Local Funds	10,500	3,600	3,600	-
Family Resource (ARRA)	33,300	33,300	33,300	-
TStatewide student management	3,159	3,202	4,343	1,141
Other Revenues	20,000	23,230	24,230	1,000
Safe Schools (ARRA)	4,200	4,200	4,200	-
Insurance Recovery	13,000	13,146	13,146	-
Lottery Revenue	-	-	-	-
<b>Total State of Tennessee and Federal Revenues</b>	<b>6,527,879</b>	<b>6,516,914</b>	<b>6,504,602</b>	<b>(12,312)</b>
<b>Total Revenues</b>	<b>\$ 8,473,653</b>	<b>\$ 8,400,138</b>	<b>\$ 8,440,459</b>	<b>\$ 40,321</b>

*The notes to financial statements are an integral part of these financial statement.*

Oneida Special School District  
 General Purpose School Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Actuals  
 (Budgetary Basis) and Budget  
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Regular Instruction Program:</b>				
Teacher Salaries	\$ 2,716,665	\$ 2,668,394	\$ 2,668,394	-
Career Ladder Program	36,000	34,993	34,993	-
Career Ladder Extended Contract	12,536	12,536	12,536	-
Homebound Teachers Salaries	7,000	7,986	7,986	-
Aides - Salaries	199,370	186,220	186,220	-
Other Salaries and Wages	40,000	44,742	44,742	-
Substitute Teachers - Salaries	15,000	8,363	8,363	-
Non-Certified Substitute Teachers - Salaries	57,950	43,424	43,424	-
Social Security	176,209	172,972	172,972	-
State Retirement	203,106	203,241	203,241	-
Life Insurance	2,200	1,881	1,881	-
Medical Insurance	405,000	427,519	427,519	-
Unemployment Compensation	8,000	5,668	5,668	-
Medicare	35,287	40,837	40,837	-
Other Contracted Services	6,000	11,419	11,419	-
Maintenance and Repair Services Equip.	12,005	772	-	772
Instructional Supplies	70,000	64,819	64,819	-
Textbooks	40,000	36,079	36,079	-
Other Materials and Supplies	46,000	32,871	32,546	325
Other Charges	8,251	5,251	5,220	31
Fee Waivers	7,000	6,759	6,759	-
Computers and Other Instructional Aids	35,000	46,299	46,299	-
<b>Total Regular Instruction</b>	<b>4,138,579</b>	<b>4,063,045</b>	<b>4,061,917</b>	<b>1,128</b>
<b>Special Education Program:</b>				
Teacher Salaries	256,500	248,267	248,267	-
Career Ladder Program	1,000	970	970	-
Aides - Salaries	51,000	50,168	50,168	-
Speech Pathologist	60,000	60,000	60,000	-
Substitute Teachers - Salaries	16,500	18,000	18,000	-
Social Security	23,870	20,471	20,471	-
State Retirement	26,815	24,169	24,169	-
Life Insurance	400	240	240	-
Medical Insurance	56,535	67,253	67,253	-
Unemployment Compensation	1,000	1,770	1,770	-
Medicare	5,583	4,804	4,804	-
Contracts with Public Agencies	6,000	31,613	31,613	-
Contracts with Private Agencies	7,000	9,700	9,700	-
Other Contracted Services	15,000	10,419	10,419	-
Instructional Supplies	6,000	14,651	14,651	-
Special Education Equipment	5,000	2,332	2,332	-
<b>Total Special Education</b>	<b>\$ 538,203</b>	<b>\$ 564,827</b>	<b>\$ 564,827</b>	<b>-</b>

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

Oneida Special School District  
 General Purpose School Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
 (Budgetary Basis) and Budget  
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Vocational Education Program</b>				
Teacher Salaries	\$ 126,570	\$ 126,570	\$ 126,570	\$ -
Career Ladder Program	1,000	1,000	1,000	-
Other Salaries and Wages	18,200	18,162	18,162	-
Substitute Teachers - Salaries	3,000	3,342	3,342	-
Social Security	8,800	9,194	9,194	-
State Retirement	10,500	10,480	10,480	-
Life Insurance	126	91	91	-
Medical Insurance	9,200	9,005	9,005	-
Unemployment Compensation	500	529	529	-
Maintenance & Repair-Equipment	500	-	-	-
Medicare	2,200	3,102	3,102	-
Other Supplies and Materials	4,000	5,735	5,735	-
Other Materials	2,000	1,764	1,764	-
<b>Total Vocational Instruction</b>	<b>186,596</b>	<b>188,974</b>	<b>188,974</b>	<b>-</b>
<b>Support Services Attendance</b>				
Other Salaries & Wages	19,000	16,846	16,846	-
Social Security	1,116	1,045	1,045	-
State Retirement	1,155	1,081	1,081	-
Employer Medicare	261	245	245	-
Travel	500	-	-	-
<b>Total Support Services Attendance</b>	<b>22,032</b>	<b>19,217</b>	<b>19,217</b>	<b>-</b>
<b>Support Services Health Services</b>				
Medical Personnel	91,825	94,662	94,662	-
Other Salaries & Wages	22,050	21,220	21,220	-
Social Security	7,085	6,764	6,764	-
State Retirement	9,099	8,947	8,947	-
Life Insurance	94	42	42	-
Unemployment Compensation	292	492	492	-
Medicare	1,654	1,582	1,582	-
Other Educational Services	1,500	500	500	-
Drugs and Medical Supplies	600	-	-	-
Medical Insurance	13,872	13,865	13,865	-
Communication	500	-	-	-
Other Supplies and materials	6,103	6,399	6,399	-
Travel	4,000	3,000	3,000	-
Health Equipment	500	-	-	-
<b>Total Support Services Health Services</b>	<b>\$ 159,174</b>	<b>\$ 157,473</b>	<b>\$ 157,473</b>	<b>\$ -</b>

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

Oneida Special School District  
 General Purpose School Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
 (Budgetary Basis) and Budget  
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Support Services - Other Student Support</b>				
Career Ladder Program	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Guidance Personnel - Salaries	156,854	156,854	156,854	-
Clerical Personnel	18,565	18,065	18,065	-
Social Security	9,500	10,122	10,122	-
State Retirement	12,200	12,476	12,476	-
Life Insurance	220	168	168	-
Medical Insurance	28,722	26,295	26,295	-
Unemployment Compensation	375	213	213	-
Medicare	2,400	2,367	2,367	-
Evaluation and Testing	9,000	11,011	11,011	-
Other Contracted Services	13,659	9,046	9,046	-
Other Supplies and Materials	2,000	510	510	-
Travel	-	-	-	-
Other Equipment	4,200	4,200	4,200	-
<b>Total Support Services - Other Student Support</b>	<b>259,695</b>	<b>253,327</b>	<b>253,327</b>	<b>-</b>
<b>Support Services Regular Instruction Program</b>				
Supervisor	44,024	45,024	45,024	-
Career Ladder	3,000	3,000	3,000	-
Librarians	82,318	78,535	78,535	-
Other Wages and Salaries	151,687	146,827	146,827	-
Other per diem Fees	1,500	-	-	-
Social Security	16,420	16,026	16,026	-
State Retirement	23,018	22,863	22,863	-
Life Insurance	252	143	143	-
Medical Insurance	21,872	22,172	22,172	-
Unemployment Compensation	800	1,215	1,215	-
Medicare	3,900	3,745	3,745	-
Postal Charges	6,000	-	-	-
Travel	7,200	3,053	2,753	300
Other Contracted Services	15,000	18,194	18,194	-
Library Books	12,000	13,501	13,501	-
Periodicals	3,000	1,910	1,910	-
Other Materials and Supplies	16,800	12,646	12,656	(10)
In-service Staff Development	2,200	2,200	548	1,652
Other Charges	1,770	1,785	1,284	501
Other Equipment	-	-	-	-
<b>Total Support Services Regular Instruction</b>	<b>\$ 412,761</b>	<b>\$ 392,839</b>	<b>\$ 390,396</b>	<b>\$ 2,443</b>

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

**Oneida Special School District**  
**General Purpose School Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual**  
**(Budgetary Basis) and Budget**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Expenditures</u> <u>(Budgetary</u> <u>Basis</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>EXPENDITURES</b>				
<b>Support Services - Special Education Program</b>				
Supervisor/ Director - Salaries	\$ 61,464	\$ 61,464	\$ 61,464	\$ -
Career Ladder Program	1,000	1,000	1,000	-
Secretary	19,295	19,295	19,295	-
Social Security	5,069	4,815	4,815	-
State Retirement	6,443	6,443	6,443	-
Life Insurance	84	85	85	-
Medical Insurance	8,500	7,901	7,901	-
Medicare	1,186	1,126	1,126	-
Unemployment Insurance	150	310	310	-
Maintenance and Repair Services	800	287	287	-
Travel	5,500	6,319	6,319	-
Other Contracted Services	2,500	2,556	2,556	-
In-service	1,000	1,978	1,978	-
Other Charges	500	1,102	1,102	-
<b>Total Support Services - Special Education Program</b>	<b>113,491</b>	<b>114,681</b>	<b>114,681</b>	<b>-</b>
<b>Support Services - Board of Education</b>				
Other Fringe Benefits	120	120	120	-
Audit Services	9,000	9,500	9,500	-
Dues and Memberships	7,500	7,352	7,352	-
Legal Services	4,000	11,455	11,455	-
Travel	8,000	8,057	8,057	-
Other Contracted Services	30,000	28,406	28,406	-
Liability Insurance	16,576	16,876	16,876	-
Premiums on Corporate Surety Bonds	1,600	1,500	1,500	-
Trustee Commissions	31,000	29,309	29,309	-
Workers' Compensation Insurance	49,588	53,500	53,500	-
In-service Staff Development	1,500	1,151	1,151	-
Other Charges	3,000	10,792	10,792	-
<b>Total Support Services - Board of Education</b>	<b>\$ 161,884</b>	<b>\$ 178,018</b>	<b>\$ 178,018</b>	<b>\$ -</b>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**General Purpose School Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Actua**  
**(Budgetary Basis) and Budget**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Administration - Office of the Director of Schools</b>				
Administrative Officer/ Superintendent - Salary	\$ 81,630	\$ 81,630	\$ 81,630	\$ -
Career Ladder	1,000	1,000	1,000	-
Clerical Personnel	21,684	22,315	22,315	-
Social Security	6,100	6,079	6,079	-
State Retirement	8,040	8,119	8,119	-
Life Insurance	84	84	84	-
Medical Insurance	13,500	13,626	13,626	-
Unemployment Compensation	200	366	366	-
Medicare	1,380	1,422	1,422	-
Communication	21,500	21,215	21,215	-
Dues and Memberships	3,200	5,406	5,406	-
Postal Charges	4,270	5,220	5,220	-
Travel	5,000	5,299	5,299	-
Other Contracted Services	15,500	14,579	14,579	-
Office Supplies	600	400	400	-
Other Supplies and Materials	500	513	513	-
Other Charges	3,000	3,708	3,708	-
Administration Equipment	-	-	-	-
<b>Total Office of the Superintendent</b>	<b>187,188</b>	<b>190,981</b>	<b>190,981</b>	<b>-</b>
<b>School Administration - Office of the Principals</b>				
Principals - Salaries	192,066	192,066	192,066	-
Career Ladder Program	4,600	6,600	6,600	-
Bookkeepers	62,745	62,745	62,745	-
Clerical Personnel	93,581	94,885	94,885	-
Social Security	19,000	20,518	20,518	-
State Retirement	32,300	32,632	32,632	-
Life Insurance	326	294	294	-
Medical Insurance	43,000	49,352	49,352	-
Unemployment Compensation	700	1,485	1,485	-
Medicare	4,600	4,799	4,799	-
Communication	4,500	3,393	3,393	-
Travel	2,500	823	823	-
Data Processing	1,770	1,770	1,770	-
Dues and Memberships	1,500	-	-	-
Data Processing Supplies	250	-	-	-
In Service Staff Development	2,000	2,052	2,052	-
Other Materials and Supplies	1,000	124	124	-
<b>Total Office of the Principals</b>	<b>\$ 466,438</b>	<b>\$ 473,538</b>	<b>\$ 473,538</b>	<b>\$ -</b>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
General Purpose School Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Business Administration - Fiscal Services</b>				
Accountants/Bookkeepers	\$ 45,840	\$ 45,442	\$ 45,442	\$ -
Other Salaries and Wages	39,775	39,376	39,376	-
Social Security	5,100	5,108	5,108	-
State Retirement	10,800	10,696	10,696	-
Life Insurance	84	60	60	-
Medical Insurance	4,375	2,986	2,986	-
Unemployment Compensation	275	275	275	-
Medicare	1,242	1,195	1,195	-
Dues and Memberships	200	-	-	-
Maintenance and Repair Services	-	-	-	-
Advertising	2,000	1,710	1,710	-
Data Processing Services	5,111	5,464	5,464	-
Travel	2,500	1,725	1,725	-
Other Contracted Services	500	78	78	-
Data Processing Supplies	1,000	722	722	-
Office Supplies	500	566	566	-
Other Charges	500	215	215	-
Administration Equipment	-	-	-	-
<b>Total Business Administration - Fiscal Services</b>	<b>119,802</b>	<b>115,618</b>	<b>115,618</b>	<b>-</b>
<b>Operation of Plant</b>				
Custodial Personnel	260,000	267,220	267,220	-
Guards	10,000	2,453	2,453	-
Social Security	16,740	15,926	15,926	-
State Retirement	33,500	30,266	30,266	-
Life Insurance	220	102	102	-
Medical Insurance	46,070	34,520	34,520	-
Unemployment Compensation	800	1,429	1,429	-
Medicare	3,900	3,725	3,725	-
Maintenance and Repair Equipment	1,000	-	-	-
Disposal Fee	200	-	-	-
Electricity	232,000	228,467	228,467	-
Natural Gas	50,000	46,868	46,868	-
Water and Sewer	25,000	20,223	20,223	-
Other Supplies and Materials	60,000	93,133	93,133	-
Other Contracted Services	-	-	-	-
Boiler Insurance	2,587	2,587	2,587	-
Building and Contents Insurance	45,524	45,524	45,524	-
Plant Operation Equipment	6,000	520	520	-
Other Charges	20,000	19,734	19,734	-
<b>Total Operation of Plant</b>	<b>\$ 813,541</b>	<b>\$ 812,697</b>	<b>\$ 812,697</b>	<b>\$ -</b>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**General Purpose School Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual**  
**(Budgetary Basis) and Budget**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Maintenance of Plant</b>				
Maintenance and Repair Services - Buildings	\$ 34,000	\$ 12,999	\$ 12,999	\$ -
Maintenance and Repair Services - Equipment	30,000	14,616	14,616	-
Equipment and Machinery Parts	4,000	2,599	2,599	-
Other Charges	2,000	3,731	3,731	-
Other Materials and Supplies	20,000	24,247	24,247	-
Maintenance Equipment	5,000	430	430	-
<b>Total Maintenance of Plant</b>	<b>95,000</b>	<b>58,622</b>	<b>58,622</b>	<b>-</b>
<b>Student Transportation</b>				
Transportation Supervisor	27,020	27,020	27,020	-
Bus Drivers	56,638	67,649	67,649	-
Social Security	4,841	5,656	5,656	-
State Retirement	8,683	10,631	10,631	-
Life Insurance	126	81	81	-
Medical Insurance	9,000	13,596	13,596	-
Unemployment Compensation	560	353	353	-
Medicare	1,126	1,323	1,323	-
Maintenance and Repair Vehicles	12,000	3,468	3,468	-
Medical Services	1,000	1,148	1,148	-
Other Contracted Services	-	345	345	-
Gasoline	25,000	22,124	22,124	-
Tires and Tubes	2,500	3,848	3,848	-
Vehicle Parts	4,000	4,842	4,842	-
Other Materials and Supplies	500	1,080	1,080	-
Vehicle Equipment Insurance	14,555	14,555	14,555	-
In-service Staff Development	650	650	650	-
Other Charges	3,000	2,381	2,381	-
<b>Total Student Transportation</b>	<b>171,199</b>	<b>180,750</b>	<b>180,750</b>	<b>-</b>
<b>Community Services</b>				
Clerical Personnel	4,397	4,397	4,397	-
Salaries and Wages	24,000	24,000	24,000	-
Social Security	1,736	1,736	1,736	-
State Retirement	2,719	2,719	2,719	-
Life Insurance	42	42	42	-
Medicare	406	406	406	-
<b>Total Community Services</b>	<b>\$ 33,300</b>	<b>\$ 33,300</b>	<b>\$ 33,300</b>	<b>\$ -</b>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
General Purpose School Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Early Childhood Education</b>				
Teachers	\$ 131,000	\$ 126,773	\$ 126,773	\$ -
Educational Assistants	62,000	62,029	62,029	-
Non-Certified Substitute Teachers	4,050	4,623	4,623	-
Social Security	12,220	11,303	11,303	-
Retirement	16,238	16,915	16,915	-
Life Insurance	294	171	171	-
Unemployment Compensation	420	420	420	-
Medical Insurance	31,500	31,500	31,500	-
Employer Medicare	2,870	2,645	2,645	-
Travel	2,000	1,800	1,800	-
Food Supplies	3,000	1,220	1,220	-
Instructional Supplies	10,000	11,655	11,655	-
Other Supplies and Materials	12,000	12,942	12,942	-
Other Charges	3,000	5,946	5,946	-
Other Equipment	10,000	10,650	10,650	-
<b>Total Early Childhood Education</b>	<b>300,592</b>	<b>300,592</b>	<b>300,592</b>	<b>-</b>
<b>Total Expenditures</b>	<b>8,179,475</b>	<b>8,098,499</b>	<b>8,094,928</b>	<b>3,571</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>294,178</b>	<b>301,639</b>	<b>345,531</b>	<b>(43,892)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer from Building Fund	-	-	-	-
Transfer To Debt Service Fund	(279,000)	(292,976)	(292,976)	-
Transfer to Elementary School	(20,000)	(20,500)	(20,500)	-
Transfer to Middle School	(14,000)	(14,600)	(14,600)	-
Transfer to High School	(17,000)	(17,100)	(17,100)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(330,000)</b>	<b>(345,176)</b>	<b>(345,176)</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Sources	<b>\$ (35,822)</b>	<b>\$ (43,537)</b>	<b>355</b>	<b>\$ (43,892)</b>
<b>Fund Balance, July 1, 2009</b>			<b>595,059</b>	
<b>Fund Balance, June 30, 2010</b>			<b>\$ 595,414</b>	

**Oneida Special School District  
Federal Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Vocational Education Basic Grant	\$ 16,445	\$ 16,445	\$ 16,445	-
Title 1 Grants to Local Education Agencies	736,096	736,096	580,015	(156,081)
Special Education Grants	547,493	552,543	425,816	(126,727)
Safe and Drug Free Schools	5,307	5,307	5,307	-
Rural Education	32,683	32,683	32,683	-
Special Education Preschool	6,394	6,394	6,394	-
Eisenhower Prof Development	58,303	58,303	58,303	-
Other Federal Thru State	3,776	3,776	3,776	-
Total revenues	<u>1,406,497</u>	<u>1,411,547</u>	<u>1,128,739</u>	<u>(282,808)</u>
<b>EXPENDITURES</b>				
Regular Instruction Program				
Teachers	306,342	308,305	308,305	-
Other Salaries and Wages	91,100	91,100	50,917	40,183
Substitute Teachers	4,000	3,000	2,510	490
Non-Certified Teachers	9,000	8,000	2,450	5,550
Social Security	25,450	25,032	21,174	3,858
State Retirement	25,447	25,447	22,646	2,801
Life Insurance	325	325	156	169
Medical Insurance	43,569	45,524	45,524	-
Unemployment	42	42	42	-
Medicare	5,952	5,952	4,918	1,034
Instructional supplies	75,447	75,447	68,382	7,065
Other Supplies	1,078	1,078	1,078	-
Fee Waivers	1,500	-	-	-
Equipment	105,796	105,796	81,124	24,672
Regular Instruction Program	<u>695,048</u>	<u>695,048</u>	<u>609,226</u>	<u>85,822</u>
Special Instruction Program				
Teachers	110,120	110,120	108,740	1,380
Aides	127,800	132,000	94,891	37,109
Social Security	14,751	15,012	12,610	2,402
State Retirement	23,453	23,983	19,153	4,830
Medical Insurance	27,375	27,375	17,732	9,643
Medicare	3,450	3,510	2,948	562
Contracts with Public Agencies	13,500	13,500	13,500	-
Other Contracted Services	24,001	24,001	24,001	-
Instructional Supplies	109,359	109,359	61,883	47,476
Other Charges	1,000	1,000	-	1,000
Equipment	52,100	52,100	47,200	4,900
Special Education Program	<u>506,909</u>	<u>511,960</u>	<u>402,658</u>	<u>109,302</u>
Vocational Education Program				
Other Contracted Services	6,600	6,600	6,600	-
Instructional Supplies	4,600	4,600	4,600	-
Equipment	3,216	3,216	3,216	-
Vocational Education Program	<u>\$ 14,416</u>	<u>\$ 14,416</u>	<u>\$ 14,416</u>	<u>\$ -</u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District  
Federal Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Student Support				
Travel	\$ 1,804	\$ 1,804	\$ 1,804	\$ -
Other Materials and Supplies	3,486	3,486	3,486	-
Staff development	1,246	1,246	1,246	-
Other Charges	7,331	7,331	2,395	4,936
Other Student Support	<u>13,867</u>	<u>13,867</u>	<u>8,931</u>	<u>4,936</u>
Support Services Regular Instruction				
Supervisor	8,904	8,904	8,904	-
In Service Training	53,516	52,337	7,770	44,567
Social Security	3,863	3,863	667	3,196
State Retirement	4,003	4,003	694	3,309
Medicare	906	906	159	747
Travel	20,627	20,627	13,625	7,002
Other Materials and Supplies	1,000	1,000	125	875
Inservice Staff Development	21,344	22,523	21,211	1,312
Other Charges	1,000	1,000	500	500
Support Services Regular instruction program	<u>115,163</u>	<u>115,163</u>	<u>53,655</u>	<u>61,508</u>
Support Services Special Education				
Inservice training	3,080	3,080	1,000	2,080
Social Security	190	190	62	128
State retirement	198	198	64	134
Medicare	45	45	14	31
Travel	2,000	2,000	2,000	-
Staff Development	29,200	29,200	18,969	10,231
Support Services Special Education program	<u>34,713</u>	<u>34,713</u>	<u>22,109</u>	<u>12,604</u>
Support Services Vocational Education program				
Travel	800	800	800	-
Support Services Vocational Education program	<u>800</u>	<u>800</u>	<u>800</u>	<u>-</u>
Support Services transportation				
Bus Drivers	2,000	2,000	-	2,000
Social Security	124	124	-	124
State Retirement	252	252	-	252
Employer Medicare	29	29	-	29
Student Support Transportation	<u>2,405</u>	<u>2,405</u>	<u>-</u>	<u>2,405</u>
Other Uses				
Indirect Costs	23,176	23,175	16,944	6,231
	<u>23,176</u>	<u>23,175</u>	<u>16,944</u>	<u>6,231</u>
Total expenditures	<u>\$ 1,406,497</u>	<u>\$ 1,411,547</u>	<u>1,128,739</u>	<u>\$ 282,808</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund Balances - Beginning			-	
Fund Balances - Ending			<u>\$ -</u>	

*The notes to financial statements are an integral part of these financial statement.*

Oneida Special School District  
 Capital Projects Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Earnings	\$ 144	\$ 144	\$ 144	\$ -
Other Local Revenue	-	800	1,013	213
Proceeds from Scott County Bonds ADA	-	346,512	346,512	-
Total revenues	<u>144</u>	<u>347,456</u>	<u>347,669</u>	<u>213</u>
<b>EXPENDITURES</b>				
Capital Projects				
Architects	-	238,260	238,260	-
Engineers	-	23,785	23,785	-
Building Improvements	-	2,978	2,978	-
Land	-	74,906	74,906	-
Other Capital Projects	3,393	12,620	12,620	-
Total Expenditures	<u>3,393</u>	<u>352,549</u>	<u>352,549</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,249)</u>	<u>(5,093)</u>	<u>(4,880)</u>	<u>213</u>
Net Change in Fund Balance	<u>(3,249)</u>	<u>(5,093)</u>	<u>(4,880)</u>	<u>213</u>
Operating Transfers				
Transfers from Debt Service Fund	-	25,000	25,000	-
Total other financing sources	-	25,000	25,000	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 19,907</u>	<u>20,120</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>3,993</u>	
Fund Balances - Ending			<u>\$ 24,113</u>	

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**Statement of Revenues and Expenditures, and Change in Fund Balances**  
**Food Service Fund**  
**For the Year Ended June 30, 2010**

	<b>Food Service Fund</b>		
	<b>Elementary School</b>	<b>Middle/High School</b>	<b>Total</b>
<b>REVENUES</b>			
Lunch Adult	\$ 3,095	\$ 4,418	\$ 7,513
Lunch Child	23,305	40,250	63,555
Breakfast	35,673	37,387	73,060
Milk	82	770	852
Ice Cream	23,535	3,055	26,590
A-la-Carte	1,648	32,951	34,599
Other	603	826	1,429
Interest	46	45	91
Federal Thru State	168,204	182,008	350,212
State Match	2,740	2,740	5,480
	<hr/>	<hr/>	<hr/>
Total revenues	258,931	304,450	563,381
<b>EXPENDITURES</b>			
Salaries	100,354	113,839	214,193
Social Security	7,319	8,354	15,673
Retirement	8,299	14,265	22,564
Food	72,085	98,227	170,312
Milk	19,595	17,491	37,086
Non-food	8,547	7,541	16,088
Ice Cream	7,628	1,359	8,987
Other	11,113	12,390	23,503
Employee Life and Health	7,558	19,837	27,395
	<hr/>	<hr/>	<hr/>
Total expenditures	242,498	293,303	535,801
Excess (deficiency) of revenues over (under) expenditures	16,433	11,147	27,580
Fund balances - beginning	21,569	24,027	45,596
Fund balances - ending	<u>\$ 38,002</u>	<u>\$ 35,174</u>	<u>\$ 73,176</u>

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**Building Fund**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**For the Year Ended June 30, 2010**

	<u>Building Fund</u>
<b>REVENUES</b>	
Interest	\$ 1,342
Total revenues	<u>1,342</u>
<b>EXPENDITURES</b>	
Excess (deficiency) of revenues over (under) expenditures	<u>1,342</u>
Net change in fund balances	1,342
Fund balances - beginning	<u>59,643</u>
Fund balances - ending	<u><u>\$ 60,985</u></u>

*The notes to financial statements are an integral part of these financial statement.*

**ONEIDA SPECIAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

The financial statements of the Oneida Special School District, are prepared in conformity with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board and include all funds of the district that are considered a part of the reporting unit. The Oneida Special School District is a public municipal corporation governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

The blended component units, are legally separate entities, and are part of the government's operations, so data from these units is combined with the data of the primary government. Oneida Special School District had a blended component unit; the Building Fund reported as a special revenue fund and no discretely presented component units as of June 30, 2010. The Building Fund does not issue separate financial statements from those of the District. Therefore, basic financial statements of the Building Fund are included in this report as listed in the table of content. The Building Fund is a legal separate entity. The Building Fund is not governed by the Oneida Special School District and it appoints its own board, however the nature and significance of their relation with the Oneida Special School District are such that exclusion would cause the financial statements to be misleading or incomplete.

**B. Government wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its blended component unit. For the most part, the effect of inter-fund activities has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type*, activities, which rely on a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for all governmental funds. Oneida Special School District has no proprietary funds as of June 30, 2010. Major individual governmental funds are reported as separate columns in the financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the blended component unit's financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. The District has no proprietary or internal services funds to report.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgment, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest associated with the current fiscal period are all considered to be susceptible to accrual and as so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Purpose School Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for financial resources to be used in the acquisition or construction of major capital projects.

The *Federal Projects Fund* is used to account for restricted federal revenues, which must be expended on specific education programs.

The *Food Service Fund* is used to account for cafeteria operations in each of the schools.

The *Building Fund* is used to account for funds donated for the building.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

## **D. Assets, Liabilities and Net Assets or Equity**

### ***1. Deposits and investments***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturates of three months or less from the date of acquisition.

State statutes authorize the government and the department to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State's investment pool.

### ***2. Receivable and Payables***

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivable/payables" (i.e., the current portion of inner fund loans) or "advances to/from other funds" (i.e., the non-current portion of inner fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivables are shown net of an allowance for uncollectible amounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible amounts.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition the entire amount of the receivable is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30.

The Oneida Special School District does not have taxing authority. Consequently it relies on a share of reality and personal property tax collected by the county. The county tax levy is \$2.21 per \$ 100 inside the school district. The county collects and distributes \$.85 to the schools on an average daily attendance basis to the Scott County Schools and the Oneida Special School District. The Oneida Special School District's share was 30.9% for the 2009, and 29.83% for 2010. Additionally the county collects \$.65 per \$100 and distributes this revenue as collected to the district \$.27 is used for the district and \$.38 is for School Debt Service.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

### **3. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets; which include property, land, equipment and construction in progress are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 (amount not rounded) and an estimated life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of business-type activities is included as part of the capitalized value of the asset constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Vehicles	5
Office equipment	10
Computer equipment	10

### **4. Compensated Absences**

After five years of vested service in the Tennessee Consolidated Retirement System (TCRS), all unused sick leave must be applied to retirement credit. If employed less than five years, the employee may use any accumulated days or the employee may be paid for unused days not to exceed a total of fifty (50) days, with the approval of the director of schools.

## **5. Long-term Obligations**

In the government-wide financial statements, in the fund financial statements, long – term debt and other long – term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issue costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well bond issue costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on bond issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **6. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **7. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of certain differences between governmental fund balance sheet and the government-wide statement of net assets**

Page 17 includes explanations of the nature of individual elements of items required to reconcile fund balances – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets.

### **B. Explanation of certain differences between the governmental fund statements of revenue, expenditures, and changes in fund balances and the government-wide statement of activities**

Page 19 includes explanation of the nature of individual elements of items required to reconcile net changes in fund balances – governmental funds and changes in net assets of governmental activities reported in the government-wide statement of activities.

## **III. Stewardship, Compliance and Accountability**

### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

The government is required by state statute to adopt annual budgets, with the exception of the Food Service and Building Fund. Annual budgets are prepared on a basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Board of Education and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the approved chart of accounts approved by the Comptroller of the treasury of the State of Tennessee. Major categories: Regular instruction, Special education, Vocational education, support services etc.). Management may make revisions within these categories, but only the board of education may transfer appropriations between major categories. During the year supplementary appropriations were made.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investment

All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure the debt of these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect these accounts that are pledged in the aggregate rather than against than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the are considered to be insured for the purpose of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, the state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the entity. The Oneida Special School District has an agreement with the bank that any funds above the FDIC limits will be covered by a third party in the banks name.

The carrying value of the School's deposits were \$ 964,468, and the bank balance was \$ 1,485,250.

The School has invested in several Certificate of Deposits with maturities of nine to thirteen months. Currently the interest rate ranges from 3.45 to 4.12 percent. To minimize the interest rate risk these Certificate of Deposits mature at various times of the year.

##### B. Receivables

Receivables as of year end for the government's individual major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Federal Project	Capital Project	Total
Receivables:					
Property taxes	\$ 1,027,291	\$ -	\$ -	\$ -	\$ 1,027,291
Due from other governments	165,818	1,956	37,652	4,909	210,335
Gross receivables	<u>1,193,109</u>	<u>1,956</u>	<u>37,652</u>	<u>4,909</u>	<u>1,237,626</u>
Less: allowance for uncollectible	-	-	-	-	-
Net total receivables	<u>\$ 1,193,109</u>	<u>\$ 1,956</u>	<u>\$ 37,652</u>	<u>\$ 4,909</u>	<u>\$ 1,237,626</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred Revenue		
Current Year Property Tax	\$ 907,636	
Delinquent Property Tax	109,800	
Total deferred revenue for governmental funds	<u>\$1,017,436</u>	<u>\$ -</u>

### C. Capital Assets

Capital activity for the year ended June 30, 2010 are as follows:

#### Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 473,271	\$ 74,515	\$ -	\$ 547,786
Construction in Progress	-	278,034	-	278,034
Total capital assets, not being depreciated	<u>473,271</u>	<u>352,549</u>	<u>-</u>	<u>825,820</u>
Capital assets, being depreciated				
Buildings	11,097,902	-	-	11,097,902
Machinery and equipment	494,658	-	-	494,658
Total capital assets being depreciated	<u>11,592,560</u>	<u>-</u>	<u>-</u>	<u>11,592,560</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(3,455,697)	(222,558)	-	(3,678,255)
Machinery and equipment	(362,106)	(28,452)	-	(390,558)
Total accumulated depreciation	<u>(3,817,803)</u>	<u>(251,010)</u>	<u>-</u>	<u>(4,068,813)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 8,248,028</u>	<u>\$ 101,539</u>	<u>\$ -</u>	<u>\$ 8,349,567</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

#### Governmental activities

School operations	<u>\$ 251,010</u>
Total depreciation expense - governmental activities	<u>\$ 251,010</u>

**D. Interfund receivables, payables, and transfers**

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Building Fund	General Purpose School	\$ -
General Purpose School	Debt Service	292,976
General Purpose School	Elementary School	20,500
General Purpose School	Middle School	14,600
General Purpose School	High School	17,100
<b>Total</b>		<b>\$ 345,176</b>

The transfer from the building fund is for donations for various programs through a school support organization. The amount is equal to contributions to that fund with other balances remaining in the building fund.

The General Purpose School transfers money into the debt service fund when notes and interest are due on long term debt. These amounts are reported in the general purpose school and transferred as needed to the Debt Service Fund.

The General Purpose School transfers amounts to the school activity fund for teacher supply accounts and other projects funded by the school district through the school activity funds

**E. Long-term Debt**

**General obligation bonds**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$ 1,000,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.25 to 5%	\$ 125,000
		<u>\$ 125,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year ending</u> June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	125,000	3,125
	<u>\$ 125,000</u>	<u>\$ 3,125</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Governmental activities:</b>						
Long-Term Liabilities:						
General obligation bonds	\$ 245,000	\$ -	\$ -	\$ 120,000	\$ 125,000	\$ 125,000
Notes Payable	750,883	66,086	-	101,610	715,359	61,570
Compensated absences	16,136	-	-	186	15,950	-
Governmental activity Long-term liabilities	<u>\$ 1,012,019</u>	<u>\$ 66,086</u>	<u>\$ -</u>	<u>\$ 221,796</u>	<u>\$ 856,309</u>	<u>\$ 186,570</u>

Annual debt service requirements to maturity for Notes and Bonds Payable are as follows:

Year ending June 30,	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 186,570	\$ 53,577
2012	71,498	49,497
2013	76,072	43,923
2014	87,333	40,637
2015	94,777	33,192
2016	69,577	22,093
2017	84,244	19,418
2018	92,092	11,570
2019	78,196	3,123
	<u>\$ 840,359</u>	<u>\$ 277,030</u>

## **V. OTHER INFORMATION**

### **A. Risk Management**

The Oneida Special School District joined the Tennessee School Board Risk Management Trust (TSB-RMT), which is a public entity risk pool established by Tennessee School Board Association, an association of member school departments. The School Department pays an annual premium to the TSB-RMT for its general liability, property, casualty, and workers' compensation coverage. The creation of the TSB-RMT provides for it to be self-sustaining through members' premiums.

### **B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustments by granting agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial..

### **C. Compensated Absences**

All employees are entitled to be compensated for any vacation or holiday leave they have accrued at the date of their termination. The amount of vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the general fund. Vested or accumulated vacation or sick leave of the governmental funds are recorded as an expense and liability of that fund as the benefits accrue to employees. The liability for compensated absences, as June 30, 2010 was \$15,950 for the General Purpose School Fund. The policy regarding compensated absences changed. After five years of vested service in Tennessee Consolidated Retirement System (TCRS), all unused sick leave will be applied to retirement credit. If employed less than five years, employees may use any accumulated days or the employee may be paid for unused days not to exceed a total of fifty (50), with the approval of the Director of Schools.

### **D. Subsequent Events**

The District has plans to expand the school facilities including four elementary classrooms, four science labs, cafeteria expansion, and a multipurpose room (auditorium and practice gymnasium and other uses) at the cost of about \$ 4,900,000.

This expansion will be funded by Scott County with a bond sale that has been approved by the Scott County Commissioners and is set for closing on December 15, 2009. The Scott County Government will be responsible for repayment of the debt totaling \$ 13,940,000. The bond proceeds less costs (\$ 13,940,000 less \$ 100,000 or \$ 13,840,000) will be advanced as needed, not to exceed the current *average daily attendance* percentage of the district to the county as a whole. This percentage will be approximately 30.9% with the district's portion approximately \$ 4,276,560. Any excess building cost beyond this amount will be made up by the district.

### **E. Employee Retirement Plan**

#### **Certified employees - Plan Description**

The ONEIDA CITY SCHOOLS contribute to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979 are vested after five years of service. Members joining prior to July 1, 1979 are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Cost of living adjustment (COLA) are

provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute 5.0% of salary to the plan. The employer contribution rate for ONEIDA CITY SCHOOLS is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2010 was 6.42% of annual covered payroll. The employer contribution requirement for ONEIDA CITY SCHOOLS is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ending June 30, 2010, 2009, and 2008 were \$ 289,400, \$ 305,317, and \$ 290,181 respectively, equal to the required contributions for each year.

### **Non-Certified**

**Plan Description** - Employees of ONEIDA SPECIAL SCHOOLS are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as ONEIDA SPECIAL SCHOOLS participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

### **Funding Policy**

Oneida Special Schools requires employees to contribute 5.0 percent of earnable compensation.

ONEIDA SPECIAL SCHOOLS is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2010 was 12.61 % of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Oneida Special Schools is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Costs

For the year ending June 30, 2010, ONEIDA SPECIAL SCHOOLS's annual pension cost of \$175,509 to TCRS was equal to ONEIDA SPECIAL SCHOOL's required and actual contributions. The required contribution was determined as part of the July 1, 2007 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. ONEIDA SPECIAL SCHOOLS's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007 was 8 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Fiscal Year Ending	Trend Information			Net Pension Obligation
	Annual Pension Cost	Percentage Of APC Contributed		
June 30, 2010	\$175,509	100.00%		\$0.00
June 30, 2009	178,457	100.00%		\$0.00
June 30, 2008	130,057	100.00%		\$0.00

## Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 76.64% percent funded. The actuarial accrued liability for benefits was \$4.32 million, and the actuarial value of assets was \$3.31 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.01 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.42 million, and the ratio of the UAAL to the covered payroll was 70.97% percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ( (b-a)/c )
July 1, 2009	\$ 3,311	\$ 4,320	\$ 1,009	76.64%	\$ 1,422	70.97%
July 1, 2007	\$3,105	\$3,963	\$858	78.35%	\$ 1,276	67.24%

## **F. Other Post Employment Benefits**

The State of Tennessee pays health insurance premiums for retired teacher's on-behalf of the Oneida Special School District. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were not known. The School Department has not recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## **G. The Board of Education**

The Board of Education of the Oneida Special School District is elected every four years.

## **H. Purchasing Policies**

Authorization to purchase shall be provided by the Board. The director of schools shall serve as purchasing agent for the system-wide purchasing. Principals shall serve as purchasing agents for individual schools.

The director of schools must approve the following purchases:

1. A single piece of equipment costing more than ten thousand dollars (\$10,000.00);
2. One that is to be attached to or one that requires alteration of the building; or
3. One that will become a permanent fixture.

## **I. Related Party Transactions**

Some of the teachers at the Oneida Special School District has the option to defer a portion of their wages for retirement. This account is with Ameriprise Financial Services, Inc. Board Member, Lori Phillips-Jones, is married to Phillip Jones, a broker at Ameriprise Financial Services, Inc.

## **J. Prior Period Adjustment**

Due to an error, the prior year note to First National Bank was understated by \$ 66,086. The interest rate was adjusted at 60 months to the New York prime on February 27, 2007, when the interest rate increased from 5% to 8.25%. This rate increase was not known by the District until it was discovered in 2009.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ONEIDA SPECIAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2010**

**I. SCHEDULE OF FUNDING PROGRESS – PENSION PLAN**

(Dollar amount in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$3,311	\$4,320	\$1,009	76.64%	\$1,422	70.97
July 1, 2007	\$3,105	\$3,963	\$858	78.35%	\$1,276	67.24%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method went into effect during the year 2007 actuarial valuation, therefore only the two most recent valuations are presented.

## **SUPPLEMENTAL INFORMATION**

**Oneida Special School District  
Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual  
(Budgetary Basis) and Budget  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Expenditures</u> <u>(Budgetary</u> <u>Basis</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other Revenue	\$ -	\$ -	\$ 1,956	\$ (1,956)
Interest Earnings	10,000	9,860	9,859	1
Total revenues	10,000	9,860	11,815	(1,955)
<b>EXPENDITURES</b>				
Principal	249,148	221,610	221,610	-
Interest	43,565	114,686	114,686	-
Other Debt Service	3,370	1,965	1,915	50
Total expenditures	296,083	338,261	338,211	50
Excess (deficiency) of revenues over (under) expenditures	(286,083)	(328,401)	(326,396)	2,005
Other financing sources and (uses)				
Operating Transfers	284,090	292,976	292,976	-
Operating Transfers	-	(25,000)	(25,000)	-
Total other financing sources and (uses)	284,090	267,976	267,976	-
Net Change in Fund Balance	<u>\$ (1,993)</u>	<u>\$ (60,425)</u>	<u>(58,420)</u>	<u>\$ 2,005</u>
Fund Balances - Beginning			451,738	
Fund Balances - Ending			<u>\$ 393,318</u>	

*The notes to financial statements are an integral part of these financial statement.*

**Oneida Special School District**  
**Combining Statement of Changes in Assets and Liabilities - All Agency Funds**  
**Year ended June 30, 2010**

	Elementary School Activity Fund	Middle School Activity Fund	High School Activity Fund	Totals
<b>Fund balance, July 1, 2009</b>	<b>\$ 20,922</b>	<b>\$ 23,579</b>	<b>\$ 142,754</b>	<b>\$ 187,255</b>
Revenues	70,927	185,883	265,550	522,360
Expenditures	66,071	178,589	286,860	531,520
Excess of revenues over (under) expenditures	4,856	7,294	(21,310)	(9,160)
<b>Fund balance, June 30, 2010</b>	<b>\$ 25,778</b>	<b>\$ 30,873</b>	<b>\$ 121,444</b>	<b>\$ 178,095</b>

*The notes to financial statements are an integral part of these financial statements.*

## **MISCELLANEOUS SCHEDULES**

**Oneida Special School District**  
**Changes in Net Assets - Last Seven Fiscal Years**  
 June 30, 2010

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities							
Regular Instruction Program	\$ 4,002,749	\$ 4,720,885	\$ 4,940,672	\$ 4,817,857	\$ 4,930,206	\$ 4,951,666	\$ 4,723,157
Special Education Program	622,172	625,965	686,238	840,545	796,208	785,681	967,485
Vocational Education Program	178,304	194,933	206,018	180,754	185,819	196,939	203,390
Support Services	744,836	709,744	714,341	725,561	874,782	954,957	1,020,589
Food Services	461,933	491,410	542,295	519,348	577,139	556,004	535,801
Administration	745,482	793,159	832,824	858,172	948,227	999,622	975,099
Community Services	106,063	140,418	63,300	33,300	33,300	33,300	33,300
Student Transportation	128,544	156,605	150,197	148,761	170,849	181,816	180,750
Operation and Maintenance	940,380	961,309	960,623	904,902	960,788	1,225,742	1,122,329
Early Childhood Education	-	-	-	186,680	287,801	299,766	300,592
Interest on Debt	108,434	99,268	67,635	70,433	64,615	53,715	116,601
<b>Total Governmental Activities</b>	<b>8,038,897</b>	<b>8,893,696</b>	<b>9,164,143</b>	<b>9,286,313</b>	<b>9,829,734</b>	<b>10,239,208</b>	<b>10,179,093</b>
Program Revenues							
Food Service Federal and State	213,127	234,707	229,304	201,620	227,944	209,361	207,598
Other Food Services	453,098	435,062	536,892	326,056	306,163	317,723	355,692
<b>General Revenues</b>	<b>666,225</b>	<b>669,769</b>	<b>766,196</b>	<b>527,676</b>	<b>534,107</b>	<b>527,084</b>	<b>563,290</b>
Property Taxes	1,292,702	1,202,616	1,213,265	1,065,177	1,121,917	1,147,499	1,149,629
Other local revenue	671,829	773,772	767,825	947,721	485,533	475,562	557,643
State and Federal Through State	5,294,567	6,070,741	6,057,606	6,103,062	7,440,479	7,385,980	7,717,053
Other Revenue	3,990	458,475	3,785	652,308	226,891	372,858	475,276
Interest Earnings	28,567	20,986	22,725	59,921	54,553	28,919	30,514
<b>Total General Revenue and Transfers</b>	<b>7,291,655</b>	<b>8,526,590</b>	<b>8,065,206</b>	<b>8,828,189</b>	<b>9,329,373</b>	<b>9,410,818</b>	<b>9,930,115</b>
Change in Net Assets	(81,017)	302,663	(330,741)	69,552	33,746	(301,306)	314,312
Net Assets - Beginning	8,699,139	8,618,122	8,920,785	8,590,044	8,659,596	8,693,342	8,325,950
<b>Net Assets - Ending</b>	<b>\$ 8,618,122</b>	<b>\$ 8,920,785</b>	<b>\$ 8,590,044</b>	<b>\$ 8,659,596</b>	<b>\$ 8,693,342</b>	<b>\$ 8,392,036</b>	<b>\$ 8,640,262</b>

**Oneida Special School District**  
**Debt Capacity Information - Last Ten Years**  
 June 30, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Outstanding										
Bonds	\$ 1,050,000	\$ 965,000	\$ 875,000	\$ 780,000	\$ 680,000	\$ 580,000	\$ 470,000	\$ 360,000	\$ 245,000	\$ 125,000
Notes	924,046	1,214,021	1,156,251	1,331,130	1,230,553	1,110,073	1,010,750	880,916	750,883	715,359
Leases	-	-	-	-	-	-	-	-	-	-
Total Bonds, Notes and Leases	1,974,046	2,201,796	2,302,247	2,111,130	1,910,553	1,690,073	1,480,750	\$ 1,240,916	\$ 995,883	\$ 840,359
Debt Limit	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Bonded Debt Capacity	\$ 2,525,954	\$ 2,298,204	\$ 2,197,753	\$ 2,388,870	\$ 2,589,447	\$ 2,809,927	\$ 3,019,250	\$ 3,259,084	\$ 3,504,117	\$ 3,659,641

Oneida Special School District  
Schedule of Salary Supplements  
June 30, 2010

Employee	Title	Amount	Board	
			Approved	Proper Withholding
Devlin Marcum	Basketball High School Girls	4,080	Yes	Yes
Tristin Jacobs	Basketball High School Girls	2,750	Yes	Yes
Sandy West	Basketball High School Girls	2,584	Yes	Yes
Rusty Yaden	Basketball High School Boys	4,440	Yes	Yes
Troy Yaden	Basketball High School Boys	3,500	Yes	Yes
Phil Newport	Basketball Middle School Girls	2,812	Yes	Yes
Rebecca Sexton	Basketball Middle School Girls	1,159	Yes	Yes
Haley Shepard	Basketball Middle School Girls	1,102	Yes	Yes
Shawn West	Basketball Middle School Boys	2,204	Yes	Yes
Chris West	Basketball Middle School Boys	1,045	Yes	Yes
Patrick Sexton	Basketball Middle School Boys	1,045	Yes	Yes
John Brewster	Football High School	4,560	Yes	Yes
Jim Burchfield	Football High School	4,850	Yes	Yes
Robert Wright	Football High School	4,450	Yes	Yes
Tony Lambert	Football High School	4,400	Yes	Yes
Mark Matthews	Football High School	2,450	Yes	Yes
Terry Stephens	Football High School	2,450	Yes	Yes
Jeff Buttram	Football High School	2,450	Yes	Yes
Jason pike	Football High School	2,450	Yes	Yes
Heath Sexton	Football Middle School	5,966	Yes	Yes
Dustin Lay	Football Middle School	2,850	Yes	Yes
Daniel King	Football Middle School	2,850	Yes	Yes
Kody King	Football Middle School	2,850	Yes	Yes
Shawn West	Baseball High School	2,584	Yes	Yes
David Lowe	Baseball High School	1,045	Yes	Yes
Sandy Martin	Softball High School	3,154	Yes	Yes
Robin Newman	Softball High School	510	Yes	Yes
Phil Newport	Softball High School	1,691	Yes	Yes
Rick Harper	Baseball Middle School	1,850	Yes	Yes
Tony Lambert	Baseball Middle School	1,355	Yes	Yes
Mark Bowling	Baseball Middle School	698	Yes	Yes
Shane Phillips	Baseball Middle School	698	Yes	Yes
Jody Lay	Softball Middle School	2,128	Yes	Yes
TBA	Softball Middle School	1,178	Yes	Yes
Shawn West	Golf	680	Yes	Yes
Brittany Martin	Soccer High School Girls	2,186	Yes	Yes
Jani Huling	Soccer High School Girls	1,045	Yes	Yes
Jordan Swain	Soccer High School Boys	2,090	Yes	Yes
TBA	Soccer High School Boys	570	Yes	Yes
Phil Newport	Soccer Middle School Girls	3,382	Yes	Yes
Zotton Obrusanzlo	Soccer Middle School Boys	2,470	Yes	Yes
Kathy Obrusanzlo	Soccer Middle School Boys	950	Yes	Yes
Lisa O'Neal	Cross Country	1,368	Yes	Yes
Jordan Swain	Weight Lifting-Fall	375	Yes	Yes
TBA	Weight Lifting Girls-Summer	375	Yes	Yes
Rusty Yaden	Weight Lifting-Summer	405	Yes	Yes
Marv West	Weight Lifting-Summer	488	Yes	Yes
Jim Burchfield	Weight Lifting	2,041	Yes	Yes
Tony Lambert	Weight Lifting	1,802	Yes	Yes
John Brewster	Weight Lifting	1,484	Yes	Yes
Robert Wright	Weight Lifting	1,829	Yes	Yes
Andrew Bernard	High School Band	3,240	Yes	Yes
Laurel Ward	High School Band	1,976	Yes	Yes
Stacie Barnes	High School Cheerleading-Football	1,980	Yes	Yes
Jodie Wright	High School Cheerleading-Basketball	2,250	Yes	Yes
Peggy Queener	Middle School Cheerleading-Football	2,440	Yes	Yes
TBA	Tri Tones	2,650	Yes	Yes
Beth Furrer	Hand Bells	1,000	Yes	Yes
Richard Joiner	High School Student Council	512	Yes	Yes
Trebby Hicks	Middle School Student Council	560	Yes	Yes
Miranda Lowe	High School Scholars Bowl	2,052	Yes	Yes
Jennifer Butler	Middle School Scholars Bowl	1,080	Yes	Yes
Cheryl Butler	Middle School Beta Club	1,200	Yes	Yes
Evie Thomas	High School Beta Club	945	Yes	Yes
Rhonda Laxton	Best Buddies	500	Yes	Yes
Michelle Bridges	Best Buddies	500	Yes	Yes
Jeni Smith	High School Honors Society	885	Yes	Yes
Melanie Duncan	Annual	1,480	Yes	Yes
TBA	Annual	1,480	Yes	Yes
Dani Strunk	Accelerated Reader	750	Yes	Yes
Susan Overton	Service Learning	2,000	Yes	Yes
Jimmy May	Extra Curriculum Director	2,000	Yes	Yes
Cheryl Butler	Athletic Director/Middle School Manager	1,500	Yes	Yes
Jimmy May	Athletic Director	1,500	Yes	Yes
Jimmy May	Athletic Purchasing & Drug Testing	500	Yes	Yes
Jimmy May \$60	Game Manager 4	240	Yes	Yes
Rachel Joiner \$60	Game Manager 4	240	Yes	Yes
Jobe Jeffers \$60	Game Manager 3	180	Yes	Yes
Cheryl Butler	Game Manager 6	360	Yes	Yes
Denise Maury	Game Manager 4	240	Yes	Yes
Jeanne Hatfield	Early Childhood Coordinator	1,000	Yes	Yes

146,968

**Oneida Special School District  
Oneida, Tennessee  
Schedule of Surety Bond Coverage**

**June 30, 2010**

Coverage : \$ 259,000 Floyd Shoemaker, II, Treasurer  
Western Surety Company Honesty Blanket Position Bond Coverage

Tennessee Risk Management Trust

Coverage: \$150,000 per employee positions

Covered positions - All employee positions excluding treasurer

# **INTERNAL CONTROL & COMPLIANCE SECTION**

# Dennis E. Jeffers CPA, PC

Certified Public Accountant

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(423) 569-6969

## REPORT ON COMPLIANCE AND 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*

Board of Education  
Oneida Special School District  
Oneida, Tennessee

We have audited the financial statements of the governmental activities, the major governmental fund, and the blended component unit of Oneida Special School District, Oneida, Tennessee as of and for the year ended June 30, 2010, which collectively comprise the Oneida Special School District, Oneida, Tennessee's basic financial statements and have issued our report thereon dated November 15, 2010. 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 Standard* issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oneida Special School District, Oneida, Tennessee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oneida Special School District, Oneida, Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oneida Special School District, Oneida, Tennessee's internal control over financial reporting.

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

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

### Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the organization, the board of education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dennis E. Jeffers CPA, PC*

November 15, 2010

# Dennis E. Jeffers CPA, PC

Certified Public Accountant

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education  
Oneida Special School District  
Oneida, Tennessee

### Compliance

We have audited the compliance of the Oneida Special School District, Oneida, Tennessee, with the types of compliance requirement described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Oneida Special 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Oneida Special School District's management. Our responsibility is to express an opinion on the Oneida Special School District's compliance based on our audit.

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

In our opinion, Oneida Special School District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

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

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

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

*Dennis E. Jeffers CPA, PC*

November 15, 2010

Oneida Special School District  
 Schedule of Expenditures of Federal and State Awards  
 June 30, 2010

Program Title	CFDA #	Grant #	June 30, 2009	Receipts	Expenditures	June 30, 2010
<b>Federal Assistance</b>						
<b>U.S. Department of Agriculture:</b>						
<b>Federal Funds passed through the</b>						
<b>Tennessee Department of Education:</b>						
Breakfast Program	10.553	N/A	\$ -	\$ 89,009	\$ 89,009	\$ -
National School Lunch Program	10.555	N/A	-	261,203	261,203	-
American Recovery and Revestment Act : Equipment Grant		N/A		7,488	7,488	
<b>Total U.S. Department of Agriculture</b>			<b>\$ -</b>	<b>\$ 357,700</b>	<b>357,700</b>	<b>-</b>
<b>U.S. Department of Education</b>						
<b>Federal Funds passed through the:</b>						
<b>Tennessee Department of Education:</b>						
Improving America's Schools Act Title I			67,586	428,239	378,321	17,668
IDEA Part B		Z-03-012964-00	16,213	274,212	267,935	9,936
Title II, Part A, Class Size Reduction		N/A	-	49,017	49,017	-
Title II Part B Ed through Technology		N/A	-	3,776	3,776	-
Title IV, Safe & Drug Free School		N/A	-	5,307	5,307	-
Title VI, Part B, Rural and Low Income		N/A	-	32,683	32,683	-
Vocational Education Program Carl Perkins		N/A	-	16,445	16,445	-
Learning & Serving American		N/A	-	2,306	9,838	7,532
<b>American Recovery and Revestment Act :</b>						
Stabilization Funds-Better Education Program		N/A	-	233,700	233,700	-
Stabilization Funds-Family Resource Grant		N/A	-	33,300	33,300	-
Stabilization Funds-Safe School Grant		N/A	-	4,200	4,200	-
Stabilization Funds- Pre-K Lottery		N/A	-	263,814	302,092	38,278
Stabilization Funds-Coordinated Health Systems		N/A	-	90,000	90,000	-
Stabilization Funds-SSMS		N/A	-	3,202	3,202	-
Stabilization Funds-Extended Contract		N/A	-	6,847	14,300	7,453
Stabilization Funds-Connectenn		N/A	-	3,600	3,600	-
Title I, Part A, Improving Basis Programs		N/A	-	201,694	201,694	-
Title II, Part D, Education Through Technology		N/A	-	9,285	9,285	-
IDEA Part B		N/A	-	154,227	164,275	10,048
IDEA, Preschool Grant		N/A	-	5,050	5,050	-
<b>Total U.S. Department of Education</b>			<b>83,799</b>	<b>1,078,985</b>	<b>1,828,020</b>	<b>90,915</b>
<b>Total Federal Assistance</b>			<b>83,799</b>	<b>1,436,685</b>	<b>2,185,720</b>	<b>90,915</b>

\* CFDA--Catalog of Federal Domestic Assistance; (1) No Grant number assigned.  
 ( ) Indicates unexpended balances at year end and a reserved fund balance in net assets.

**Oneida Special School District  
Schedule of Expenditures of Federal and State Awards (Continued)  
June 30, 2010**

<b>Program Title</b>	<b>CFDA #</b>	<b>Grant #</b>	<b>June 30, 2009</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>June 30, 2010</b>
<b>State of Tennessee Assistance</b>						
Basic Education Program	N/A	N/A	\$ (20,000)	\$ 5,673,128	\$ 5,693,128	\$ -
Career Ladder Program	N/A	N/A	-	51,587	51,587	-
Dropout Prevention	N/A	N/A	6,000	6,000	-	-
JCT Grant	N/A	N/A	7,500	7,500	2,500	2,500
Service Learn	N/A	009-08-2-012	910	910	-	-
Lottery Funded Pre K	N/A	MW8ACX	36,380	347,169	311,930	1,141
State Early Childhood Education	N/A	MX8AAX	48,824	134,028	85,204	-
Coordinated School Health	N/A	N/A	21,783	21,783	-	-
Driver Education	N/A	N/A	2,544	8,107	5,563	-
State Cafeteria Match	N/A	N/A	-	5,479	5,479	-
<b>Total State of Tennessee Assistance</b>			<b>103,941</b>	<b>6,255,691</b>	<b>6,155,391</b>	<b>3,641</b>

**Oneida Special School District  
Schedule of Non-Cash Assistance  
June 30, 2010**

<b>State of Tennessee</b>						
<b>Department of Agriculture</b>						
USDA: Commodity Supplemental						
Feeding - Commodities Distributed	10.55	Z-2468	\$ 10,236	\$ 25,620	\$ 24,148	\$ 11,708

**Oneida Special School District  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2010**

**NOTE A- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal and State Awards of the Oneida Special School District is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**ONEIDA SPECIAL SCHOOL DISTRICT  
COMBINED STATEMENT OF FINDINGS AND QUESTIONED COSTS  
June 30, 2010**

**Summary of Auditor's Results**

- (1) The report issued on the financial statements for the Oneida Special School District was unqualified.
- (2) No significant deficiencies in internal control were disclosed.
- (3) No instances of noncompliance, which were material to the financial statements of the Oneida Special School District were disclosed.
- (4) The report issued on compliance for major programs and with provisions of OMB cost principals was an unqualified report.
- (5) The report issued on compliance for each major program was an unqualified opinion.
- (6) The audit did not disclose any findings relating to major programs.
- (7) Programs identified as major programs are as follows:
  - a. Cluster: Child Nutrition  
CFDA# 10553  
CFDA# 10555
  - b. CFDA# 84.010, Title 1, Part A, Basic Education Program
  - c. CFDA# 84.397, American Recovery and Reinvestment Act, Stabilization Funds
- (8) The Threshold for distinguishing Types A and B Programs was \$ 300,000.
- (9) The Oneida Special School District was determined not to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

(None)

**FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAM AUDIT**

(No findings or questioned costs)

**ONEIDA SPECIAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF AUDIT FINDINGS  
June 30, 2010**

**None**