

**ONEIDA SPECIAL SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**June 30, 2012**

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# **INTRODUCTORY SECTION**

**ONEIDA SPECIAL SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**June 30, 2012**

**Elected Officials**

**Board of Education**

Chairman

Secretary/Treasurer

Vice Chairman

Member

Member

Nancy Williamson

Lori Phillips-Jones

Danny W. Cross

Dorothy Watson

Mark Matthews

**Appointed Officials**

Director of Schools

Instructional Supervisor

Elementary Principal

Middle School Principal

High School Principal

Ann Sexton

Jeanny Hatfield

Rick Harper

Cheryl Butler

Kevin Byrd

# **FINANCIAL SECTION**

# Dennis E. Jeffers CPA, PC

Member of Tennessee Society of Certified Public Accounts

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Oneida, Tennessee 37841  
(423) 569-6969

## 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 aggregate remaining fund information of Oneida Special School District, Oneida, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 aggregate remaining fund information of the Oneida Special School District, Oneida, Tennessee, as of June 30, 2012, 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 October 29, 2012, 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 schedules 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  
October 29, 2012

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

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, 2012. 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 2012 are as follows:

- \* The net assets of the school system increased by \$ 200,244. This represents a 1.64 percent increase from 2011.  
The fund balance of governmental activities decreased by \$ 85,201 as cash and cash investments decreased by \$ 406,952, receivables increased by \$ 101,751. Net assets increased by \$ 200,244. Unassigned net assets increased by \$ 57,838.
- \* General revenues accounted for \$ 9,721,386 or 93.69 percent of total revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$ 654,377 or 6.31 percent of total revenues of \$ 10,375,763.
- \* The school district had \$ 10,175,519 in expenses. Of these expenses \$ 654,377 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state and federal funding) of \$ 9,721,386 were adequate to provide for these programs.
- \* Among major funds, the General Purpose School Fund had \$ 8,303,382 in revenues and \$ 7,891,751 in expenditures. The fund balance for the General Purpose School Fund increased by \$ 108,179 from 2011.

**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, 2012**

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 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 2012?" 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 financial reports provide detailed information about the school system's major 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, 2012**

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 2011 compared to 2012.

Table I

	2011	2012	Change
<b>Assets</b>			
Cash and investments	\$ 1,528,809	\$ 1,121,857	\$ (406,952)
Accounts and Taxes receivable	1,235,103	1,336,854	101,751
Capital Assets	11,579,741	\$ 14,377,809	2,798,068
Total Assets	<u>14,343,653</u>	<u>\$ 16,836,520</u>	<u>2,391,116</u>
<b>Liabilities</b>			
Long-Term Liabilities	750,433	3,102,421	2,351,988
Other Liabilities	1,354,408	1,295,043	(59,365)
	<u>2,104,841</u>	<u>4,397,464</u>	<u>(2,292,623)</u>
<b>Net Assets</b>			
Investment in Capital Assets , Net of Related Debt	10,829,308	11,113,985	284,677
Restricted	768,068	574,797	(193,271)
Assigned	-	51,000	51,000
Unrestricted	641,436	699,274	57,838
	<u>12,238,812</u>	<u>12,439,056</u>	<u>149,244</u>
Total Liabilities and Net Assets	<u>\$ 14,343,653</u>	<u>\$ 16,836,520</u>	<u>\$ 2,492,867</u>

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

Total assets of governmental activities increased by \$2,492,867, as cash and cash equivalents decreased by \$ 406,952. Receivables decreased by \$101,751. Unassigned 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 \$ 57,838.

Table 2 shows the changes in net assets for fiscal year 2011 and 2012.

Changes in Net Assets	2011	2012	Percentage Change
<b>Revenues</b>			
Property Taxes	\$1,129,082	1,126,830	-0.20%
Other Local Revenue	514,280	512,086	-0.43%
Other Local Taxes	3,642,150	25,010	-99.31%
State and Federal Through State	7,771,232	7,791,490	0.26%
Other Revenues	31,356	269,460	759.36%
Interest Earnings	23,931	21,520	-10.07%
Food Services	571,259	629,367	10.17%
Total Revenues	<u>13,683,290</u>	<u>10,375,763</u>	<u>-24.17%</u>
<b>Program Expenses</b>			
Regular Instruction Program	4,578,331	4,748,907	3.73%
Special Education Instruction Program	880,651	834,865	-5.20%
Vocational /Alternative Instruction Program	284,863	251,955	-11.55%
Support Services	1,097,779	953,313	-13.16%
Administration	922,754	934,058	1.23%
Community Services	33,300	29,612	-11.08%
Student Transportation	182,347	208,220	14.19%
Operation and Maintenance of Plant	1,164,627	1,197,745	2.84%
Early Childhood Education	308,179	312,564	1.42%
Interest and Fiscal Charges	59,169	63,546	7.40%
Food Service	572,740	640,734	11.87%
Total Expenses	<u>10,084,740</u>	<u>10,175,519</u>	<u>0.90%</u>
Increase (Decrease) in Net Assets	3,598,550	200,244	-94.44%
Beginning Net Assets	8,640,262	12,238,812	41.65%
Ending Net Assets	<u>\$12,238,812</u>	<u>\$12,439,056</u>	<u>1.64%</u>

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Governmental Activities**

State and federal aid through state revenues comprises 75.09 percent of revenues for governmental activities for the Oneida Special School District system for fiscal year 2012. Sales taxes make up 3.76 percent of revenues, with property taxes making up 4.94 percent.

Instruction total 56.96 percent of system expenses. Support services expenses comprise 10.89 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 2011</b>	<b>Net Cost of Services 2011</b>	<b>Total Cost of Services 2012</b>	<b>Net Cost of Services 2012</b>
Instruction	\$5,743,845	\$5,644,618	\$ 6,148,291	\$ 6,123,281
Support Services	1,097,779	1,097,779	953,313	653,313
Food Services	572,740	1,481	640,734	11,367
Administration	922,754	922,754	934,058	934,058
Other Education Costs	215,647	215,647	237,832	237,832
Operation and Maintenance	1,472,806	(2,070,117)	1,197,745	1,168,778
Interest and Fiscal Charges	59,169	59,169	63,546	105,917
	<u>\$ 10,084,740</u>	<u>\$ 5,871,331</u>	<u>\$ 10,175,519</u>	<u>\$ 9,234,546</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 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, 2012**

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.

The dependence upon tax revenue is apparent. Over 93 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 Schools Financial system**

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 and proceeds from bonds of \$ 13,697,217 and expenditures of \$ 13,724,318.

As the school system completed the year, all governmental funds had a fund balance of \$1,338,365 this represents a decrease of \$ 85,201 from 2011.

**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 2012 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, 2012**

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 increased by \$ 21,320.

**Capital Assets**

At the end of fiscal year 2012, the school system had \$ 14,337,809 invested in land buildings and improvements, machinery and equipment, and vehicles, net of depreciation.

Table 4 shows fiscal 2012 balances compared to 2011.

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

	<u>2011</u>	<u>2012</u>
Land	\$ 547,786	\$ 602,786
Construction in Progress	3,656,313	-
Buildings and Improvements	7,130,995	13,616,066
Machinery and Equipment	244,647	158,957
	<u>\$ 11,579,741</u>	<u>\$ 14,377,809</u>

Depreciation expenses for the year was \$ 323,780.

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

Debt Administration

At June 30, 2012, the school system had outstanding bonds and notes payable totaling \$ 3,263,824, with \$174,698 due within one year.

**Table 5  
Outstanding Debt at June 30**

	<u>2011</u>	<u>2012</u>
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	-	-
First National Bank 1994 Issue for \$1,008,359.17 At 5%, monthly Payments of \$2,253.76 matures 9/27/09	560,567	-
Brewco LLC 2000 \$240,000 at 6% \$2025.59 Monthly, matures 8/15/15	89,340	-
Energy Efficient Schools Initiative 2011, Monthly Payments of \$8,308 At no interest for 110 months	100,526	938,824
Limited Tax School Bond Series 2011 Average interest rate of 3.82% from 1% to 5%, annual payments from \$ 75,000 to \$ 190,000.	-	2,325,000
	<u>750,433</u>	<u>3,263,824</u>

**Oneida Special School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**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, the school system's student population has increased 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.

**Contracting 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 Anne Sexton, Director of Schools at Oneida Special School District, 195 N. Bank Street, Oneida TN 37841, at [annsexton@OneidaSchools.org](mailto:annsexton@OneidaSchools.org).

## **BASIC FINANCIAL STATEMENTS**

**Oneida Special School District  
Government-wide Statement of Net Assets  
June 30, 2012**

	<b>Governmental  <u>Activities</u></b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 765,065
Investments	343,958
Receivables (net of allowance for uncollectible)	
Due from Other Governments	241,889
Property taxes	1,094,965
Total current assets	<u>2,445,877</u>
<b>Restricted assets:</b>	
Temporarily restricted:	
Investments	<u>12,834</u>
Total restricted assets	<u>12,834</u>
<b>Capital assets</b>	
Land	602,786
Buildings	17,817,589
Machinery and equipment	598,658
Construction in Progress	-
Less: Accumulated Depreciation	<u>(4,641,224)</u>
Total capital assets	<u>14,377,809</u>
<b>Total Assets</b>	<u><u>\$ 16,836,520</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, 2012**

	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and other current liabilities	\$ 31,287
Deferred Revenue	1,089,058
Notes Payable - Current	174,698
Current liabilities	<u>1,295,043</u>
Noncurrent liabilities:	
Compensated Absences	13,295
Notes & Bonds Payable	3,089,126
Total Noncurrent liabilities	<u>3,102,421</u>
Total liabilities	<u>4,397,464</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	11,113,985
Restricted for:	
Cafeteria fund	60,464
Debt Service	375,345
Capital Projects	63,477
Building Fund	62,677
Scholarship	12,834
Education	35,000
Playground	16,000
Unrestricted	699,274
Total net assets	<u>12,439,056</u>
Total Liabilities and Net Assets	<u>\$ 16,836,520</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, 2012**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b><u>Functions/Programs</u></b>				
<b>Primary government:</b>				
Government activities:				
Regular Instruction Program	\$ 4,748,907	\$ -	\$ 25,010	\$ (4,723,897)
Special Education Program	834,865	-	-	(834,865)
Vocational Education Program	205,516	-	-	(205,516)
Alternative Education Program	46,439	-	-	(46,439)
Support Services	953,313	-	-	(953,313)
Food Services	640,734	198,266	431,101	(11,367)
Administration	934,058	-	-	(934,058)
Community Services	29,612	-	-	(29,612)
Student Transportation	208,220	-	-	(208,220)
Operation and Maintenance of Plant	1,197,745	-	-	(1,197,745)
Early Childhood Education	312,564	-	-	(312,564)
Interest and fees on long-term debt	63,546	-	-	(63,546)
Total governmental activities	<u>\$ 10,175,519</u>	<u>\$ 198,266</u>	<u>\$ 456,111</u>	<u>(9,521,142)</u>
General revenues:				
Property taxes				1,126,830
Other Local revenue				512,086
State and Federal Through State				7,791,490
Other Revenues				269,460
Unrestricted Investment Earnings				21,520
Total general revenues				<u>9,721,386</u>
Change in net assets				200,244
Net assets - beginning of year				<u>12,238,812</u>
Net assets - ending				<u>\$ 12,439,056</u>

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

Oneida Special School District  
Balance Sheet  
Governmental Funds  
June 30, 2012

	MAJOR FUNDS						TOTAL
	General Purpose School	Debt Service Fund	Federal Projects	Food Service Fund	Capital Projects Fund	Building Fund	Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 550,385	\$ 90,082	\$ -	\$ 60,464	\$ 63,477	\$ 657	\$ 765,065
Investments	-	281,938	-	-	-	62,020	343,958
Restricted Cash	12,834	-	-	-	-	-	12,834
Property Taxes Receivables (Net)	1,094,965	-	-	-	-	-	1,094,965
Due from other Governments	235,471	3,325	3,093	-	-	-	241,889
Total assets	<u>1,893,655</u>	<u>375,345</u>	<u>3,093</u>	<u>60,464</u>	<u>63,477</u>	<u>62,677</u>	<u>2,458,711</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	28,194	-	3,093	-	-	-	31,287
Deferred Revenue	1,089,058	-	-	-	-	-	1,089,058
Retainage Payable	-	-	-	-	-	-	-
Total liabilities and credits	<u>1,117,252</u>	<u>-</u>	<u>3,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,120,345</u>
Fund balances:							
Restricted for:							
Building Program	-	-	-	-	-	62,677	62,677
Debt service	-	375,345	-	-	-	-	375,345
Capital Projects	-	-	-	-	63,477	-	63,477
Food Service	-	-	-	60,464	-	-	60,464
Scholarship	12,834	-	-	-	-	-	12,834
Assigned	51,000	-	-	-	-	-	51,000
Unassigned	712,569	-	-	-	-	-	712,569
Total fund balances	<u>776,403</u>	<u>375,345</u>	<u>-</u>	<u>60,464</u>	<u>63,477</u>	<u>62,677</u>	<u>1,338,366</u>
Total liabilities and fund balances	<u>\$ 1,893,655</u>	<u>\$ 375,345</u>	<u>\$ 3,093</u>	<u>\$ 60,464</u>	<u>\$ 63,477</u>	<u>\$ 62,677</u>	<u>\$ 2,458,711</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, 2012**

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

Total fund balance - total governmental funds (Page16)		\$ 1,338,366
1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Add: Land	602,786	
Buildings	17,817,589	
Machinery and equipment	598,658	
Less: Accumulated Depreciation	<u>(4,641,224)</u>	
		14,377,809
2) Long-term Liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: Compensated Absences	(13,295)	
Notes and Bonds Payable	<u>(3,263,824)</u>	
		(3,277,119)
Net Assets (page 14)		<u><u>\$ 12,439,056</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 Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	MAJOR FUNDS						TOTAL
	General Purpose School Fund	Debt Service Fund	Federal Projects Fund	Capital Projects Fund	Food Service Fund	Building Fund	Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 1,126,830	-	\$ -	\$ -	\$ -	\$ -	\$ 1,126,830
Local option sales taxes	512,086	-	-	-	-	-	512,086
Cafeteria Charges	-	-	-	-	198,266	-	198,266
Other Revenues	20,538	-	-	-	-	-	20,538
Federal and State Revenues	6,593,118	-	1,198,372	-	431,101	-	8,222,591
Miscellaneous	9,164	-	-	-	-	-	9,164
Interest earnings	16,636	2,838	-	1,210	68	768	21,520
Contributions and donations	25,010	-	-	-	-	-	25,010
<b>Total revenues</b>	<b>8,303,382</b>	<b>2,838</b>	<b>1,198,372</b>	<b>1,210</b>	<b>629,435</b>	<b>768</b>	<b>10,136,005</b>
<b>EXPENDITURES</b>							
Regular Instruction Program	3,873,743	-	817,064	-	-	-	4,690,807
Special Education Program	563,289	-	271,576	-	-	-	834,865
Vocational Education Program	193,516	-	12,000	-	-	-	205,516
Alternative Education Program	941	-	45,498	-	-	-	46,439
Support Services -- Attendance	64,602	-	2,593	-	-	-	67,195
Support Services -- Health Services	155,065	-	42,447	-	-	-	197,512
Support Services -- Other Student Support	230,872	-	6,448	-	-	-	237,320
Support Services -- Regular Instruction	327,299	-	746	-	-	-	328,045
Support Services -- Special Education	123,241	-	-	-	-	-	123,241
Administration -- Board of Education	162,605	-	-	-	-	-	162,605
Administration -- Office of the Director of School:	169,025	-	-	-	-	-	169,025
Administration -- Office of the Principals	480,002	-	-	-	-	-	480,002
Business Administration -- Fiscal Services	122,426	-	-	-	-	-	122,426
Community Services	29,612	-	-	-	-	-	29,612
Student Transportation	208,220	-	-	-	-	-	208,220
Operation of Plant	816,684	-	-	-	-	-	816,684
Maintenance of Plant	30,205	-	-	-	-	-	30,205
Early Childhood Education	312,564	-	-	-	-	-	312,564
Capital Outlay	27,840	-	-	-	-	-	27,840
School Food Service	-	-	-	-	640,734	-	640,734
Debt Service:							
Principal	-	808,063	-	-	-	-	808,063
Interest	-	63,547	-	-	-	-	63,547
Other Capital Outlay	-	-	-	3,121,851	-	-	3,121,851
<b>Total expenditures</b>	<b>7,891,751</b>	<b>871,610</b>	<b>1,198,372</b>	<b>3,121,851</b>	<b>640,734</b>	<b>-</b>	<b>13,724,318</b>
Excess (deficiency) of revenues over (under) expenditures	411,631	(868,772)	-	(3,120,641)	(11,299)	768	(3,588,313)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds of Notes and Bonds	-	-	-	3,321,454	-	-	3,321,454
Proceeds from Scott County ADA Bonds	-	-	-	239,758	-	-	239,758
Transfers in	-	887,290	-	75,000	-	-	962,290
Transfers out	(303,452)	(75,000)	-	(641,938)	-	-	(1,020,390)
<b>Total other financing sources and uses</b>	<b>(303,452)</b>	<b>812,290</b>	<b>-</b>	<b>2,994,274</b>	<b>-</b>	<b>-</b>	<b>3,503,112</b>
<b>Net change in fund balances</b>	<b>108,179</b>	<b>(56,482)</b>	<b>-</b>	<b>(126,367)</b>	<b>(11,299)</b>	<b>768</b>	<b>(85,201)</b>
Fund balances - beginning	668,224	431,827	-	189,843	71,763	61,909	1,423,566
Fund balances - ending	\$ 776,403	\$ 375,345	\$ -	\$ 63,476	\$ 60,464	\$ 62,677	\$ 1,338,365

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, 2012**

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)	\$	(85,201)
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- 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	3,121,849	
Less: Depreciation expense	<u>(323,780)</u>	
	2,798,069	2,798,069

- 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.

Less: Long Term Debt Proceeds	(3,321,454)	
Add: Principal payments on bonds	<u>808,063</u>	(2,513,391)

- 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	14,062	
Compensated Absences Current	<u>(13,295)</u>	
Less: Decrease in compensated absences		767

Change in net assets of governmental activities (page 15)	<u>\$</u>	<u>200,244</u>
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*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, 2012**

	<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	\$ 21,356	\$ 30,541	\$ 93,339	\$ 145,236
Investments	-	-	10,000	10,000
<b>Total Assets</b>	<u>21,356</u>	<u>30,541</u>	<u>103,339</u>	<u>155,236</u>
<b>Liabilities</b>				
Activity Funds Due to Schools	<u>\$ 21,356</u>	<u>\$ 30,541</u>	<u>\$ 103,339</u>	<u>\$ 155,236</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, 2012**

	<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	\$ 645,000	\$ 624,849	\$ 620,160	\$ (4,689)
County Property Taxes - Prior Years	61,000	48,966	50,849	1,883
County Property Taxes - Delinquent	22,500	47,353	43,621	(3,732)
Interest and Penalty on Delinquent County Taxes	10,000	9,948	10,167	219
Payment in Lieu of Taxes - TVA	15	58,308	58,308	-
Payment in Lieu of Taxes - Local Utilities	95,000	91,652	91,652	-
Local Option Sales Taxes	520,500	512,383	512,086	(297)
Interstate Telecommunications Tax	600	374	399	25
School District Property Taxes - Current	313,000	306,507	306,477	(30)
School District Property Taxes - Prior Years	25,000	14,424	14,071	(353)
School District in Lieu of Taxes	60,000	176	176	-
Interest and Penalty on Delinquent School District Taxes	-	3,398	3,439	41
Marriage Licenses	200	517	517	-
Receipts from Individual Schools	5,500	8,647	8,647	-
Investment Income	5,000	3,030	3,030	-
E-Rate Funding	22,000	23,769	34,796	11,027
Miscellaneous Refunds	400	5,800	5,800	-
Contributions and Gifts	12,000	28,990	25,010	(3,980)
Other Local Revenues	-	-	14,738	14,738
<b>Total Local Revenues</b>	<u>1,797,715</u>	<u>1,789,091</u>	<u>1,803,943</u>	<u>14,852</u>
<b>State of Tennessee and Federal Revenues</b>				
Basic Education Program	5,785,000	5,942,000	5,942,000	-
Driver Education	5,600	6,876	6,876	-
Coordinated School Health (ARRA)	90,000	90,000	90,000	-
Energy Efficiency Initiative	-	27,840	27,840	-
Early Childhood Education	313,094	313,094	313,094	-
Internet Connectivity	3,600	-	-	-
Career Ladder Program	53,321	49,847	49,847	-
Career Ladder Extended Contract (ARRA)	14,300	14,300	14,300	-
Career Ladder Extended Contract	-	1,167	1,167	-
Other State and Local Funds	10,881	10,881	-	(10,881)
Family Resource (ARRA)	29,612	29,612	29,612	-
Statewide Student Management	1,381	-	-	-
Safe Schools (ARRA)	6,500	6,500	6,500	-
Other Vocational	18,500	12,500	12,500	-
Other	-	5,703	5,703	-
<b>Total State of Tennessee and Federal Revenues</b>	<u>6,331,789</u>	<u>6,510,320</u>	<u>6,499,439</u>	<u>(10,881)</u>
<b>Total Revenues</b>	<b>\$ 8,129,504</b>	<b>\$ 8,299,411</b>	<b>\$ 8,303,382</b>	<b>\$ 3,971</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, 2012**

	<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	\$ 2,438,870	\$ 2,390,574	\$ 2,390,574	\$ -
Career Ladder Program	35,000	31,930	31,930	-
Career Ladder Extended Contract	10,500	11,320	11,320	-
Homebound Teachers Salaries	7,000	4,292	4,292	-
Aides - Salaries	194,000	190,034	190,034	-
Other Salaries and Wages	25,000	39,285	39,285	-
Substitute Teachers - Salaries	15,000	9,076	9,076	-
Non-Certified Substitute Teachers - Salaries	40,000	51,828	51,828	-
Social Security	157,329	158,381	158,381	-
State Retirement	233,587	241,778	241,778	-
Life Insurance	3,206	1,713	1,713	-
Medical Insurance	364,319	385,752	385,752	-
Unemployment Compensation	9,706	14,173	14,173	-
Medicare	36,569	37,061	37,061	-
Other Contracted Services	23,000	25,108	25,108	-
Maintenance and Repair Services Equip.	60,000	40,494	40,494	-
Instructional Supplies	1,325	1,325	-	1,325
Textbooks	95,000	102,998	102,998	-
Other Materials and Supplies	34,724	42,498	41,648	850
Other Charges	-	5,574	-	5,574
Fee Waivers	-	2,954	2,954	-
Computers and Other Instructional Aids	95,000	93,344	93,344	-
<b>Total Regular Instruction</b>	<b>3,879,135</b>	<b>3,881,492</b>	<b>3,873,743</b>	<b>7,749</b>
<b>Special Education Program:</b>				
Teacher Salaries	260,965	279,937	279,937	-
Career Ladder Program	1,000	1,000	1,000	-
Aides - Salaries	39,225	42,322	42,322	-
Speech Pathologist	60,000	60,000	60,000	-
Substitute Teachers - Salaries	16,500	17,193	16,918	275
Social Security	23,000	22,720	22,720	-
State Retirement	34,500	35,066	35,066	-
Life Insurance	400	221	221	-
Medical Insurance	43,500	36,130	36,130	-
Unemployment Compensation	1,200	1,997	1,997	-
Medicare	5,500	5,317	5,317	-
Contracts with Public Agencies	15,000	15,164	15,164	-
Contracts with Private Agencies	10,500	-	-	-
Other Contracted Services	30,000	33,378	33,378	-
Instructional Supplies	6,000	11,991	11,991	-
Special Education Equipment	5,000	1,128	1,128	-
<b>Total Special Education</b>	<b>\$ 552,290</b>	<b>\$ 563,564</b>	<b>\$ 563,289</b>	<b>\$ 275</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Revenues/ Expenditures (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES</b>				
<b>Vocational Education Program</b>				
Teacher Salaries	\$ 129,515	\$ 129,660	\$ 129,660	\$ -
Career Ladder Program	-	2,000	2,000	-
Other Salaries and Wages	19,200	18,427	18,427	-
Substitute Teachers - Salaries	3,000	2,775	2,775	-
Social Security	9,350	8,883	8,883	-
State Retirement	14,127	13,171	13,171	-
Life Insurance	126	90	90	-
Medical Insurance	10,450	10,714	10,714	-
Unemployment Compensation	300	415	415	-
Maintenance & Repair-Equipment	300	-	-	-
Medicare	2,185	2,078	2,078	-
Instruction Supplies	4,000	5,202	5,202	-
Vocational Instruction Equipment	2,000	101	101	-
<b>Total Vocational Instruction</b>	<b>194,553</b>	<b>193,516</b>	<b>193,516</b>	<b>-</b>
<b>Support Services Attendance</b>				
Supervisor Director	12,000	806	806	-
Social Security	744	50	50	-
State Retirement	1,086	73	73	-
Medical Insurance	500	-	-	-
Medicare	174	12	12	-
	<b>14,504</b>	<b>941</b>	<b>941</b>	<b>-</b>
<b>Support Services Alternative Instruction Program</b>				
Supervisor Director	46,684	46,684	46,684	-
Non Certified Substitute Teachers	500	-	-	-
Social Security	2,700	2,560	2,560	-
State Retirement	4,225	4,225	4,225	-
Life Insurance	42	-	-	-
Medical Insurance	10,242	10,408	10,408	-
Unemployment Compensation	42	126	126	-
Employer Medicare	677	599	599	-
<b>Total Support Services Attendance</b>	<b>65,112</b>	<b>64,602</b>	<b>64,602</b>	<b>-</b>
<b>Support Services Health Services</b>				
Medical Personnel	95,973	97,170	97,170	-
Other Salaries & Wages	18,754	18,577	18,577	-
Social Security	7,115	7,123	7,123	-
State Retirement	10,590	10,589	10,589	-
Life Insurance	84	42	42	-
Medical Insurance	11,203	11,165	11,165	-
Unemployment Compensation	182	338	338	-
Medicare	1,664	1,665	1,665	-
Drugs and Medical Supplies	600	76	76	-
Other Supplies and Materials	4,000	3,124	3,124	-
Instructional Supplies	1,696	1,696	1,696	-
Travel	2,500	2,000	2,000	-
Other Contracted Services	500	500	500	-
Inservice Staff Development	1,000	1,000	1,000	-
<b>Total Support Services Health Services</b>	<b>\$ 155,861</b>	<b>\$ 155,065</b>	<b>\$ 155,065</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, 2012**

	<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	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Guidance Personnel - Salaries	114,986	114,986	114,986	-
Clerical Personnel	18,635	18,635	18,635	-
Social Security	8,500	7,829	7,829	-
State Retirement	12,965	12,960	12,960	-
Life Insurance	220	126	126	-
Medical Insurance	21,000	19,388	19,388	-
Unemployment Compensation	400	372	372	-
Medicare	1,955	1,831	1,831	-
Evaluation and Testing	6,000	7,093	7,093	-
Other Contracted Services	24,000	18,196	18,196	-
Other Supplies and Materials	2,000	28,456	28,456	-
Other Charges	1,000	-	-	-
<b>Total Support Services - Other Student Support</b>	<b>212,661</b>	<b>230,872</b>	<b>230,872</b>	<b>-</b>
<b>Support Services Regular Instruction Program</b>				
Supervisor/Director	35,501	38,501	38,501	-
Librarians	81,885	81,885	81,885	-
Other Wages and Salaries	65,550	86,750	86,750	-
Social Security	11,950	12,289	12,289	-
State Retirement	19,375	22,400	22,400	-
Life Insurance	-	55	55	-
Medical Insurance	17,375	25,916	25,916	-
Unemployment Compensation	400	652	652	-
Medicare	2,795	2,873	2,873	-
Travel	15,718	8,257	7,539	718
Other Contracted Services	16,000	15,695	15,695	-
Library Books	12,000	11,124	11,124	-
Periodicals	3,000	2,321	2,321	-
Other Materials and Supplies	12,000	11,849	11,849	-
In-service Staff Development	9,588	10,398	7,310	3,088
Other Charges	1,028	1,168	140	1,028
<b>Total Support Services Regular Instruction</b>	<b>\$ 304,165</b>	<b>\$ 332,133</b>	<b>\$ 327,299</b>	<b>\$ 4,834</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, 2012**

	<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 - Alternative Education</b>				
Supervisor/ Director - Salaries	\$ 46,684	\$ 46,684	\$ 46,684	\$ -
Non-Certified Certified Teachers	500	-	-	-
Social Security	2,700	2,560	2,560	-
State Retirement	4,225	4,225	4,225	-
Life Insurance	42	-	-	-
Medical Insurance	10,242	10,409	10,409	-
Medicare	677	599	599	-
Unemployment Insurance	42	126	126	-
<b>Total Support Services - Special Education Program</b>	<b>65,112</b>	<b>64,603</b>	<b>64,603</b>	<b>-</b>
<b>Support Services - Special Education Program</b>				
Supervisor/ Director - Salaries	62,380	62,380	62,380	-
Career Ladder Program	1,000	1,000	1,000	-
Secretary	24,810	23,810	23,810	-
Social Security	5,410	5,117	5,117	-
State Retirement	8,885	8,884	8,884	-
Life Insurance	84	84	84	-
Medical Insurance	8,625	8,620	8,620	-
Medicare	1,265	1,197	1,197	-
Unemployment Insurance	84	252	252	-
Maintenance and Repair Services	500	501	501	-
Travel	5,500	7,822	7,822	-
Other Contracted Services	2,500	2,318	2,318	-
In-service	1,500	1,035	1,035	-
Other Charges	500	221	221	-
<b>Total Support Services - Special Education Program</b>	<b>123,043</b>	<b>123,241</b>	<b>123,241</b>	<b>-</b>
<b>Support Services - Vocational Education Instruction</b>				
Travel	500	318	-	318
<b>Total Support Services - Vocational Education Instruction</b>	<b>500</b>	<b>318</b>	<b>-</b>	<b>318</b>
<b>Support Services - Board of Education</b>				
Medical Insurance	15,700	15,776	15,776	-
Other Fringe Benefits	120	40	40	-
Audit Services	10,500	9,900	9,900	-
Dues and Memberships	9,000	4,878	4,878	-
Legal Services	4,000	5,740	5,740	-
Travel	5,000	5,646	5,646	-
Other Contracted Services	38,000	29,470	29,470	-
Liability Insurance	12,548	12,851	12,851	-
Premiums on Corporate Surety Bonds	1,800	1,675	1,675	-
Trustee Commissions	30,000	29,008	28,937	71
Workers' Compensation Insurance	37,149	36,255	36,255	-
In-service Staff Development	3,000	2,612	2,612	-
Other Charges	5,000	8,825	8,825	-
<b>Total Support Services - Board of Education</b>	<b>\$ 171,817</b>	<b>\$ 162,676</b>	<b>\$ 162,605</b>	<b>\$ 71</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, 2012**

	<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	\$ 85,000	\$ 85,120	\$ 85,120	\$ -
Career Ladder	1,000	-	-	-
Clerical Personnel	3,800	5,074	5,074	-
Social Security	5,505	5,585	5,585	-
State Retirement	7,785	8,206	8,206	-
Life Insurance	84	-	-	-
Medical Insurance	6,000	1,317	1,317	-
Unemployment Compensation	42	144	144	-
Medicare	1,290	1,306	1,306	-
Communication	23,600	20,165	20,165	-
Dues and Memberships	3,500	2,736	2,736	-
Postal Charges	3,500	2,652	2,332	320
Travel	5,000	7,191	7,191	-
Other Contracted Services	12,000	23,684	23,684	-
Office Supplies	-	67	67	-
Other Supplies & Materials	500	1,134	1,134	-
In service/Staff Development	-	854	854	-
Other Charges	5,000	4,110	4,110	-
<b>Total Office of the Superintendent</b>	<b>163,606</b>	<b>169,345</b>	<b>169,025</b>	<b>320</b>
<b>School Administration - Office of the Principals</b>				
Principals - Salaries	206,100	200,536	200,536	-
Career Ladder Program	5,000	5,600	5,600	-
Bookkeepers	63,555	75,997	75,997	-
Clerical Personnel	78,464	67,751	67,751	-
Social Security	21,895	20,259	20,259	-
State Retirement	37,880	37,633	37,633	-
Life Insurance	326	283	283	-
Medical Insurance	50,000	59,417	59,417	-
Unemployment Compensation	800	1,575	1,575	-
Medicare	5,120	4,739	4,739	-
Communication	4,000	3,708	3,708	-
Travel	2,000	629	629	-
Data Processing	1,800	1,875	1,875	-
In Service Staff Development	3,000	-	-	-
<b>Total Office of the Principals</b>	<b>\$ 479,940</b>	<b>\$ 480,002</b>	<b>\$ 480,002</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, 2012**

	<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	\$ 46,675	\$ 46,685	\$ 46,685	\$ -
Other Salaries and Wages	40,570	40,572	40,572	-
Social Security	5,415	5,708	5,708	-
State Retirement	11,548	12,702	12,702	-
Life Insurance	84	56	56	-
Medical Insurance	4,315	2,975	2,975	-
Unemployment Compensation	90	102	102	-
Medicare	1,266	1,335	1,335	-
Advertising	3,000	1,416	1,416	-
Data Processing Services	4,605	5,001	5,001	-
Travel	2,800	2,925	2,925	-
Other Contracted Services	-	200	200	-
Data Processing Supplies	1,000	-	-	-
Office Supplies	500	1,209	1,209	-
Other Charges	-	1,540	1,540	-
<b>Total Business Administration - Fiscal Services</b>	<b>121,868</b>	<b>122,426</b>	<b>122,426</b>	<b>-</b>
<b>Operation of Plant</b>				
Custodial Personnel	260,000	8,076	8,076	-
Guards	5,000	256,346	256,346	-
Social Security	16,500	15,867	15,867	-
State Retirement	24,000	22,041	22,041	-
Life Insurance	85	63	63	-
Medical Insurance	23,000	27,752	27,752	-
Unemployment Compensation	880	2,251	2,251	-
Medicare	4,060	3,711	3,711	-
Other Contracted Services	-	525	525	-
Electricity	270,000	251,211	251,211	-
Equipment & Machinery Parts	-	78	78	-
Natural Gas	60,000	39,859	39,859	-
Water and Sewer	30,000	20,968	20,968	-
Other Supplies and Materials	65,000	109,425	109,425	-
Boiler Insurance	1,959	1,959	1,959	-
Building and Contents Insurance	34,463	34,463	34,463	-
Plant Operation Equipment	4,000	-	-	-
Other Charges	22,000	22,089	22,089	-
<b>Total Operation of Plant</b>	<b>\$ 820,947</b>	<b>\$ 816,684</b>	<b>\$ 816,684</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, 2012**

	<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	\$ 30,000	\$ 6,792	\$ 6,792	\$ -
Maintenance and Repair Services - Equipment	30,000	4,117	4,117	-
Equipment and Machinery Parts	8,000	2,230	2,230	-
Vehicle Parts	-	24	24	-
Other Charges	3,000	2,272	2,272	-
Other Materials and Supplies	30,000	14,064	14,064	-
Maintenance Equipment	5,000	706	706	-
<b>Total Maintenance of Plant</b>	<b>106,000</b>	<b>30,205</b>	<b>30,205</b>	<b>-</b>
<b>Student Transportation</b>				
Supervisor/Director	20,000	20,800	20,800	-
Bus Drivers	65,000	56,571	56,571	-
Social Security	5,270	4,668	4,668	-
State Retirement	10,576	9,338	9,338	-
Life Insurance	126	49	49	-
Medical Insurance	12,700	16,384	16,384	-
Unemployment Compensation	310	764	764	-
Medicare	945	1,092	1,092	-
Maintenance and Repair Vehicles	8,545	12,161	12,161	-
Medical Services	1,200	894	894	-
Gasoline	22,000	46,558	46,558	-
Tires and Tubes	2,500	3,170	3,170	-
Vehicle Parts	5,000	10,496	10,496	-
Other Supplies & Materials	1,000	2,665	2,665	-
Other Contracted Services	-	295	295	-
Vehicle Equipment Insurance	12,000	11,018	11,018	-
In-service Staff Development	1,500	1,025	1,025	-
Other Charges	900	2,406	2,406	-
Transportation Equipment	6,500	7,866	7,866	-
<b>Total Student Transportation</b>	<b>176,072</b>	<b>208,220</b>	<b>208,220</b>	<b>-</b>
<b>Community Services</b>				
Clerical Personnel	-	-	-	-
Salaries and Wages	24,600	24,600	24,600	-
Social Security	1,525	1,525	1,525	-
State Retirement	3,252	3,252	3,252	-
Medicare	235	235	235	-
Other Contracted Services	-	-	-	-
<b>Total Community Services</b>	<b>\$ 29,612</b>	<b>\$ 29,612</b>	<b>\$ 29,612</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, 2012**

	<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	\$ 144,000	\$ 144,664	\$ 144,664	\$ -
Educational Assistants	52,000	53,450	53,450	-
Non-Certified Substitute Teachers	3,000	3,773	3,773	-
Social Security	12,218	11,809	11,809	-
Retirement	19,634	20,554	20,554	-
Life Insurance	300	262	262	-
Unemployment Compensation	500	39,526	39,526	-
Medical Insurance	37,000	686	686	-
Employer Medicare	2,842	2,759	2,759	-
Travel	3,000	2,000	2,000	-
Food Supplies	2,000	1,769	1,769	-
Instructional Supplies	12,000	12,000	12,000	-
Other Supplies and Materials	12,000	8,299	8,299	-
Inservice/Staff Development	2,000	1,394	1,394	-
Other Charges	6,000	5,619	5,619	-
Other Equipment	4,000	4,000	4,000	-
<b>Total Early Childhood Education</b>	<u>312,494</u>	<u>312,564</u>	<u>312,564</u>	<u>-</u>
<b>Regular Capital Outlay</b>				
<b>Building Improvements</b>				
	-	27,840	27,840	-
	-	27,840	27,840	-
<b>Total Expenditures</b>	<u>7,883,680</u>	<u>7,905,000</u>	<u>7,891,751</u>	<u>13,249</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>245,824</u>	<u>394,411</u>	<u>411,631</u>	<u>(17,220)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer To Debt Service Fund	(282,100)	(249,390)	(245,352)	(4,038)
Transfer to Elementary School	(24,500)	(26,000)	(26,000)	-
Transfer to Middle School	(12,200)	(14,900)	(14,900)	-
Transfer to High School	(16,200)	(17,200)	(17,200)	-
				-
<b>Total Other Financing Sources (Uses)</b>	<u>(335,000)</u>	<u>(307,490)</u>	<u>(303,452)</u>	<u>(4,038)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Sources</b>	<u>\$ (89,176)</u>	<u>\$ 86,921</u>	<u>\$ 108,179</u>	<u>\$ (21,258)</u>
<b>Fund Balance, July 1, 2011</b>			<u>668,224</u>	
<b>Fund Balance, June 30, 2012</b>			<u>\$ 776,403</u>	

**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, 2012**

	<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	\$ 14,939	\$ 14,939	\$ 14,939	-
Title 1 Grants to Local Education Agencies	410,509	410,509	390,310	(20,199)
Special Education Grants	271,588	271,588	271,588	-
First To the Top	140,106	140,106	129,722	(10,384)
Rural Education	25,859	25,859	25,859	-
Special Education Preschool	6,436	6,436	6,436	-
Eisenhower Prof Development	37,424	37,424	37,424	-
Other Federal Thru State	322,094	322,094	322,094	-
Total revenues	<u>\$ 1,228,955</u>	<u>\$ 1,228,955</u>	<u>\$ 1,198,372</u>	<u>\$ (30,583)</u>
<b>EXPENDITURES</b>				
<b>Regular Instruction Program</b>				
Teachers	\$ 555,859	\$ 555,859	\$ 553,847	\$ 2,012
Other Salaries and Wages	18,572	21,000	21,000	-
Social Security	36,952	37,072	34,023	3,049
State Retirement	54,440	54,988	52,897	2,091
life Insurance	587	552	420	132
Medical Insurance	92,855	92,855	92,855	-
Unemployment	755	707	294	413
Medicare	8,964	8,783	8,211	572
Instructional supplies	18,648	18,648	18,648	-
Equipment	40,026	34,869	34,869	-
Regular Instruction Program	<u>827,658</u>	<u>825,333</u>	<u>817,064</u>	<u>8,269</u>
<b>Special Education Program</b>				
Teachers	108,078	108,078	108,078	-
Aides	74,865	74,865	74,865	-
Social Security	11,420	11,420	11,420	-
State Retirement	19,925	19,925	19,925	-
Medical Insurance	30,317	30,317	30,317	-
Life Insurance	42	42	42	-
Medicare	2,673	2,673	2,673	-
Contracts With Public Agencies	4,436	4,436	4,436	-
Contracts With Private Agencies	8,267	8,267	8,267	-
Instructional Supplies	11,553	11,553	11,553	-
Equipment	-	-	-	-
Special Education Program	<u>271,576</u>	<u>271,576</u>	<u>271,576</u>	<u>-</u>
<b>Vocational Education Program</b>				
Other Contracted Services	12,000	12,000	12,000	-
Instructional Supplies	-	-	-	-
Vocational Education Program	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<b>Alternative Instruction Program</b>				
Educational Assistants	25,473	28,449	28,449	-
Social Security	1,569	1,764	1,764	-
State Retirement	3,326	3,720	3,720	-
Medical Insurance	11,152	11,152	11,152	-
Unemployment	-	-	-	-
Employer Medicare	370	413	413	-
Other Student Support	<u>\$ 41,890</u>	<u>\$ 45,498</u>	<u>\$ 45,498</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Revenues/ Expenditures (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Other Student Support</b>				
Inservice Staff Development	\$ 300	\$ 300	\$ 300	\$ -
Other Contracted Services	800	800	800	-
Travel	1,093	1,093	1,093	-
Other Charges	3,000	3,000	400	2,600
Other Student Support	<u>5,193</u>	<u>5,193</u>	<u>2,593</u>	<u>2,600</u>
<b>Support Services Regular Instruction</b>				
Supervisor	14,160	14,160	14,160	-
In Service Training	28,430	28,430	16,794	11,636
Social Security	732	732	732	-
State Retirement	1,282	1,282	1,282	-
Medicare	172	172	172	-
Travel	16,767	15,324	9,247	6,077
Other Charges	60	60	60	-
Support Services Regular instruction program	<u>61,603</u>	<u>60,160</u>	<u>42,447</u>	<u>17,713</u>
<b>Support Services Special Education</b>				
State retirement	37	37	37	-
Travel	3,451	3,451	3,451	-
Staff Development	2,960	2,960	2,960	-
Support Services Special Education program	<u>6,448</u>	<u>6,448</u>	<u>6,448</u>	<u>-</u>
<b>Support Services Vocational Education program</b>				
Travel	400	400	400	-
Inservice Staff Development	346	346	346	-
Support Services Vocational Education program	<u>746</u>	<u>746</u>	<u>746</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,227,114.00</u>	<u>1,226,954.00</u>	<u>1,198,372.00</u>	<u>28,582.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,841</u>	<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ 2,001</u>
<b>Fund Balances - Beginning</b>			<u>-</u>	
<b>Fund Balances - Ending</b>			<u>\$ -</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, 2012**

	<b>Food Service Fund</b>		
	<b>Elementary School</b>	<b>Middle/High School</b>	<b>Total</b>
<b>REVENUES</b>			
Lunch Adult	\$ 1,735	\$ 2,188	\$ 3,923
Lunch Child	24,632	40,067	64,699
Breakfast	32,338	40,553	72,891
Milk	40	784	824
Ice Cream	24,640	3,889	28,529
A-la-Carte	1,388	25,167	26,555
Other	330	515	845
Interest	34	34	68
Federal Thru State	208,197	217,010	425,207
State Match	2,947	2,947	5,894
	<hr/>	<hr/>	<hr/>
Total revenues	296,281	333,154	629,435
<b>EXPENDITURES</b>			
Salaries	101,093	121,653	222,746
Social Security	7,552	8,854	16,406
Retirement	9,107	14,434	23,541
Food	97,501	123,845	221,346
Milk	25,743	22,601	48,344
Non-food	11,096	8,903	19,999
Ice Cream	9,013	1,588	10,601
Other	17,597	14,951	32,548
Unemployment	819	819	1,638
Equipment	4,827	17,503	22,330
Employee Life and Health	3,994	17,241	21,235
	<hr/>	<hr/>	<hr/>
Total expenditures	288,342	352,392	640,734
Excess (deficiency) of revenues over (under) expenditures	7,939	(19,238)	(11,299)
Fund balances - beginning	36,589	35,174	71,763
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ 44,528</u>	<u>\$ 15,936</u>	<u>\$ 60,464</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, 2012**

	<u>Building Fund</u>
<b>REVENUES</b>	
Interest	\$ 768
Total revenues	<u>768</u>
<b>EXPENDITURES</b>	
Excess (deficiency) of revenues over (under) expenditures	<u>768</u>
Net change in fund balances	768
Fund balances - beginning	<u>61,909</u>
Fund balances - ending	<u><u>\$ 62,677</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, 2012**

**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, 2012. 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, 2012. 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.

The *All Agency Fund* is used to account for funds for the Elementary, Middle and High School Activity funds.

When both restricted and unassigned resources are available for use, it is the government's policy to use restricted resources first, then unassigned 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% in 2009, 29.83% in 2010, 29.69% in 2011, and 29.10% for 2012. 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. Net Assets and Fund Equity

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting reporting purposes into the following three net asset groups.

- a. Investment in Capital Assets, Net of Related Debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets - Consists of net assets that constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

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.

Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* establishes standards for fund balance classifications for state and local governments and requires that resources be classified for accounting reporting purposes into the following fund balances:

### Nonspendable Fund Balances

Fund balances reported as nonspendable in the accompanying financial statements represents amounts for prepaid expenses or inventory.

### Restricted Fund Balance

Fund balances reported as restricted in the accompanying financial statements represent amounts restricted to specific purposes by externally imposed restrictions or imposed by law through constitutional provisions or enabling legislation.

### Committed Fund Balance

Fund balances reported as committed in the accompanying financial statements represent amounts that can be used only for specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education commits resources for specific purposes by passing ordinances.

### Assigned Fund Balance

Fund balances reported as assigned in the accompanying financial statements represent amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by the Board of Education through the budgetary process.

### Unassigned Fund Balance

In accordance with generally accepted accounting principles, the general fund is the only fund of the District that reports amounts for unassigned fund balance. This classification represents fund balance that is not nonspendable and has not been committed to specific purposes within the general fund.

The District would typically use restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

### **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 \$ 1,109,023, and the bank balance was \$ 1,685,949.

The School has invested in several Certificate of Deposits with maturities of nine to thirteen months. Currently the interest rate ranges from 1 to 1.5 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	\$ 1,094,965	\$ -	\$ -	\$ -	\$ 1,094,965
Due from other governments	235,471	3,325	3,093	-	241,889
Gross receivables	<u>1,330,436</u>	<u>3,325</u>	<u>3,093</u>	<u>-</u>	<u>1,336,854</u>
Less: allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 1,330,436</u>	<u>\$ 3,325</u>	<u>\$ 3,093</u>	<u>\$ -</u>	<u>\$ 1,336,854</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	\$ 1,094,965	-
Delinquent Property Tax	-	-
 Total deferred revenue for governmental funds	 <u>\$ 1,094,965</u>	 <u>\$ -</u>

### C. Capital Assets

Capital activity for the year ended June 30, 2012 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	\$ 547,786	\$ 55,000	\$ -	\$ 602,786
Construction in Progress	3,656,312	-	3,656,312	-
Total capital assets, not being depreciated	<u>4,204,098</u>	<u>55,000</u>	<u>3,656,312</u>	<u>602,786</u>
 Capital assets, being depreciated				
Buildings and Improvements	11,198,428	6,619,161	-	17,817,589
Machinery and equipment	494,658	104,000	-	598,658
Total capital assets being depreciated	<u>11,693,086</u>	<u>6,723,161</u>	<u>-</u>	<u>18,416,247</u>
 Total capital assets	 15,897,184	 6,778,161	 3,656,312	 19,019,033
 <b>Less accumulated depreciation for:</b>				
Buildings	(3,900,813)	(300,710)	-	(4,201,523)
Machinery and equipment	(416,631)	(23,070)	-	(439,701)
Total accumulated depreciation	<u>(4,317,444)</u>	<u>(323,780)</u>	<u>-</u>	<u>(4,641,224)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 11,579,740</u>	<u>\$ 6,454,381</u>	<u>\$ -</u>	<u>\$ 14,377,809</u>

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

#### Governmental activities

Operations and Maintenance	<u>\$ 323,780</u>
Total depreciation expense - governmental activities	<u>\$ 323,780</u>

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

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ 75,000
Capital Projects	Debt Service	641,938
General Purpose School	Debt Service	<u>245,352</u>
		<u>962,290</u>
Transfers to Activity Funds		
General Purpose School	Elementary School	26,000
General Purpose School	Middle School	14,900
General Purpose School	High School	<u>17,200</u>
		<u>58,100</u>
Total		<u><u>\$ 1,020,390</u></u>

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 the governmental activity. 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. These bonds were completely paid during this fiscal year.

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2012, 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	\$ -	\$ -	\$2,425,000	\$ 100,000	\$ 2,325,000	\$ 75,000
Notes Payable	750,433	-	896,454	708,063	938,824	99,698
Compensated absences	14,059	-	-	764	13,295	-
Governmental activity Long-term liabilities	<u>\$ 764,492</u>	<u>\$ -</u>	<u>\$3,321,454</u>	<u>\$ 808,827</u>	<u>\$ 3,277,119</u>	<u>\$ 174,698</u>

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

Year ending June 30,	Capital Outlay Note		Limited Tax School Bonds Series 2011		Governmental Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	99,698	-	75,000	\$ 71,550	\$ 174,698	\$ 71,550
2014	99,698	-	75,000	70,800	174,698	70,800
2015	99,698	-	75,000	69,862	174,698	69,862
2016	99,698	-	80,000	68,925	179,698	68,925
2017	99,698	-	80,000	67,325	179,698	67,325
2018	99,698	-	85,000	65,725	184,698	65,725
2019	99,698	-	85,000	63,813	184,698	63,813
2020	99,698	-	85,000	61,900	184,698	61,900
2021	99,698	-	85,000	59,868	184,698	59,868
2022	41,542	-	115,000	57,438	156,542	57,438
2023	-	-	145,000	53,986	145,000	53,986
2024	-	-	150,000	49,638	150,000	49,638
2025	-	-	150,000	44,387	150,000	44,387
2026	-	-	155,000	39,138	155,000	39,138
2027	-	-	165,000	33,653	165,000	33,653
2028	-	-	170,000	27,938	170,000	27,938
2029	-	-	175,000	21,563	175,000	21,563
2030	-	-	185,000	15,000	185,000	15,000
2031	-	-	190,000	7,600	190,000	7,600
	<u>\$ 938,824</u>	<u>\$ -</u>	<u>\$2,325,000</u>	<u>\$ 950,109</u>	<u>\$ 3,263,824</u>	<u>\$ 950,109</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, 2012 was \$13,295 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 planned expansion of the school facilities including four elementary classrooms, four science labs, cafeteria expansion, and a multipurpose room (auditorium and practice gymnasium and other uses) are complete.

The District issued General Obligation bonds in the amount of \$ 2,425,000 for construction and repayment of debt to First National Bank and Brewco, LLC. Energy Efficient Schools Initiative loan for \$ 996,980 was made to upgrade and replace heaters and air conditioners at district schools. The final portion of the Scott County issue was received in the amounts of \$ 100,526.

### **E. Employee Defined Benefit Retirement Plan**

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

The ONEIDA SPECIAL SCHOOLS contribute to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), 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 SPECIAL SCHOOLS is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2012 was 9.05% of annual covered payroll. The employer contribution requirement for ONEIDA SPECIAL 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, 2012, 2011, and 2010 were \$ 401,577, \$ 410,938, and \$ 289,400 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, 2012 was 13.22 % 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, 2012, ONEIDA SPECIAL SCHOOLS annual pension cost of \$160,209 to TCRS was equal to ONEIDA SPECIAL SCHOOLS required and actual contributions. The required contribution was determined as part of the July 1, 2009 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 3.0 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 4.75 percent graded annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase on the Social Security wage base, post retirement increases of 2.5 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 ten-year period. ONEIDA SPECIAL SCHOOLS unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009 was 6 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

<b>Trend Information</b>			
Fiscal Year Ending	Annual Pension Cost	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2012	\$160,209	100.00%	\$0.00
June 30, 2011	175,509	100.00%	\$0.00
June 30, 2010	174,412	100.00%	\$0.00

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 87.15% percent funded. The actuarial accrued liability for benefits was \$4.72 million, and the actuarial value of assets was \$4.11 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.61 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.29 million, and the ratio of the UAAL to the covered payroll was 47.14% 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 Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((a-b)/c)
July 1, 2011	\$4,114	\$4,721	\$606	87.15 %	\$1,286	47.14 %
July 1, 2009	3,311	3,557	246	93.08 %	1,422	17.30 %
July 1, 2007	3,105	3,412	307	91.00 %	1,276	24.06 %

## **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, 2012, 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 Officers' and Employees' Bonds of the District**

The district maintains a general liability insurance policy including the Board of Education and all employees, with a policy limit of \$1,000,000.

## **H. The Board of Education**

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

## **I. 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.

## **J. 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ONEIDA SPECIAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2012**

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

(Dollar amount 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, 2011	\$4,114	\$4,721	\$606	87.15%	1,286	47.14%
July 1, 2009	3,311	4,320	246	93.08%	1,422	17.30%
July 1, 2007	3,105	3,963	307	91.00%	1,276	24.06%

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 three 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Revenues/</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Expenditures</u>	<u>Final Budget -</u>
			<u>(Budgetary</u>	<u>Positive</u>
			<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES</b>				
Interest Earnings	8,298	5,445	2,838	(2,607)
Total revenues	<u>8,298</u>	<u>5,445</u>	<u>2,838</u>	<u>(2,607)</u>
<b>EXPENDITURES</b>				
Principal	220,622	190,452	808,063	(617,611)
Interest	33,776	57,669	63,547	(5,878)
Other Debt Service	1,900	1,500	-	1,500
Total expenditures	<u>256,298</u>	<u>249,621</u>	<u>871,610</u>	<u>(621,989)</u>
Excess (deficiency) of revenues over (under) expenditures	(248,000)	(244,176)	(868,772)	(624,596)
Other financing sources and (uses)				
Operating Transfers	250,000	284,638	887,290	602,652
Operating Transfers	-	-	(75,000)	(75,000)
Total other financing sources and (uses)	<u>250,000</u>	<u>284,638</u>	<u>812,290</u>	<u>(527,652)</u>
Net Change in Fund Balance	<u>\$ 2,000</u>	<u>\$ 40,462</u>	<u>(56,482)</u>	<u>\$ (1,152,248)</u>
Fund Balances - Beginning			<u>431,827</u>	
Fund Balances - Ending			<u>\$ 375,345</u>	

**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, 2012**

	<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	\$ -	\$ 1,210	\$ 1,210	\$ -
Proceeds from Energy Savings loan	896,454	896,454	896,454	-
Proceeds from Scott County Bond ADA	240,000	239,758	239,758	-
Proceeds from Bond issue	4,000,000	2,354,522	2,425,000	70,478
Total revenues	<u>5,136,454</u>	<u>3,491,944</u>	<u>3,562,422</u>	<u>70,478</u>
<b>EXPENDITURES</b>				
<b>Capital Projects</b>				
Architects	6,400	3,461	3,461	-
Legal	12,770	-	-	-
Building Construction	726,000	726,696	726,696	-
Building Improvements	1,951,042	2,012,717	2,012,717	-
Land	15,000	55,000	55,000	-
Equipment	110,000	104,000	104,000	-
Other Capital Projects	40,000	219,977	219,977	-
Total Expenditures	<u>2,861,212</u>	<u>3,121,851</u>	<u>3,121,851</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,275,242</u>	<u>370,093</u>	<u>440,571</u>	<u>70,478</u>
Net Change in Fund Balance	<u>2,275,242</u>	<u>370,093</u>	<u>440,571</u>	<u>70,478</u>
<b>Operating Transfers</b>				
Transfers out	(750,000)	(634,084)	(641,938)	7,854
Transfers from Debt Service Fund	289,758	314,758	75,000	239,758
Total other financing sources	<u>(460,242)</u>	<u>(319,326)</u>	<u>(566,938)</u>	<u>247,612</u>
Net Change in Fund Balance	<u>\$ (460,242)</u>	<u>\$ 50,767</u>	<u>(126,367)</u>	<u>\$ 318,090</u>
Fund Balances - Beginning			<u>189,843</u>	
Fund Balances - Ending			<u>\$ 63,476</u>	

Oneida Special School District  
 Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
 Year ended June 30, 2012

	Elementary School Activity Fund	Middle School Activity Fund	High School Activity Fund	Totals
<b>Fund balance, July 1, 2011</b>	<b>\$ 23,912</b>	<b>\$ 28,530</b>	<b>\$ 108,240</b>	<b>\$ 160,682</b>
Revenues	83,664	161,633	266,646	511,943
Expenditures	86,220	159,622	271,547	517,389
Excess of revenues over (under) expenditures	(2,556)	2,011	(4,901)	(5,446)
<b>Fund balance, June 30, 2012</b>	<b>\$ 21,356</b>	<b>\$ 30,541</b>	<b>\$ 103,339</b>	<b>\$ 155,236</b>

## **MISCELLANEOUS SCHEDULES**

**Oneida Special School District**  
**Changes in Net Assets - Last Nine Fiscal Years**  
 June 30, 2012

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>									
Regular Instruction Program	\$ 4,002,749	\$ 4,720,885	\$ 4,940,672	\$ 4,817,857	\$ 4,930,206	\$ 4,951,666	\$ 4,723,157	\$ 4,578,331	\$ 4,748,907
Special Education Program	622,172	625,965	686,238	840,545	796,208	785,681	967,485	880,651	834,865
Vocational Education Program	178,304	194,933	206,018	180,754	185,819	196,939	203,390	203,988	205,516
Alternative Education Program	-	-	-	-	-	-	-	80,875	46,439
Support Services	744,836	709,744	714,341	725,561	874,782	954,957	1,020,589	1,097,779	953,313
Food Services	461,933	491,410	542,295	519,348	577,139	556,004	535,801	572,740	640,734
Administration	745,482	793,159	832,824	858,172	948,227	999,622	975,099	922,754	934,058
Community Services	106,063	140,418	63,300	33,300	33,300	33,300	33,300	33,300	29,612
Student Transportation	128,544	156,605	150,197	148,761	170,849	181,816	180,750	182,347	208,220
Operation and Maintenance	940,380	961,309	960,623	904,902	960,788	1,225,742	1,122,329	1,164,627	1,168,778
Rarly Childhood Education	-	-	-	186,680	287,801	299,766	300,592	308,179	312,564
Interest on Debt	108,434	99,268	67,635	70,433	64,615	53,715	116,601	59,169	105,917
<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>	<b>10,084,740</b>	<b>10,188,923</b>
<b>Program Revenues</b>									
Food Service Federal and State	213,127	234,707	229,304	201,620	227,944	209,361	207,598	368,665	431,101
Other Food Services	453,098	435,062	536,892	326,056	306,163	317,723	355,692	202,594	198,266
	666,225	669,769	766,196	527,676	534,107	527,084	563,290	571,259	629,367
<b>General Revenues</b>									
Property Taxes	1,292,702	1,202,616	1,213,265	1,065,177	1,121,917	1,147,499	1,149,629	1,129,082	1,126,830
Other local revenue	671,829	773,772	767,825	947,721	485,533	475,562	557,643	514,280	512,086
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	7,771,232	7,816,500
Other Revenue	3,990	458,475	3,785	652,308	226,891	372,858	475,276	3,673,506	29,702
Interest Earnings	28,567	20,986	22,725	59,921	54,553	28,919	30,514	23,931	21,520
<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>	<b>13,112,031</b>	<b>9,506,638</b>
<b>Change in Net Assets</b>	<b>(81,017)</b>	<b>302,663</b>	<b>(330,741)</b>	<b>69,552</b>	<b>33,746</b>	<b>(301,306)</b>	<b>314,312</b>	<b>3,598,550</b>	<b>(52,918)</b>
<b>Net Assets - Beginning</b>	<b>8,699,139</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>12,238,812</b>	<b>8,640,262</b>	<b>12,238,812</b>
<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>\$ 12,553,124</b>	<b>\$ 12,238,812</b>	<b>\$ 12,185,894</b>

**Oneida Special School District**  
**Debt Capacity Information - Last Ten Years**  
 June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Outstanding										
Bonds	\$ 875,000	\$ 780,000	\$ 680,000	\$ 580,000	\$ 470,000	\$ 360,000	\$ 245,000	\$ 125,000	\$ -	\$ 2,325,000
Notes	1,156,251	1,331,130	1,230,553	1,110,073	1,010,750	880,916	750,883	715,359	750,433	938,824
Total Bonds, Notes and Leases	2,302,247	2,111,130	1,910,553	1,690,073	1,480,750	\$ 1,240,916	\$ 995,883	\$ 840,359	\$ 750,433	\$ 3,263,824
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	N/A
Bonded Debt Capacity	\$ 2,197,753	\$ 2,388,870	\$ 2,589,447	\$ 2,809,927	\$ 3,019,250	\$ 3,259,084	\$ 3,504,117	\$ 3,659,641	\$ 3,749,567	N/A

**Oneida Special School District  
Schedule of Salary Supplements  
June 30, 2012**

<u>Employee</u>	<u>Title</u>	<u>Amount</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
Sandy Martin	Basketball High School Girls	5,100	Yes	Yes
Phil Newport	Basketball High School Girls	4,550	Yes	Yes
Rusty Yaden	Basketball High School Boys	4,560	Yes	Yes
Robert Wright	Basketball High School Boys	4,550	Yes	Yes
Amanda Jackson	Basketball Middle School Girls	2,736	Yes	Yes
Jodie Green	Basketball Middle School Girls	1,463	Yes	Yes
Shawn West	Basketball Middle School Boys	2,850	Yes	Yes
Chris West	Basketball Middle School Boys	1,330	Yes	Yes
John Brewster	Football High School	5,880	Yes	Yes
Jim Burchfield	Football High School	5,950	Yes	Yes
Jimmy May	Football High School	5,500	Yes	Yes
Marv West	Football High School	5,350	Yes	Yes
Terry Stephens	Football High School	3,150	Yes	Yes
Zach Smith	Football High School	3,185	Yes	Yes
Jason Pike	Football High School	3,150	Yes	Yes
Heath Sexton	Football Middle School	6,251	Yes	Yes
Dustin Lay	Football Middle School	2,850	Yes	Yes
Sam Hughett	Football Middle School	2,850	Yes	Yes
Daniel King	Football Middle School	2,850	Yes	Yes
Shawn West	Baseball High School	2,280	Yes	Yes
Todd Lay	Baseball High School	1,330	Yes	Yes
Phil Newport	Softball High School	3,458	Yes	Yes
Rick Harper	Baseball Middle School	2,850	Yes	Yes
Tony Williams	Baseball Middle School	665	Yes	Yes
Mark Bowling	Baseball Middle School	665	Yes	Yes
Jody Lay	Softball Middle School	2,774	Yes	Yes
Jami Huling	Softball Middle School	1,501	Yes	Yes
Shawn West	Golf	650	Yes	Yes
Scott Terry	Soccer High School Girls	2,090	Yes	Yes
James Lovett	Soccer High School Girls	1,045	Yes	Yes
Jordan Swain	Soccer High School Boys	2,090	Yes	Yes
Zach Smith	Soccer High School Boys	1,064	Yes	Yes
Phil Newport	Soccer Middle School Girls	3,078	Yes	Yes
Cathy Huff	Soccer Middle School Boys	1,140	Yes	Yes
Kathy Obrusanszlo	Soccer Middle School Boys	2,470	Yes	Yes
Cathy Huff	Soccer Middle School Boys	1,235	Yes	Yes
Lisa O'Neal	Cross Country	1,770	Yes	Yes
Rusty Yaden	Weight Lifting-Fall	413	Yes	Yes
Heath Sexton	Weight Lifting Girls-Summer	1,564	Yes	Yes
Jim Burchfiels	Weight Lifting-Summer	2,094	Yes	Yes
Marv West	Weight Lifting-Summer	1,776	Yes	Yes
John Brewster	Weight Lifting	1,537	Yes	Yes
Jimmy May	Weight Lifting	1,855	Yes	Yes
Robert Wright	Weight Lifting	1,855	Yes	Yes
Andrew Bernard	High School Band	3,360	Yes	Yes
Laurel Ward	High School Band	1,900	Yes	Yes
Jenna Smith	High School Cheerleading-Football	1,830	Yes	Yes
Jenna Smith	High School Cheerleading-Basketball	2,130	Yes	Yes
Jordan Simms	Middle School Cheerleading-Football	1,340	Yes	Yes
Jordan Simms	Tri Tones	1,240	Yes	Yes
Richard Joiner	High School Student Council	448	Yes	Yes
Treby Hicks	Middle School Student Council	472	Yes	Yes
Miranda Lowe	High School Scholars Bowl	2,128	Yes	Yes
Jennifer Butler	Middle School Scholars Bowl	1,120	Yes	Yes
Cheryl Butler	Middle School Beta Club	1,230	Yes	Yes
Evie Thomas	High School Beta Club	975	Yes	Yes
Rhonda Laxton	Best Buddies	500	Yes	Yes
Michelle Bridges	Best Buddies	500	Yes	Yes
Jeni Smith	High School Honors Society	915	Yes	Yes
Melanie Duncan	Annual	2,888	Yes	Yes
Dani Strunk	Accelerated Reader	750	Yes	Yes
Jeanny Hatfield	Early Childhood Coordinator	1,000	Yes	Yes

142,080

**Oneida Special School District  
Oneida, Tennessee  
Schedule of Surety Bond Coverage  
June 30, 2012**

Coverage: \$ 284,000 Lori Phillips-Jones, 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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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 aggregate remaining fund information of Oneida Special School District, Oneida, Tennessee as of and for the year ended June 30, 2012, which collectively comprise the Oneida Special School District, Oneida, Tennessee's basic financial statements and have issued our report thereon dated October 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of Oneida Special School District, Oneida, Tennessee, is responsible for establishing and maintaining effective 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*

October 29, 2012

# Dennis E. Jeffers CPA, PC

Certified Public Accountant

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Oneida, Tennessee 37841

(423) 569-6969

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

Board of Education  
Oneida Special School District  
Oneida, Tennessee

### Compliance

We have audited Oneida Special School District, Oneida, Tennessee's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Oneida Special School District, Oneida, Tennessee's major federal programs for the year ended June 30, 2012. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oneida Special School District, Oneida, Tennessee'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, Oneida, Tennessee, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

### Internal Control Over Compliance

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, Oneida, Tennessee's internal control over compliance with requirements that could have a direct and material effect on a major federal program 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*

October 29, 2012

Oneida Special School District  
 Schedule of Expenditures of Federal and State Awards  
 June 30, 2012

Program Title	CFDA #	Grant #	June 30, 2011	Receipts	Expenditures	June 30, 2012
<b>Federal Assistance</b>						
<b>Food Service Fund</b>						
<b>U.S. Department of Agriculture:</b>						
<b>Federal Funds passed through the Tennessee Department of Education:</b>						
Breakfast Program	10.553	N/A	\$ -	\$ 134,155	\$ 134,155	\$ -
National School Lunch Program	10.555	N/A	-	291,242	291,242	-
<b>Total U.S. Department of Agriculture Accounted for in Food Service Fund</b>			-	\$ 425,397	425,397	-
<b>U.S. Department of Education</b>						
<b>U.S. Department of Education</b>						
<b>General Purpose School Fund</b>						
<b>Federal Funds passed through the Tennessee Department of Education:</b>						
Energy Efficiency Initiative		N/A	-	27,840	27,840	-
Drivers Education		N/A	-	6,876	6,876	-
CEO Supplement Staff Development		N/A	-	1,167	1,167	-
Other Vocational		N/A	-	12,500	12,500	-
<b>Total Non-ARRA accounted for in Federal Projects Fund Accounted for in General Purpose School Fund</b>			-	48,383	48,383	-
<b>U.S. Department of Education</b>						
<b>Federal Projects Fund</b>						
<b>Federal Funds passed through the Tennessee Department of Education:</b>						
<b>American Recovery and Reinvestment Act :</b>						
Title II , Part A, Class Size Reduction	84.367A	N/A	-	34,331	37,424	3,093
Stabilization Funds-First to the Top	84.395 A	N/A	1,062	130,208	129,146	-
Stabilization Funds-IDEA Part B	84.391 A	N/A	-	18,716	18,716	-
Education Jobs Program	84.410 A	N/A	-	322,094	322,094	-
<b>Total American Recovery and Reinvestment Act</b>			1,062	505,349	507,380	3,093
<b>U.S. Department of Education accounted for in Federal Projects Fund</b>						
<b>Federal Projects Fund</b>						
Title I Part A Basic Program	84.010	N/A	-	390,310	411,670	21,360
IDEA Part B	84.027	N/A	-	252,871	252,871	-
IDEA Part B Preschool	84.173	N/A	-	6,436	6,436	-
Title VI NCLB (Rural and Low Income)	84.358	N/A	-	25,859	25,859	-
Vocational Education Program Carl Perkins	84.048	N/A	-	14,939	14,939	-
<b>Total Non-ARRA accounted for in Federal Projects Fund</b>			-	690,415	711,775	21,360
<b>Total Accounted for in Federal Projects Fund</b>			1,062	1,195,764	1,219,155	24,453
<b>Total Federal Assistance</b>			1,062	1,669,544	1,692,935	24,453

\* 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, 2012**

<b>Program Title</b>	<b>CFDA #</b>	<b>Grant #</b>	<b>June 30, 2011</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>June 30, 2012</b>
<b>State of Tennessee Assistance</b>						
Basic Education Program	N/A	N/A	\$ -	\$ 5,942,000	\$ 5,942,000	\$ -
Carrier Ladder Program	N/A	N/A	-	53,843	53,843	-
Coordinated Health	N/A	N/A	-	90,000	90,000	-
Family Resource Center	N/A	N/A	-	29,612	29,612	-
Safe School Grant	N/A	N/A	-	6,500	6,500	-
Carreer Ladder Program	N/A	N/A	-	14,300	14,300	-
Early Childhood Development	N/A	N/A	-	313,094	313,094	-
State Child Nutrition Match	N/A	N/A	-	5,893	5,893	-
Connect TN	N/A	N/A	-	4,229	4,229	-
Plan Testing	N/A	N/A	-	1,475	1,475	-
<b>Total State of Tennessee Assistance</b>			<b>-</b>	<b>6,472,354</b>	<b>6,472,354</b>	<b>-</b>

**Oneida Special School District  
Schedule of Non-Cash Assistance  
June 30, 2012**

<b>State of Tennessee</b>						
<b>Department of Agriculture</b>						
USDA: Commodity Supplemental Feeding - Commodities Distributed	10.55	Z-2468	\$ 14,035	\$ 31,324	\$ 32,812	\$ 12,547

**Oneida Special School District  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2012**

**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, 2012**

**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. Cluster: Department of Education  
CFDA# 84.010, Title 1, Part A, Basic Education Program  
CFDA# 84.027, Special Education Grants to States (IDEA Part B)  
CFDA# 84.048, Career and Technical Education (Perkins)  
CFDA# 84.173, (IDEA Preschool)  
CFDA# 84.318, Education Technology State Grants  
CFDA# 84.367, Improving Teacher Quality State Grants  
CFDA# 84.389, American Recovery and Reinvestment Act, Grants to (LEAs)  
CFDA# 84.391, American Recovery and Reinvestment Act, Grants (IDEA Part B)  
CFDA# 84.392, American Recovery and Reinvestment Act, (IDEA Preschool)  
CFDA# 84.395, American Recovery and Reinvestment Act, Race to the Top  
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, 2012**

None