

ONEIDA SPECIAL SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

June 30, 2014

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INTRODUCTORY SECTION

ONEIDA SPECIAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2014

Elected Officials

Board of Education

Chairman

Vice Chairman

Secretary/Treasurer

Member

Member

Nancy Williamson

Danny W. Cross

Dorothy Watson

Tommy Bell

Mark Matthews

Appointed Officials

Director of Schools

Instructional Supervisor

Elementary Principal

Middle School Principal

High School Principal

Ann Sexton

Jeanny Hatfield

Rick Harper

Kevin Byrd

Kevin Byrd

FINANCIAL SECTION

Independent Auditor's Report

Board of Education
Oneida Special School District
Oneida, Tennessee

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Oneida Special School District, Oneida, Tennessee, as of June 30, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oneida Special School District's basic financial statements. The introductory section, supplemental information section, and miscellaneous section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2014, on our consideration of the Oneida Special School District, Oneida, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering Oneida Special School District, Oneida, Tennessee's internal control over financial reporting and compliance.

Dennis E. Jeffers CPA PC

Oneida, Tennessee
October 25, 2014

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

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, 2014. 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 2014 are as follows:

- * The net Position of the school system decreased by \$ 108,151 This represents a (.73%) percent decrease from 2013.
The fund balance of governmental activities increased by \$ 192,742 as cash and cash investments increased by \$ 363,184, receivables decreased by \$ 93,755. Net Position decreased by \$ 90,042. Unassigned net assets increased by \$ 135,732.
- * General revenues accounted for \$ 9,694,665 or 93.61 percent of total revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$ 660,769 or 6.39 percent of total revenues of \$ 10,341,655.
- * The school district had \$ 10,463,585 in expenses. Of these expenses \$ 660,769 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state and federal funding) of \$ 9,694,665 were adequate to provide for these programs.
- * Among major funds, the General Purpose School Fund had \$ 9,055,738 in revenues and \$ 8,852,046 in expenditures. The fund balance for the General Purpose School Fund increased by \$ 203,692 from 2013.

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 Position 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, 2014**

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 Position 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 2014?" The Statement of Net Position 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 position and changes in those positions. This change in net position 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 Position 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, 2014**

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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School System as a Whole

The Statement of Net Position provides the perspective of the school system as a whole Table 1 provides a summary of the Oneida Special School District's net position for 2013 compared to 2014.

Table 1

	2013	2014	Change
Assets			
Cash and investments	\$ 1,567,479	\$ 1,930,663	\$ 363,184
Accounts and Taxes receivable	1,371,573	1,276,594	(94,979)
Capital Assets	14,150,271	13,758,427	(391,844)
Total Assets	<u>\$ 17,089,323</u>	<u>\$ 16,965,684</u>	<u>\$ (123,639)</u>
Liabilities			
Long-Term Liabilities	3,156,659	3,462,732	306,073
Other Liabilities	699,181	501,517	(197,664)
Total Liabilities	<u>3,855,840</u>	<u>3,964,249</u>	<u>108,409</u>
Deferred Inflow of Resources			
Unavailable property tax revenue	1,212,997	1,089,100	(123,897)
Net Position			
Net Investment in Capital Assets	11,006,143	10,376,432	(629,711)
Restricted	531,288	520,091	(11,197)
Unrestricted	483,055	1,015,812	532,757
	<u>12,020,486</u>	<u>11,912,335</u>	<u>(108,151)</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 17,089,323</u>	<u>\$ 16,965,684</u>	<u>\$ (123,639)</u>

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Total assets of governmental activities increased by \$ 192,742, as cash and cash equivalents increased by \$ 363,184. Receivables decreased by \$93,755. Unassigned net position, the part of net position that can be used to finance day-to-day activities without constraints established by grant requirements or legal requirements decreased by \$ 108,151.

Table 2 shows the changes in net position for fiscal year 2013 and 2014.

Changes in Net Position	2013	2014	Percentage Change
Revenues			
Property Taxes	\$1,126,830	1,103,846	-2.04%
Other Local Revenue	512,086	545,472	6.52%
Other Local Taxes	25,010	41,492	65.90%
State and Federal Through State	7,791,490	7,723,227	-0.88%
Other Revenues	269,460	300,095	11.37%
Interest Earnings	21,520	22,025	2.35%
Food Services	629,367	619,277	-1.60%
Total Revenues	<u>10,375,763</u>	<u>10,355,434</u>	<u>-0.20%</u>
Program Expenses			
Regular Instruction Program	4,748,907	4,763,988	0.32%
Special Education Instruction Program	834,865	852,218	2.08%
Vocational /Alternative Instruction Program	251,955	254,472	1.00%
Support Services	953,313	1,061,757	11.38%
Administration	934,058	986,463	5.61%
Community Services	29,612	32,120	8.47%
Student Transportation	208,220	186,504	-10.43%
Operation and Maintenance of Plant	1,197,745	1,318,553	10.09%
Early Childhood Education	312,564	317,902	1.71%
Interest and Fiscal Charges	63,546	90,670	42.68%
Food Service	640,734	598,938	-6.52%
Total Expenses	<u>10,175,519</u>	<u>10,463,585</u>	<u>2.83%</u>
Increase (Decrease) in Net Position	<u>200,244</u>	<u>(108,151)</u>	<u>-154.01%</u>
Beginning Net Position	<u>12,217,266</u>	<u>\$12,417,510</u>	<u>1.64%</u>
Ending Net Position	<u><u>\$12,417,510</u></u>	<u><u>\$12,309,359</u></u>	<u><u>-0.87%</u></u>

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Governmental Activities

State and federal aid through state revenues comprises 74.68 percent of revenues for governmental activities for the Oneida Special School District system for fiscal year 2014. Local taxes make up 15.95 percent of revenues.

Instruction total 59.02 percent of system expenses. Support services expenses comprise 10.18 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

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$6,148,291	\$6,123,281	\$ 6,188,580	\$ 6,147,088
Support Services	953,313	953,313	1,061,757	1,061,757
Food Services	640,734	11,367	598,938	(20,339)
Administration	934,058	934,058	986,463	986,463
Other Education Costs	237,832	237,832	218,624	218,624
Operation and Maintenance	1,197,745	1,197,745	1,318,553	1,318,553
Interest and Fiscal Charges	63,546	63,546	90,670	90,670
	<u>\$10,175,519</u>	<u>\$9,521,142</u>	<u>\$ 10,463,585</u>	<u>\$ 9,802,816</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, 2014**

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 of \$ 10,341,655 and expenditures of \$ 10,148,913.

As the school system completed the year, all governmental funds had a fund balance of \$1,616,640 this represents an increase of \$ 192,742 from 2013.

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 2014 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.

**Oncida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

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 \$ 218,982.

Capital Assets

At the end of fiscal year 2014, the school system had \$ 13,758,427 invested in land buildings and improvements, machinery and equipment, and vehicles, net of depreciation.

Table 4 shows fiscal 2014 balances compared to 2013.

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

	<u>2013</u>	<u>2014</u>
Land	\$ 628,096	\$ 628,096
Buildings and Improvements	13,331,397	12,963,900
Machinery and Equipment	190,778	166,431
	<u>\$ 14,150,271</u>	<u>\$ 13,758,427</u>

Depreciation expenses for the year was \$ 391,844.

**Oncida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Debt Administration

At June 30, 2014, the school system had outstanding bonds and notes payable totaling \$ 2,966,862, with \$185,726 due within one year.

**Table 5
Outstanding Debt at June 30**

	2013	2014
Energy Efficient Schools Initiative 2011, Monthly Payments of \$8,308 At no interest for 110 months	\$ 839,128	\$ 747,735
Limited Tax School Bond Series 2011 Average interest rate of 3.82% from 1% to 5%, annual payments from \$ 75,000 to \$ 190,000.	2,250,000	2,175,000
Capital Outlay Note, Interest rate of 3.99%, Annual Payments of \$ 11,000 on average \$ 12,386 including interest.	55,000	44,127
	3,144,128	2,966,862

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

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 asexton@OneidaSchools.org.

BASIC FINANCIAL STATEMENTS

Oneida Special School District
Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,620,480
Investments	297,835
Receivables (net of allowance for uncollectible)	
Due from Other Governments	170,675
Property taxes	1,105,919
Temporarily restricted:	
Investments	12,348
Capital assets	
Land and assets not being depreciated	628,096
Buildings and equipment, net of depreciation	<u>13,130,331</u>
TOTAL ASSETS	<u>\$ 16,965,684</u>

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

Oneida Special School District
Statement of Net Position
June 30, 2014

	Governmental Activities
LIABILITIES	
Accounts payable and other accrued liabilities	\$ 501,517
Noncurrent liabilities:	
Compensated absences	80,737
Portion due or payable within one year	185,726
Portion due or payable after one year	3,196,269
Total liabilities	<u>3,964,249</u>
DEFERRED INFLOW OF RESOURCES	
Unavailable property tax revenue	<u>1,089,100</u>
NET POSITION	
Net Investment in capital assets	10,376,432
Restricted for:	
Cafeteria fund	125,724
Debt Service	312,085
Capital Projects	5,703
Building Fund	64,231
Scholarship	12,348
Unrestricted	1,015,812
Total net position	<u>11,912,335</u>
TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 16,965,684</u>

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

Oncida Special School District
Statement of Activities
For the Year Ended June 30, 2014

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Functions/Programs</u>				
Primary government:				
Government activities:				
Regular Instruction Program	\$ 4,763,988	\$ -	\$ 41,492	\$ (4,722,496)
Special Education Program	852,218	-	-	(852,218)
Vocational Education Program	230,418	-	-	(230,418)
Alternative Education Program	24,054	-	-	(24,054)
Support Services	1,061,757	-	-	(1,061,757)
Food Services	598,938	175,440	443,837	20,339
Administration	986,463	-	-	(986,463)
Community Services	32,120	-	-	(32,120)
Student Transportation	186,504	-	-	(186,504)
Operation and Maintenance of Plant	1,318,553	-	-	(1,318,553)
Early Childhood Education	317,902	-	-	(317,902)
Interest and fees on long-term debt	90,670	-	-	(90,670)
Total governmental activities	<u>\$ 10,463,585</u>	<u>\$ 175,440</u>	<u>\$ 485,329</u>	<u>(9,802,816)</u>
General revenues:				
Property taxes				1,103,846
Other Local revenue				545,472
State and Federal Through State				7,723,227
Other Revenues				300,095
Unrestricted Investment Earnings				22,025
Total general revenues				<u>9,694,665</u>
Change in net position				<u>(108,151)</u>
Net position - beginning as previously stated				12,417,510
Prior Period adjustment (Note L)				<u>(397,024)</u>
Net Position - beginning as restated				<u>12,020,486</u>
Net position - ending				<u>\$ 11,912,335</u>

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

Oneida Special School District
Balance Sheet
Governmental Funds
June 30, 2014

	MAJOR FUNDS						TOTAL
	General Purpose School	Debt Service Fund	Federal Projects	Food Service Fund	Capital Projects Fund	Building Fund	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,411,796	\$ 76,600	\$ -	\$125,724	\$ 5,703	657	\$ 1,620,480
Investments	-	234,261	-	-	-	63,574	297,835
Restricted Cash	12,348	-	-	-	-	-	12,348
Property Taxes Receivables (Net)	1,105,919	-	-	-	-	-	1,105,919
Due from other funds	-	1,224	-	-	-	-	1,224
Due from other Governments	145,064	-	25,611	-	-	-	170,675
Total assets	<u>2,675,127</u>	<u>312,085</u>	<u>25,611</u>	<u>125,724</u>	<u>5,703</u>	<u>64,231</u>	<u>3,208,481</u>
LIABILITIES							
Liabilities:							
Accounts Payable	-	-	25,611	-	-	-	25,611
Due to other funds	1,224	-	-	-	-	-	1,224
Accrued Liabilities	475,906	-	-	-	-	-	475,906
	<u>477,130</u>	<u>-</u>	<u>25,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,741</u>
DEFERRED INFLOW OF RESOURCES							
Deferred Inflow of resources							
Deferred Property unavailable property tax	1,089,100	-	-	-	-	-	1,089,100
FUND BALANCES							
Restricted for:							
Building Program	-	-	-	-	-	64,231	64,231
Debt service	-	312,085	-	-	-	-	312,085
Capital Projects	-	-	-	-	5,703	-	5,703
Food Service	-	-	-	125,724	-	-	125,724
Scholarship	12,348	-	-	-	-	-	12,348
Assigned	-	-	-	-	-	-	-
Unassigned	1,096,549	-	-	-	-	-	1,096,549
Total fund balances	<u>1,108,897</u>	<u>312,085</u>	<u>-</u>	<u>125,724</u>	<u>5,703</u>	<u>64,231</u>	<u>1,616,640</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,675,127</u>	<u>\$ 312,085</u>	<u>\$ 25,611</u>	<u>\$125,724</u>	<u>\$ 5,703</u>	<u>\$ 64,231</u>	<u>\$ 3,208,481</u>

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

Oneida Special School District
Reconciliation of Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

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

Total fund balance - total governmental funds (Page 16)		\$ 1,616,640
1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Add: Land and assets not being depreciated	628,096	
Buildings and equipment, net of depreciation	17,892,888	
Machinery and equipment	653,658	
Less: Accumulated Depreciation	<u>(5,416,215)</u>	
		13,758,427
2) Long-term Liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: Notes and Bonds Payable	(2,966,862)	
Other Post employment benefits	(415,133)	
Compensated absences	<u>(80,737)</u>	
		(3,462,732)
Total Net Position - Governmental Activities (page 14)		<u><u>\$ 11,912,335</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, 2014

	MAJOR FUNDS						TOTAL
	General Purpose School Fund	Debt Service Fund	Federal Projects Fund	Capital Projects Fund	Food Service Fund	Building Fund	Governmental Funds
REVENUES							
Taxes:							
Property	\$ 1,103,846	-	\$ -	\$ -	\$ -	\$ -	\$ 1,103,846
Local option sales taxes	545,472	-	-	-	-	-	545,472
Cafeteria Charges	-	-	-	-	175,440	-	175,440
Other Revenues	277,288	-	-	-	-	-	277,288
Federal and State Revenues	7,059,974	-	663,253	-	443,837	-	8,167,064
Miscellaneous	9,028	-	-	-	-	-	9,028
Interest earnings	18,638	2,499	-	9	96	783	22,025
Contributions and donations	41,492	-	-	-	-	-	41,492
Total revenues	9,055,738	2,499	663,253	9	619,373	783	10,341,655
EXPENDITURES							
Regular Instruction Program	4,284,407	-	386,793	-	-	-	4,671,200
Special Education Program	621,793	-	230,425	-	-	-	852,218
Vocational Education Program	200,823	-	29,595	-	-	-	230,418
Alternative Education Program	24,054	-	-	-	-	-	24,054
Support Services -- Attendance	37,692	-	3,233	-	-	-	40,925
Support Services -- Health Services	152,231	-	6,682	-	-	-	158,913
Support Services -- Other Student Support	250,401	-	6,325	-	-	-	256,726
Support Services -- Regular Instruction	430,787	-	200	-	-	-	430,987
Support Services -- Special Education	174,206	-	-	-	-	-	174,206
Administration -- Board of Education	202,761	-	-	-	-	-	202,761
Administration -- Office of the Director of School:	172,743	-	-	-	-	-	172,743
Administration -- Office of the Principals	426,353	-	-	-	-	-	426,353
Business Administration -- Fiscal Services	184,606	-	-	-	-	-	184,606
Community Services	32,120	-	-	-	-	-	32,120
Student Transportation	186,504	-	-	-	-	-	186,504
Operation of Plant	803,536	-	-	-	-	-	803,536
Maintenance of Plant	54,967	-	-	-	-	-	54,967
Early Childhood Education	317,902	-	-	-	-	-	317,902
Capital Outlay	-	-	-	-	-	-	-
School Food Service	-	-	-	7,250	591,688	-	598,938
Debt Service:							
Principal	-	177,266	-	-	-	-	177,266
Interest	-	73,170	-	-	-	-	73,170
Other Capital Outlay	-	17,500	-	-	-	-	17,500
Total expenditures	8,557,886	267,936	663,253	7,250	591,688	-	10,088,013
Excess (deficiency) of revenues over (under) expenditures	497,852	(265,437)	-	(7,241)	27,685	783	253,642
OTHER FINANCING SOURCES (USES)							
Proceeds of Notes and Bonds	-	-	-	-	-	-	-
Transfers in	-	233,260	-	-	-	-	233,260
Transfers out	(294,160)	-	-	-	-	-	(294,160)
Total other financing sources and uses	(294,160)	233,260	-	-	-	-	(60,900)
Net change in fund balances	203,692	(32,177)	-	(7,241)	27,685	783	192,742
Fund balances - beginning	905,205	344,262	-	12,944	98,039	63,448	1,423,898
Fund balances - ending	\$ 1,108,897	\$ 312,085	\$ -	\$ 5,703	\$ 125,724	\$ 64,231	\$ 1,616,640

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

**Oneida Special School District
 Reconciliation of the Governmental Funds Statement of Revenues
 Expenditures, and Changes in Fund Balances to the Statement of Activities
 For the Year Ended June 30, 2014**

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)	\$	192,742
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.		
Less: Depreciation expense	<u>(391,844)</u>	(391,844)
2) The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: Principal payments on bonds	<u>177,266</u>	177,266
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.		
Less:		
Compensated Absences Balance Prior	12,531	
Compensated Absences Current	(80,737)	
Current Portion of Other Post Employment Benefits	<u>(18,109)</u>	(86,315)
Change in net position of governmental activities (page 15)	<u>\$</u>	<u>(108,151)</u>

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

Oneida Special School District
 Statements of Fiduciary Net Position
 June 30, 2014

	Elementary School Activity Fund	Middle School Activity Fund	High School Activity Fund	Totals
Assets				
Cash	\$ 29,101	\$ 40,508	\$ 110,719	\$ 180,328
Investments	-	-	10,000	10,000
Total Assets	<u>29,101</u>	<u>40,508</u>	<u>120,719</u>	<u>190,328</u>
Liabilities				
Activity Funds Due to Schools	<u>\$ 29,101</u>	<u>\$ 40,508</u>	<u>\$ 120,719</u>	<u>\$ 190,328</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, 2014

	<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>		
REVENUES				
Local Taxes				
County Property Taxes - Current	\$ 675,000	\$ 670,267	\$ 680,133	\$ 9,866
County Property Taxes - Prior Years	44,500	55,875	51,088	(4,787)
County Property Taxes - Delinquent	39,600	19,045	18,648	(397)
Interest and Penalty on Delinquent County Taxes	20,555	11,518	11,166	(352)
Payment in Lieu of Taxes - TVA	62,000	51,599	51,599	-
Payment in Lieu of Taxes - Local Utilities	99,000	99,639	99,613	(26)
Local Option Sales Taxes	540,000	547,832	545,472	(2,360)
Interstate Telecommunications Tax	300	726	491	(235)
School District Property Taxes - Current	290,000	239,523	241,211	1,688
School District Property Taxes - Prior Years	12,100	22,869	13,153	(9,716)
School District in Lieu of Taxes	5,025	-	-	-
Interest and Penalty on Delinquent School District Taxes	-	4,070	4,854	784
Marriage Licenses	300	219	249	30
Receipts from Individual Schools	7,100	8,779	8,779	-
Investment Income	4,000	2,372	2,618	246
E-Rate Funding	31,000	29,990	29,990	-
Miscellaneous Refunds	1,000	1,367	2,365	998
Contributions and Gifts	36,000	31,374	41,492	10,118
Other Local Revenues	2,000	262,241	274,923	12,682
Total Local Revenues	1,869,480	2,059,305	2,077,844	18,539
State of Tennessee and Federal Revenues				
Basic Education Program	6,575,000	6,585,000	6,585,000	-
Energy Efficiency Initiative	-	-	8,924	8,924
Early Childhood Education	318,402	318,402	318,402	-
Internet Connectivity	10,000	-	-	-
Career Ladder Program	38,000	150,265	44,708	(105,557)
Career Ladder Extended Contract	3,380	7,120	7,120	-
Other State and Local Funds	12,500	96,604	855	(95,749)
Family Resource	29,612	29,612	-	(29,612)
Statewide Student Management	-	-	-	-
Safe Schools	7,000	3,921	3,482	(439)
Other Vocational	157,604	6,250	6,250	-
Other Insurance Recovery	-	3,153	3,153	-
Total State of Tennessee and Federal Revenues	7,151,498	7,200,327	6,977,894	(222,433)
Total Revenues	\$ 9,020,978	\$ 9,259,632	\$ 9,055,738	\$ (203,894)

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, 2014

	<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>		
EXPENDITURES				
Regular Instruction Program:				
Teacher Salaries	\$ 2,668,718	\$ 2,684,776	\$ 2,684,776	\$ -
Career Ladder Program	31,930	29,843	29,843	-
Career Ladder Extended Contract	9,000	4,164	4,164	-
Homebound Teachers Salaries	6,000	6,119	6,119	-
Aides - Salaries	225,000	279,329	279,329	-
Other Salaries and Wages	40,000	41,459	41,459	-
Substitute Teachers - Salaries	6,000	15,301	15,301	-
Non-Certified Substitute Teachers - Salaries	51,000	46,007	46,007	-
Social Security	178,124	181,506	181,506	-
State Retirement	261,178	261,188	261,188	-
Life Insurance	2,500	1,371	1,371	-
Medical Insurance	450,000	429,600	429,600	-
Unemployment Compensation	15,000	9,146	9,146	-
Medicare	42,029	42,491	42,491	-
Other Contracted Services	42,000	36,750	36,750	-
Maintenance and Repair Services Equip.	500	-	-	-
Instructional Supplies	153,000	99,599	99,599	-
Textbooks	4,000	23,953	23,953	-
Other Materials and Supplies	44,669	52,342	52,342	-
Other Charges	1,000	27	27	-
Fee Waivers	5,000	128	128	-
Computers and Other Instructional Aids	25,000	39,308	39,308	-
Total Regular Instruction	4,261,648	4,284,407	4,284,407	-
Special Education Program:				
Teacher Salaries	282,405	310,678	310,678	-
Career Ladder Program	-	1,000	1,000	-
Aides - Salaries	54,235	68,874	68,874	-
Speech Pathologist	60,000	60,000	60,000	-
Substitute Teachers - Salaries	24,000	13,075	13,075	-
Social Security	14,000	25,155	25,155	-
State Retirement	37,400	37,701	37,701	-
Life Insurance	400	284	284	-
Medical Insurance	44,000	59,650	59,650	-
Unemployment Compensation	1,800	1,767	1,767	-
Medicare	5,400	5,889	5,889	-
Contracts with Public Agencies	15,000	26,100	26,100	-
Contracts with Private Agencies	5,000	-	-	-
Other Contracted Services	7,000	11,415	11,415	-
Instructional Supplies	4,000	205	205	-
Special Education Equipment	-	-	-	-
Total Special Education	\$ 554,640	\$ 621,793	\$ 621,793	\$ -

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

Oncida 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, 2014

	<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>		
EXPENDITURES				
Vocational Education Program				
Teacher Salaries	\$ 133,000	\$ 134,592	\$ 134,592	\$ -
Career Ladder Program	1,000	2,000	2,000	-
Other Salaries and Wages	19,200	19,200	19,200	-
Substitute Teachers - Salaries	3,000	2,568	2,568	-
Social Security	9,200	8,796	8,796	-
State Retirement	14,300	13,363	13,363	-
Life Insurance	130	52	52	-
Medical Insurance	11,500	12,231	12,231	-
Unemployment Compensation	400	302	302	-
Maintenance & Repair-Equipment	-	2,059	2,059	-
Medicare	2,225	975	975	-
Instruction Supplies	300	4,259	4,259	-
Vocational Instruction Equipment	6,000	-	-	-
Total Vocational Instruction	200,255	200,397	200,397	-
Support Services Attendance				
Supervisor Director	8,458	20,500	20,500	-
Social Security	744	1,271	1,271	-
State Retirement	1,086	1,776	1,776	-
Medical Insurance	500	500	500	-
Medicaid	174	7	7	-
	<u>10,962</u>	<u>24,054</u>	<u>24,054</u>	<u>-</u>
Support Services Alternative Instruction Program				
Supervisor Director	46,684	31,348	31,348	-
Non Certified Substitute Teachers	500	-	-	-
Social Security	2,700	1,944	1,944	-
State Retirement	4,225	3,738	3,738	-
Life Insurance	42	-	-	-
Medical Insurance	10,242	-	-	-
Unemployment Compensation	42	208	208	-
Employer Medicare	677	454	454	-
Total Support Services Attendance	65,112	37,692	37,692	-
Support Services Health Services				
Medical Personnel	99,823	98,101	98,101	-
Other Salaries & Wages	19,050	18,679	18,679	-
Social Security	7,271	7,236	7,236	-
State Retirement	10,429	10,140	10,140	-
Life Insurance	84	42	42	-
Medical Insurance	11,427	7,970	7,970	-
Unemployment Compensation	359	372	372	-
Medicare	1,731	1,603	1,603	-
Drugs and Medical Supplies	500	-	-	-
Other Supplies and Materials	500	2,336	2,336	-
Instructional Supplies	1,303	500	500	-
Travel	3,000	-	-	-
Other Contracted Services	4,000	4,252	4,252	-
Inservice Staff Development	1,000	1,000	1,000	-
Total Support Services Health Services	\$ 160,477	\$ 152,231	\$ 152,231	\$ -

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, 2014

EXPENDITURES	Budgeted Amounts		Actual Revenues/ Expenditures (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Support Services - Other Student Support				
Career Ladder Program	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Guidance Personnel - Salaries	130,000	157,075	157,075	-
Clerical Personnel	24,930	30,233	30,233	-
Social Security	8,500	11,030	11,030	-
State Retirement	13,800	16,104	16,104	-
Life Insurance	200	88	88	-
Medical Insurance	22,000	15,539	15,539	-
Unemployment Compensation	2,000	446	446	-
Medicare	2,400	2,461	2,461	-
Evaluation and Testing	8,000	5,056	5,056	-
Travel	500	393	393	-
Other Contracted Services	16,000	10,976	10,976	-
Other Supplies and Materials	9,100	-	-	-
Other Charges	1,000	-	-	-
Total Support Services - Other Student Support	239,430	250,401	250,401	-
Support Services Regular Instruction Program				
Supervisor/Director	40,000	100,425	100,425	-
Librarians	89,370	87,903	87,903	-
Other Wages and Salaries	88,010	94,128	94,128	-
Social Security	13,093	15,964	15,964	-
State Retirement	22,600	29,482	29,482	-
Life Insurance	84	96	96	-
Medical Insurance	27,500	43,957	43,957	-
Unemployment Compensation	700	599	599	-
Medicare	3,922	4,023	4,023	-
Travel	7,000	9,930	9,930	-
Other Contracted Services	17,000	18,143	18,143	-
Library Books	12,000	12,803	12,803	-
Periodicals	3,000	1,381	1,381	-
Other Materials and Supplies	-	10,789	10,789	-
In-service Staff Development	8,685	924	924	-
Other Charges	1,000	240	240	-
Total Support Services Regular Instruction	\$ 333,964	\$ 430,787	\$ 430,787	\$ -

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, 2014

	<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>
EXPENDITURES				
Support Services - Alternative Education				
Supervisor/ Director - Salaries	\$ 48,686	\$ 31,348	\$ 31,348	\$ -
Non-Certified Certified Teachers	-	-	-	-
Social Security	3,000	1,943	1,943	-
State Retirement	4,325	3,738	3,738	-
Life Insurance	42	-	-	-
Medical Insurance	10,500	-	-	-
Medicare	125	455	455	-
Unemployment Insurance	700	208	208	-
Total Support Services - Special Education Program	67,378	37,692	37,692	-
Support Services - Special Education Program				
Supervisor/ Director - Salaries	63,858	64,828	64,828	-
Career Ladder Program	1,000	1,000	1,000	-
Secretary	25,000	23,340	23,340	-
Social Security	5,410	5,289	5,289	-
State Retirement	8,885	8,845	8,845	-
Life Insurance	84	53	53	-
Medical Insurance	8,625	6,114	6,114	-
Medicare	1,265	1,237	1,237	-
Unemployment Insurance	84	229	229	-
Maintenance and Repair Services	1,000	363	363	-
Travel	5,500	7,425	7,425	-
Other Contracted Services	32,500	52,924	52,924	-
In-service	1,500	1,800	1,800	-
Other Charges	500	759	759	-
Total Support Services - Special Education Program	155,211	174,206	174,206	-
Support Services - Vocational Education Instruction				
Travel	500	426	426	-
Total Support Services - Vocational Education Instruction	500	426	426	-
Support Services - Board of Education				
Medical Insurance	12,000	33,165	33,165	-
Other Fringe Benefits	120	-	-	-
Audit Services	9,900	9,500	9,500	-
Dues and Memberships	7,000	4,828	4,828	-
Legal Services	8,000	12,303	12,303	-
Travel	6,000	7,468	7,468	-
Other Contracted Services	30,000	30,100	30,100	-
Liability Insurance	15,234	16,642	16,642	-
Premiums on Corporate Surety Bonds	1,700	3,195	3,195	-
Trustee Commissions	29,000	29,484	29,484	-
Workers' Compensation Insurance	39,000	43,600	43,600	-
In-service Staff Development	5,000	3,878	3,878	-
Other Charges	9,000	8,598	8,598	-
Total Support Services - Board of Education	\$ 171,954	\$ 202,761	\$ 202,761	\$ -

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

Oncida 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, 2014

EXPENDITURES	Budgeted Amounts		Actual Revenues/ Expenditures (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Administration - Office of the Director of Schools				
Administrative Officer/ Superintendent - Salary	\$ 86,170	\$ 86,170	\$ 86,170	\$ -
Career Ladder	1,000	-	-	-
Clerical Personnel	5,000	2,071	2,071	-
Social Security	5,700	5,346	5,346	-
State Retirement	8,400	7,652	7,652	-
Life Insurance	84	-	-	-
Medical Insurance	5,000	6,036	6,036	-
Unemployment Compensation	150	90	90	-
Medicare	1,350	1,250	1,250	-
Communication	21,500	18,449	18,449	-
Dues and Memberships	3,500	3,066	3,066	-
Postal Charges	2,500	4,334	4,334	-
Travel	6,000	5,524	5,524	-
Other Contracted Services	22,000	24,731	24,731	-
Office Supplies	500	933	933	-
Other Supplies & Materials	-	-	-	-
In service/Staff Development	1,500	945	945	-
Other Charges	5,000	6,146	6,146	-
Total Office of the Superintendent	175,354	172,743	172,743	-
School Administration - Office of the Principals				
Principals - Salaries	148,000	152,912	152,912	-
Career Ladder Program	3,000	2,000	2,000	-
Bookkeepers	47,000	63,140	63,140	-
Clerical Personnel	93,250	79,550	79,550	-
Social Security	17,500	16,662	16,662	-
State Retirement	31,500	32,092	32,092	-
Life Insurance	326	291	291	-
Medical Insurance	40,000	65,551	65,551	-
Unemployment Compensation	1,500	880	880	-
Medicare	4,300	3,897	3,897	-
Communication	3,000	4,160	4,160	-
Travel	1,988	2,277	2,277	-
Data Processing	1,000	850	850	-
In Service Staff Development	2,000	2,091	2,091	-
Total Office of the Principals	\$ 394,364	\$ 426,353	\$ 426,353	\$ -

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

**Oncida 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, 2014**

	<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>		
EXPENDITURES				
Business Administration - Fiscal Services				
Accountants/Bookkeepers	\$ 47,175	\$ 47,000	\$ 47,000	\$ -
Other Salaries and Wages	41,070	77,455	77,455	-
Social Security	5,600	7,716	7,716	-
State Retirement	11,500	17,226	17,226	-
Life Insurance	84	57	57	-
Medical Insurance	4,500	15,852	15,852	-
Unemployment Compensation	110	212	212	-
Medicare	1,300	1,805	1,805	-
Advertising	1,500	2,158	2,158	-
Data Processing Services	5,200	5,711	5,711	-
Travel	3,200	4,670	4,670	-
Other Contracted Services	200	-	-	-
Data Processing Supplies	-	-	-	-
Office Supplies	500	3,873	3,873	-
Other Charges	500	871	871	-
Total Business Administration - Fiscal Services	122,439	184,606	184,606	-
Operation of Plant				
Custodial Personnel	282,000	272,698	272,698	-
Guards	7,000	2,137	2,137	-
Social Security	17,800	16,588	16,588	-
State Retirement	20,000	19,049	19,049	-
Life Insurance	85	42	42	-
Medical Insurance	24,000	16,656	16,656	-
Unemployment Compensation	2,000	1,678	1,678	-
Medicare	4,200	3,879	3,879	-
Other Contracted Services	1,000	27,500	27,500	-
Electricity	262,000	208,464	208,464	-
Equipment & Machinery Parts	-	442	442	-
Natural Gas	53,000	65,426	65,426	-
Water and Sewer	27,000	28,881	28,881	-
Other Supplies and Materials	75,000	69,568	69,568	-
Boiler Insurance	2,378	2,598	2,598	-
Building and Contents Insurance	23,000	23,116	23,116	-
Plant Operation Equipment	41,839	44,814	44,814	-
Other Charges	7,000	-	-	-
Total Operation of Plant	\$ 849,302	\$ 803,536	\$ 803,536	\$ -

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, 2014

	<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>		
EXPENDITURES				
Maintenance of Plant				
Maintenance and Repair Services - Buildings	\$ 22,000	\$ 16,067	\$ 16,067	\$ -
Maintenance and Repair Services - Equipment	22,000	6,131	6,131	-
Equipment and Machinery Parts	5,000	4,403	4,403	-
Other Charges	3,000	3,679	3,679	-
Other Materials and Supplies	40,700	11,640	11,640	-
Maintenance Equipment	5,000	13,047	13,047	-
Total Maintenance of Plant	<u>97,700</u>	<u>54,967</u>	<u>54,967</u>	<u>-</u>
Student Transportation				
Bus Drivers	58,000	72,075	72,075	-
Social Security	4,200	4,293	4,293	-
State Retirement	9,000	5,167	5,167	-
Life Insurance	126	43	43	-
Medical Insurance	10,500	5,758	5,758	-
Unemployment Compensation	700	432	432	-
Medicare	1,000	1,004	1,004	-
Maintenance and Repair Vehicles	12,000	17,869	17,869	-
Medical Services	1,200	769	769	-
Gasoline	35,000	41,660	41,660	-
Tires and Tubes	3,000	3,171	3,171	-
Vehicle Parts	7,000	14,838	14,838	-
Other Supplies & Materials	1,000	1,872	1,872	-
Other Contracted Services	600	440	440	-
Vehicle Equipment Insurance	13,377	14,612	14,612	-
In-service Staff Development	800	650	650	-
Other Charges	2,000	1,851	1,851	-
Transportation Equipment	3,000	-	-	-
Total Student Transportation	<u>162,503</u>	<u>186,504</u>	<u>186,504</u>	<u>-</u>
Community Services				
Salaries and Wages	24,600	25,000	25,000	-
Social Security	1,525	1,550	1,550	-
State Retirement	3,252	2,614	2,614	-
Medicare	235	363	363	-
Medicare	235	2,593	2,593	-
Total Community Services	<u>\$ 29,847</u>	<u>\$ 32,120</u>	<u>\$ 32,120</u>	<u>\$ -</u>

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

**Oncida 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, 2014**

	<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>		
Early Childhood Education				
Teachers	\$ 146,500	\$ 142,000	\$ 142,000	\$ -
Educational Assistants	56,000	60,300	60,300	-
Non-Certified Substitute Teachers	3,500	3,000	3,000	-
Social Security	12,775	12,500	12,500	-
Retirement	20,210	20,332	20,332	-
Life Insurance	300	320	320	-
Unemployment Compensation	41,000	48,000	48,000	-
Medical Insurance	700	750	750	-
Employer Medicare	2,980	2,900	2,900	-
Travel	2,500	2,000	2,000	-
Food Supplies	1,937	2,000	2,000	-
Instructional Supplies	7,000	6,000	6,000	-
Other Supplies and Materials	7,000	6,000	6,000	-
Inservice/Staff Development	2,000	2,000	2,000	-
Other Charges	3,500	4,000	4,000	-
Other Equipment	10,000	5,800	5,800	-
Total Early Childhood Education	<u>317,902</u>	<u>317,902</u>	<u>317,902</u>	<u>-</u>
Total Expenditures	<u>8,303,064</u>	<u>8,557,886</u>	<u>8,557,886</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>717,914</u>	<u>701,746</u>	<u>497,852</u>	<u>203,894</u>
Other Financing Sources (Uses)				
Transfer To Debt Service Fund	(266,000)	(233,260)	(233,260)	-
Transfer to Elementary School	(27,000)	(26,000)	(26,000)	-
Transfer to Middle School	(18,000)	(16,900)	(16,900)	-
Transfer to High School	(19,000)	(18,000)	(18,000)	-
Total Other Financing Sources (Uses)	<u>(330,000)</u>	<u>(294,160)</u>	<u>(294,160)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Sources	<u>\$ 387,914</u>	<u>\$ 407,586</u>	<u>\$ 203,692</u>	<u>\$ 203,894</u>
Fund Balance, Beginning			<u>905,205</u>	
Fund Balance, Ending			<u>\$ 1,108,897</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, 2014

	<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>		
REVENUES				
Vocational Education Basic Grant	\$ 14,939	\$ -	\$ -	-
Title I Grants to Local Education Agencies	410,509	340,816	340,816	-
Special Education Grants	271,588	231,577	231,577	-
First To the Top	140,106	28,528	28,528	-
Rural Education	25,859	21,585	21,585	-
Special Education Preschool	6,436	6,325	6,325	-
Eisenhower Prof Development	37,424	34,422	34,422	-
Other Federal Thru State	322,094	-	-	-
Total revenues	\$ 1,228,955	\$ 663,253	\$ 663,253	\$ -
EXPENDITURES				
Regular Instruction Program				
Teachers	\$ 295,082	\$ 236,358	\$ 236,358	\$ -
Other Salaries and Wages	18,500	46,000	46,000	-
Social Security	19,931	16,745	16,745	-
State Retirement	27,627	25,118	25,118	-
life Insurance	129	259	259	-
Medical Insurance	36,628	44,295	44,295	-
Unemployment	1,037	1,610	1,610	-
Medicare	4,614	6,075	6,075	-
Instructional supplies	7,500	10,333	10,333	-
Regular Instruction Program	411,048	386,793	386,793	-
Special Education Program				
Teachers	107,160	107,160	107,160	-
Aides	66,795	66,795	66,795	-
Social Security	10,785	10,785	10,785	-
State Retirement	18,100	18,100	18,100	-
Medical Insurance	25,005	25,060	25,060	-
Medicare	2,525	2,525	2,525	-
Equipment	6,377	-	-	-
Special Education Program	236,747	230,425	230,425	-
Vocational Education Program				
Other Contracted Services	7,918	29,595	29,595	-
Vocational Education Program	7,918	29,595	29,595	-
Alternative Instruction Program				
Educational Assistants	14,405	-	-	-
Social Security	901	-	-	-
State Retirement	1,868	-	-	-
Medical Insurance	42	-	-	-
Unemployment	42	-	-	-
Employer Medicare	211	-	-	-
Other Student Support	\$ 17,469	\$ -	\$ -	\$ -

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Revenues/ Expenditures (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Student Support				
Assessment Personnel	\$ 24,000	\$ -	\$ -	\$ -
Social Security	1,488	-	-	-
Inservice Staff Development	200	-	-	-
Unemployment compensation	42	-	-	-
Employee Medicare	348	-	-	-
Other Contracted Services	500	500	500	-
Other Supplies and Materials	17,544	1,493	1,493	-
Travel	900	900	900	-
Other Charges	3,000	340	340	-
Other Student Support	<u>48,022</u>	<u>3,233</u>	<u>3,233</u>	<u>-</u>
Support Services Regular Instruction				
Supervisor	20,000	-	-	-
In Service Training	10,516	2,359	2,359	-
Social Security	1,240	-	-	-
State Retirement	1,776	-	-	-
Medicare	290	-	-	-
Other Materials and Supplies	500	-	-	-
Travel	13,194	3,171	3,171	-
Other Charges	1,500	1,152	1,152	-
Support Services Regular instruction program	<u>49,016</u>	<u>6,682</u>	<u>6,682</u>	<u>-</u>
Support Services Special Education				
Other Contracted services	<u>8,500</u>	<u>6,325</u>	<u>6,325</u>	<u>-</u>
Support Services Special Education program	<u>8,500</u>	<u>6,325</u>	<u>6,325</u>	<u>-</u>
Support Services Vocational Education program				
Travel	300	200	200	-
Inservice Staff Development	<u>201</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services Vocational Education program	<u>501</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total expenditures	<u>779,221</u>	<u>663,253</u>	<u>663,253</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 449,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>-</u>	
Fund Balances - Ending			<u>\$ -</u>	

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

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ONEIDA SPECIAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The financial government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements, *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The Oneida Special School District is a public municipal corporation governed by an elected five member board of education. 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. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is legally separate from the government.

Blended component units. 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 as of June 30, 2014. 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., and that the Building Fund (Oneida Alumni and Friends for Better School, Inc.) exists exclusively for the benefit and support of the Oneida Special School District.

Discretely presented component units. The Oneida Special School District has no discretely presented components.

C. Basis of presentation – government-wide financial statements

The government-wide financial statements and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the district's funds, including its fiduciary funds and blended component units. Separate statement for each fund category -- governmental, and fiduciary are presented. The emphasis of fund financial statements is on the major governmental fund each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The district 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 *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 and other projects designated by the donors.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term general obligations of governmental funds.

The *Capital Projects Fund* accounts for the acquisition or construction of major capital projects.

Additionally, the government reports the following fund types:

The *Fiduciary Fund* accounts for the Internal School Funds of the Elementary School, Middle School and the High School.

During the course of operations the district has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of revenues between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus, Basis of Accounting and Basis of Presentation

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

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.

The 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 or as soon thereafter to pay liabilities of the current period. For this purpose, the district 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales tax, 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 district. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, federal project fund, debt service fund and the capital project fund. The capital projects fund is appropriated on a project –length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowments requirements) and sometimes span a period of more than on fiscal year.

The appropriated budget is presented by fund, function and department. The district’s department heads may make transfers of appropriations within the department. Transfers of appropriations between departments require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The district’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The district uses two cash accounts as one. The cash accounts are the general purpose school checking and money market account used to receive all the district electronic payments and deposits. As funds are spent from the checking account, they are replenished by funds from the money market account.

2. Investments

Investments for the district are reported at fair value which is the cost of the certificates of deposit plus accrued interest.

3. Capital assets

Capital assets, which include property, buildings and equipment are reported in the applicable governmental activities column 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 and an estimated useful life in excess of two years.

As the government constructs or acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, buildings and equipment, of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	10-50
Machinery and equipment	5-20
Vehicles	5-10
Improvements	10-20

4. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The district does not have any items that qualify for reporting this category.

The statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents a of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable property tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. *Net position flow assumption*

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. *Fund balance flow assumptions*

Sometimes the district will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the district's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the district that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the director of schools to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. It is the district's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. 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.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

2. Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of January 1st. The tax levy is for the current year's actual levy. The billings are considered past due 30 days after the tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Compensated absences

Vacation

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the government and, upon separation from service, no monetary obligation exist.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

B. Explanation of certain difference between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

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

III. DETAILED NOTES ON ALL FUNDS

A. Cash deposits and Investments with financial institutions

Custodial credit risk. In the case of deposits and investments, this is the risk that in the event of a bank failure the district's deposits and investment may not be returned to it. The district does have a deposit policy for custodial credit risk. As of June 30, 2014, the carrying value of the district's deposits and investments were \$ 1,930,663, and the bank balance was \$ 1,885,748. None of this amount was exposed to the custodial credit risk. The district has an agreement with the bank that any funds above the FDIC limits will be covered by a third party in the district's name.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. The District's Investments are limited to Certificate of Deposits in State and Federally Chartered Banks.

Interest rate risk. In accordance with its investment policy, the district manages its exposure to declines in fair values by limiting the maturities of its investments at various times of the year.

Credit risk. The district's limited the credit risk by se of collateral pledged and Federal Deposit Insurance.

Concentration of credit risk: The district investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments.

B. Receivables

Below is the detail of receivables for the general and debt service funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Federal Project	Capital Project	Total
Receivables:					
Property taxes	\$ 1,105,919	\$ -	\$ -	\$ -	\$ 1,105,919
Due from other governments	145,064	-	25,611	-	170,675
Gross receivables	1,250,983	-	25,611	-	1,276,594
Less: allowance for uncollectible	-	-	-	-	-
Net total receivables	<u>\$ 1,250,983</u>	<u>\$ -</u>	<u>\$ 25,611</u>	<u>\$ -</u>	<u>\$ 1,276,594</u>

Governmental funds report deferred inflows of resources 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 inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred Inflows of Resources		
Unavailable Property Tax Revenue	\$ 1,105,919	-
Total deferred inflows of resources	<u>\$ 1,105,919</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 are as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 628,096	\$ -	\$ -	\$ 628,096
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>628,096</u>	<u>-</u>	<u>-</u>	<u>628,096</u>
Capital assets, being depreciated				
Buildings and Improvements	17,892,888	-	-	17,892,888
Machinery and equipment	653,658	-	-	653,658
Total capital assets being depreciated	<u>18,546,546</u>	<u>-</u>	<u>-</u>	<u>18,546,546</u>
Less accumulated depreciation for:				
Buildings	(4,561,490)	(367,498)	-	(4,928,988)
Machinery and equipment	(462,881)	(24,346)	-	(487,227)
Total accumulated depreciation	<u>(5,024,371)</u>	<u>(391,844)</u>	<u>-</u>	<u>(5,416,215)</u>
Governmental activities capital assets, net	<u>\$ 14,150,271</u>	<u>\$ (391,844)</u>	<u>\$ -</u>	<u>\$ 13,758,427</u>

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

Governmental activities	
Operations and Maintenance	<u>\$ 391,844</u>
Total depreciation expense - governmental activities	<u>\$ 391,844</u>

D. Accrued Liabilities

Accrued liabilities reported by governmental funds at June 30, 2014, were as follows:

	<u>General Purpose School Fund</u>
Salary and employee benefits	<u>\$ 475,906</u>
Total accrued liabilities	<u>\$ 475,906</u>

E. Interfund receivables, payables, and transfers

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
General Purpose School	Debt Service	\$ 233,260
		<u>233,260</u>
Transfers to Activity Funds		
General Purpose School	Elementary School	26,000
General Purpose School	Middle School	16,900
General Purpose School	High School	18,000
		<u>60,900</u>
Total		<u>\$ 294,160</u>

The general purpose school fund 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. This is reported as transfers in governmental activities and as part of regular instruction program in the Government Wide financial statements.

F. Long-Term Debt

General obligation bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the government.

Year ending June 30,	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 75,000	\$ 69,862
2016	80,000	68,925
2017	80,000	67,325
2018	85,000	65,725
2019-2023	515,000	297,005
2024-2029	790,000	194,754
2030-2034	550,000	44,163
	<u>\$ 2,175,000</u>	<u>\$ 807,759</u>

Notes Payable

The notes payable were issued to provide funds to upgrade the energy efficiency of major capital facilities. Notes payable have been issued in the original amount of \$ 996,980 in prior years to be repaid in equal monthly installments for 10 years.

Year ending June 30,	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 110,726	\$ 1,906
2016	110,731	1,338
2017	110,731	878
2018	99,698	439
2019-2023	359,976	-
Total	<u>\$ 791,862</u>	<u>\$ 4,560</u>

Changes in long-term liabilities

Changes in district's long-term liability for the year ended June 30, 2014, were 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>
Governmental activities:						
Long-Term Liabilities:						
General obligation						
Bonds Payable	\$ 2,250,000	\$ -	\$ -	\$ 75,000	\$ 2,175,000	\$ 75,000
Notes Payable	894,128	-	-	102,266	791,862	110,726
Compensated absence	12,531	-	68,206	-	80,737	80,737
Governmental activity						
Long-term liabilities	\$ 3,156,659	\$ -	\$ 68,206	\$ 177,266	\$ 3,047,599	\$ 266,463
Net OBEP obligation	397,024				415,133	
	<u>\$ 3,553,683</u>				<u>\$ 3,462,732</u>	

The Beginning balance of long term liabilities does not agree with prior year because of the beginning OBEP obligation.

The debt service requirements for the district's bonds, loans and notes are as follows:

Year ending June 30,	Capital Outlay Note 2011 Issue		Capital Outlay Note 2012 Issue		Limited Tax School Bonds Series 2011		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 99,698	\$ -	\$ 11,028	\$ 1,906	\$ 75,000	\$ 69,862	\$ 185,726	\$ 71,768
2016	99,698	-	11,033	1,338	80,000	68,925	190,731	70,263
2017	99,698	-	11,033	878	80,000	67,325	190,731	68,203
2018	99,698	-	11,033	439	85,000	65,725	195,731	66,164
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	49,849	-	-	-	115,000	57,438	164,849	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>\$ 747,735</u>	<u>\$ -</u>	<u>\$ 44,127</u>	<u>\$ 4,560</u>	<u>\$ 2,175,000</u>	<u>\$ 807,759</u>	<u>\$2,966,862</u>	<u>\$ 812,319</u>

As of June 30, 2014, there is no accrued interest reported in these financial statements as we considered this amount to be immaterial.

IV. 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. Defined Benefit Plan

Information for this footnote for the year ended June 30, 2014, was not available for the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

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.

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, 2014 was 8.88% 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, 2014, 2013, and 2012 were \$ 397,374, \$ 390,308 and \$401,577 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, 2014 was 12.85 % 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, 2014, ONEIDA SPECIAL SCHOOLS annual pension cost of \$154,251 to TCRS was equal to ONEIDA SPECIAL SCHOOLS required and actual contributions. The required contribution was determined as part of the July 1, 2011 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, 2011 was 6 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Fiscal Year Ending	Trend Information		
	Annual Pension Cost	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2014	\$154,251	100.00%	\$0.00
June 30, 2013	153,537	100.00%	\$0.00
June 30, 2012	160,209	100.00%	\$0.00

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 89.34% percent funded. The actuarial accrued liability for benefits was \$5.04 million, and the actuarial value of assets was \$4.50 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.54 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.19 million, and the ratio of the UAAL to the covered payroll was 45.14% 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.

D. On-Behalf Payments

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 Teacher Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the State Annual Financial Report. Payments made by the state to the Teacher Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$13,154 and \$625, respectively. The District has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

E. 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.

F. The Board of Education

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

G. 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.

H. Related Party Transaction

As of June 30, 2014, there is no known related party transaction.

I. Subsequent Events

As of June 30, 2014, there was no known subsequent events.

J. Other Postemployment Benefits (OPEB)

Plan Description

The District participated in the state administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state administered Medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year, District contributed \$ 39,300 for postemployment benefits.

Annual OBEP Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 57,000
Interest on the NOPEBO	15,881
Adjustment to the ARC	<u>(15,472)</u>
Annual OPEB cost	57,409
Amount of contribution	<u>(39,300)</u>
Increase/decrease in NOPEBO	18,109
Net OPEB obligation, 7/01/13	<u>397,024</u>
 Net OPEB Obligation 6/30/14	 <u>\$ 415,133</u>

<u>Fiscal Year End</u>	<u>Plan</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation at Year End</u>
6/30/2012	Local Education Group	\$ 97,048	47%	\$ 340,296
6/30/2013	Local Education Group	98,166	42%	397,024
6/30/2014	Local Education Group	57,409	36%	415,133

Funding Status and Funding Progress

The funding status of the plan as of July 1, 2013 was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7/1/2013
Actuarial accrued liability (AAL)	\$ 574,000
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 574,000
Actuarial value of assets as a % of the AAL	\$ -
Covered payroll (active plan members)	\$ 1,613,128
UAAL as a % of covered payroll	36%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value assets.

In the July 1, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

K. Accounting Standards

The Oneida Special School District has adopted all applicable pronouncements of the Government Accounting Standards Board.

L. Prior Period Adjustment

During the year June 30, 2014, the Oneida Special School District record the following long-term liability for Other Post Employment Benefits:

\$397,024 - Prior years
<u>18,109 - Current year</u>
<u>\$415,133 -- Total</u>

The current portion of the long-term liability has been recorded as an expense in the regular instruction program expenses.

REQUIRED SUPPLEMENTARY INFORMATION

**ONEIDA SPECIAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2014**

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, 2013	\$4,500	\$5,037	\$537	89.34%	1,190	45.14%
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%

Information for the Schedule of Funding Progress – Pension Plan for the year ended June 30, 2014, was not available from the state Treasurer’s Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2013.

**II. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN
 Local Education Group Plan**

(Dollar amount in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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, 2013	\$ 0	\$574	\$574	0%	1,613	36%

SUPPLEMENTAL INFORMATION

Oneida Special School District
Statement of Revenues and Expenditures, and Change in Fund Balances
Food Service Fund
For the Year Ended June 30, 2014

	Food Service Fund		
	Elementary School	Middle/High School	Total
REVENUES			
Lunch Adult	\$ 1,591	\$ 998	\$ 2,589
Lunch Child	20,268	30,317	50,585
Breakfast	36,374	35,346	71,720
Milk	5	237	242
Ice Cream	22,854	9,438	32,292
A-la-Carte	908	16,440	17,348
Other	114	550	664
Interest	48	48	96
Federal Thru State	203,882	233,594	437,476
State Match	3,180	3,181	6,361
Total revenues	289,224	330,149	619,373
EXPENDITURES			
Salaries	96,919	124,617	221,536
Social Security	7,489	9,364	16,853
Retirement	7,455	15,148	22,603
Food	91,574	98,875	190,449
Milk	22,068	14,515	36,583
Non-food	12,633	8,723	21,356
Ice Cream	10,676	6,209	16,885
Other	21,304	25,949	47,253
Unemployment	1,071	1,071	2,142
Equipment	3,639	11,304	14,943
Employee Life and Health	543	542	1,085
Total expenditures	275,371	316,317	591,688
Excess (deficiency) of revenues over (under) expenditures	13,853	13,832	27,685
Fund balances - beginning	57,709	40,330	98,039
Fund balances - ending	\$ 71,562	\$ 54,162	\$ 125,724

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, 2014

	<u>Building Fund</u>
REVENUES	
Interest	\$ 783
Total revenues	<u>783</u>
EXPENDITURES	
Excess (deficiency) of revenues over (under) expenditures	<u>783</u>
Net change in fund balances	783
Fund balances - beginning	<u>63,448</u>
Fund balances - ending	<u><u>\$ 64,231</u></u>

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, 2014

	<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>
REVENUES				
Interest Earnings	2,000	1,975	2,499	524
Total revenues	2,000	1,975	2,499	524
EXPENDITURES				
Principal	174,696	177,266	177,266	-
Interest	71,550	73,170	73,170	-
Other Debt Service	2,500	17,500	17,500	-
Total expenditures	248,746	267,936	267,936	-
Excess (deficiency) of revenues over (under) expenditures	(246,746)	(265,961)	(265,437)	524
Other financing sources and (uses)				
Operating Transfers In	267,011	233,260	233,260	-
Total other financing sources and (uses)	267,011	233,260	233,260	-
Net Change in Fund Balance	<u>\$ 20,265</u>	<u>\$ (32,701)</u>	<u>(32,177)</u>	<u>\$ 524</u>
Fund Balances - Beginning			344,262	
Fund Balances - Ending			<u>\$ 312,085</u>	

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

Oncida Special School District
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Earnings	\$ -	\$ 77	\$ 9	\$ (68)
Proceeds Issuance of Note Payable	-	55,000	-	(55,000)
Total revenues	-	55,077	9	(55,068)
EXPENDITURES				
Capital Projects				
Land	-	-	-	-
Equipment	-	-	-	-
Other Capital Projects	88,476	7,250	7,250	-
Total Expenditures	88,476	7,250	7,250	-
Excess (deficiency) of revenues over (under) expenditures	(88,476)	(7,241)	(7,241)	(55,068)
Net Change in Fund Balance	(88,476)	(7,241)	(7,241)	(55,068)
Operating Transfers				
Transfers from Debt Service Fund	25,000	-	-	-
Total other financing sources	25,000	-	-	-
Net Change in Fund Balance	\$ 25,000	\$ (7,241)	(7,241)	\$ (55,068)
Fund Balances - Beginning			12,944	
Fund Balances - Ending			\$ 5,703	

Oneida Special School District
 Combining Statement of Changes in Assets and Liabilities -- All Agency Funds
 Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Elementary School Activity Fund</u>				
Assets				
Cash	\$ 20,087	116,440	107,426	\$ 29,101
Liabilities				
Activity Funds due to School	\$ 20,087	116,440	107,426	\$ 29,101
<u>Middle School Activity Fund</u>				
Assets				
Cash	\$ 32,864	216,150	208,506	\$ 40,508
Liabilities				
Activity Funds due to School	\$ 32,864	216,150	208,506	\$ 40,508
<u>High School Activity Fund</u>				
Assets				
Cash	\$ 112,406	289,728	281,415	\$ 120,719
Liabilities				
Activity Funds due to School	\$ 112,406	289,728	281,415	\$ 120,719
<u>Total --All Agency Funds</u>				
Assets				
Cash	\$ 165,357	\$ 622,318	\$ 597,347	\$ 190,328
Liabilities				
Activity Funds due to School	\$ 165,357	\$ 622,318	\$ 597,347	\$ 190,328

MISCELLANEOUS SCHEDULES

Oneida Special School District
Changes in Net Assets - Last Ten Fiscal Years
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Regular Instruction Program	\$ 4,720,885	\$ 4,940,672	\$ 4,817,857	\$ 4,930,206	\$ 4,951,666	\$ 4,723,157	\$ 4,578,331	\$ 4,748,907	\$ 4,614,066	\$ 4,614,066
Special Education Program	625,965	686,238	840,545	796,208	785,681	967,485	880,651	834,865	830,669	830,669
Vocational Education Program	194,933	206,018	180,754	185,819	196,939	203,390	203,988	205,516	212,519	212,519
Alternative Education Program	-	-	-	-	-	-	80,875	46,439	28,431	28,431
Support Services	709,744	714,341	725,561	874,782	954,957	1,020,589	1,104,843	953,313	1,025,909	1,025,909
Food Services	491,410	542,295	519,348	577,139	536,004	535,801	572,740	640,734	608,687	608,687
Administration	793,159	832,824	858,172	948,227	999,622	975,099	937,388	934,058	916,750	916,750
Community Services	140,418	63,300	33,300	33,300	33,300	33,300	33,300	29,612	29,612	29,612
Student Transportation	156,605	150,197	148,761	170,849	181,816	180,750	182,347	208,220	195,259	195,259
Operation and Maintenance	961,309	960,623	904,902	960,788	1,225,742	1,122,329	1,191,217	1,197,745	1,251,331	1,251,331
Early Childhood Education	-	-	186,680	287,801	299,766	300,592	308,179	312,564	317,902	317,902
Interest on Debt	99,268	67,635	70,433	64,615	53,715	116,601	59,169	63,546	73,815	73,815
Total Governmental Activities	8,893,696	9,164,143	9,286,313	9,829,734	10,239,208	10,179,093	10,133,028	10,175,519	10,104,950	10,104,950
Program Revenues										
Food Service Federal and State	234,707	229,304	201,620	227,944	209,361	207,598	368,665	431,101	443,902	443,902
Other Food Services	435,062	536,892	326,056	306,163	317,723	355,692	202,594	198,266	202,294	202,294
General Revenues										
Property Taxes	1,202,616	1,213,265	1,065,177	1,121,917	1,147,499	1,149,629	1,129,082	1,126,830	1,167,802	1,167,802
Other local revenue	773,772	767,825	947,721	485,533	475,562	557,643	514,280	512,086	542,681	542,681
State and Federal Through State	6,070,741	6,057,606	6,103,062	7,440,479	7,385,980	7,717,053	7,771,252	7,816,500	7,664,671	7,664,671
Other Revenue	458,475	3,785	652,308	226,891	372,858	475,276	3,673,506	269,460	42,414	42,414
Interest Earnings	20,986	22,725	59,921	54,553	28,919	30,514	33,931	21,520	18,877	18,877
Total General Revenue and Transfers	8,526,590	8,065,206	8,828,189	9,329,373	9,410,818	9,930,115	13,112,031	9,746,396	9,436,445	9,436,445
Change in Net Assets	302,663	(330,741)	69,552	33,746	(301,306)	314,312	3,550,262	200,244	(22,309)	(22,309)
Net Assets - Beginning	8,618,122	8,920,785	8,590,044	8,659,596	8,693,342	8,325,950	8,640,262	12,238,812	12,439,056	12,439,056
Net Assets - Ending	\$ 8,920,785	\$ 8,590,044	\$ 8,659,596	\$ 8,693,342	\$ 8,392,036	\$ 8,640,262	\$ 12,190,524	\$ 12,439,056	\$ 12,416,747	\$ 12,416,747

Oneida Special School District
 Debt Capacity Information - Last Ten Years
 June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Outstanding										
Bonds	\$ 680,000	\$ 580,000	\$ 470,000	\$ 360,000	\$ 245,000	\$ 125,000	\$ -	\$ 2,325,000	\$ 2,305,000	\$ 2,175,000
Notes	1,230,553	1,110,073	1,010,750	880,916	750,883	715,359	750,433	938,824	839,128	791,812
Total Bonds, Notes and Leases	1,910,553	1,690,073	1,480,750	1,240,916	995,883	840,359	750,433	3,263,824	3,144,128	2,966,812
Debt Limit	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	N/A	N/A	N/A
Bonded Debt Capacity	\$ 2,589,447	\$ 2,809,927	\$ 3,019,250	\$ 3,259,084	\$ 3,504,117	\$ 3,659,641	\$ 3,749,567	N/A	N/A	N/A

Oncida Special School District
Schedule of Salary Supplements
June 30, 2014

Employee	Title	Amount	Board Approved	Proper Vitholding
Sandy Martin	Basketball High School Girls	3,925	Yes	Yes
Phil Newport	Basketball High School Girls	-	Yes	Yes
Marv West	Basketball High School Girls	4,830	Yes	Yes
Rusty Yaden	Basketball High School Boys	3,570	Yes	Yes
Troy Yaden	Basketball High School Boys	2,625	Yes	Yes
Phil Newport	Basketball Middle School Girls	3,268	Yes	Yes
Daniel King	Basketball Middle School Girls	1,235	Yes	Yes
Shawn West	Basketball Middle School Boys	2,508	Yes	Yes
Chris West	Basketball Middle School Boys	1,140	Yes	Yes
Tony Lambert	Football High School	4,680	Yes	Yes
Jim Burchfield	Football High School	4,500	Yes	Yes
Jimmy May	Football High School	4,050	Yes	Yes
Robert Wright	Football High School	3,000	Yes	Yes
Cory Sexton	Football High School	2,100	Yes	Yes
Mike Keeton	Football High School	2,100	Yes	Yes
Jason Pike	Football High School	2,100	Yes	Yes
Heath Sexton	Football Middle School	6,080	Yes	Yes
Devlin Marcum	Football Middle School	3,078	Yes	Yes
Dustin Lay	Football Middle School	2,850	Yes	Yes
Zach Smith	Football Middle School	2,850	Yes	Yes
Shawn West	Baseball High School	3,050	Yes	Yes
Chris West	Baseball High School	1,045	Yes	Yes
Phil Newport	Softball High School	4,550	Yes	Yes
Todd Lay	Softball High School	1,330	Yes	Yes
Devlin Marcum	Baseball Middle School	3,268	Yes	Yes
Paul Shepherd	Baseball Middle School	1,330	Yes	Yes
Mark Bowling	Baseball Middle School	-	Yes	Yes
Jody Lay	Softball Middle School	2,812	Yes	Yes
Jami Huling	Softball Middle School	1,520	Yes	Yes
Shawn West	Golf	1,220	Yes	Yes
Scott Terry	Soccer High School Girls	2,090	Yes	Yes
James Lovett	Soccer High School Girls	1,045	Yes	Yes
Zach Smith	Soccer High School Boys	2,090	Yes	Yes
Scott Terry	Soccer High School Boys	1,083	Yes	Yes
Stacy Love	Soccer Middle School Girls	2,508	Yes	Yes
Sandy Martin	Soccer Middle School Girls	1,539	Yes	Yes
Grant Swain	Soccer Middle School Boys	2,470	Yes	Yes
Mrs Grant Swain	Soccer Middle School Boys	1,235	Yes	Yes
Lisa O'Neal	Cross Country	1,950	Yes	Yes
Rusty Yaden	Weight Lifting-Fall	413	Yes	Yes
Heath Sexton	Weight Lifting Girls-Summer	1,590	Yes	Yes
Jim Burchfield	Weight Lifting-Summer	2,120	Yes	Yes
Marv West	Weight Lifting-Summer	1,802	Yes	Yes
Tony Lambert	Weight Lifting	1,802	Yes	Yes
Jimmy May	Weight Lifting	1,882	Yes	Yes
Robert Wright	Weight Lifting	1,325	Yes	Yes
Andrew Bernard	High School Band	3,420	Yes	Yes
Laurel Ward	High School Band	1,000	Yes	Yes
T J Hicks	High School Band	1,000	Yes	Yes
Rebecca Strunk	High School Band	2,500	Yes	Yes
Jenna Smith	High School Cheerleading-Football	1,860	Yes	Yes
Jenna Smith	High School Cheerleading-Basketball	2,160	Yes	Yes
Jeni Smith	Middle School Cheerleading-Football	1,540	Yes	Yes
Jeni Smith	Middle School Cheerleading-Basketball	1,340	Yes	Yes
Miranda Lowe	High School Student Council	456	Yes	Yes
Kelly Trammell	Middle School Student Council	480	Yes	Yes
Miranda Lowe	High School Scholars Bowl	2,166	Yes	Yes
Jennifer Butler	Middle School Scholars Bowl	1,140	Yes	Yes
Kelly Trammell	Middle School Beta Club	900	Yes	Yes
Brittany Martin	High School Beta Club	825	Yes	Yes
Michelle Bridges	Best Buddies	500	Yes	Yes
Rhonda Laxton	Best Buddies	500	Yes	Yes
Jeni Smith	High School Honors Society	930	Yes	Yes
Melanie Duncan	Annual	2,964	Yes	Yes
Dani Strunk	Accelerated Reader	750	Yes	Yes
Jenny Hatfield	Early Childhood Coordinator	1,000	Yes	Yes

134,989

**Oneida Special School District
 Oneida, Tennessee
 Schedule Insurance and Surety Bond Coverage
 June 30, 2014**

Property and Casualty	
General liability (each occurrence)	\$ 1,000,000
Automobile liability (each accident)	1,000,000
Garage keepers liability (each accident)	1,000,000
Commercial General liability (each occurrence)	1,000,000
General aggregate (each occurrence)	1,000,000
(general aggregate)	1,000,000
Auto liability (combined single limit)	1,000,000
Property (building, personal prop, extra exp and bldg. and PP)	Per schedule
Inland Marine (per occurrence)	500,000
Boiler and Machinery	10,000,000
Expediting	50,000
Water damage	50,000
Hazardous Materials cleanup	50,000
Ammonia contamination	50,000
Consequential Damage	25,000
Utility Interruption	100,000
Demolition (increased cost of construction)	500,000
Media	25,000
Workers Compensation:	
(each accident)	1,000,000
(disease each employee)	1,000,000
(disease policy limit)	1,000,000

Surety Bond Coverage

Coverage: \$ 284,000 Dorothy Watson, Secretary/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

A Member of the American Institute of Certified Public Accountants

18707 North Alberta Avenue
Oneida, Tennessee 37841
(423) 569-6969

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Oneida Special School District
Oneida, Tennessee

We have audited, 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the Oneida Special School District, Oneida, Tennessee's basic financial statements and have issued our report thereon dated October 25, 2014.

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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing opinion on the effectiveness of the Oneida Special School District, Oneida, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oneida Special School District, Oneida, Tennessee's internal control.

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

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

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*.

Purpose of this Report

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

Dennis E. Jeffers CPA, PC

Oneida, Tennessee
October 25, 2014

Dennis E. Jeffers CPA, PC

Certified Public Accountant

A Member of the American Institute of Certified Public Accountants

18707 North Alberta Avenue
Oneida, Tennessee 37841
(423) 569-6969

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

Board of Education
Oneida Special School District
Oneida, Tennessee

Report on Compliance for Each Major Federal Program

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, 2014. 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.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Oneida Special School District, Oneida, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Oneida Special School District, Oneida, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing

our audit of compliance, we considered Oneida Special School District, Oneida, Tennessee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oneida Special School District, Oneida, Tennessee's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Dennis E. Jeffers CPA, PC

Oneida, Tennessee
October 25, 2014

**Oncida Special School District
Schedule of Expenditures of State Awards
June 30, 2014**

Program Title	CFDA #	Grant #	As Adjusted			June 30, 2014
			July 1, 2013	Receipts	Expenditures	
State of Tennessee Assistance						
Basic Education Program	N/A	N/A	\$ -	\$6,585,000	\$ 6,585,000	\$ -
Carrier Ladder Program	N/A	N/A	1,165	44,708	44,708	1,165
Carrier Ladder Extended contract	N/A	N/A	-	7,120	7,120	-
Coordinated Health	N/A	N/A	-	-	-	-
Family Resource Center	N/A	N/A	-	-	-	-
Energy Efficient Schools	N/A	N/A	-	8,924	8,924	-
Early Childhood Development	N/A	N/A	-	318,402	318,402	-
State Child Nutrition Match	N/A	N/A	-	6,250	6,250	-
Other Vocational	N/A	N/A	-	855	855	-
Total State of Tennessee Assistance			1,165	6,971,259	6,971,259	1,165

**Oncida Special School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014**

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal and State Awards of the Oncida 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*.

ONEIDA SPECIAL SCHOOL DISTRICT
COMBINED STATEMENT OF FINDINGS AND QUESTIONED COSTS
 June 30, 2014

Section I -- Summary of Auditor's Results

Financial Statement

Type of Auditor's Report issued:	Unmodified	
Internal Control over Financial Reporting		
Material Weakness(es) Identified	___ Yes	___ <u>X</u> No
Significant Deficiency(ies) Identified	___ Yes	___ <u>X</u> No
Noncompliance material to financial statements noted	___ Yes	___ <u>X</u> No

Federal Awards

Internal Control over Major Programs		
Material Weakness(es) Identified	___ Yes	___ <u>X</u> No
Significant Deficiency(ies) Identified	___ Yes	___ <u>X</u> No

Type of Auditor's Report issued on compliance for Major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	___ Yes	___ <u>X</u> No
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Identification as major programs are as follows:

United States Department of Agriculture
 CFDA# 10.553, School Breakfast Program (SBP)
 CFDA# 10.555, National School Lunch Program (NSLP)

Dollar threshold for distinguishing Types A and B Programs	\$ 300,000
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Auditee qualified as low-risk auditee?	___ <u>X</u> Yes	___ No
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SECTION II -- FINANCIAL STATEMENT FINDINGS

None

SECTION III -- FEDERAL AWARD FINDINGS AND QUESTIONED COST

None

**ONEIDA SPECIAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF AUDIT FINDINGS
June 30, 2014**

None