

ONEIDA SPECIAL SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

June 30, 2015

CONTENTS

Page

INTRODUCTORY SECTION

List of Elected and Management Officials	1
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	2
------------------------------	---

Management's Discussion and Analysis	4
--------------------------------------	---

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	15

Fund Financial Statements:	
Balance Sheet -- Governmental Funds	16

Reconciliation of Balance Sheet -- Governmental Funds to Statement of Net Position	17
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balances	18
---	----

Reconciliation of Statement of Revenues, Expenditures, and Changes in in Fund Balances of Governmental Funds to the Statement of Activities	19
--	----

Statement of Fiduciary Net Position	20
-------------------------------------	----

Statement of Revenues, Expenditures, and Changes in Fund Balance -	
--	--

Budget and Actual - Major Governmental Fund (General Purpose School)	21
--	----

Budget and Actual - Major Governmental Fund (Federal Projects Fund)	30
---	----

Notes to Financial Statements	32
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information	54
------------------------------------	----

SUPPLEMENTAL INFORMATION

Food Service Fund	58
-------------------	----

Building Fund	59
---------------	----

Budget and Actual - Major Governmental Fund (Debt Service Fund)	60
---	----

Budget and Actual - Major Governmental Fund (Capital Projects Fund)	61
---	----

Combining Statement of Changes in Assets and Liabilities	62
--	----

MISCELLANEOUS SCHEDULES

Changes in Net Assets - Last Ten Fiscal Years	63
---	----

Debt Capacity Information - Last Ten Years	64
--	----

Schedule of Salary Supplements	65
--------------------------------	----

Schedule of Insurance and Surety Bond Coverage	66
--	----

INTERNAL CONTROL & COMPLIANCE SECTION

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	67
--	----

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH <i>OMB CIRCULAR A-133</i>	69
---	----

Schedule of Expenditures of Federal and State Awards	71
--	----

Schedule of Non-cash Assistance	71
---------------------------------	----

Schedule of Expenditures of Federal and State Awards (Continued)	72
--	----

Notes to Expenditures of Federal Awards	72
---	----

Combined Statement of Findings and Questioned Costs	73
---	----

Summary Schedule of Audit Findings	74
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INTRODUCTORY SECTION

ONEIDA SPECIAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2015

Elected Officials

Board of Education

Chairman

Nancy Williamson

Vice Chairman

Danny W. Cross

Secretary/Treasurer

Dorothy Watson

Member

Tommy Bell

Member

Mark Matthews

Appointed Officials

Director of Schools

Ann Sexton

Instructional Supervisor

Jeanny Hatfield

Elementary Principal

Rick Harper

Middle School Principal

Kevin Byrd

High School Principal

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, 2015, 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, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Purpose School Fund and the Federal 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 Schedules of Contributions, Schedule of proportionate share of net pension assets for The Teachers Legacy Pension Plan, Teachers retirement plan and Public Employee Pension Plan on page 54 thru 56, funding progress of other post employment benefits plan on page 57, 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 and the supplemental information section 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 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 12, 2015, 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 12, 2015

BASIC FINANCIAL STATEMENTS

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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, 2015. 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 2015 are as follows:

- * The net Position of the school system decreased by \$ 543,303 . This represents a 500.8% decrease from 2014.
The fund balance of governmental activities increased by \$ 226,903 as cash and cash investments increased by \$ 158,953, receivables decreased by \$ 43,324. Net Position decreased by \$ 1,401,195. Unassigned net assets increased by 285,804
- * General revenues accounted for \$ 9,903,727 or 94.01 percent of total revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$ 630,849 or 5.99 percent of total revenues of \$ 10,534,776.
- * The school district had \$9,991,473 in expenses. Of these expenses \$ 630,849 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state and federal funding) of \$ 9,903,907 were adequate to provide for these programs.
- * Among major funds, the General Purpose School Fund had \$ 9,276,191 in revenues and \$ 9,093,168 in expenditures. The fund balance for the General Purpose School Fund increased by \$ 183,023 from 2015.

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, 2015**

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 2015?" 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, 2015**

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 2014 compared to 2015.

Table 1

	2014	2015	Change
Assets			
Cash and investments	\$ 1,930,663	\$ 2,089,616	\$ 158,953
Accounts and Taxes receivable	1,276,594	1,233,270	(43,324)
Other Assets	-	36,605	36,605
Capital Assets	13,758,427	13,427,899	(330,528)
Deferred Outflows	-	593,183	593,183
Total Assets	<u>\$ 16,965,684</u>	<u>\$ 17,380,573</u>	<u>\$ 414,889</u>
Liabilities			
Long-Term Liabilities	3,462,732	3,390,723	(72,009)
Other Liabilities	501,517	453,471	(48,046)
Total Liabilities	<u>3,964,249</u>	<u>3,844,194</u>	<u>(120,055)</u>
Deferred Inflow of Resources			
Unavailable property tax revenue	1,089,100	1,025,752	(63,348)
Deferred Inflow Pension Plan	-	1,999,483	1,999,483
	<u>1,089,100</u>	<u>3,025,235</u>	<u>1,936,135</u>
Net Position			
Net Investment in Capital Assets	10,376,432	10,590,323	213,891
Restricted	520,091	563,699	43,608
Unrestricted	1,015,812	(642,878)	(1,658,690)
	<u>11,912,335</u>	<u>10,511,144</u>	<u>(1,401,191)</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 16,965,684</u>	<u>\$ 17,380,573</u>	<u>\$ 414,889</u>

**Oncida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Total assets of governmental activities increased by \$ 227,023, as cash and cash equivalents increased by \$ 158,953. Receivables decreased by \$ 43,324. Unrestricted 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 \$ 642,878.

Table 2 shows the changes in net position for fiscal year 2014 and 2015.

Changes in Net Position	2014	2015	Percentage Change
Revenues			
Property Taxes	\$1,103,846	1,166,325	5.66%
Other Local Revenue	545,472	619,881	13.64%
Other Local Taxes	41,492	62,181	49.86%
State and Federal Through State	7,723,227	7,760,398	0.48%
Other Revenues	300,095	330,120	10.01%
Interest Earnings	22,025	27,203	23.51%
Food Services	619,277	568,668	-8.17%
Total Revenues	<u>10,355,434</u>	<u>10,534,776</u>	<u>1.73%</u>
Program Expenses			
Regular Instruction Program	4,763,988	4,665,932	-2.06%
Special Education Instruction Program	852,218	810,434	-4.90%
Vocational /Alternative Instruction Program	254,472	219,267	-13.83%
Support Services	1,061,757	972,757	-8.38%
Administration	986,463	909,830	-7.77%
Community Services	32,120	32,564	1.38%
Student Transportation	186,504	83,467	-55.25%
Operation and Maintenance of Plant	1,318,553	1,378,814	4.57%
Early Childhood Education	317,902	297,578	-6.39%
Interest and Fiscal Charges	90,670	73,698	-18.72%
Food Service	598,938	547,132	-8.65%
Total Expenses	<u>10,463,585</u>	<u>9,991,473</u>	<u>-4.51%</u>
Increase (Decrease) in Net Position	<u>(108,151)</u>	<u>543,303</u>	<u>-602.36%</u>
Beginning Net Position	7,915,496	\$9,967,841	25.93%
Ending Net Position	<u>\$9,967,841</u>	<u>\$10,511,144</u>	<u>5.45%</u>

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Governmental Activities

State and federal aid through state revenues comprises 78.36 percent of revenues for governmental activities for the Oneida Special School District system for fiscal year 2015. Local taxes make up 41.78 percent of revenues.

Instruction total 46.70 percent of system expenses. Support services expenses comprise 9.78 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 2014	Net Cost of Services 2014	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	\$6,148,291	\$6,123,281	\$ 5,993,211	\$ 5,931,030
Support Services	953,313	953,313	972,757	972,757
Food Services	940,734	11,367	547,132	(21,536)
Administration	934,058	934,058	909,830	909,830
Other Education Costs	237,832	237,832	116,031	116,031
Operation and Maintenance	1,197,745	1,197,745	1,378,814	1,378,814
Interest and Fiscal Charges	63,546	63,546	73,698	73,698
	<u>\$10,475,519</u>	<u>\$9,521,142</u>	<u>\$ 9,991,473</u>	<u>\$ 9,360,624</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, 2015**

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 \$ 10,497,949 and expenditures of \$ 10,253,836.

As the school system completed the year, all governmental funds had a fund balance of \$1,843,542 this represents an increase of \$ 226,903 from 2015.

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 2015 fiscal year. The items amended fell into three categories. The first category included all professional salaries and related benefits, which were increased in January by the State of Tennessee.

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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 2015, the school system had \$ 13,427,899 invested in land buildings and improvements, machinery and equipment, and vehicles, net of depreciation.

Table 4 shows fiscal 2015 balances compared to 2014.

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

	<u>2014</u>	<u>2015</u>
Land	\$ 628,096	\$ 628,096
Buildings and Improvements	12,963,900	12,596,401
Machinery and Equipment	166,431	203,402
	<u>\$ 13,758,427</u>	<u>\$ 13,427,899</u>

Depreciation expenses for the year was \$ 395,028.

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Debt Administration

At June 30, 2015, the school system had outstanding bonds and notes payable totaling \$ 2,837,576 , with \$203,681 due within one year.

**Table 5
Outstanding Debt at June 30**

	2014	2015
Energy Efficient Schools Initiative 2011, Monthly Pmts of \$8,308, at no interest for 110 months	\$ 747,735	\$ 639,716
Limited Tax School Bond Series 2011, Average interest rate of 3.82% from 1% to 5%, annual payments from \$ 75,000 to \$ 190,000.	2,175,000	2,100,000
Capital Outlay Note, Interest rate of 3.99%, Dated 2015 Annual Payments of \$ 11,000 on average \$ 12,386 including interest.	-	64,761
Capital Outlay Note, Interest rate of 3.99%, dated 2012 Annual Payments of \$ 11,000 on average \$ 12,386 including interest.	44,127	33,099
	2,966,862	2,837,576

**Oneida Special School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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.

Oneida Special School District
Statement of Net Position
June 30, 2015

Governmental
Activities

ASSETS

Cash and cash equivalents	\$ 1,659,608
Investments	417,932
Net Pension Asset	36,605
Receivables (net of allowance for uncollectible)	
Due from Other Governments	174,487
Property taxes	1,058,783
Temporarily restricted:	
Investments	12,076

Capital assets

Land and assets not being depreciated	628,096
Buildings and equipment	18,611,046
Less Depreciation	(5,811,243)

Deferred Outflow of Resources

Pension Plan Deferred Outflow	593,183
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TOTAL ASSETS

\$ 17,380,573

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

**Oneida Special School District
Statement of Net Position
June 30, 2015**

	Governmental Activities
LIABILITIES	
Accounts payable and other accrued liabilities	\$ 453,471
Noncurrent liabilities:	
Compensated absences	93,687
Other Post Employment Benefits	459,460
Portion due or payable within one year	203,681
Portion due or payable after one year	2,633,895
Total liabilities	<u>3,844,194</u>
DEFERRED INFLOW OF RESOURCES	
Unavailable property tax revenue	1,025,752
Deferred inflow of resources Pension	1,999,483
	<u>3,025,235</u>
NET POSITION	
Net Investment in capital assets	10,590,323
Restricted for:	
Cafeteria fund	126,717
Debt Service	357,887
Capital Projects	2,392
Building Fund	64,627
Scholarship	12,076
Net Pension Equity	(1,944,494)
Unrestricted	1,301,616
Total net position	<u>10,511,144</u>
TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 17,380,573</u>

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

Oneida Special School District
Statement of Activities
For the Year Ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Functions/Programs</u>				
Primary government:				
Government activities:				
Regular Instruction Program	\$ 4,665,932	\$ -	\$ 62,181	\$ (4,603,751)
Special Education Program	810,434	-	-	(810,434)
Vocational Education Program	197,737	-	-	(197,737)
Alternative Education Program	21,530	-	-	(21,530)
Support Services	972,757	-	-	(972,757)
Food Services	547,132	152,328	416,340	21,536
Administration	909,830	-	-	(909,830)
Community Services	32,564	-	-	(32,564)
Student Transportation	83,467	-	-	(83,467)
Operation and Maintenance of Plant	1,378,814	-	-	(1,378,814)
Early Childhood Education	297,578	-	-	(297,578)
Interest and fees on long-term debt	73,698	-	-	(73,698)
Total governmental activities	<u>\$ 9,991,473</u>	<u>\$ 152,328</u>	<u>\$ 478,521</u>	<u>(9,360,624)</u>
General revenues:				
Property taxes				1,166,325
Other Local revenue				619,881
State and Federal Through State				7,760,398
Other Revenues				293,293
Pension Income				36,827
Unrestricted Investment Earnings				27,203
Total general revenues				<u>9,903,927</u>
Change in net position				<u>543,303</u>
Net position - beginning				11,912,335
Restatement Pension liability See Note L				<u>(1,944,494)</u>
Net position - beginning restated				<u>9,967,841</u>
Net position - ending				<u>\$ 10,511,144</u>

Oneida Special School District
 Balance Sheet
 Governmental Funds
 June 30, 2015

	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	\$ 1,529,721	\$ -	\$ -	\$126,717	\$ 2,392	658	\$ 1,659,488
Investments	-	353,963	-	-	-	63,969	417,932
Restricted Cash	12,076	-	-	-	-	-	12,076
Property Taxes Receivables (Net)	1,058,783	-	-	-	-	-	1,058,783
Due from other funds	-	3,924	-	-	-	-	3,924
Due from other Governments	174,487	-	-	-	-	-	174,487
Total assets	<u>2,775,067</u>	<u>357,887</u>	<u>-</u>	<u>126,717</u>	<u>2,392</u>	<u>64,627</u>	<u>3,326,690</u>
LIABILITIES							
Liabilities:							
Accounts Payable	-	-	-	-	-	-	-
Due to other funds	3,924	-	-	-	-	-	3,924
Accrued Liabilities	453,471	-	-	-	-	-	453,471
	<u>457,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,395</u>
DEFERRED INFLOW OF RESOURCES							
Deferred Inflow of resources							
Deferred Property unavailable property tax	1,025,752	-	-	-	-	-	1,025,752
FUND BALANCES							
Restricted for:							
Building Program	-	-	-	-	-	64,627	64,627
Debt service	-	357,887	-	-	-	-	357,887
Capital Projects	-	-	-	-	2,392	-	2,392
Food Service	-	-	-	126,717	-	-	126,717
Scholarship	12,076	-	-	-	-	-	12,076
Assigned	-	-	-	-	-	-	-
Unassigned	1,279,844	-	-	-	-	-	1,279,844
Total fund balances	<u>1,291,920</u>	<u>357,887</u>	<u>-</u>	<u>126,717</u>	<u>2,392</u>	<u>64,627</u>	<u>1,843,543</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,775,067</u>	<u>\$ 357,887</u>	<u>\$ -</u>	<u>\$126,717</u>	<u>\$ 2,392</u>	<u>\$ 64,627</u>	<u>\$ 3,326,690</u>

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

Oncida Special School District
Reconciliation of Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2015

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

Total fund balance - total governmental funds (Page16)		\$ 1,843,543
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	18,611,046	
Less Depreciation	-	
Less: Accumulated Depreciation	<u>(5,811,243)</u>	
		13,427,899
2) Long-term Liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: Bonds payable	(2,100,000)	
Notes payable	(737,576)	
Opeb Obligations	(459,460)	
Compensated absences	<u>(93,687)</u>	
		(3,390,723)
3) Amounts Reported as deferred outflows of resources and deferred inflows of resources related to pension expense in future years:		
Add: Deferred outflows of resources related to pensions	593,183	
Less: Deferred inflows of resources related to pensions	<u>(1,999,483)</u>	
		(1,406,300)
4) Other long term assets are not available to pay current period expenditures and therefore are deferred in governmental funds		
Net Pension Asset		36,605
 Total Net Position - Governmental Activities (page 14)		 <u><u>\$ 10,511,144</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, 2015

	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	\$ 1,166,325	-	\$ -	\$ -	\$ -	\$ -	\$ 1,166,325
Local option sales taxes	619,881	-	-	-	-	-	619,881
Cafeteria Charges	-	-	-	-	152,328	-	152,328
Other Revenues	285,595	-	-	-	-	-	285,595
Federal and State Revenues	7,108,884	-	645,235	6,279	416,340	-	8,176,738
Miscellaneous	7,698	-	-	-	-	-	7,698
Interest earnings	25,627	947	-	10	224	395	27,203
Contributions and donations	62,181	-	-	-	-	-	62,181
Total revenues	9,276,191	947	645,235	6,289	568,892	395	10,497,949
EXPENDITURES							
Regular Instruction Program	4,427,118	-	380,071	-	-	-	4,807,189
Special Education Program	611,611	-	237,401	-	-	-	849,012
Vocational Education Program	204,016	-	7,112	-	-	-	211,128
Alternative Education Program	23,340	-	-	-	-	-	23,340
Support Services -- Attendance	34,031	-	1,500	-	-	-	35,531
Support Services -- Health Services	154,467	-	11,214	-	-	-	165,681
Support Services -- Other Student Support	278,206	-	7,537	-	-	-	285,743
Support Services -- Regular Instruction	354,120	-	400	-	-	-	354,520
Support Services -- Special Education	178,118	-	-	-	-	-	178,118
Administration -- Board of Education	202,659	-	-	-	-	-	202,659
Administration -- Office of the Director of Schools	176,364	-	-	-	-	-	176,364
Administration -- Office of the Principals	421,026	-	-	-	-	-	421,026
Business Administration -- Fiscal Services	162,555	-	-	-	-	-	162,555
Community Services	32,564	-	-	-	-	-	32,564
Student Transportation	147,967	-	-	-	-	-	147,967
Operation of Plant	880,316	-	-	-	-	-	880,316
Maintenance of Plant	99,826	-	-	-	-	-	99,826
Early Childhood Education	318,878	-	-	-	-	-	318,878
Capital Outlay	-	-	-	74,100	-	-	74,100
School Food Service	-	-	-	-	567,898	-	567,898
Debt Service:							
Principal	-	185,723	-	-	-	-	185,723
Interest	-	71,221	-	-	-	-	71,221
Other Capital Outlay	-	2,477	-	-	-	-	2,477
Total expenditures	8,707,182	259,421	645,235	74,100	567,898	-	10,253,836
Excess (deficiency) of revenues over (under) expenditures	569,009	(258,474)	-	(67,811)	994	395	244,113
OTHER FINANCING SOURCES (USES)							
Proceeds of Notes and Bonds	-	-	-	64,500	-	-	64,500
Transfers in	-	304,276	-	-	-	-	304,276
Transfers out	(385,986)	-	-	-	-	-	(385,986)
Total other financing sources and uses	(385,986)	304,276	-	64,500	-	-	(17,210)
Net change in fund balances	183,023	45,802	-	(3,311)	994	395	226,903
Fund balances - beginning	1,108,896	312,085	-	5,703	125,723	64,232	1,616,639
Fund balances - ending	\$ 1,291,919	\$ 357,887	\$ -	\$ 2,392	\$ 126,717	\$ 64,627	\$ 1,843,542

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, 2015**

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)	\$	226,903
1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Add: Capitalized Land and Building	64,500	
Less: Depreciation expense	(395,028)	
	<u>(330,528)</u>	(330,528)
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>185,723</u>	185,723
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:		
Change in Compensated Absences	(12,950)	
Changes in pension liability/asset	(56,317)	
Increase in OPEB	(44,327)	
Changes in deferred outflows related to pensions	537,972	
Changes in deferred inflows related to pensions	<u>36,827</u>	
		461,205
Change in net position of governmental activities (page 15)	<u>\$</u>	<u>543,303</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, 2015

	Elementary School Activity Fund	Middle School Activity Fund	High School Activity Fund	Totals
Assets				
Cash	\$ 45,337	\$ 65,572	\$ 127,212	\$ 238,121
Investments	-	-	10,000	10,000
Total Assets	<u>45,337</u>	<u>65,572</u>	<u>137,212</u>	<u>248,121</u>
Liabilities				
Activity Funds Due to Schools	<u>\$ 45,337</u>	<u>\$ 65,572</u>	<u>\$ 137,212</u>	<u>\$ 248,121</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, 2015**

	<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	\$ 709,880	\$ 39,613
County Property Taxes - Prior Years	44,500	55,875	60,945	5,070
County Property Taxes - Delinquent	39,600	19,045	30,151	11,106
Interest and Penalty on Delinquent County Taxes	20,555	11,518	10,395	(1,123)
Payment in Lieu of Taxes - TVA	62,000	51,599	103,434	51,835
Payment in Lieu of Taxes - Local Utilities	99,000	99,639	74,283	(25,356)
Local Option Sales Taxes	540,000	547,832	619,881	72,049
Interstate Telecommunications Tax	300	726	745	19
School District Property Taxes - Current	290,000	239,523	263,944	24,421
School District Property Taxes - Prior Years	12,100	22,869	27,122	4,253
School District in Lieu of Taxes	5,025	-	-	-
Interest and Penalty on Delinquent School District Taxes	-	4,070	12,913	8,843
Marriage Licenses	300	219	166	(53)
Receipts from Individual Schools	7,100	8,779	7,532	(1,247)
Investment Income	4,000	2,372	2,319	(53)
E-Rate Funding	31,000	29,990	26,627	(3,363)
Miscellaneous Refunds	1,000	1,367	6,769	5,402
Contributions and Gifts	36,000	31,374	62,181	30,807
Other Local Revenues	2,000	262,241	278,826	16,585
Total Local Revenues	1,869,480	2,059,305	2,298,113	238,808
State of Tennessee and Federal Revenues				
Basic Education Program	6,575,000	6,585,000	6,608,001	23,001
Energy Efficiency Initiative	-	-	1,076	1,076
Early Childhood Education	318,402	318,402	318,402	-
Internet Connectivity	10,000	-	-	-
Career Ladder Program	38,000	150,265	41,325	(108,940)
Career Ladder Extended Contract	3,380	7,120	7,120	-
Other State and Local Funds	12,500	96,604	2,154	(94,450)
Family Resource	29,612	29,612	-	(29,612)
Statewide Student Management	-	-	-	-
Safe Schools	7,000	3,921	-	(3,921)
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	6,978,078	(222,249)
Total Revenues	\$ 9,020,978	\$ 9,259,632	\$ 9,276,191	\$ 16,559

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, 2015

	<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	\$ 2,992,537	\$ 2,992,537	\$ -
Career Ladder Program	31,930	25,145	25,145	-
Career Ladder Extended Contract	9,000	7,000	7,000	-
Homebound Teachers Salaries	6,000	7,743	7,743	-
Aides - Salaries	225,000	58,273	58,273	-
Other Salaries and Wages	40,000	42,564	42,564	-
Substitute Teachers - Salaries	6,000	8,906	8,906	-
Non-Certified Substitute Teachers - Salaries	51,000	56,874	56,874	-
Social Security	178,124	184,299	184,299	-
State Retirement	261,178	285,879	285,879	-
Life Insurance	2,500	1,411	1,411	-
Medical Insurance	450,000	457,449	457,449	-
Unemployment Compensation	15,000	7,045	7,045	-
Medicare	42,029	43,396	43,396	-
Other Contracted Services	42,000	-	-	-
Maintenance and Repair Services Equip.	500	-	-	-
Instructional Supplies	153,000	130,920	130,920	-
Textbooks	4,000	9,503	9,503	-
Other Materials and Supplies	44,669	53,295	53,295	-
Other Charges	1,000	-	-	-
Fee Waivers	5,000	1,793	1,793	-
Computers and Other Instructional Aids	25,000	52,966	52,966	-
Total Regular Instruction	4,261,648	4,426,998	4,426,998	-
Special Education Program:				
Teacher Salaries	282,405	304,869	304,869	-
Career Ladder Program	-	1,000	1,000	-
Aides - Salaries	54,235	70,612	70,612	-
Speech Pathologist	60,000	60,250	60,250	-
Substitute Teachers - Salaries	24,000	12,992	12,992	-
Social Security	14,000	26,364	26,364	-
State Retirement	37,400	38,578	38,578	-
Life Insurance	400	203	203	-
Medical Insurance	44,000	51,504	51,504	-
Unemployment Compensation	1,800	1,102	1,102	-
Medicare	5,400	6,233	6,233	-
Contracts with Public Agencies	15,000	23,550	23,550	-
Contracts with Private Agencies	5,000	-	-	-
Other Contracted Services	7,000	11,904	11,904	-
Instructional Supplies	4,000	2,450	2,450	-
Special Education Equipment	-	-	-	-
Total Special Education	\$ 554,640	\$ 611,611	\$ 611,611	\$ -

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, 2015

	Budgeted Amounts		Actual Revenues/ Expenditures (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Vocational Education Program				
Teacher Salaries	\$ 133,000	\$ 139,050	\$ 139,050	\$ -
Career Ladder Program	1,000	2,000	2,000	-
Other Salaries and Wages	19,200	19,633	19,633	-
Substitute Teachers - Salaries	3,000	2,854	2,854	-
Social Security	9,200	9,091	9,091	-
State Retirement	14,300	13,391	13,391	-
Life Insurance	130	48	48	-
Medical Insurance	11,500	12,145	12,145	-
Unemployment Compensation	400	243	243	-
Maintenance & Repair-Equipment	-	2,126	2,126	-
Medicare	2,225	-	-	-
Instruction Supplies	300	3,009	3,009	-
Vocational Instruction Equipment	6,000	-	-	-
Total Vocational Instruction	200,255	203,590	203,590	-
Support Services Attendance				
Supervisor Director	8,458	20,000	20,000	-
Social Security	744	1,240	1,240	-
State Retirement	1,086	1,810	1,810	-
Medical Insurance	500	290	290	-
Medicaid	174	-	-	-
	10,962	23,340	23,340	-
Support Services Alternative Instruction Program				
Supervisor Director	46,684	29,979	29,979	-
Non Certified Substitute Teachers	500	1,858	1,858	-
Social Security	2,700	1,556	1,556	-
State Retirement	4,225	-	-	-
Life Insurance	42	-	-	-
Medical Insurance	10,242	-	-	-
Unemployment Compensation	42	203	203	-
Employer Medicare	677	435	435	-
Total Support Services Attendance	65,112	34,031	34,031	-
Support Services Health Services				
Medical Personnel	99,823	99,849	99,849	-
Other Salaries & Wages	19,050	17,950	17,950	-
Social Security	7,271	7,455	7,455	-
State Retirement	10,429	10,556	10,556	-
Life Insurance	84	42	42	-
Medical Insurance	11,427	8,500	8,500	-
Unemployment Compensation	359	289	289	-
Medicare	1,731	1,742	1,742	-
Drugs and Medical Supplies	500	-	-	-
Other Supplies and Materials	500	2,325	2,325	-
Instructional Supplies	1,303	4,509	4,509	-
Travel	3,000	-	-	-
Other Contracted Services	4,000	250	250	-
Inservice Staff Development	1,000	1,000	1,000	-
Total Support Services Health Services	\$ 160,477	\$ 154,467	\$ 154,467	\$ -

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, 2015

	<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				
Support Services - Other Student Support				
Career Ladder Program	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Guidance Personnel - Salaries	130,000	161,018	161,018	-
Clerical Personnel	24,930	24,000	24,000	-
Secretaries	-	16,010	16,010	-
Guards	-	5,180	5,180	-
Social Security	8,500	12,261	12,261	-
State Retirement	13,800	14,856	14,856	-
Life Insurance	200	84	84	-
Medical Insurance	22,000	10,093	10,093	-
Unemployment Compensation	2,000	381	381	-
Medicare	2,400	2,868	2,868	-
Evaluation and Testing	8,000	5,647	5,647	-
Travel	500	411	411	-
Other Contracted Services	16,000	18,645	18,645	-
Other Supplies and Materials	9,100	2,087	2,087	-
Other Charges	1,000	3,665	3,665	-
Total Support Services - Other Student Support	239,430	278,206	278,206	-
Support Services Regular Instruction Program				
Supervisor/Director	40,000	45,635	45,635	-
Librarians	89,370	89,663	89,663	-
Other Wages and Salaries	88,010	96,785	96,785	-
Social Security	13,093	13,470	13,470	-
State Retirement	22,600	23,572	23,572	-
Life Insurance	84	50	50	-
Medical Insurance	27,500	28,895	28,895	-
Unemployment Compensation	700	380	380	-
Medicare	3,922	3,150	3,150	-
Travel	7,000	12,423	12,423	-
Other Contracted Services	17,000	16,023	16,023	-
Library Books	12,000	9,510	9,510	-
Periodicals	3,000	9,212	9,212	-
Other Materials and Supplies	-	-	-	-
In-service Staff Development	8,685	1,240	1,240	-
Other Charges	1,000	4,112	4,112	-
Total Support Services Regular Instruction	\$ 333,964	\$ 354,120	\$ 354,120	\$ -

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, 2015

	<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	\$ 29,880	\$ 29,880	\$ -
Non-Certified Certified Teachers	-	99	99	-
Social Security	3,000	1,859	1,859	-
State Retirement	4,325	1,556	1,556	-
Life Insurance	42	-	-	-
Medical Insurance	10,500	-	-	-
Medicare	125	202	202	-
Unemployment Insurance	700	435	435	-
Total Support Services - Special Education Program	67,378	34,031	34,031	-
Support Services - Special Education Program				
Supervisor/ Director - Salaries	63,858	66,128	66,128	-
Career Ladder Program	1,000	1,000	1,000	-
Secretary	25,000	23,805	23,805	-
Social Security	5,410	5,423	5,423	-
State Retirement	8,885	9,245	9,245	-
Life Insurance	84	42	42	-
Medical Insurance	8,625	5,046	5,046	-
Medicare	1,265	144	144	-
Unemployment Insurance	84	1,268	1,268	-
Maintenance and Repair Services	1,000	184	184	-
Travel	5,500	7,644	7,644	-
Other Contracted Services	32,500	54,714	54,714	-
In-service	1,500	3,430	3,430	-
Other Charges	500	45	45	-
Total Support Services - Special Education Program	155,211	178,118	178,118	-
Support Services - Vocational Education Instruction				
Travel	500	426	426	-
Total Support Services - Vocational Education Instructor	500	426	426	-
Support Services - Board of Education				
Medical Insurance	12,000	25,480	25,480	-
Other Fringe Benefits	120	-	-	-
Audit Services	9,900	9,850	9,850	-
Dues and Memberships	7,000	7,338	7,338	-
Legal Services	8,000	5,570	5,570	-
Travel	6,000	7,976	7,976	-
Other Contracted Services	30,000	31,970	31,970	-
Liability Insurance	15,234	17,578	17,578	-
Premiums on Corporate Surety Bonds	1,700	1,663	1,663	-
Trustee Commissions	29,000	32,787	32,787	-
Workers' Compensation Insurance	39,000	45,939	45,939	-
In-service Staff Development	5,000	3,978	3,978	-
Other Charges	9,000	12,530	12,530	-
Total Support Services - Board of Education	\$ 171,954	\$ 202,659	\$ 202,659	\$ -

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, 2015

	<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				
Administration - Office of the Director of Schools				
Administrative Officer/ Superintendent - Salary	\$ 86,170	\$ 88,220	\$ 88,220	\$ -
Career Ladder	1,000	1,000	1,000	-
Clerical Personnel	5,000	12,708	12,708	-
Social Security	5,700	5,978	5,978	-
State Retirement	8,400	8,144	8,144	-
Life Insurance	84	-	-	-
Medical Insurance	5,000	7,196	7,196	-
Unemployment Compensation	150	250	250	-
Medicare	1,350	1,185	1,185	-
Communication	21,500	15,727	15,727	-
Dues and Memberships	3,500	3,141	3,141	-
Postal Charges	2,500	4,550	4,550	-
Travel	6,000	4,597	4,597	-
Other Contracted Services	22,000	19,321	19,321	-
Office Supplies	500	120	120	-
Other Supplies & Materials	-	-	-	-
In service/Staff Development	1,500	545	545	-
Other Charges	5,000	3,682	3,682	-
Total Office of the Superintendent	175,354	176,364	176,364	-
School Administration - Office of the Principals				
Principals - Salaries	148,000	153,514	153,514	-
Career Ladder Program	3,000	2,000	2,000	-
Bookkeepers	47,000	63,140	63,140	-
Clerical Personnel	93,250	74,179	74,179	-
Social Security	17,500	16,319	16,319	-
State Retirement	31,500	32,277	32,277	-
Life Insurance	326	290	290	-
Medical Insurance	40,000	65,535	65,535	-
Unemployment Compensation	1,500	653	653	-
Medicare	4,300	3,817	3,817	-
Communication	3,000	4,070	4,070	-
Travel	1,988	2,544	2,544	-
Data Processing	1,000	984	984	-
In Service Staff Development	2,000	1,704	1,704	-
Total Office of the Principals	\$ 394,364	\$ 421,026	\$ 421,026	\$ -

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, 2015

	<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				
Business Administration - Fiscal Services				
Accountants/Bookkeepers	\$ 47,175	\$ 39,000	\$ 39,000	\$ -
Other Salaries and Wages	41,070	74,366	74,366	-
Social Security	5,600	7,247	7,247	-
State Retirement	11,500	12,352	12,352	-
Life Insurance	84	49	49	-
Medical Insurance	4,500	12,565	12,565	-
Unemployment Compensation	110	202	202	-
Medicare	1,300	1,694	1,694	-
Advertising	1,500	2,163	2,163	-
Data Processing Services	5,200	6,415	6,415	-
Travel	3,200	4,879	4,879	-
Other Contracted Services	200	-	-	-
Data Processing Supplies	-	-	-	-
Office Supplies	500	1,623	1,623	-
Other Charges	500	-	-	-
Total Business Administration - Fiscal Services	122,439	162,555	162,555	-
Operation of Plant				
Custodial Personnel	282,000	86,412	86,412	-
Guards	7,000	9,251	9,251	-
Social Security	17,800	5,785	5,785	-
State Retirement	20,000	9,306	9,306	-
Life Insurance	85	42	42	-
Medical Insurance	24,000	11,860	11,860	-
Unemployment Compensation	2,000	398	398	-
Medicare	4,200	1,353	1,353	-
Other Contracted Services	1,000	330,000	330,000	-
Electricity	262,000	235,454	235,454	-
Equipment & Machinery Parts	-	-	-	-
Natural Gas	53,000	61,622	61,622	-
Water and Sewer	27,000	30,825	30,825	-
Other Supplies and Materials	75,000	27,420	27,420	-
Boiler Insurance	2,378	2,695	2,695	-
Building and Contents Insurance	23,000	47,407	47,407	-
Plant Operation Equipment	41,839	20,486	20,486	-
Other Charges	7,000	-	-	-
Total Operation of Plant	\$ 849,302	\$ 880,316	\$ 880,316	\$ -

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, 2015

	<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	\$ 25,211	\$ 25,211	\$ -
Maintenance and Repair Services - Equipment	22,000	36,819	36,819	-
Equipment and Machinery Parts	5,000	1,683	1,683	-
Other Charges	3,000	20,806	20,806	-
Other Materials and Supplies	40,700	4,799	4,799	-
Maintenance Equipment	5,000	10,508	10,508	-
Total Maintenance of Plant	97,700	99,826	99,826	-
Student Transportation				
Bus Drivers	58,000	64,673	64,673	-
Social Security	4,200	3,713	3,713	-
State Retirement	9,000	1,987	1,987	-
Life Insurance	126	42	42	-
Medical Insurance	10,500	-	-	-
Unemployment Compensation	700	338	338	-
Medicare	1,000	868	868	-
Maintenance and Repair Vehicles	12,000	10,371	10,371	-
Medical Services	1,200	612	612	-
Gasoline	35,000	31,205	31,205	-
Tires and Tubes	3,000	3,391	3,391	-
Vehicle Parts	7,000	12,034	12,034	-
Other Supplies & Materials	1,000	1,376	1,376	-
Other Contracted Services	600	1,190	1,190	-
Vehicle Equipment Insurance	13,377	15,158	15,158	-
In-service Staff Development	800	-	-	-
Other Charges	2,000	1,009	1,009	-
Transportation Equipment	3,000	-	-	-
Total Student Transportation	162,503	147,967	147,967	-
Community Services				
Salaries and Wages	24,600	25,000	25,000	-
Social Security	1,525	1,550	1,550	-
Life Insurance		42	42	-
Medical Insurance		42	42	-
State Retirement	3,252	2,614	2,614	-
Medicare	235	363	363	-
Other Materials and Equipment	235	2,953	2,953	-
Total Community Services	\$ 29,847	\$ 32,564	\$ 32,564	\$ -

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, 2015

	<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	\$ 145,000	\$ 145,000	\$ -
Educational Assistants	56,000	58,000	58,000	-
Non-Certified Substitute Teachers	3,500	3,000	3,000	-
Social Security	12,775	12,650	12,650	-
Retirement	20,210	21,300	21,300	-
Life Insurance	300	320	320	-
Unemployment Compensation	41,000	49,500	49,500	-
Medical Insurance	700	750	750	-
Employer Medicare	2,980	3,000	3,000	-
Travel	2,500	2,000	2,000	-
Food Supplies	1,937	4,000	4,000	-
Instructional Supplies	7,000	5,000	5,000	-
Other Supplies and Materials	7,000	5,782	5,782	-
Inservice/Staff Development	2,000	1,500	1,500	-
Other Charges	3,500	5,000	5,000	-
Other Equipment	10,000	2,076	2,076	-
Total Early Childhood Education	317,902	318,878	318,878	-
Total Expenditures	8,303,064	8,707,062	8,707,062	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	717,914	552,570	569,129	(16,559)
Other Financing Sources (Uses)				
Transfer To Debt Service Fund	(266,000)	(304,276)	(304,276)	-
Transfer to Elementary School	(27,000)	(32,010)	(32,010)	-
Transfer to Middle School	(18,000)	(19,600)	(19,600)	-
Transfer to High School	(19,000)	(30,100)	(30,100)	-
Total Other Financing Sources (Uses)	(330,000)	(385,986)	(385,986)	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Sources	\$ 387,914	\$ 166,584	\$ 183,143	\$ (16,559)
Fund Balance, Beginning			1,108,896	
Fund Balance, Ending			\$ 1,292,039	

**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, 2015**

	<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	\$ -	\$ 9,012	9,012
Title 1 Grants to Local Education Agencies	410,509	340,816	332,524	(8,292)
Special Education Grants	271,588	231,577	237,401	5,824
First To the Top	140,106	28,528	-	(28,528)
Rural Education	25,859	21,585	24,306	2,721
Special Education Preschool	6,436	6,325	7,537	1,212
Eisenhower Prof Development	37,424	34,422	34,455	33
Other Federal Thru State	322,094	-	-	-
Total revenues	<u>\$ 1,228,955</u>	<u>\$ 663,253</u>	<u>\$ 645,235</u>	<u>\$ (18,018)</u>
EXPENDITURES				
Regular Instruction Program				
Teachers	\$ 295,082	\$ 93,548	\$ 87,609	\$ 5,939
Other Salaries and Wages	18,500	221,371	221,371	-
Staff Defelopment	-	6,374	-	6,374
Social Security.	19,931	18,652	18,652	-
State Retirement	27,627	17,354	17,354	-
life Insurance	129	60	60	-
Medical Insurance	36,628	17,784	17,784	-
Unemployment	1,037	1,338	1,338	-
Medicare	4,614	2,932	2,932	-
Instructional supplies	7,500	13,371	12,971	400
Travel	-	5,940	-	5,940
Regular Instruction Program	<u>411,048</u>	<u>398,724</u>	<u>380,071</u>	<u>18,653</u>
Special Education Program				
Teachers	107,160	124,535	124,535	-
Aides	66,795	51,030	51,030	-
Social Security	10,785	10,885	10,885	-
State Retirement	18,100	18,085	18,085	-
Medical Insurance	25,005	29,353	29,353	-
Medicare	2,525	2,713	2,713	-
Unemployment	-	800	800	-
Equipment	6,377	-	-	-
Special Education Program	<u>236,747</u>	<u>237,401</u>	<u>237,401</u>	<u>-</u>
Vocational Education Program				
Other Contracted Services	7,918	7,112	7,112	-
Vocational Education Program	<u>7,918</u>	<u>7,112</u>	<u>7,112</u>	<u>-</u>
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	<u>\$ 17,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Oncida 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, 2015

	<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	400	400	-
Other Supplies and Materials	17,544	-	-	-
Travel	900	1,100	1,100	-
Other Charges	3,000	-	-	-
Other Student Support	<u>48,022</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Support Services Regular Instruction				
Supervisor	20,000	-	-	-
In Service Training	10,516	5,274	5,274	-
Social Security	1,240	-	-	-
State Retirement	1,776	-	-	-
Medicare	290	-	-	-
Other Materials and Supplies	500	-	-	-
Travel	13,194	5,940	5,940	-
Other Charges	1,500	-	-	-
Support Services Regular instruction program	<u>49,016</u>	<u>11,214</u>	<u>11,214</u>	<u>-</u>
Support Services Special Education				
Other Contracted services	<u>8,500</u>	<u>7,537</u>	<u>7,537</u>	<u>-</u>
Support Services Special Education program	<u>8,500</u>	<u>7,537</u>	<u>7,537</u>	<u>-</u>
Support Services Vocational Education program				
Travel	300	400	400	-
Inservice Staff Development	201	-	-	-
Support Services Vocational Education program	<u>501</u>	<u>400</u>	<u>400</u>	<u>-</u>
Total expenditures	<u>779,221</u>	<u>663,888</u>	<u>645,235</u>	<u>18,653.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 449,734</u>	<u>\$ (635)</u>	<u>\$ -</u>	<u>\$ (635)</u>
Fund Balances - Beginning			<u>-</u>	
Fund Balances - Ending			<u>\$ -</u>	

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

I. Summary of significant accounting policies	
A. Description of government-wide financial statements	32
B. Reporting Entity	32
C. Basis of presentation -- government-wide financial statements	32
D. Basis of presentation -- Fund financial statements	32
E. Measurement focus, basis of accounting and basis of presentation	33
F. Budgetary information	34
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance	
1. Cash and cash equivalents	34
2. Investments	34
3. Capital assets	34
4. Deferred outflows/inflows of resources	35
5. Net position flow assumption	35
6. Fund balance flow assumptions	35
7. Fund balance policies	35
8. Use of estimates	36
H. Pensions	36
I. Revenues and expenditures/expenses	
1. Program revenues	37
2. Property taxes	37
3. Compensated absences	37
II. Reconciliation of Government-wide financial statements	
A. Explanation of certain differences between governmental fund balance sheet and the government-wide statement of net assets.	37
B. Explanation of certain differences between governmental fund statements of revenue expenditures, and changes in fund balances and the government-wide statement of activities.	37
III. Detailed notes on all funds	
A. Cash deposits and investments with financial institutions	38
B. Receivables	38
C. Capital assets	39
D. Accrued liabilities	39
E. Schedule of Pension Payments paid in current year and classified as Pension Plan Deferred Inflows	39
F. Transfers	40
G. Long-term debt	40
IV. Other Information	
A. Risk management	42
B. Contingent liabilities	42
C. Employee defined benefit pension plan	42
D. On-Behalf Payments	50
E. The officers' and employees' bonds of the district	50
F. The board of education	50
G. Purchasing policies	50
H. Related party transactions	50
I. Subsequent events	50
J. Other Post Employment Benefits	50
K. Accounting changes	52
L. Prior Period Adjustment	53

ONEIDA SPECIAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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 non-fiduciary 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 one 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 net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 has items that qualify for reporting in this category. Accordingly, these items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in pension proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not, be recognized as an inflow of resources (revenue, etc) until that time. The District has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, and changes in pension investment earnings. 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. Pensions

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of *Teacher Legacy Retirement Plan* in the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the *Teacher Legacy Retirement Plan*. *Investments are reported at fair value*

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of *Teacher Retirement Plan* in the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the *Teacher Retirement Plan*. Investments are reported at fair value.

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of Oneida Special School District's participation in the *Public Employee Retirement Plan* of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Oneida Special School District's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

I. 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 as of January 1st of each year and are levied in October of the same year. They are collected from October to February. Delinquent taxes are turned over to the clerk and master in April of the following year.

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 included 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, 2015, the carrying value of the district's deposits and investments were \$ 1,595,359, and the bank balance was \$ 1,885,747. 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 statues authorized 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 use 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 allowance for uncollectible accounts, are as follows:

	General Fund	Debt Service	Federal Project	Capital Project	Total
Receivables					
Property taxes	\$ 1,058,783	\$ -	\$ -	\$ -	\$ 1,058,783
Due from other governments	<u>174,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,487</u>
Gross Receivables	<u>\$ 1,233,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233,270</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, 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	<u>\$ 1,058,783</u>	<u>\$ -</u>
Total governmental funds deferred Inflows of resources	<u>\$ 1,058,783</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2015 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	64,500	-	718,158
Total capital assets being depreciated	<u>18,546,546</u>	<u>64,500</u>	<u>-</u>	<u>18,611,046</u>
Less accumulated depreciation for:				
Buildings	(4,928,988)	(367,499)	-	(5,296,487)
Machinery and equipment	(487,227)	(27,529)	-	(514,756)
Total accumulated depreciation	<u>(5,416,215)</u>	<u>(395,028)</u>	<u>-</u>	<u>(5,811,243)</u>
Governmental activities capital assets, net	<u>\$13,758,427</u>	<u>\$ (330,528)</u>	<u>\$ -</u>	<u>\$13,427,899</u>

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

Governmental activities

Operations and Maintenance	<u>\$ 395,028</u>
Total depreciation expense - governmental activities	<u>\$ 395,028</u>

D. Accrued Liabilities

Accrued liabilities reported by governmental funds at June 30, 2015, were as follows:

	<u>General Purpose School Fund</u>
Salary and employee benefits	<u>\$ 453,471</u>
Total accrued liabilities	<u>\$ 453,471</u>

E. Schedule of Pension Payments Paid in Current Year and Classified as Pension Plan Deferred Inflows

Regular Instruction Program	\$ 320,261
Special Education Program	38,578
Vocational Education Program	13,391
Alternative Education Program	1,810
Support Services	59,786
Food Services	20,766
Administration	52,774
Operation and Maintenance of Operations	9,306
Early Childhood Education	<u>21,300</u>
	<u>\$ 537,972</u>

F. Transfers

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
General Purpose School	Debt Service	\$ 304,276
		<u>304,276</u>
Transfers to Activity Funds		
General Purpose School	Elementary School	32,010
General Purpose School	Middle School	19,600
General Purpose School	High School	30,100
		<u>81,710</u>
Total		<u>\$ 385,986</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.

G. 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>
2016	\$ 80,000	\$ 68,925
2017	80,000	67,325
2018	85,000	65,725
2019	85,000	63,813
2020	85,000	61,900
2021-2025	645,000	265,317
2026-2030	850,000	137,292
2031-2034	190,000	7,600
	<u>\$ 2,100,000</u>	<u>\$ 737,897</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>
2016	\$ 123,681	\$ 3,922
2017	123,681	2,945
2018	123,681	1,989
2019	112,648	1,034
2020	112,648	517
2021-2023	141,236	-
Total	<u>\$ 737,576</u>	<u>\$ 10,406</u>

Changes in long-term liabilities

Changes in district's long-term liability for the year ended June 30, 2015, were as follows:

	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:						
Long-Term Liabilities:						
General obligation						
Bonds Payable	\$ 2,175,000	\$ -	\$ -	\$ 75,000	\$ 2,100,000	\$ 72,847
Notes Payable	791,862	(52,450)	-	99,696	639,716	-
Notes Payable	44,132	44,132	-	11,033	33,099	1,338
Notes Payable	-	-	64,761	-	64,761	2,584
	<u>\$ 2,966,862</u>	<u>\$ (8,318)</u>	<u>\$ 64,761</u>	<u>\$ 185,729</u>	<u>\$ 2,837,576</u>	<u>\$ 76,768</u>
Compensated absence	80,737	-	12,950	-	93,687	93,687
Net OPEB Liability	415,133	-	44,327	-	459,460	459,460
Governmental activity						
Long-term liabilities	<u>\$ 3,462,732</u>	<u>\$ (8,318)</u>	<u>\$ 122,038</u>	<u>\$ 185,729</u>	<u>\$ 3,390,723</u>	<u>\$ 629,915</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 2014 Issue		Capital Outlay Note 2012 Issue		Limited Tax School Bonds Series 2011		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 99,696	\$ -	\$ 12,952	\$ 2,584	\$ 11,033	\$ 1,338	\$ 80,000	\$ 68,925	\$ 203,681	\$ 72,847
2017	99,696	-	12,952	2,067	11,033	878	80,000	67,325	203,681	70,270
2018	99,696	-	12,952	1,550	11,033	439	85,000	65,725	208,681	67,714
2019	99,696	-	12,952	1,034	-	-	85,000	63,813	197,648	64,847
2020	99,696	-	12,952	517	-	-	85,000	61,900	197,648	62,417
2021	99,696	-	-	-	-	-	85,000	59,868	184,696	59,868
2022	41,540	-	-	-	-	-	115,000	57,438	156,540	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
2032	-	-	-	-	-	-	-	-	-	-
	<u>\$ 639,716</u>	<u>\$ -</u>	<u>\$ 64,761</u>	<u>\$ 7,752</u>	<u>\$ 33,099</u>	<u>\$ 2,654</u>	<u>\$ 2,100,000</u>	<u>\$ 737,897</u>	<u>\$ 2,837,576</u>	<u>\$ 748,303</u>

As of June 30, 2015, 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. Pension Plan

Certified employees - Plan Description

Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Oneida Special School District are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by the statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8 Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one-percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the Teacher Retirement Plan were \$1,743, which is 4 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is not a net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, Oneida Special School District did not recognize a pension expense at June 30, 2015.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Oneida Special School District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Oneida Special School District's contributions subsequent to the measurement date of June 30, 2014	\$ 1,743	\$ -

Oneida Special School District's employer contributions of \$ 1,743 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2016.

Payable to the Pension Plan

At June 30, 2015, Oneida Special School District reported a payable of \$ 0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

Certified employees - Plan Description

Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Oneida Special School District are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEA's) after June 30, 2014. The Teachers Retirement Plan, is a separate cost sharing multiple-employer defined benefit pension plan. TCRS was created by the statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8 Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Retirement Plan are eligible to retire at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. A variety of death benefits are available under various eligibility criteria. Members and beneficiaries annuitants are entitled to automatic cost of living adjustments (COLA's) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the Teacher Legacy Pension Plan were \$414,520, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expensed, and Deferred Outflows of Resources and Deferred Inflows of resources Related to Pension

Pension Assets. At June 30, 2014, the Oneida Special School District reported an asset of 18,526 for its proportionate share of net pension assets. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Oneida Special School District's proportion of the net pension liability was based on Oneida Special School District's employer contributions to the pension plan during the year ended June 30, 2014 relative to the contributions of all LEA's for the year ended June 30, 2014. At the June 30, 2014 measurement date, Oneida Special School District's proportion was 0.114011 percent. The proportion measured as of June 30, 2013 was 0.113286 percent.

Pension income. For the year ended June 30, 2015, Oneida Special School District recognized a pension income of \$ 14,183.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Oneida Special School District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,977	\$ -
Net difference between projected and actual earnings on pension plan investments		1,526,448
Changes in proportion of Net Pension Liability (Asset)	10,234	
LEA's contributions subsequent to the measurement date of June 30, 2014	414,520	-
TOTAL	<u>\$ 469,731</u>	<u>\$ 1,526,448</u>

Oneida Special School District's employer contributions of \$ 414,520 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	\$ (372,410)
2017	(372,410)
2018	(372,410)
2019	(372,410)
2020	9,202
Thereafter	9,202

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent net of pension plan investment expenses, including inflation
Cost-of-Living-Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included some adjustment for expected future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographics assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of assets classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding Inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U S Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U. S. fixed income	0.98%	29%
Real Estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEA's will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefits payments of current active and inactive members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents Oneida Special School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Oneida Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than current rate:

	1% Decrease	Current	1% Increase
	6.5%	Discount Rate	8.5%
	-----	-----	-----
Oneida Special School District's proportionate share of the net Pension liability (asset)	\$ 3,124,667	\$ (18,526)	\$ 2,620,750

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2015, Oneida Special School District reported a payable of \$ 0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

Non-Certified - Plan Description

Employees of Oneida Special School District are provided a defined benefit pension plan through the Public Employee Retirement, an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS board of Trustees is responsible for the proper operation and administration of the TCRS. Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided.

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with 5 years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit, but reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Members and beneficiaries annuitants are entitled to automatic cost of living adjustments (COLA's) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus and accumulated interest.

Employees covered by the benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>55</u>
	125

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Oneida Special School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Oneida Special School District were \$121,709 were on a rate of 5 percent of covered payroll. By law, employer contributions are required to be paid. The TCRES may intercept Oneida Special School District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Oneida Special School District's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 thru June 30, 2012. The demographics assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return on the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U S Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U. S. fixed income	0.98%	29%
Real Estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Oneida Special School District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefits payments of the current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 6/30/13	\$ 4,905,245	\$ 4,273,393	\$ 631,852
Changes for the year			
Service Costs	107,299		107,299
Interest	366,437		366,437
Differences between actual and expected experience	(204,176)		(204,176)
Contributions			
Employer		154,251	(154,251)
Employee		61,389	(61,389)
Investment Income		706,119	(706,119)
Benefit payments, including refund of employee contributions	(253,427)	(253,427)	-
Administrative expense		(2,269)	2,269
Net changes	16,133	666,063	(649,930)
Balance at 6/30/14	\$ 4,921,378	\$ 4,939,456	\$ (18,078)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents Oneida Special school District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Oneida Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than current rate:

	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Oneida Special School District's			
Net Pension liability (asset)	\$ 588,163	\$ (18,078)	\$ (524,617)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension income. For the year ended June 30, 2015, Oneida Special School District recognized pension income of \$22,644.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Oneida Special School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 163,341
Net Difference between projected and actual earnings on pension plan investments	-	309,694
Contributions subsequent to the measurement date of June 30, 2014	<u>121,709</u>	<u>-</u>
Total	<u>\$ 121,709</u>	<u>\$ 473,035</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:	
2016	\$(118,258)
2017	(118,258)
2018	(118,258)
2019	(118,258)
2020	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension plan.

Payable to the Pension Plan

At June 30, 2015, Oneida Special School District reported a payable of \$ 0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

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 unknown at this time.

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);
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, 2015, there is no known related party transaction.

I. Subsequent Events

As of June 30, 2015, 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 OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 57,000
Interest on the NOPEBO	16,555
Adjustment to the ARC	<u>(16,178)</u>
Annual OPEB cost	57,377
Amount of contribution	<u>(13,050)</u>
Increase/decrease in NOPEBO	44,327
Net OPEB obligation, 7/01/14	<u>415,115</u>
Net OPEB Obligation 6/30/15	<u>\$ 459,442</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
6/30/2015	Local Education Group	57,377	23%	459,442

Funding Status and Funding Progress

The funding status of the plan as of July 1, 2014 was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7/1/2014
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 2015. 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 Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

L. Prior Period Adjustment

In prior years, the District was not required to recognize a liability for its defined benefit pension plan. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore a restatement to the District's beginning net position has been recognized on the Statement of Activities totaling (\$477,601). In addition, a restatement of the Teacher's Retirement Plan, a separate cost-sharing, multiple-employer defined benefit plan, beginning net position totaling (\$1,466,893).

REQUIRED SUPPLEMENTARY INFORMATION

**ONEIDA SPECIAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015**

SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT PLAN OF TCRS

	<u>2015</u>
Actuarially Determined Contributions (ADC)	\$ 1,079
Contributions in relation to the actuarially determined contribution	<u>1,743</u>
Contribution deficiency (taxes)	<u>\$ (664)</u>
Oneida Special School District's covered-employee payroll	\$ 43,584
Contributions as a percentage of Oneida Special School District's covered-employee payroll	4.00%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will added to this schedule in future fiscal years until 10 years of information is available.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET—TEACHER LEGACY PENSION PLAN OF TCRS

	<u>2014</u>
Oneida Special School District's proportion of the net pension asset	0.114011%
Oneida Special School District's proportionate share of the net pension asset	\$ 18,526
Oneida Special School District's covered employee payroll	\$4,474,932
Oneida Special School District's proportionate share of the net pension asset as a percentage of its covered employee payroll	0.41%
Plan fiduciary net position as a percentage of the total pension liability	100.08%

The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**ONEIDA SPECIAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015**

**SCHEDULE OF CONTRIBUTIONS—TEACHER LEGACY PENSION PLAN OF TCRS
Fiscal year Ended June 30**

	<u>2014</u>	<u>2015</u>
Actuarially Determined contribution(ADC)	\$ 397,374	\$ 414,520
Contributions in relation to the actuarilly determined contribution	<u>397,374</u>	<u>414,520</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Oneida Special School District's covered-employee payroll	\$4,474,932	\$4,668,018
Contributions as a percentage of Oneida Special School District's covered-employee payroll	8.88%	8.88%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF CHANGES IN ONEIDA SPECIAL SCHOOL DISTRICT'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION ON THE PUBLIC EMPLOYEE PENSION PLAN OF
TCRS
Last Fiscal Year ending June 30**

	<u>2014</u>
Total Pension Liability	
Service cost	\$ 107,299
Interest	366,437
Changes in benefit terms	-
Differences between actual & expected experience	(204,176)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(253,427)</u>
Net change in total pension liability	16,133
Total pension liability-beginning	<u>4,905,245</u>
Total pension liability-ending (a)	<u>\$ 4,921,378</u>
Plan fiduciary net position	
Contributions-employer	\$ 154,251
Contributions-employee	61,389
Net investment income	706,119
Benefit payments, including refunds of employee contributions	(253,427)
Administrative expense	<u>(2,269)</u>
Net change in plan fiduciary net position	666,063
Plan fiduciary net position-beginning	<u>4,273,393</u>
Plan fiduciary net position-ending (b)	<u>\$ 4,939,456</u>
Net Pension Liability (asset)-ending (a) - (b)	<u>\$ (18,078)</u>

Plan fiduciary net position as a percentage of total pension liability	100.37%
Covered-employee payroll	\$ 1,200,392
Net Pension liability (asset) as a percentage of covered-employee payroll	1.51%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF CHANGES IN ONEIDA SPECIAL SCHOOL DISTRICT'S CONTRIBUTIONS BASED ON PARTICIPATION ON THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year ending June 30**

	2014	2015
Actuarially determined contribution	\$ 154,251	\$ 121,708
Contributions in relation to the actuarially determined contribution	<u>154,251</u>	<u>121,708</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,200,392	\$ 947,143
Contributions as a percentage covered-employee payroll	12.85%	12.85%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	5 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation Averaging 4.25 percent
Investment Rate of Return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment For some anticipated improvements
Cost of Living Adjustments	2.5 percent

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

Oncida Special School District
Statement of Revenues and Expenditures, and Change in Fund Balances
Food Service Fund
For the Year Ended June 30, 2015

	Food Service Fund		
	Elementary School	Middle/High School	Total
REVENUES			
Lunch Adult	\$ 1,228	\$ 895	\$ 2,123
Lunch Child	18,791	31,789	50,580
Breakfast	29,635	27,497	57,132
Milk	14	162	176
Ice Cream	21,772	6,818	28,590
A-la-Carte	899	12,603	13,502
Other	162	63	225
Interest	112	112	224
Federal Thru State	185,975	224,082	410,057
State Match	3,141	3,142	6,283
	<hr/>	<hr/>	<hr/>
Total revenues	261,729	307,163	568,892
EXPENDITURES			
Salaries	101,829	115,586	217,415
Social Security	7,690	8,660	16,350
Retirement	7,659	13,106	20,765
Food	91,562	91,648	183,210
Milk	19,599	16,489	36,088
Non-food	10,774	7,703	18,477
Ice Cream	9,919	4,099	14,018
Other	28,672	25,878	54,550
Unemployment	308	308	616
Equipment	2,583	2,698	5,281
Employee Life and Health	204	924	1,128
	<hr/>	<hr/>	<hr/>
Total expenditures	280,799	287,099	567,898
Excess (deficiency) of revenues over (under) expenditures	(19,070)	20,064	994
Fund balances - beginning	<hr/>	<hr/>	<hr/>
	90,549	35,174	125,723
Fund balances - ending	<hr/>	<hr/>	<hr/>
	\$ 71,479	\$ 55,238	\$ 126,717

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, 2015

	<u>Building Fund</u>
REVENUES	
Interest	\$ 395
Total revenues	<u>395</u>
EXPENDITURES	
Excess (deficiency) of revenues over (under) expenditures	<u>395</u>
Net change in fund balances	395
Fund balances - beginning	<u>64,232</u>
Fund balances - ending	<u><u>\$ 64,627</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, 2015

	<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>
REVENUES				
Interest Earnings	2,000	1,975	947	(1,028)
Total revenues	<u>2,000</u>	<u>1,975</u>	<u>947</u>	<u>(1,028)</u>
EXPENDITURES				
Principal	174,696	177,266	185,723	(8,457)
Interest	71,550	73,170	71,221	1,949
Other Debt Service	2,500	17,500	2,477	15,023
Total expenditures	<u>248,746</u>	<u>267,936</u>	<u>259,421</u>	<u>8,515</u>
Excess (deficiency) of revenues over (under) expenditures	(246,746)	(265,961)	(258,474)	7,487
Other financing sources and (uses)				
Operating Transfers In	267,011	233,260	304,276	71,016
Total other financing sources and (uses)	<u>267,011</u>	<u>233,260</u>	<u>304,276</u>	<u>(71,016)</u>
Net Change in Fund Balance	<u>\$ 20,265</u>	<u>\$ (32,701)</u>	<u>45,802</u>	<u>\$ (63,529)</u>
Fund Balances - Beginning			<u>312,085</u>	
Fund Balances - Ending			<u>\$ 357,887</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, 2015

	<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	\$ -	\$ 10	\$ 10	\$ -
Other Local Revenue	-	6,279	6,279	-
Proceeds Issuance of Note Payable	-	64,500	64,500	-
Total revenues	-	70,789	70,789	-
EXPENDITURES				
Capital Projects				
Land	-	-	-	-
Equipment	-	70,500	70,500	-
Other Capital Projects	68,397	3,600	3,600	-
Total Expenditures	68,397	74,100	74,100	-
Excess (deficiency) of revenues over (under) expenditures	(68,397)	(7,241)	(3,311)	-
Net Change in Fund Balance	(68,397)	(7,241)	(3,311)	-
Operating Transfers				
Transfers from Debt Service Fund	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balance	\$ -	\$ (7,241)	(3,311)	\$ -
Fund Balances - Beginning			5,703	
Fund Balances - Ending			\$ 2,392	

Oneida Special School District
 Combining Statement of Changes in Assets and Liabilities -- All Agency Funds
 Year ended June 30, 2015

	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>
			<u>June 30, 2015</u>
<u>Elementary School Activity Fund</u>			
Assets			
Cash	\$ 29,101	129,310	113,074
Liabilities			45,337
Activity Funds due to School	\$ 29,101	129,310	\$ 45,337
<u>Middle School Activity Fund</u>			
Assets			
Cash	\$ 40,508	204,648	179,584
Liabilities			65,572
Activity Funds due to School	\$ 40,508	204,648	\$ 65,572
<u>High School Activity Fund</u>			
Assets			
Cash	\$ 120,719	295,851	279,358
Liabilities			137,212
Activity Funds due to School	\$ 120,719	295,851	\$ 137,212
<u>Total --All Agency Funds</u>			
Assets			
Cash	\$ 190,328	\$ 629,809	\$ 572,016
Liabilities			248,121
Activity Funds due to School	\$ 190,328	\$ 629,809	\$ 572,016

MISCELLANEOUS SCHEDULES

Oneida Special School District
 Changes in Net Position - Last Ten Fiscal Years
 June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Regular Instruction Program	\$ 4,940,672	\$ 4,817,857	\$ 4,930,206	\$ 4,951,666	\$ 4,723,157	\$ 4,578,331	\$ 4,748,907	\$ 4,614,066	\$ 4,763,988	\$ 4,665,932
Special Education Program	686,238	840,545	796,208	785,681	967,485	880,651	834,865	830,669	852,218	810,434
Vocational Education Program	206,018	180,754	185,819	196,939	203,390	203,988	205,516	212,519	230,418	197,737
Alternative Education Program							46,439	38,431	24,054	21,530
Support Services	714,341	725,561	874,782	954,957	1,020,589	1,104,843	955,313	1,025,909	1,061,757	972,757
Food Services	542,295	519,348	577,139	556,004	535,801	572,740	640,734	608,687	598,938	547,132
Administration	832,824	858,172	948,227	999,622	975,099	937,388	934,058	916,750	986,463	909,830
Community Services	63,300	33,300	33,300	33,300	33,300	33,300	29,612	29,612	32,120	32,564
Student Transportation	150,197	148,761	170,849	181,816	180,750	182,347	208,220	195,259	186,504	83,467
Operation and Maintenance	960,623	904,902	960,788	1,225,742	1,122,329	1,191,217	1,197,725	1,231,331	1,318,533	1,378,814
Early Childhood Education		186,680	287,801	299,766	300,592	308,179	312,564	317,902	317,902	297,578
Interest on Debt	67,635	70,433	64,615	53,715	116,601	59,169	63,546	73,815	90,670	75,698
Total Governmental Activities	9,164,143	9,286,313	9,829,734	10,239,208	10,179,093	10,133,028	10,175,519	10,104,950	10,463,585	9,991,473
Program Revenues										
Food Service Federal and State	229,304	201,620	227,944	209,361	207,598	368,665	431,101	443,902	443,837	416,340
Other Food Services	536,892	326,056	306,163	317,723	355,692	202,594	198,266	202,294	175,884	152,328
General Revenues	766,196	527,676	534,107	527,084	563,290	571,259	629,367	646,196	619,721	568,668
Property Taxes										
Other local revenue	1,213,265	1,065,177	1,121,917	1,147,499	1,149,629	1,129,082	1,126,830	1,167,802	1,103,846	1,166,325
State and Federal Through State	767,825	947,721	485,533	475,562	557,643	514,280	512,086	542,681	545,472	619,881
Other Revenue	6,057,606	6,103,062	7,440,479	7,385,980	7,717,053	7,771,232	7,816,500	7,664,671	7,723,227	7,760,398
Interest Earnings	3,785	652,308	226,891	372,858	475,276	3,673,506	269,460	42,414	300,095	293,293
Total General Revenue and Transfers	22,725	59,921	54,553	28,919	30,514	23,931	21,520	18,877	63,073	89,384
Change in Net Assets	8,065,206	8,828,189	9,329,373	9,410,818	9,930,115	13,112,031	9,746,396	9,436,445	9,735,713	9,929,281
Net Assets - Beginning	(330,741)	69,552	33,746	(301,306)	314,312	3,550,262	200,244	(22,309)	(108,151)	506,476
Net Assets - Ending	8,920,785	8,590,044	8,659,596	8,693,342	8,325,950	8,640,262	12,238,812	12,439,056	12,020,486	11,912,335
Net Assets - Ending	\$ 8,590,044	\$ 8,659,596	\$ 8,693,342	\$ 8,392,036	\$ 8,640,262	\$ 12,190,524	\$ 12,439,056	\$ 12,416,747	\$ 11,912,335	\$ 12,418,811

Oneida Special School District
Debt Capacity Information - Last Ten Years
 June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Outstanding										
Bonds	\$ 580,000	\$ 470,000	\$ 360,000	\$ 245,000	\$ 125,000	\$ -	\$ 2,325,000	\$ 2,305,000	\$ 2,175,000	\$ 2,100,000
Notes	1,110,073	1,010,750	880,916	750,883	715,359	750,433	938,824	839,128	791,812	737,576
Total Bonds, Notes and Leases	1,690,073	1,480,750	1,240,916	995,883	840,359	750,433	3,263,824	3,144,128	2,966,812	2,837,576
Debt Limit	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	N/A	N/A	N/A	N/A
Bonded Debt Capacity	\$ 2,809,927	\$ 3,019,250	\$ 3,259,084	\$ 3,504,117	\$ 3,659,641	\$ 3,749,567	N/A	N/A	N/A	N/A

Oncida Special School District
Schedule of Salary Supplements
June 30, 2015

<u>Employee</u>	<u>Title</u>	<u>Amount</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
Marv West	Basketball High School Girls	5,700	Yes	Yes
Sandy Martin	Basketball High School Girls	4,650	Yes	Yes
Zach Smith	Basketball High School Boys	3,540	Yes	Yes
Mark Roark	Basketball High School Boys	2,750	Yes	Yes
Phil Newport	Basketball Middle School Girls	3,572	Yes	Yes
Daniel King	Basketball Middle School Girls	1,330	Yes	Yes
Shawn West	Basketball Middle School Boys	3,344	Yes	Yes
Stacy Love	Basketball Middle School Boys	1,577	Yes	Yes
Tony Lambert	Football High School	6,180	Yes	Yes
Jim Burchfield	Football High School	5,600	Yes	Yes
Jimmy May	Football High School	5,150	Yes	Yes
Robert Wright	Football High School	5,200	Yes	Yes
Torrey Slaven	Football High School	4,000	Yes	Yes
Mike Keeton	Football High School	2,800	Yes	Yes
Jason Pike	Football High School	2,800	Yes	Yes
Heath Sexton	Football Middle School	2,736	Yes	Yes
Devlin Marcum	Football Middle School	1,482	Yes	Yes
Zach Smith	Football Middle School	1,216	Yes	Yes
Jobe Jeffers	Football Middle School	1,425	Yes	Yes
Dustin Lay	Football Middle School	1,140	Yes	Yes
Shawn West	Baseball High School	3,150	Yes	Yes
Chris West	Baseball High School	1,805	Yes	Yes
Tony Williams	Baseball High School	1,805	Yes	Yes
Hali Stonecipher	Softball High School	1,425	Yes	Yes
Todd Lay	Softball High School	3,500	Yes	Yes
Tim West	Softball High School	1,330	Yes	Yes
Jason Pike	Baseball Middle School	2,280	Yes	Yes
Shane Phillips	Baseball Middle School	1,140	Yes	Yes
Jody Lay	Softball Middle School	3,078	Yes	Yes
Jami Huling	Softball Middle School	1,615	Yes	Yes
Shawn West	Golf	1,360	Yes	Yes
Scott Terry	Soccer High School Girls	3,740	Yes	Yes
James Lovett	Soccer High School Girls	1,045	Yes	Yes
Zach Smith	Soccer High School Boys	2,242	Yes	Yes
Scott Terry	Soccer High School Boys	1,045	Yes	Yes
Grant Swain	Soccer Middle School Girls	2,470	Yes	Yes
Whitney Swain	Soccer Middle School Girls	1,235	Yes	Yes
Grant Swain	Soccer Middle School Boys	2,470	Yes	Yes
Whitney Swain	Soccer Middle School Boys	1,235	Yes	Yes
Lisa Boyatt	Cross Country	1,860	Yes	Yes
Zach Smith	Weight Lifting-Summer	405	Yes	Yes
Heath Sexton	Weight Lifting-Summer	1,643	Yes	Yes
Jim Burchfield	Weight Lifting	2,173	Yes	Yes
Marv West	Weight Lifting	1,855	Yes	Yes
Tony Lambert	Weight Lifting	1,935	Yes	Yes
Robert Wright	Weight Lifting	1,961	Yes	Yes
Jimmy May	Weight Lifting	1,935	Yes	Yes
Torrey Slaven	Weight Lifting	1,325	Yes	Yes
Devlin Marcum	Weight Lifting	1,325	Yes	Yes
Jobe Jeffers	Weight Lifting	1,325	Yes	Yes
Dustin Lay	Weight Lifting	1,325	Yes	Yes
Andrew Bernard	High School Band	3,480	Yes	Yes
Arthur Acres	High School Band	1,500	Yes	Yes
Rebecca Strunk	High School Band	1,500	Yes	Yes
JT Hicks	High School Band	1,500	Yes	Yes
Jenna Smith	High School Cheerleading-Football	2,070	Yes	Yes
Jenna Smith	High School Cheerleading-Basketball	2,520	Yes	Yes
Jeni Smith	Middle School Cheerleading-Football	1,460	Yes	Yes
Jeni Smith	Middle School Cheerleading-Basketball	1,860	Yes	Yes
Rhonda Davis	High School Student Council	592	Yes	Yes
Evie Thomas	Middle School Student Council	544	Yes	Yes
Miranda Jones	High School Scholars Bowl	2,242	Yes	Yes
Sherri Terry	Middle School Scholars Bowl	1,220	Yes	Yes
Kelly Posey	Middle School Beta Club	930	Yes	Yes
Brittany Martin	High School Beta Club	855	Yes	Yes
Jeni Smith	High School Honors Society	945	Yes	Yes
Rhonda Laxton	Best Buddies	833	Yes	Yes
Michelle Bridges	Best Buddies	740	Yes	Yes
Melanie Duncan	Annual	3,002	Yes	Yes
Jenny Hatfield	Early Childhood Coordinator	2,000	Yes	Yes
Vicki Payne	504 Coordinator	4,000	Yes	Yes

157,022

**Oneida Special School District
 Oneida, Tennessee
 Schedule Insurance and Surety Bond Coverage
 June 30, 2015**

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

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Oneida, Tennessee 37841
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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, 2015, 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 12, 2015.

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 12, 2015

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
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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, 2015. 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, 2015.

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 12, 2015

Oneida Special School District
 Schedule of Expenditures of Federal Awards
 June 30, 2015

Program Title	CFDA #	Grant #	As adjusted June 30, 2014	Receipts	Expenditures	June 30, 2015
Federal Assistance						
Food Service Fund						
U.S. Department of Agriculture:						
Federal Funds passed through the						
Tennessee Department of Education:						
Other	(1)	N/A	\$ -	\$ 1,403	\$ 1,403	\$ -
Breakfast Program	10.553	N/A	-	117,959	117,959	-
National School Lunch Program	10.555	N/A	-	292,098	292,098	-
Total U.S. Department of Agriculture Accounted for in Food Service Fund			\$ -	\$ 411,460	\$ 411,460	-
Recovery Act Funds						
U.S Department of Education						
U.S. Department of Education						
Federal Projects Fund						
Cluster of Programs						
Title I Part A Basic Program	* 84.010A	S10A120042	25,612	358,136	332,524	-
Title II, Part A, Class Size Reduction	* 84.367A	367A120040	-	34,455	34,455	-
IDEA Part B	* 84.027A	H0278120052	-	244,938	244,938	-
IDEA Preschool	* 84.173A	15-761000	-	7,537	7,537	-
Vocational Education Program Carl Perkins	* 84.048A	47131	-	9,012	9,012	-
Education Funds not included in cluster			25,612	654,078	628,466	-
Title VI NCLB (Rural and Low Income)	84.358A	S358B120042	-	24,306	24,306	-
Total Funds Accounted for in Federal Projects Fund			25,612	678,384	652,772	-
Total Federal Assistance			25,612	1,089,844	1,064,232	-

* Indicates Major Program

CFDA--Catalog of Federal Domestic Assistance; (1) No Grant number assigned.

() Indicates unexpended balances at year end and a reserved fund balance in net assets.

Oneida Special School District
 Schedule of Non-Cash Assistance
 June 30, 2015

State of Tennessee
 Department of Agriculture
 USDA: Commodity Supplemental
 Feeding - Commodities Distributed

10.555 Z-2468

As of June 30, 2015, The amount of Non-Cash Assistance Commodity Inventory is unknown.

**Oneida Special School District
Schedule of Expenditures of State Awards
June 30, 2015**

<u>Program Title</u>	<u>CFDA #</u>	<u>Grant #</u>	<u>As Adjusted July 1, 2014</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>June 30, 2015</u>
State of Tennessee Assistance						
Basic Education Program	N/A	N/A	\$ -	\$6,608,001	\$ 6,608,001	\$ -
Basic Education Program SE	N/A	N/A	-	87,280	87,280	-
Carrier Ladder Program	N/A	N/A	1,165	42,490	41,325	-
Carrier Ladder Extended contract	N/A	N/A	-	7,120	7,120	-
Coordinated Health	N/A	N/A	-	90,000	90,000	-
Family Resource Center	N/A	N/A	-	29,612	29,612	-
Safe Schools	N/A	N/A	-	7,740	7,740	-
Energy Efficient Schools	N/A	N/A	-	3,631	3,631	-
Early Childhood Development	N/A	N/A	-	318,402	318,402	-
State Child Nutrition Match	N/A	N/A	-	6,283	6,283	-
Other Vocational	N/A	N/A	-	1,316	1,316	-
Total State of Tennessee Assistance			1,165	7,201,875	7,200,710	-

**Oneida Special School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015**

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal and State Awards of the Oneida Special School District is presented on the modified 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, 2015**

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 ___ X 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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 ___ Yes ___ X No

Identification as major programs are as follows:

- United States Department of Agriculture
- CFDA# 84.010A, Title 1, Part A, Basic Education Program
- CFDA# 84.027A, Special Education Grants to States (IDEA Part B)
- CFDA# 84.367A, Title II, Part A, Class Size Reduction
- CFDA# 84.173A, IDEA Preschool
- CFDA# 84.048A, Vocational Education Program Carl Perkins
- CFDA# 84.358A, Title VI NCLB (Rural and Low Income)

Dollar threshold for distinguishing Types A and B Programs \$ 300,000

Auditee qualified as low-risk auditee? ___ X Yes ___ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COST

None noted

**ONEIDA SPECIAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF AUDIT FINDINGS
June 30, 2015**

None noted