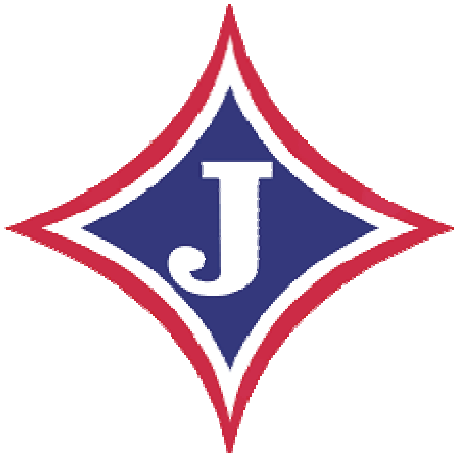
CITY OF JEFFERSON BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015



Prepared by: **DEPARTMENT OF FINANCE**

Kim Navas, Chief Financial Officer

CITY OF JEFFERSON BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF JEFFERSON BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the City of Jefferson Board of Education
Jefferson, Georgia

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 the **City of Jefferson Board of Education**, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Jefferson Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Jefferson Board of Education, as of June 30, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 2, 8, and 12, the City of Jefferson Board of Education implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City of Jefferson Board of Education's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on page 35, the Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, the Schedule of Contributions – Teachers Retirement System of Georgia, and the Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia on pages 36 through 40 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jefferson Board of Education's basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of federal awards (collectively "the supplementary information") 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 on our consideration of the City of Jefferson Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jefferson Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 2, 2016

CITY OF JEFFERSON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 9,601,502
Investments	1,148,591
Accounts Receivable	
Taxes	1,035,425
Intergovernmental	2,245,979
Local	8,870
Other	117,814
Inventories	15,707
Total Current Assets	14,173,888
Noncurrent Assets:	
Capital Assets-Non Depreciable	759,796
Capital Assets-Depreciable	60,845,583
Total Noncurrent Assets	61,605,379
Total Assets	75,779,267
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Pensions	1,814,420
Deferred Charge on Refunding of Debt	1,171,179
Total Deferred Outflows of Resources	2,985,599
Total Assets and Deferred Outflows of Resources	$ 78,764,866
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 629,622
Accrued Interest Payable	744,815
Salary and Benefits Payable	2,726,103
Payroll Liabilities	377,499
Contracts and Retainages payable	433,307
Total Current Liabilities	4,911,346
Long-term Liabilities:	
Due Within One Fiscal Year	1,386,333
Due In More Than One Fiscal Year	57,001,392
Total Long-Term Liabilities	58,387,725
Total Liabilities	63,299,071
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Pensions	5,633,932
NET POSITION	
Net Investment in Capital Assets	19,912,191
Restricted for:	
Continuation of State and Federal Programs	267,214
Debt Service	1,537,235
Capital Projects	3,776,906
Unrestricted (deficit)	(15,661,683)
Net Position	9,831,863
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 78,764,866

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

CITY OF JEFFERSON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2015

GOVERNMENTAL ACTIVITIES	PROGRAM EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
Instruction	$ 16,226,376	$ 364,039	11,595,209	$ 202,757	(4,064,371)
Support Services					
Pupil Services	647,535	-	167,782	-	(479,753)
Improvement of Instructional Services	438,197	-	152,104	-	(286,093)
Educational Media Services	444,070	-	392,190	-	(51,880)
General Administration	801,411	-	608,974	-	(192,437)
School Administration	1,309,522	-	766,577	-	(542,945)
Business Administration	115,100	-	489	-	(114,611)
Maintenance And Operation Of Plant Services	1,608,404	-	956,358	-	(652,046)
Student Transportation Service	645,085	-	83,401	-	(561,684)
Support Services - Central	24,310	-	126	-	(24,184)
Other Support Services	24,683	-	311	-	(24,372)
Operations of Non-Instructional; Services					
Enterprise Operations	1,729,259	51,939		-	(1,677,320)
School Nutrition Program	1,074,413	399,595	631,820	-	(42,998)
Community Services Operations	131,960	131,960	-	-	-
Interest and Fees on Long-term Debt	1,874,989	-	405,698	-	(1,469,291)
Total Governmental Activities	$ 27,095,314	$ 947,533	15,761,039	$ 202,757	(10,183,985)
General Revenues:					
Taxes					
Property Taxes					
For Maintenance and Operations				7,395,475	
For Debt Service				1,824,140	9,219,615
Sales Tax					
Special Purpose Local Option Sales Tax					
For Capital Projects/Debt Services				2,400,987	
Other Sales Taxes				28,057	2,429,044
Investment Earnings					35,290
Miscellaneous					1,961,973
Total General Revenues					13,645,922
Change in Net Position					3,461,937
Net Position - Beginning of Fiscal Year- As Restated					6,369,926
Net Position - End of Fiscal Year					9,831,863

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

CITY OF JEFFERSON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 5,006,157	4,170,598	$ 424,747	$ 9,601,502
Investments	50,353	-	1,098,238	1,148,591
Accounts Receivable, Net				
Taxes	835,208	-	200,217	1,035,425
Intergovernmental	2,046,238	199,741	-	2,245,979
Local	8,870	-	-	8,870
Other	117,814	-	-	117,814
Inventories	15,707	-	-	15,707
Total Assets	8,080,347	4,370,339	1,723,202	14,173,888
LIABILITIES				
Accounts Payable	$ 522,444	107,178	$ -	$ 629,622
Salaries and Benefits Payable	2,726,103	-	-	2,726,103
Payroll Withholdings Payable	377,499	-	-	377,499
Contracts Payable	-	295,856	-	295,856
Retainages Payable	-	137,451	-	137,451
Total Liabilities	3,626,046	540,485	-	4,166,531
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	764,999	-	185,967	950,966
Total Deferred Inflows of Resources	764,999	-	185,967	950,966
FUND BALANCES				
Nonspendable	15,707	-	-	15,707
Restricted	340,501	3,703,619	1,537,235	5,581,355
Assigned	274,911	126,235	-	401,146
Unassigned	3,058,183	-	-	3,058,183
Total Fund Balances	3,689,302	3,829,854	1,537,235	9,056,391
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,080,347	4,370,339	$ 1,723,202	$ 14,173,888

The notes to the basic financial statements are an integral part of this statement.

CITY OF JEFFERSON BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30,2015

Total Fund Balances - Governmental Funds		$ 9,056,391
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the funds. These assets consist of:		
Land	759,796	
Buildings	64,863,999	
Machinery and equipment	2,484,104	
Land improvements	2,515,500	
Less accumulated depreciation	(9,018,020)	
Total net capital assets		61,605,379
Taxes that are not available to pay for current fiscal year expenditures are deferred in the governmental funds. These consist of:		
Deferred inflows -unavailable property taxes		950,966
Unamortized differences between the carrying value of the refunded debt and the resources used to defease it are not reported in the Governmental Funds.		
Deferred charge on long term debt refundings		1,171,179
Some liabilities reported in the Governmental Activities do not require the use of current financial resources, and therefore are not reported as expenditures in the Governmental Fund Statements.		
Accrued interest on long term debt		(744,815)
Long-term liabilities and certain deferred outflows and inflows of resources are not due and payable in the current fiscal year and therefore are not reported as liabilities in the governmental funds' Balance Sheet but are reported on the Government-wide Statement of Net Position. Long-term liabilities and obligations and deferred outflows and inflows of resources related to the pension plan at fiscal year-end consist of:		
General obligation bonds payable	(41,130,000)	
Unamortized bond premiums	(1,301,060)	
Net pension liability	(15,862,092)	
Deferred outflows of resources related to pensions	1,814,420	
Deferred inflows of resources related to pensions	(5,633,932)	
Intergovernmental agreement payable	(94,573)	
Total long-term liabilities and deferred outflows and inflows of resources related to pensions		(62,207,237)
Net Position of Governmental Activities		$ 9,831,863

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

CITY OF JEFFERSON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 6,765,808	$ -	$ 1,671,428	$ 8,437,236
Sales Taxes	28,057	907,120	1,493,867	2,429,044
State Funds	13,854,615	293,282	-	14,147,897
Federal Funds	1,555,063	-	405,698	1,960,761
Charges for Services	944,334	-	-	944,334
Investment Earnings	2,068	15,558	17,664	35,290
Miscellaneous	1,965,172	-	-	1,965,172
Total Revenues	25,115,117	1,215,960	3,588,657	29,919,734
EXPENDITURES				
Current:				
Instruction	15,596,254	404,243	-	16,000,497
Support Services				
Pupil Services	668,389	-	-	668,389
Improvement of Instructional Services	450,090	147	-	450,237
Educational Media Services	435,343	2,500	-	437,843
General Administration	792,656	6,455	-	799,111
School Administration	1,354,266	4,912	-	1,359,178
Business Administration	121,819	-	-	121,819
Maintenance and Operation of Plant	1,574,632	45,225	-	1,619,857
Student Transportation Services	577,907	777	-	578,684
Central Support Services	24,611	-	-	24,611
Other Support Services	21,239	-	-	21,239
Enterprise Operations	1,729,258	-	-	1,729,258
Community Services	131,960	-	-	131,960
Food Services Operation	1,049,086	-	-	1,049,086
Capital Outlay	-	5,082,060	-	5,082,060
Debt Services:				
Principal	-	-	1,336,053	1,336,053
Dues and Fees	-	615	16,190	16,805
Interest	-	-	1,841,612	1,841,612
Total Expenditures	24,527,510	5,546,934	3,193,855	33,268,299
Excess (Deficiency) of Revenues Over (Under) Expenditures	587,607	(4,330,974)	394,802	(3,348,565)
Net Change in Fund Balances	587,607	(4,330,974)	394,802	(3,348,565)
Fund Balances - Beginning	3,101,695	8,160,828	1,142,433	12,404,956
Fund Balances - Ending	$ 3,689,302	$ 3,829,854	$ 1,537,235	$ 9,056,391

The notes to the basic financial statements are an integral part of this statement.

CITY OF JEFFERSON BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds		$ (3,348,565)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays	5,069,532	
Depreciation expense	(1,021,176)	
Excess of capital outlays over depreciation expense		4,048,356
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
The effect of donated capital assets is to increase net position.		200,757
Because some taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues.		
Deferred inflows- unavailable property taxes:		
June 30,2014	(168,587)	
June 30, 2015	950,966	
State funds-reimbursements on construction projects (prior year)	(291,282)	491,097
Deferred gains or losses on refundings and similar items when debt is first issued are reported as expenditures in governmental funds, but are reported as deferred outflow of resources on the statement of net position and are amortized over the term of the debt using the effective interest method. The details of these differences in the current period in the statement of activities are as follows:		
Amortization of deferred charge on refunded bonds:		
June 30, 2014	(1,307,128)	
June 30, 2015	1,171,179	(135,949)
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 the Governmental Funds.		
Change in the net pension liability		6,143,266
Change in pension investment earnings differences		(5,529,861)
Change in pension contributions subsequent to measurement date		241,479
Change in proportion and differences between employer contributions and proportionate share of contributions		(104,071)
Change in accrued interest payable		20,620
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:		
Bond principal retirements	1,320,000	
Intergovernmental agreement principal retirements	16,053	
Amortization of bond premiums	98,755	1,434,808
Change in Net Position of Governmental Activities		$ 3,461,937

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

CITY OF JEFFERSON BOARD OF EDUCATION
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2015

	AGENCY FUND
ASSETS	
Cash and Cash Equivalents	$ 42,875
Total Assets	$ 42,875
LIABILITIES	
Funds Held for Others	$ 42,875
Total Liabilities	$ 42,875

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The City of Jefferson Board of Education (the "School District") was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The Board is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the City of Jefferson Board of Education.

District-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the School District's governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. The School District had no funds that were reported as nonmajor funds.

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

- District-wide Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST), bond proceeds, and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property and sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Agency funds account for assets held by the School District as an agent for various funds, clubs, governments or individuals.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after fiscal year-end. Property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent fiscal year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

RESTATEMENT OF PRIOR FISCAL YEAR NET POSITION

For fiscal year 2015, the School District made a prior period adjustment due to the adoption of GASB Statement No. 68 and GASB Statement No. 71, as described in "New Accounting Pronouncements" below, which requires the restatement of the June 30, 2014, net position in Governmental Activities. The result is a decrease in net position at June 30, 2014 of $20,432,417. This change is in accordance with generally accepted accounting principles.

Net Position June 30, 2014, as previously reported	$ 26,802,343
- Recognition of the beginning of the measurement period of deferred outflows Resources for contributions made subsequent to the measurement period fiscal year 2014	1,572,941
- Recognition of the beginning net pension liability in accordance with GASB Statement 68.	(22,005,358)
Net Position June 30, 2014, as restated	$ 6,369,926

NEW ACCOUNTING PRONOUNCEMENTS

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Reporting for Pension Plans- an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* the School District is required to change its accounting treatment of the pension liabilities and the related pension expense. The new standard requires that the School District's proportionate share of the net pension liability be recorded on the statement of net position for its governmental activities. Therefore, in conjunction with the implementation of Statement No. 68 and 71, the above restatement was required to the beginning net position of governmental activities to properly recognize the School District's net pension liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period.

CASH AND CASH EQUIVALENTS

Composition of Deposits

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

INVESTMENTS

Composition of Investments

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year and equity investments are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by other states,

(2) Obligations issued by the United States government,

(3) Obligations fully insured or guaranteed by the United States government or a United States government agency,

(4) Obligations of any corporation of the United States government,

(5) Prime banker's acceptances,

(6) The local government investment pool (Georgia Fund 1) administered by the State of Georgia, Office of the State Treasurer,

(7) Repurchase agreements, and

(8) Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investment policies that address credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

PROPERTY TAXES

The City of Jefferson Board of Commissioners certified to the mayor and city council the property tax levy for the 2014 tax digest year (calendar year) on October 22, 2014 (levy date) based on property values as of January 1, 2014. Taxes were due on December 30, 2014 (lien date). Taxes collected within the current fiscal year or within 60 days after fiscal year-end on the 2014 tax digest are reported as revenue in the governmental funds for fiscal year 2015. The Jackson County Tax Commissioner bills and collects the property taxes for the School District and remits the taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2015, for maintenance and operations amounted to $6,765,808 and for school bonds amounted to $1,671,428.

Tax millage rates levied for the 2014 tax year (calendar year) for the City of Jefferson Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	15.712 mills
School Bonds	3.845 mills
	19.557 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, which are included in property taxes above, amounted to $386,361 during fiscal year ended June 30, 2015.

In fiscal year 2014, it was discovered that a major company operating in Jackson County, had not filed for required Freeport exemptions, and therefore had taken credits it was not eligible for in prior years. As a result, the company underpaid its property taxes in calendar years 2011 and 2012. The company has since sold its business to another company and has left the County owing the taxes due. This matter is currently being litigated in Court and the result of this litigation cannot be predicted with any degree of confidence at this time. The amount of taxes due to the School District associated with this matter is estimated to be $668,751 in maintenance and operation taxes and $159,585 in bond taxes. These amounts have not been included in the amount of taxes receivable and related revenues/deferred inflows recorded on the financial statements because the outcome of this matter is not determinable.

SALES TAXES

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $2,400,987 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years. The most recent authorization expires March 31, 2017.

INVENTORIES

Food Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During fiscal year 2015, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000	20 to 80 years
Buildings and Improvements	5,000	10 to 80 years
Equipment	5,000	5 to 30 years
Intangible Assets	20,000	individually determined

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives, with the exception of intangible assets which are amortized.

Amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, copyrights and internally generated software is computed using the straight-line method over the estimated useful lives of the assets.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The School District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reporting only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources (revenue) in the period in which the amounts become available. The School District also has another type of item which arises only under a full accrual basis of accounting that is reflected on the statement of net position for deferred inflows of resources relating to pension plans that is discussed further in the following paragraph.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has several items that qualify for reporting in this category. The deferred charge on refunded debt resulting from the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt. This School District also has other items that qualify for reporting in this

category which pertains to deferred outflows of resources and deferred inflows of resources relating to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the School District's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the District-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized as an outflow of resources (expense) in the fiscal year in which the bonds are issued.

In the fund financial statements, the School District recognizes bond premiums and discounts, as well as bond issuance costs during the fiscal year bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In addition, general obligation bonds have been issued to refund existing general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Position.

NET POSITION

Net position represent the differences between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. The School District's net position in the District-wide Statements is classified as follows:

Net investment in capital assets - This represents the School District's total investment in capital assets, net of outstanding debt obligations (including retainage and contract payables) related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position - This represents resources for which the School District is legally or contractually obligated to spend resources for bus replacement, continuation of Federal programs, debt service and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net position - Unrestricted net position represents resources derived from property taxes, sales taxes, grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School District, and may be used at the discretion of the Board to meet current expenses for those purposes. The District-wide Statement of Net Position includes a deficit unrestricted net position as of June 30, 2015 of $15,661,683.

FUND BALANCES

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

The School District's fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts that cannot be spent either because they are in a nonspendable form (i.e., items that are not expected to be converted to cash) or because they are legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Likewise, fund balances that have been committed cannot be used for any other purposes unless the Board of Education removes the commitment of these funds through formal action of the adoption of a resolution. The Board of Education is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Fund balances are reported as assigned when amounts are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (1) the Board of Education or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. This classification represents fund balances that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balances of the Governmental Funds at June 30, 2015, are as follows:

Nonspendable		
Inventories		$15,707
Restricted		
Bus Replacement	24,255	
Continuation of Federal Programs	267,214	
Capital Projects	3,703,619	
Debt Service	1,537,235	
Rutland Center	49,032	5,581,355

Assigned		
For School Activity Accounts	247,657	
For Local Capital Projects	126,235	
For After School Program	26,384	
For Encumbrances	870	401,146
Unassigned		3,058,183
Fund Balance June 30, 2015		$ 9,056,391

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by retainage (contracts) payables and by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. The School District applies restricted resources first when an expense is incurred for purposes for which both available.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting fiscal year. Actual results could differ from those estimates.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund and function. The legal level of budgetary control was established by the Board at the "no provision" regarding over expenditure level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The

approved budget is then submitted, in accordance with provisions of Official Code of Georgia Annotated section 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

For fiscal year ended June 30, 2015, the following departments had excesses of actual expenditures over appropriations:

General Fund departments:		
Instruction	$	70,384
Educational media services		7,507
General adminstration		6,109
School administration		16,529
Maintenance and operation of plant		113,151
Central support services		3,094
Community services		131,960
Food services operation		74,836

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

NOTE 4: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (O.C.G.A.) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. Section 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance.

Acceptable security for deposits consists of any one of or any combination of the following:

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the

Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2015, School District had deposits with a carrying amount of $9,644,377 and a bank balance of $9,803,116. The bank balances were covered by Federal depository insurance or collateralized with securities held by the pledging financial institution in the School District's name.

CATEGORIZATION OF INVESTMENTS

The School District's investments as of June 30, 2015, are presented below. All investments are presented by investment type and debt securities are presented by maturity.

	Investment Maturity	
Investment Type	Fair Value	More Than 10 Years
Debt Securities		
U. S. Treasuries	$ 1,098,205	$ 1,098,205
Other Investments		
U. S. Treasury Money Market Funds	49,033	
Investment Pools		
Office of State Treasurer Georgia Fund 1	1,353	
Total Investments	$ 1,148,591	

The debt securities in which the School District is invested are US Treasury State and Local Government Series (SLGS) securities. The SLGS are issued as certificates of indebtedness with a maturity date of February 1, 2028. As these investments are non-participating interest earning contracts, they are reported at cost in accordance with GASB Statement No. 31.

The Georgia Fund 1 (local government investment pool) administered by the State of Georgia, Office of the State Treasurer is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1 (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company but does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share. The pool is an AAAf rated investment pool by Standard and Poor's. The weighted average maturity for Georgia Fund 1 on June 30, 2015, was 56 days.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

At June 30, 2015, $1,098,205 of the School District's applicable investments were (1) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the name of the School District and (2) uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the School District's name.

NOTE 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. These commodities are recorded at their Federally assigned value. **See Note 2 - Inventories**

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets during the fiscal year:

Governmental activities	Beginning Balances	Additions	Deletions	Transfers	Ending Balances
Capital assets, not being depreciated					
Land	$ 734,796	$ 25,000	$ -	$ -	$ 759,796
Construction in progress	10,038,332	4,882,159	-	(14,920,491)	-
Total	10,773,128	4,907,159	-	(14,920,491)	759,796
Capital assets, being depreciated					
Buildings and improvements	49,622,117	321,391		14,920,491	64,863,999
Equipment	2,461,741	22,363	-	-	2,484,104
Land improvements	2,496,124	19,376	-	-	2,515,500
Total	54,579,982	363,130	-	14,920,491	69,863,603
Less accumulated depreciation for:					
Buildings and improvements	(5,671,754)	(762,229)	-	-	(6,433,983)
Equipment	(1,036,757)	(155,363)	-	-	(1,192,120)
Land improvements	(1,288,333)	(103,584)	-	-	(1,391,917)
Total	(7,996,844)	(1,021,176)	-	-	(9,018,020)
Total capital assets, being depreciated, net	46,583,138	(658,046)	-	14,920,491	60,845,583
Governmental activities capital assets, net	$ 57,356,266	$ 4,249,113	$ -	$ -	$ 61,605,379

Capital assets being acquired under intergovernmental sales agreements as of June 30, 2015, are as follows:

Assets	Governmental Activities
Building and improvements	$ 176,897
Less accumulated depreciation	(12,162)
Net depreciable capital assets under intergovernmental sales agreement	$ 164,735

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental activities:	
Instruction	$ 843,505
Educational media services	18,206
General administration	14,343
School administration	5,656
Maintenance and operation of plant	21,707
Student transportation services	68,692
Other support services	3,550
Food services	45,517
Total depreciation expense - governmental activities	$ 1,021,176

NOTE 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God.

The School District participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the system for its general insurance coverage. Additional coverage is provided through agreements by the system with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payment of excess insurance for the system varies by line of coverage.

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims with expenses/expenditures and the related liability is reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2014	$ -	$ 611	$ (611)	$ -
2015	-	-	-	-

The School District participates in the Georgia School Boards Association Workers' Compensation Fund, a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Fund for its Workers' Compensation insurance coverage. Excess insurance coverage is provided through an agreement by the Fund with the Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550,000 loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550,000 loss per occurrence, up to $2 million. In addition to the $550,000 per occurrence retention, the Fund also retains an additional $200,000 per year corridor retention.

The School District participates in the Georgia Education Workers' Compensation Trust, a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of $2 million. The Trust covers the first $1 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a $2 million per occurrence maximum. Safety National Casualty Company also provides $2 million in aggregate coverage to the Trust, attaching at 110% of the loss fund and based on the Fund's annual normal premium.

The School District has purchased surety bonds to provide additional insurance coverage as follows:

Position covered	Amount
Superintendent	$ 50,000
All other employees	100,000

NOTE 8: LONG-TERM LIABILITIES

PRIOR FISCAL YEAR ADVANCE REFUNDING

During fiscal year 2014, the City of Jefferson Board of Education issued $9,550,000 in General Obligation Refunding Bonds to advance refund $ 8,785,000 of outstanding bonds. The bond issuance of $9,550,000, plus premium of $173,351 less underwriters and bond issuance cost of $89,636 provided net proceeds of $ 9,633,716. The total net proceeds (minus the principal retired of $848,716) were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on a portion of the Series 2005A Bond issue. As a result, portions of Series 2005A Series Bonds are considered defeased and the liability for these portions has been removed from the District-wide Statement of Net Position. The outstanding balance of these defeased bonds at June 30, 2015 is $11,339,500. The City of Jefferson Board of Education refunded the aforementioned bonds to reduce its total Debt Service payments over 12 years beginning subsequent to fiscal year 2013 by $1,045,721 and to obtain an economic gain (difference between the present values of total debt service payments and the old and new debt) of $963,047.

INTERGOVERNMENTAL SALES AGREEMENT

The City of Jefferson Board of Education entered into a contract with the Northeast Georgia Regional Educational Service Agency, dated June 1, 2006, for the issuance of bonds to provide funds to Clarke County capital outlay projects of the School District. Under the terms of the contract, the Northeast Georgia Regional Educational Service Agency issued $5,749,999 in bonds on behalf of the School District. The obligation of the School District is absolute and unconditional so long as any of the bonds remain outstanding. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract.

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
General Government - Refunding Series 2004	3.58%	$6,860,000
General Government - Series 2011A	5.25%	16,625,000
General Government - Series 2011B	5.27%	8,300,000
General Government - Refunding Series 2013	.70%-3.00%	9,345,000
		$41,130,000

The changes in long-term debt and obligations during the fiscal year ended June 30, 2015 were as follows:

	Restated Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year	Due In More Than One Year
Governmental activities:						
General obligations bonds	$ 42,450,000	$ -	$ (1,320,000)	$ 41,130,000	$ 1,370,000	$ 39,760,000
Unamortized premiums	1,399,815	-	(98,755)	1,301,060	-	1,301,060
Net pension liability	22,005,358	1,063,608	(7,206,874)	15,862,092	-	15,862,092
Intergovernmental agreement	110,626	-	(16,053)	94,573	16,333	78,240
Governmental activities long-term liabilities	$ 65,965,799	$ 1,063,608	$ (8,641,682)	$ 58,387,725	$ 1,386,333	$ 57,001,392

Beginning balance of longer-term debt and obligations has been restated as a result of the implementation of GASB Statement No. 68 and 71 as discussed in footnotes 2 and 12.

At June 30, 2015, payments due by fiscal year which includes principal and interest for these items are as follows:

Intergovernmental agreement

Fiscal Year Ending, June 30	Principal	Interest	Total
2016	$ 16,333	$ 3,766	$ 20,099
2017	17,360	3,075	20,435
2018	18,107	2,353	20,460
2019	18,853	1,600	20,453
2020	19,600	815	20,415
2021	4,320	-	4,320
Total	$ 94,573	$ 11,609	$ 106,182

General Obligation Bonds

Fiscal Year Ending, June 30	Principal	Interest	Total
2016	$ 1,370,000	$ 1,787,553	$ 3,157,553
2017	1,400,000	1,743,118	3,143,118
2018	1,540,000	1,697,667	3,237,667
2019	1,580,000	1,647,900	3,227,900
2020	1,620,000	1,596,788	3,216,788
2021-2025	8,695,000	7,316,669	16,011,669
2026-2030	16,450,000	4,846,488	21,296,488
2031-2033	8,475,000	904,313	9,379,313
Total	$ 41,130,000	$ 21,540,496	$ 62,670,496

NOTE 9: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $77,075 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Teachers' Retirement System of Georgia
For Teachers' Retirement System (TRS) Employer's Cost
In the amount of $32,161.

Office of State Treasurer
Paid to the Public School Employees' Retirement System
For Public School Employees' Retirement (PSERS) Employer's Cost
In the amount of $44,914.

Funds paid to the Georgia Department of Community Health by the Georgia Department of Education on behalf of the School District are reported as part of the Quality Basic Education revenue allotments on the Schedule of State Revenue.

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

NOTE 11: POST-EMPLOYMENT BENEFITS

Georgia School Personnel Post-employment Health Benefit Fund

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2013, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2013 pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2015:

For certificated teachers, librarians and regional educational service agencies and certain other eligible participants:
July 1, 2014 – June 30, 2015 $945 per member per month

For non-certificated school personnel:
July 1, 2014 – June 30, 2015 $596.20 per member per month

No additional contribution was required by the Board for fiscal year 2015 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation. The School District's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 2,522,970
2014	100%	2,457,853
2013	100%	2,236,724

NOTE 12: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description: All teachers of the School District as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the *O.C.G.A.* assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers' Retirement System of Georgia issues a publicly available separate financial audit report that can be obtained at www.trsga.com/publications.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRPB-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRPB-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

Benefits Provided*:* TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2015. The School District's contractually required contribution rate for the year ended June 30, 2015 was 13.57% of annual School District payroll.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 1,779,695
2014	100%	1,586,061
2013	100%	1,452,218

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: Effective July 1, 2014, the School District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* which significantly changed the School District's accounting for pension amounts. The information discussed below is presented in accordance with this new standard. At June 30, 2015, the School District reported a liability of $15,862,092 for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$ 15,862,092
State of Georgia's proportionate share of the net pension liability associated with the School District	122,547
Total	$ 15,984,639

At June 30, 2015, the School District reported a liability for its proportionate share of the net pension liability in the amount of $15,862,092. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2014. At June 30, 2014, the employer proportion was 0.125554%, which was a decrease of 0.000733% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized pension expense of $1,063,608 and revenue of $32,161 for support provided by the State of Georgia for certain support personnel. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 5,529,861
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	104,071
	1,814,420	-
Total	$ 1,814,420	$ 5,633,932

The School District's contributions subsequent to the measurement date of $1,814,420 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending 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:

Fiscal Year ending June 30:	
2016	$ (1,406,118)
2017	(1,406,118)
2018	(1,406,118)
2019	(1,406,119)
2020	(9,459)
Total	$ (5,633,932)

Actuarial Assumptions. The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases	1.50% semi-annually

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 through June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 29,231,707	$ 15,862,092	$ 4,852,491

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at http://www.trsga.com.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

Plan Description. PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits Provided. A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of $14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions. The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

Pension Liabilities and Pension Expense

At June 30, 2015, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the state's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 164,743

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The state's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the state during the fiscal year ended June 30, 2014.

For the fiscal year ended June 30, 2015, the School District recognized pension expense of $44,914 and revenue of $44,914 for support provided by the State of Georgia.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table set forward one year for males for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back two years for males and set forward one year for females for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. These ranges are combined to produce 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 expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large stocks	39.70	6.50
Domestic mid stocks	3.70	10.00
Domestic small stocks	1.60	13.00
International developed market stocks	18.90	6.50
International emerging market stocks	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DEFINED CONTRIBUTION PLAN

On October 1, 2004, the City of Jefferson Board of Education began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees' Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The Board selected VALIC as the provider of this Plan. For each employee covered under PSERS, the Board began contributing to the Plan an amount equal to 0.62% of the employee's base pay.

The employee becomes immediately vested in the plan with zero years of experience. Employees who had already achieved zero years of experience at the time the plan was implemented were vested upon enrollment.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 47,478
2014	100%	48,138
2013	100%	50,952

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JEFFERSON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2015

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 6,498,912	$ 6,498,912	$ 6,765,808	$ 266,896
Sales Taxes	-	-	28,057	28,057
State Funds	12,760,792	13,576,820	13,854,615	277,795
Federal Funds	1,417,087	1,556,425	1,555,063	(1,362)
Charges for Services	879,750	879,750	944,334	64,584
Investment Earnings	2,100	2,100	2,068	(32)
Miscellaneous	1,729,800	1,729,800	1,965,172	235,372
Total Revenues	$ 23,288,441	$ 24,243,807	$ 25,115,117	$ 871,310
EXPENDITURES				
Current				
Instruction	$ 15,379,933	$ 15,525,870	$ 15,596,254	$ (70,384)
Support Services				
Pupil Services	692,367	675,696	668,389	7,307
Improvement of Instructional Services	463,051	482,509	450,090	32,419
Educational Media Services	427,837	427,836	435,343	(7,507)
General Administration	786,547	786,547	792,656	(6,109)
School Administration	1,337,774	1,337,737	1,354,266	(16,529)
Business Administration	128,097	128,097	121,819	6,278
Maintenance and Operation of Plant	1,461,481	1,461,481	1,574,632	(113,151)
Student Transportation Services	600,473	590,924	577,907	13,017
Central Support Services	21,516	21,517	24,611	(3,094)
Other Support Services	31,600	31,600	21,239	10,361
Enterprise Operations	1,754,000	1,754,000	1,729,258	24,742
Community Services	-	-	131,960	(131,960)
Food Services Operation	974,250	974,250	1,049,086	(74,836)
Total Expenditures	24,058,926	24,198,064	24,527,510	(329,446)
Excess of Revenues over (under) Expenditures	(770,485)	45,743	587,607	541,864.00
OTHER FINANCING SOURCES (USES)				
Transfers in	113,000	113,000	-	(113,000)
Transfers Out	(113,000)	(113,000)	-	113,000
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(770,485)	45,743	587,607	541,864
Fund Balances - Beginning	3,101,695	3,101,695	3,101,695	-
Adjustments	11,651	3,708	-	(3,708)
Fund Balances - Ending	$ 2,342,861	$ 3,151,146	$ 3,689,302	$ 538,156

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

CITY OF JEFFERSON BOARD OF EDUCATION

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Teachers Retirement System of Georgia
For the Fiscal Year Ended June 30

		2015
School District's proportion of the net pension liability		0.125554%
School District's proportionate share of the net pension liability	$	15,862,092
State of Georgia's proportionate share of the net pension liability associated with the District		122,547
Total	$	15,984,639
School District's covered-employee payroll during measurement period	$	12,915,806
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		122.81%
Plan fiduciary net position as a percentage of the total pension liability		84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF JEFFERSON BOARD OF EDUCATION

Required Supplementary Information
Schedule of School District's Contributions
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

	2015	2014	2013
Contractually required contributions	$ 1,779,695	$ 1,586,061	$ 1,452,218
Contributions in relation to the contractually required contributions	1,779,695	1,586,061	1,452,218
Contribution deficiency (excess)	$ -	$ -	$ -
School District's covered-employee payroll	13,533,802	12,915,806	12,727,590
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%

	2012	2011
Contractually required contributions	$ 1,342,904	$ 1,317,354
Contributions in relation to the contractually required contributions	1,342,904	1,317,354
Contribution deficiency (excess)	$ -	$ -
School District's covered-employee payroll	13,063,268	12,814,728
Contributions as a percentage of covered-employee payroll	10.28%	10.28%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability, and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three (3) years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the fiscal year June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	7-year smoothed market
Inflation rate	3%
Salary increases	3.75 - 7.00%, including inflation.
Investment Rate of Return	7.5%, net of pension plan investment expense including inflation.
Post-Retirement Benefit Increases	1.50% semi-annually

CITY OF JEFFERSON BOARD OF EDUCATION

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Public School Employees' Retirement System
For the Fiscal Year Ended June 30

		2015
School District's proportion of the net pension liability		0.000000%
School District's proportionate share of the net pension liability	$	-
State of Georgia's proportionate share of the net pension liability associated with the District		164,743
Total	$	164,743
School District's covered-employee payroll during measurement period	$	12,915,806
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		N/A
Plan fiduciary net position as a percentage of the total pension liability		88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Changes of assumptions: The last experience investigation was prepared for the five-year period ending June 30, 2009, and based on the results of the investigation various assumptions and methods were revised and adopted by the board on December 16, 2010. The next experience investigation will be prepared for the period July 1, 2009 through June 30, 2014.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three (3) years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the fiscal year June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	7-year smoothed market
Inflation rate	3%
Salary increases	N/A
Investment Rate of Return	7.5%, net of pension plan investment expense including inflation.
Post-Retirement Benefit Increases	1.50% semi-annually

SUPPLEMENTARY INFORMATION

CITY OF JEFFERSON BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
FISCAL YEAR ENDED JUNE 30, 2015

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 480,118	$ -	$ 480,118
Education, Georgia Department of			
Quality Basic Education (1)			
Direct Instructional Cost			
Kindergarten Program	873,501	-	873,501
Kindergarten Program - Early Intervention Program	140,417	-	140,417
Primary Grades (1-3) Program	1,948,807	-	1,948,807
Primary Grades - Early Intervention (1-3) Program	335,608	-	335,608
Upper Elementary Grades (4-5) Program	1,179,517	-	1,179,517
Upper Elementary Grades - Early Intervention (4-5) Program	51,163	-	51,163
Middle School (6-8) Program	1,811,639	-	1,811,639
High School General Education (9-12) Program	1,569,430	-	1,569,430
Vocational Laboratory (9-12) Program	465,864	-	465,864
Students with Disabilities	1,962,351	-	1,962,351
Gifted Student - Category VI	1,060,611	-	1,060,611
Remedial Education Program	259,889	-	259,889
Alternative Education Program	129,193	-	129,193
English Speakers of Other Languages (ESOL)	101,108	-	101,108
Media Center Program	329,047	-	329,047
20 Days Additional Instruction	96,951	-	96,951
Staff and Professional Development	58,737	-	58,737
Indirect Cost			
Central Administration	479,460	-	479,460
School Administration	628,154	-	628,154
Facility Maintenance and Operations	795,534	-	795,534
Amended Formula Adjustment	(1,218,302)	-	(1,218,302)
Categorical Grants			
Pupil Transportation			
Regular	58,722	-	58,722
Nursing Services	56,033	-	56,033
Vocational Supervisors	6,534	-	6,534
Other State Programs			
Food Services	28,014	-	28,014
Math and Science Supplements	4,735	-	4,735
Preschool Handicapped Program	42,474	-	42,474
Teacher of the Year	1,014	-	1,014
Teachers' Retirement	32,161	-	32,161
Vocational Education	41,217	-	41,217
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	293,282	293,282
Office of the State Treasurer			
Public School Employees Retirement	44,914	-	44,914
	$ 13,854,615	$ 293,282	$ 14,147,897

See notes to the basic financial statements.

CITY OF JEFFERSON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FISCAL YEAR ENDED JUNE 30, 2015

PROJECTS	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	ESTIMATED COMPLETION DATE
SPLOST 2007						
(i) paying a portion of the debt service on the outstanding Series 2000 General Obligation Bonds previously issued by the City of Jefferson School District previously issued by the City of Jefferson, Series 2004 General Obligation Bonds, Series 2005A and 2005B General Obligation Bonds.	$ 22,302,000	$ 14,730,525	$ -	$ 14,730,525	$ 14,730,525	Ongoing
(ii) acquiring, constructing, equipping and furnishing new school buildings and other buildings or facilities useful and desireable therewith, including, but not limited to a new bus maintenance depot and new gymnasium.		18,690,572	-	18,690,572	18,690,572	6/30/2014
(iii) acquiring new technology, safety and security equipment, school equipment, and band instruments.		804,435	-	804,435	804,435	6/30/2014
(iv) acquiring school buses, school vehicles and transportation equipment		83,032	-	83,032	83,032	6/30/2014
(v) acquiring land and any improvements therson, and modifying those improvements as desired;		1,024,878	-	1,024,878	1,024,878	6/30/2014
(vi) demolishing, adding to renovating, repairing, improving and equipping the existing schools buildings or other buildings or facilities useful or desirable in connection therewith, but not limited to new classrooms, kitchens and physical education/athletic facilities.		1,982,129	-	1,982,129	1,982,129	6/30/2014
(vii) acquiring property necessary or desirable therefor, both real and personal,						
(viii) acquiring a portion of the psychoeducational facility,		140,575	-	140,575	140,575	6/30/2014
(ix) acquiring textbooks system-wide		494,580	-	494,580	494,580	6/30/2014
SPLOST 2007	$ 22,302,000	$ 37,950,726	$ -	$ 37,950,726	$ 37,950,726	
SPLOST 2012						
(i) paying a portion of the debt service on the outstanding Series 2000 General Obligation Bonds previously issued by the City of Jefferson School District previously issued by the City of Jefferson, Series 2004 General Obligation Bonds, Series 2005A and 2005B General Obligation Bonds, and Series 2011 General Obligation Bonds issued by the Jefferson City School District, the maximum amount of debt service to be paid with sales tax proceeds to be $26,296,000.	24,576,000.00	$ 4,998,913	$ 2,768,150	$ 2,230,763	$ 4,998,913	Ongoing
(ii) acquiring, constructing, equipping and furnishing new school buildings and other buildings or facilities useful and desireable therewith, including, but not limited to a new bus maintenance depot and new gymnasium.		14,693,452	4,655,119	10,038,333	14,693,452	Ongoing
(iii) acquiring new technology, safety and security equipment, school equipment, and band instruments.		457,891	400,605	57,286	457,891	Ongoing
(iv) acquiring school buses, school vehicles and transportation equipment		15,147	777	14,370	15,147	Ongoing
(v) acquiring land and any improvements therson, and modifying those improvements as desired;		39,462	39,462	-	39,462	Ongoing
(vi) demolishing, adding to renovating, repairing, improving and equipping the existing schools buildings or other buildings or facilities useful or desirable in connection therewith, but not limited to new classrooms, kitchens and physical education/athletic facilities.		10,665,601	374,536	10,291,065	10,665,601	Ongoing
(vii) acquiring property necessary or desirable therefor, both real and personal,						
(viii) acquiring a portion of the psychoeducational facility,		21,831	20,622	1,209	21,831	Ongoing
(ix) acquiring textbooks system-wide		30,455	29,431	1,024	30,455	Ongoing
SPLOST 2012	$ 24,576,000	$ 30,922,752	$ 8,288,702	$ 22,634,050	$ 30,922,752	
GRAND TOTAL SPLOST 2007 & 2012	**$ 46,878,000**	**$ 68,873,478**	**$ 8,288,702**	**$ 60,584,776**	**$ 68,873,478**	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Jackson County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

CITY OF JEFFERSON BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
ALLOTMENTS AND EXPENDITURES BY PROGRAM
FISCAL YEAR ENDED JUNE 30, 2015

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	Total
Direct Instructional Programs				
Kindergarten Programs	$ 1,038,841	$ 886,095	$ 28,913	$ 915,008
Kindergarten Program - Early Intervention Program	162,222	80,263	1,964	82,227
Primary Grades (1-3) Program	2,340,546	2,112,344	62,890	2,175,234
Primary Grades Early Intervention (1-3) Program	386,811	529,988	4,253	534,241
Upper Elementary Grades (4-5) Program	1,394,206	1,064,832	41,892	1,106,724
Upper Elementary Grades-Early Intervention (4-5) Program	62,234	64,006	1,961	65,967
Middle School (6-8) Program	2,146,870	2,361,706	52,721	2,414,427
High School General Education (9-12) Program	1,861,411	2,654,166	144,061	2,798,227
Vocational Laboratory (9-12) Program	551,337	404,647	34,364	439,011
Students With Disabilities	2,284,489	-	-	-
CATEGORY I	-	181,308	-	181,308
CATEGORY III	-	1,994,304	18,427	2,012,731
Gifted Student - CATEGORY VI	1,242,245	650,012	234	650,246
Remedial Education Program	299,940	31,484	10,699	42,183
Alternative Education Program	150,016	82,153	-	82,153
English Speakers of Other Languages (ESOL)	119,387	10,773	3,133	13,906
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 14,040,555	$ 13,108,081	$ 405,512	$ 13,513,593
Media Center Program	389,934	401,594	33,749	435,343
Staff and Professional Development	68,675	37,325	-	37,325
TOTAL QBE FORMULA FUNDS	$ 14,499,164	$ 13,547,000	$ 439,261	$ 13,986,261

(1) Comprised of State Funds plus Local Five Mill Share.

(2) Allotments do not include the impact of the State amended formula adjustment.

COMPLIANCE SECTION

MAULDIN & JENKINS

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*

To the Superintendent and Members of
the City of Jefferson Board of Education
Jefferson, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Jefferson Board of Education**,** as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Jefferson Board of Education's basic financial statements, and have issued our report thereon dated December 2, 2016. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jefferson Board of Education'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 an opinion on the effectiveness of the City of Jefferson Board of Education's internal control. Accordingly, we do not express an opinion of the effectiveness of the City of Jefferson Board of Education'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 the City of Jefferson Board of Education's financial statements are free from 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 purpose.



Atlanta, Georgia
December 2, 2016

MAULDIN & JENKINS

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

To the Superintendent and Members of
the City of Jefferson Board of Education
Jefferson, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Jefferson Board of Education'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 the City of Jefferson Board of Education's major federal programs for the fiscal year ended June 30, 2015. The City of Jefferson Board of Education'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 City of Jefferson Board of Education'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 the City of Jefferson Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Jefferson Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Jefferson Board of Education 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 the City of Jefferson Board of Education 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 the City of Jefferson Board of Education'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 the City of Jefferson Board of Education'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.



Atlanta, Georgia
December 2, 2016

CITY OF JEFFERSON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2015

FUNDING AGENCY PROGRAM/GRANT		CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN FISCAL YEAR	
Agriculture, U. S. Department of					
Child Nutrition Cluster					
Pass-Through From Georgia Department of Education					
Food Services					
School Breakfast Program	*	10.553	N/A	$ 129,974	
National School Lunch Program					
Cash Assistance	*	10.555	N/A	409,968	
Non-cash Assistance (Commodities)	*	10.555	N/A	55,886	(1)
Total Child Nutrition Cluster				$ 595,828	
Other Program					
Pass-Through From Cooperative Purchasing Agency					
Reimbursement for Damaged Food Commodities		N/A	N/A	-	(2)
Total U. S. Department of Agriculture				$ **595,828**	
Education, U. S. Department of					
Special Education Cluster					
Pass-Through From Georgia Department of Education					
Special Education					
Grants to States	*	84.027	N/A	460,313	
Preschool Grants	*	84.173	N/A	7,676	
Total Special Education Cluster				$ 467,989	
Other Programs					
Pass-Through From Georgia Department of Education					
Career and Technical Education - Basic Grants to States		84.048	N/A	17,956	
English Language Acquisition Grants		84.365	N/A	10,209	
Improving Teacher Quality State Grants		84.367	N/A	46,971	
Title I Grants to Local Educational Agencies		84.010	N/A	349,897	
Total Other Programs				$ 425,033	
Total U. S. Department of Education				$ **893,022**	
Defense, U. S. Department of					
Direct					
Department of the Air Force					
R.O.T.C. Program		N/A		$ 64,706	
Total U. S. Department of Defense				$ **64,706**	
Total Expenditures of Federal Awards				$ **1,553,556**	

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

(1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of $55,886.

(2) This program does require the reporting of expenditures

Major Programs are identified by an asterisk (*) in front of the CFDA number.

The School District did not provide Federal Assistance to any Subrecipient.

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the City of Jefferson Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

CITY OF JEFFERSON BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes __X__ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

CITY OF JEFFERSON BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF JEFFERSON BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The prior fiscal year's report did not include any findings relative to Federal awards.