

GREEN LOCAL SCHOOL DISTRICT
SCIOTO COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.milhuffstangcpa.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Education
Green Local School District
4070 Gallia Pike
Franklin Furnace, Ohio 45629

We have reviewed the *Independent Auditor's Report* of the Green Local School District, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Green Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 05, 2022

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Green Local School District
Scioto County
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Independent Auditor's Report

Board of Education
Green Local School District
4070 Gallia Pike
Franklin Furnace, Ohio 45629

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 Green Local School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School District'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 Green Local School District, Scioto County, Ohio, as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements for the fiscal year ended June 30, 2021, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

As discussed in Note 20 to the financial statements, during 2021, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities". Beginning net position and fund balance have been restated due to this implementation. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of the School District's proportionate share of the net pension liability, the schedules of the School District's proportionate share of the net OPEB liability (asset), and the schedules of School District contributions on pages 4 through 11, and 58 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

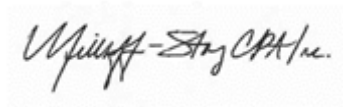
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The schedule of federal awards expenditures, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of federal awards expenditures is the responsibility of management and was derived from and relates 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 schedule of federal awards expenditures 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 March 29, 2022 on our consideration of the School District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's 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 School District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Green Local School District (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- Net position of governmental activities increased \$501,691.
- General revenues accounted for \$7,710,239 in revenue or 76 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$2,441,870 or 24 percent of total revenues of \$10,152,109.
- The School District had \$9,650,418 in expenses related to governmental activities; \$2,441,870 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Green Local School District's financial situation as a whole and also give a detailed view of the School District's financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

The analysis of the School District as a whole begins with the Statement of Net Position and the Statement of Activities. These statements provide information that will help the reader to determine whether the School District is financially improving or declining as a result of the year's financial activities. These statements include all assets, liabilities and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes to that position. This change informs the reader whether the School District's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the School District's financial well-being. Some of these factors include the condition of capital assets, and required educational support services to be provided.

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity.

- Governmental Activities. Most of the School District's programs and services are reported here including instruction and support services.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's funds begins on page 9. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major funds are the General Fund, the Building Project Capital Project Fund, and the Classroom Facilities Capital Project Fund.

Governmental Funds

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds. The School District's fiduciary fund consists of a private purpose trust fund which is used to maintain financial activity of the School District's college scholarship donations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2021 compared to 2020.

Table 1
 Net Position
 Governmental Activities

	2021	2020*
Assets:		
Current and Other Assets	\$ 35,657,957	\$ 36,324,050
Capital Assets, Net	4,219,998	2,780,481
Total Assets	39,877,955	39,104,531
Deferred Outflows of Resources:		
Pensions and OPEB	1,788,598	1,744,197
Total Deferred Outflows of Resources	1,788,598	1,744,197
Liabilities:		
Current and Other Liabilities	649,819	670,037
Long-Term Liabilities:		
Due Within One Year	432,865	487,169
Due in More than One Year:		
Net Pension Liabilities	7,152,728	6,550,171
OPEB Liabilities	627,214	696,692
Other Amounts	11,460,881	11,887,263
Total Liabilities	20,323,507	20,291,332
Deferred Inflows of Resources		
Pensions and OPEB	1,019,493	1,029,731
Property Taxes not Levied to Finance the Current Year	2,527,487	2,233,290
Total Deferred Inflows of Resources	3,546,980	3,263,021
Net Position:		
Net Investment in Capital Assets	3,703,212	2,630,481
Restricted	18,017,654	17,803,454
Unrestricted (Deficit)	(3,924,800)	(3,139,560)
Total Net Position	\$ 17,796,066	\$ 17,294,375

* - Restated

The net pension liability (NPL) is one of the larger single liabilities reported by the School District at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability is another significant liability reported by the School District at June 30, 2021 and is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability (Asset)*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. If there is a net OPEB asset, it will be reported in the asset section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Total net position of the School District as a whole increased in the amount of \$501,691. Current and other assets decreased primarily due to a decrease in intergovernmental receivable.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Capital assets increased due primarily to current year additions, which was partially offset by current year depreciation. Deferred outflows of resources increased due to the pension and OPEB activity. Long term liabilities increased primarily due to pension and OPEB activity.

Table 2 shows the changes in net position for the fiscal years ended June 30, 2021 and 2020.

Table 2
Change in Net Position
Governmental Activities

	2021	2020
Revenues		
Program Revenues:		
Charges for Services and Sales	\$ 567,360	\$ 582,970
Operating Grants and Contributions	1,874,510	1,459,796
Total Program Revenues	2,441,870	2,042,766
General Revenues:		
Grants and Entitlements, Not Restricted to Specific Programs	4,802,327	4,704,142
Grants and Entitlements, Restricted to Classroom Facilities Project	-	17,069,809
Gifts and Donations, Not Restricted to Specific Programs	630	-
Investment Earnings	55,613	182,495
Payments in Lieu of Taxes	104,400	104,400
Miscellaneous	138,716	134,371
Property Taxes	2,608,553	2,320,417
Total General Revenues	7,710,239	24,515,634
Total Revenues	10,152,109	26,558,400
Program Expenses		
Instruction		
Regular	3,494,801	3,206,054
Special	1,264,731	1,198,676
Vocational	1,000	1,000
Other	1,181,372	1,145,380
Support Services		
Pupils	256,485	293,065
Instructional Staff	231,649	251,764
Board of Education	242,516	104,153
Administration	729,667	658,947
Fiscal	291,970	282,741
Operation and Maintenance of Plant	648,619	709,102
Pupil Transportation	600,565	604,330
Operation of Non-Instructional Services	185,086	247,912
Extracurricular Activities	198,741	200,170
Interest and Fiscal Charges	323,216	258,833
Issuance Costs	-	250,345
Total Expenses	9,650,418	9,412,472
Increase in Net Position	501,691	17,145,928
Net Position at Beginning of Year - Restated	17,294,375	N/A
Net Position at End of Year	\$ 17,796,066	\$ 17,294,375

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Governmental Activities

Charges for services and sales decreased due to decreased monies received for tuition and fees. Grants and entitlements restricted to classroom facilities projects reported for the prior year is due to the recognition of a grant award for the School District's Ohio Facilities Construction Commission (OFCC) project.

Regular and special instruction and administration support services expense increased primarily due to pension and OPEB activity. Overall, expenses increased \$237,946, which is primarily due to changes in assumptions and benefits by the Statewide pension systems.

Property taxes comprised 26 percent of revenue for governmental activities, while Charges for services and sales comprised 6 percent. Operating Grants and contributions comprised 18 percent of revenue for governmental activities of the School District for fiscal year 2021. The largest amount for the School District was for grants and entitlements, not restricted for to specific programs which comprised of 47 percent for the current year.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 36 percent of governmental program expenses with Special Instruction and Other Instruction comprising 13 and 12 percent, respectively of governmental expenses.

The Statement of Activities shows the cost of program services and the charges for services, sales and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by unrestricted State entitlements and other general revenues.

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 5,941,904	\$ 4,255,743	\$ 5,551,110	\$ 4,220,701
Support Services	3,001,471	2,563,301	2,904,102	2,550,905
Operation of Non-Instructional Services	185,086	20,528	247,912	11,519
Extracurricular Activities	198,741	46,740	200,170	78,500
Interest and Fiscal Charges	323,216	322,236	258,833	257,736
Issuance Costs	-	-	250,345	250,345
Total Expenses	\$ 9,650,418	\$ 7,208,548	\$ 9,412,472	\$ 7,369,706

THE SCHOOL DISTRICT'S FUNDS

The fund balance of the General fund decreased in the amount of \$359,191. The decrease is due to expenditures and other financing uses exceeding revenues during the current fiscal year. The fund balance in the Building Project Fund decreased \$265,828. The decrease is due to expenditures and other financing uses exceeding revenues during the current fiscal year. The fund balance in the Classroom Facilities Fund increased \$708,211. The increase is due to revenues and other financing sources exceeded expenditures.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The Treasurer has been given the authority by the Board of Education to make line item adjustments within the budget. Final budget revenues increased in the amount of \$306,251 over original budget revenues. Final budget appropriations increased in the amount of \$735,847. This increase is due to increases in capital outlay and regular instruction. The General fund's ending unobligated cash balance was \$3,042,345.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the School District had \$4,219,998 invested in its capital assets. Table 4 shows the fiscal year 2021 balances compared to 2020.

Table 4
 Capital Assets
 (Net of Accumulated Depreciation)

Governmental Activities		
	2021	2020
Construction in Progress	\$ 1,525,892	\$ -
Land and Land Improvements	602,548	610,574
Buildings and Improvements	1,460,559	1,552,361
Furniture and Equipment	301,889	346,260
Vehicles	284,526	226,038
Textbooks	44,584	45,248
Totals	\$ 4,219,998	\$ 2,780,481

Changes in capital assets from the prior year resulted from the current year additions, which were offset by depreciation expense. See Note 7 to the basic financial statements for more detailed information related to capital assets.

Debt

At June 30, 2021, the School District had an outstanding capital lease in the amount of \$450,000 and outstanding school facilities improvement bonds in the amount of \$10,795,000. See Note 12 to the basic financial statements for more detailed information related to the other long-term obligations.

Green Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

OTHER SIGNIFICANT INFORMATION

As described in Note 21, the United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the School District's financial condition and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Brodie Merrill, Treasurer, Green Local School District, 4070 Gallia Pike, Franklin Furnace, Ohio 45629.

Green Local School District
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 16,171,025
Accounts Receivable	697
Intergovernmental Receivable	15,925,560
Prepaid Items	8,341
Taxes Receivable	3,167,882
Noncurrent Assets:	
Non-Depreciable Capital Assets	2,053,155
Depreciable Capital Assets, net	2,166,843
Net OPEB Asset	384,452
<i>Total Assets</i>	39,877,955
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions and OPEB:	
State Teachers Retirement System	1,260,035
School Employees Retirement System	528,563
<i>Total Deferred Outflows of Resources</i>	1,788,598
LIABILITIES:	
Current Liabilities:	
Accounts Payable	22,558
Accrued Wages and Benefits Payable	473,894
Intergovernmental Payable	101,843
Accrued Interest Payable	51,524
Non-Current Liabilities:	
Due Within One Year	432,865
Due in More Than One Year	
Net Pension Liability (See Note 9)	7,152,728
Net OPEB Liability (See Note 10)	627,214
Other Amounts Due in More Than One Year	11,460,881
<i>Total Liabilities</i>	20,323,507
DEFERRED INFLOWS OF RESOURCES:	
Pensions and OPEB:	
State Teachers Retirement System	748,770
School Employees Retirement System	270,723
Property Taxes not Levied to Finance Current Year Operations	2,527,487
<i>Total Deferred Inflows of Resources</i>	3,546,980
NET POSITION:	
Net Investment in Capital Assets	3,703,212
Restricted for Debt Service	690,505
Restricted for Capital Outlay	17,145,590
Restricted for Other Purposes	181,559
Unrestricted (Deficit)	(3,924,800)
<i>Total Net Position</i>	\$ 17,796,066

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

Green Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 3,494,801	\$ 171,502	\$ 457,640	\$ (2,865,659)
Special	1,264,731	50,554	879,179	(334,998)
Vocational	1,000	39	49,803	48,842
Other	1,181,372	77,444	-	(1,103,928)
Support Services:				
Pupils	256,485	5,177	170,969	(80,339)
Instructional Staff	231,649	13,084	30,759	(187,806)
Board of Education	242,516	15,903	-	(226,613)
Administration	729,667	43,675	61,155	(624,837)
Fiscal	291,970	18,003	938	(273,029)
Operation and Maintenance of Plant	648,619	39,862	4,526	(604,231)
Pupil Transportation	600,565	34,119	-	(566,446)
Operation of Non-Instructional Services	185,086	3,913	160,645	(20,528)
Extracurricular Activities	198,741	93,105	58,896	(46,740)
Interest and Fiscal Charges	323,216	980	-	(322,236)
Total Governmental Activities	\$ 9,650,418	\$ 567,360	\$ 1,874,510	(\$7,208,548)

General Revenues:

Property Taxes Levied for:		
General Purposes		1,831,565
Classroom Facilities Maintenance		43,511
Debt Service		689,966
Capital Improvements		43,511
Grants and Entitlements not Restricted to Specific Programs		4,802,327
Gifts and Donations not Restricted to Specific Programs		630
Investment Earnings		55,613
Payments in Lieu of Taxes		104,400
Miscellaneous		138,716

Total General Revenues 7,710,239

Change in Net Position 501,691

Net Position Beginning of Year - As Restated 17,294,375

Net Position End of Year \$ 17,796,066

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

Green Local School District
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Building Project Fund	Classroom Facilities Fund	All Other Governmental Funds	Total Governmental Funds
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,117,146	\$ 4,381,551	\$ 7,893,622	\$ 778,706	\$ 16,171,025
Accounts Receivable	697	-	-	-	697
Intergovernmental Receivable	33,467	-	15,771,679	120,414	15,925,560
Prepaid Items	8,341	-	-	-	8,341
Taxes Receivable	2,199,614	-	-	968,268	3,167,882
<i>Total Assets</i>	<u>\$ 5,359,265</u>	<u>\$ 4,381,551</u>	<u>\$ 23,665,301</u>	<u>\$ 1,867,388</u>	<u>\$ 35,273,505</u>
LIABILITIES:					
Accounts Payable	\$ 22,558	\$ -	\$ -	\$ -	\$ 22,558
Accrued Wages and Benefits	386,456	-	-	87,438	473,894
Intergovernmental Payable	93,120	-	-	8,723	101,843
<i>Total Liabilities</i>	<u>502,134</u>	<u>-</u>	<u>-</u>	<u>96,161</u>	<u>598,295</u>
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes not Levied to Finance Current Year Operations	1,764,337	-	-	763,150	2,527,487
Unavailable Revenue - Delinquent Taxes	354,959	-	-	145,131	500,090
Unavailable Revenue - Grants	-	-	15,710,390	26,726	15,737,116
<i>Total Deferred Inflows of Resources</i>	<u>2,119,296</u>	<u>-</u>	<u>15,710,390</u>	<u>935,007</u>	<u>18,764,693</u>
FUND BALANCES:					
Nonspendable	8,341	-	-	-	8,341
Restricted	-	4,381,551	7,954,911	858,034	13,194,496
Committed	66,398	-	-	-	66,398
Assigned	3,084	-	-	-	3,084
Unassigned (Deficit)	2,660,012	-	-	(21,814)	2,638,198
<i>Total Fund Balances</i>	<u>2,737,835</u>	<u>4,381,551</u>	<u>7,954,911</u>	<u>836,220</u>	<u>15,910,517</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 5,359,265</u>	<u>\$ 4,381,551</u>	<u>\$ 23,665,301</u>	<u>\$ 1,867,388</u>	<u>\$ 35,273,505</u>

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

Green Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2021*

Total Governmental Fund Balances \$15,910,517

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 4,219,998

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Taxes	500,090	
Intergovernmental	15,737,116	
Total	16,237,206	16,237,206

The net pension and OPEB liability (asset) is not due and payable (receivable) in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in the funds.

Deferred outflows of resources related to pensions and OPEB	1,788,598	
Net OPEB Asset	384,452	
Deferred inflows of resources related to pensions and OPEB	(1,019,493)	
Net Pension Liability	(7,152,728)	
Net OPEB Liability	(627,214)	(6,626,385)

Long-term liabilities, including accrued interest, bonds, premiums, capital lease, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued Interest	(51,524)	
Compensated Absences	(396,229)	
General Obligation Bonds and Premiums	(11,047,517)	
Capital Lease Obligations	(450,000)	

Total		(11,945,270)
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Net Position of Governmental Activities \$ 17,796,066

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

Green Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Building Project Fund	Classroom Facilities Fund	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	\$ 1,800,631	\$ -	\$ -	\$ 764,553	\$ 2,565,184
Intergovernmental	5,149,345	-	1,154,884	1,536,150	7,840,379
Interest	3,705	8,810	41,827	1,271	55,613
Tuition and Fees	494,803	-	-	-	494,803
Extracurricular Activities	6,349	-	-	63,237	69,586
Gifts and Donations	-	-	-	630	630
Customer Sales and Services	-	-	-	2,971	2,971
Payments in Lieu of Taxes	77,966	-	-	26,434	104,400
Miscellaneous	138,716	-	-	-	138,716
<i>Total Revenues</i>	<u>7,671,515</u>	<u>8,810</u>	<u>1,196,711</u>	<u>2,395,246</u>	<u>11,272,282</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	2,709,520	-	-	475,654	3,185,174
Special	718,687	-	-	488,331	1,207,018
Vocational	599	-	-	-	599
Other	1,181,013	-	-	-	1,181,013
Support Services:					
Pupils	63,101	-	-	177,534	240,635
Instructional Staff	185,094	-	-	31,940	217,034
Board of Education	240,941	-	-	-	240,941
Administration	593,802	-	-	63,503	657,305
Fiscal	256,970	-	-	17,428	274,398
Operation and Maintenance of Plant	579,616	-	-	4,700	584,316
Pupil Transportation	504,717	-	-	-	504,717
Operation of Non-Instructional Services	5,974	-	-	168,394	174,368
Extracurricular Activities	120,584	-	-	61,157	181,741
Capital Outlay	37,373	274,638	1,251,254	85,900	1,649,165
Debt Service:					
Principal	50,000	-	-	425,000	475,000
Interest	14,949	-	-	321,205	336,154
<i>Total Expenditures</i>	<u>7,262,940</u>	<u>274,638</u>	<u>1,251,254</u>	<u>2,320,746</u>	<u>11,109,578</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>408,575</u>	<u>(265,828)</u>	<u>(54,543)</u>	<u>74,500</u>	<u>162,704</u>
OTHER FINANCING SOURCES AND (USES):					
Transfers In	-	-	762,754	5,012	767,766
Transfers Out	(767,766)	-	-	-	(767,766)
<i>Total Other Financing Sources and (Uses)</i>	<u>(767,766)</u>	<u>-</u>	<u>762,754</u>	<u>5,012</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(359,191)	(265,828)	708,211	79,512	162,704
<i>Fund Balance at Beginning of Year - As Restated</i>	<u>3,097,026</u>	<u>4,647,379</u>	<u>7,246,700</u>	<u>756,708</u>	<u>15,747,813</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,737,835</u>	<u>\$ 4,381,551</u>	<u>\$ 7,954,911</u>	<u>\$ 836,220</u>	<u>\$ 15,910,517</u>

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

Green Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021*

Net Change in Fund Balances - Total Governmental Funds \$162,704

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation in the current period.

Capital Asset Additions	1,649,165	
Current Year Depreciation	(209,648)	
Total	1,439,517	1,439,517

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	43,369	
Intergovernmental	(1,163,542)	
Total	(1,120,173)	(1,120,173)

Repayment of bonds and capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.

475,000

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

559,802

Except for amounts reported as deferred inflows/outflows, changes in the net pension and net OPEB liability (asset) are reported as pension/OPEB expense (gain) in the statement of activities.

(1,023,708)

Interest is reported as an expenditure when due in the governmental funds, but is accrued as outstanding debt on the statement of net position.

Accrued Interest Payable	2,863	
Premium	10,075	
	12,938	12,938

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

Increase in Compensated Absences		(4,389)
		(4,389)

Net Change in Net Position of Governmental Activities

\$501,691

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

Green Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
(Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
Total Revenues and Other Financing Sources	\$ 7,462,748	\$ 7,768,999	\$ 7,768,999	\$ -
Total Expenditures and Other Financing Uses	<u>7,443,075</u>	<u>8,178,922</u>	<u>8,141,612</u>	<u>37,310</u>
Net Change in Fund Balance	19,673	(409,923)	(372,613)	37,310
Fund Balance, July 1, 2020	3,409,117	3,409,117	3,409,117	-
Prior Year Encumbrances Appropriated	<u>5,841</u>	<u>5,841</u>	<u>5,841</u>	<u>-</u>
Fund Balance, June 30, 2021	<u>\$ 3,434,631</u>	<u>\$ 3,005,035</u>	<u>\$ 3,042,345</u>	<u>\$ 37,310</u>

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

Green Local School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Private Purpose Trust Fund</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 4,073</u>
NET POSITION:	
Held in Trust for Scholarships	<u>4,073</u>
<i>Total Net Position</i>	<u>\$ 4,073</u>

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

Green Local School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2021

	Private Purpose Trust Fund
ADDITIONS:	
Gifts and Contributions	\$ 1,500
<i>Total Additions</i>	1,500
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	2,500
Change in Net Position	(1,000)
<i>Net Position Beginning of Year</i>	5,073
<i>Net Position End of Year</i>	\$ 4,073

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

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Green Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1926 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 36 square miles. It is located in Scioto County, and includes all of Green Township. It is staffed by 26 non-certificated employees and 49 certificated full-time teaching personnel who provide services to 540 students and other community members. The School District currently operates three instructional buildings, one administrative building, and one maintenance building.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Green Local School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The following organizations which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these organizations nor are they fiscally dependent on the School District:

- * Boosters Clubs
- * Parent Teacher Organizations

The School District is associated with six organizations, three of which are defined as jointly governed organizations, one as a public entity shared risk pool, and two as insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association (META), the Scioto County Career Technical Center, the Coalition of Rural and Appalachian Schools, the Optimal Health Initiatives Consortium, the Schools of Ohio Risk Sharing Authority (SORSA), and the Ohio School Comp Workers' Compensation Group Rating Plan. These organizations are presented in Notes 13 and 14 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Green Local School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis Of Presentation - Fund Accounting

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. The major funds are presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund

The General Fund is the general operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Building Project Fund

The Building Project Fund is a fund used to account for all monies received and expended in connection with contracts entered into by the School District for the acquisition, construction or improvement of capital facilities.

Classroom Facilities Fund

The Classroom Facilities Fund is a fund provided to account for all monies received and expended in connection with contracts entered into by the School District and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's fiduciary fund consists of a private purpose trust fund which is used to maintain financial activity of the School District's college scholarship donations.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows/outflows of resources associated with the operation of the School District are included on the statement of net position. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the presentation of expenses versus expenditures, the recording of deferred inflows/outflows of resources related to delinquent taxes, intergovernmental revenues, and the recording of net pension and other postemployment benefit liabilities (assets) and their related deferred inflows and outflows of resources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, tuition, grants, and fees.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits. The deferred outflows of resources related to pension and other postemployment benefits are explained in Note 9 and Note 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, other postemployment benefits, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and other postemployment benefits are reported on the government-wide statement of net position. (See Note 9 and Note 10)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund and object level and has the authority to allocate appropriations at the function and object level without resolution by the Board.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate in effect when the final appropriations for the fiscal year were passed.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Cash Equivalents on the financial statements.

During fiscal year 2021, the School District's investments were limited to funds invested in the State Treasury Assets Reserve of Ohio (STAROhio), commercial paper, money market accounts, and negotiable certificates of deposit. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAROhio reserves the right to limit the transaction to \$250 million per day. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited during fiscal year 2021 amounted to \$3,705 for the General Fund, \$8,810 for the Building Project Fund, \$41,827 for the Classroom Facilities Fund, and \$1,271 for All Other Governmental Funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. The School District's certificates of deposit are reported on the financial statements as equity in pooled cash and cash equivalents.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets and Depreciation

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$1,000. The School District does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The School District does not capitalize interest for capital asset purchases.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15-40 years
Buildings and Improvements	10-40 years
Furniture and Equipment	5-20 years
Vehicles	4-8 years
Textbooks	7 years

F. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future.

The accrual amount is based upon accumulated sick leave and accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the School District's severance policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid. The School District reported no matured compensated absences payable as of June 30, 2021.

G. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. Net Position

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, instruction, support services, and extracurricular activities.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Of the School District's \$18,017,654 in restricted net position, none is restricted by enabling legislation.

K. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Interfund transfers within governmental activities are eliminated in the statement of activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

L. Pensions and Other PostEmployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

N. Issuance Costs and Bond Premiums

On the government-wide financial statements, issuance costs are recorded as expenses. Issuance costs are recognized as expenditures on the fund financial statements.

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. On the fund financial statements bond premiums are recognized in the current period.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment or assignment of fund balance for governmental fund types (GAAP basis); and
4. Budgetary revenues and expenditures of the Public School Support Fund and Termination Benefits Fund are reclassified to the General Fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$ (359,191)
Revenue Accruals	103,833
Expenditure Accruals	(148,399)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	34,456
Encumbrances	<u>(3,312)</u>
Budget Basis	<u>\$ (372,613)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government Custodial or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal Custodial securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,628,009 of the School District's bank balance of \$1,878,009 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

The School District does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured;
or

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments As of June 30, 2021, the School District had the following investments:

	Measurement Amount	Less than 12 months	1-2 Years	3-5 Years
Money Markets	\$2,017,367	\$2,017,367	\$0	\$0
Commercial Paper	2,147,031	2,147,031	0	0
StarOhio	8,787,921	8,787,921	0	0
Negotiable Certificates of Deposit	1,456,068	130,000	352,000	974,068
Total Investment Portfolio	\$14,408,387	\$13,082,319	\$352,000	\$974,068

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2021. As discussed further in Note 2D, STAR Ohio is reported at its share price. Commercial Paper investments are Level 2 inputs. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Although the School District does not have an investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits their investments to STAROhio, Negotiable Certificates of Deposit, Commercial Paper, and Money Markets. Investments in STAR Ohio and the Money Market account were rated AAAM by Standard & Poor's and the commercial paper was rated A-1 by Standard & Poor's. The School District's investments in individual marketable certificates of deposit are fully insured by the Federal Deposit Insurance Corporation.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does have an investment policy which allows investments as outlined in the sections of Chapter 135 of the Ohio Revised Code, at a price not exceeding their fair market value. The School District has invested 14 percent in Money Markets, 15 percent in commercial paper, 10 percent in negotiable certificates of deposit, and 61 percent in STAROhio.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected in 2021 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The assessed values upon which fiscal year 2021 taxes were collected are:

	2020 Second- Half Collections		2021 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 70,568,560	78.06%	\$ 70,393,290	77.54%
Public Utility	19,834,180	21.94%	20,394,940	22.46%
Total Assessed Value	\$ 90,402,740	100.00%	\$ 90,788,230	100.00%
Tax rate per \$1,000 of assessed valuation	\$ 33.57		\$ 33.57	

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2021 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amounts available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2021, was \$80,318 in the General Fund and \$59,987 in All Other Governmental Funds.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 6 - RECEIVABLES

Receivables at June 30, 2021, consisted of accounts, taxes, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	Amount
Major Funds:	
General Fund	\$ 33,467
Classroom Facilities Fund	15,771,679
Non-Major Special Revenue Funds:	
Lunchroom	4,159
Public School Preschool	9,413
Emergency Relief Fund	40,647
Title VI-B	9,140
Title I	50,781
Miscellaneous Federal Grants	6,274
Total Non-Major Special Revenue Funds	120,414
Total All Funds/Governmental Activities	\$ 15,925,560

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021, was as follows:

	Ending Balance 6/30/2020	Additions	Deletions	Ending Balance 6/30/2021
Capital Assets, Not Being Depreciated				
Construction in Process	\$ -	\$ 1,525,892	\$ -	\$ 1,525,892
Land	527,263	-	-	527,263
Total Capital Assets, Not Being Depreciated	527,263	1,525,892	-	2,053,155
Capital Assets, Being Depreciated				
Land Improvements	395,170	-	-	395,170
Buildings and Improvements	5,698,618	-	-	5,698,618
Furniture and Equipment	1,736,940	1,373	-	1,738,313
Vehicles	747,118	121,900	-	869,018
Textbooks	470,963	-	-	470,963
Total Capital Assets, Being Depreciated	9,048,809	123,273	-	9,172,082
Less Accumulated Depreciation				
Land Improvements	(311,859)	(8,026)	-	(319,885)
Buildings and Improvements	(4,146,257)	(91,802)	-	(4,238,059)
Furniture and Equipment	(1,390,680)	(45,744)	-	(1,436,424)
Vehicles	(521,080)	(63,412)	-	(584,492)
Textbooks	(425,715)	(664)	-	(426,379)
Total Accumulated Depreciation	(6,795,591)	(209,648)	-	(7,005,239)
Total Capital Assets, Being Depreciated, Net	2,253,218	(86,375)	-	2,166,843
Governmental Activities Capital Assets, Net	\$ 2,780,481	\$ 1,439,517	\$ -	\$ 4,219,998

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 7 - CAPITAL ASSETS (continued)

Depreciation expense was charged to government functions as follows:

Regular Instruction	\$ 83,001
Special Instruction	2,088
Vocational Instruction	401
Other Instruction	359
S.S. Instructional Staff	183
S.S. Administration	122
S.S. Operation and Maintenance of Plant	36,021
S.S. Pupil Transportation	80,254
Operation of Non-Instructional Services	3,904
Extracurricular Activities	3,315
	\$ 209,648

The School District’s capital assets reported above include \$4,513,464 in fully depreciated assets that are still owned or being utilized by the School District.

NOTE 8 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$23,402,142
Earthquake (\$50,000 deductible)	2,000,000
Computer Equipment (\$1,000 deductible)	1,000,000
Automobile Liability	15,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	15,000,000
Total per year	17,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. The School District evaluated its coverage during the current fiscal year and increased its coverage from prior year.

The School District participates in the Optimal Health Initiatives Consortium (the “Consortium”), a public entity shared risk pool (Note 14), consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, and the Butler Health Plan. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District’s behalf.

For fiscal year 2021, the School District participated in the Ohio SchoolComp Workers’ Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 14). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers’ compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP’s selection criteria. The firm of Sedgwick, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions and OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the District's proportionate share of each pension and OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions and OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB Statements No. 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - School Employees Retirement System (SERS) (continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, 14.0% was designated to pension, death benefits, and Medicare B. There was no amount allocated to the Health Care Fund for fiscal year 2021.

The School District's contractually required contribution to SERS was \$160,896 for fiscal year 2021. Of this amount \$9,037 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - State Teachers Retirement System (STRS) (continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until Aug. 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS Ohio was \$379,580 for fiscal year 2021. Of this amount \$70,249 is reported as an intergovernmental payable.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability reported as of June 30, 2021 was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability - Current Year	0.0281178%	0.02187494%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0269248%</u>	<u>0.02233483%</u>	
Change in Proportionate Share Proportion of the Net Pension Liability	<u>0.0011930%</u>	<u>-0.00045989%</u>	
Pension Expense	\$1,859,771	\$5,292,957	\$7,152,728
	\$338,957	\$731,456	\$1,070,413

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$3,611	\$11,877	\$15,488
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	61,690	258,709	320,399
Changes of assumptions	0	284,130	284,130
Differences between projected and actual investment earnings	118,058	257,397	375,455
School District contributions subsequent to the measurement date	<u>160,896</u>	<u>379,580</u>	<u>540,476</u>
Total	<u>\$344,255</u>	<u>\$1,191,693</u>	<u>\$1,535,948</u>
Deferred Inflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$0	\$33,845	\$33,845
Differences between projected and actual investment earnings	0	236,431	236,431
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	<u>0</u>	<u>27,094</u>	<u>27,094</u>
Total	<u>\$0</u>	<u>\$297,370</u>	<u>\$297,370</u>

\$540,476 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	\$55,796	\$224,015	\$279,811
2023	41,391	(58,933)	(17,542)
2024	49,209	186,914	236,123
2025	36,963	162,747	199,710
Total	\$183,359	\$514,743	\$698,102

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent - On and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement.
Inflation	3.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five-year period ended June 30, 2015.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS (continued)

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Estate	17.00	6.60
Multi-Asset Strategy	5.00	6.65
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 benefits 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 Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$2,547,659	\$1,859,771	\$1,282,619

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Payroll Increases	3.0%
Investment Rate of Return	7.45 percent, net of investment expenses
Discount Rate of Return	7.45%
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55 %
Alternatives	17.00	7.09 %
Fixed Income	21.00	3.00 %
Real Estate	10.00	6.00 %
Liquidity Reserves	<u>1.00</u>	2.25 %
Total	<u>100.00 %</u>	

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions – STRS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, 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 one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$7,536,249	\$5,292,957	\$3,391,954

Assumptions and Benefit Changes Since the Prior Measurement Date - There were no changes in assumptions or benefit terms since the prior measurement date.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2020, none of the members of the Board of Education had elected Social Security. The Board’s liability is 6.2 percent of wages paid.

NOTE 10 – DEFINED BENEFIT OPEB PLANS

See Note 9 for a description of the net OPEB liability (asset).

School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS’ health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS’ health care coverage. Most retirees and dependents choosing SERS’ health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

School Employees Retirement System (continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$19,326.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. No portion of covered payroll was allocated to the Health Care Fund in 2021. The School District's contractually required contribution to SERS was \$19,326 for fiscal year 2021.

State Teachers Retirement System

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB (asset) liability was measured as of June 30, 2020, and the total OPEB (asset) liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB (asset) liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion Share of the Net OPEB Liability (Asset) - Current Year	0.02885960%	0.02187494%	
Proportion Share of the Net OPEB Liability (Asset) - Prior Year	<u>0.02770380%</u>	<u>0.02233483%</u>	
Change in Proportionate Share	<u>0.00115580%</u>	<u>-0.00045989%</u>	
Proportionate Share of the Net OPEB Liability	\$627,214	\$0	\$627,214
Proportionate Share of the Net OPEB Asset	\$0	(\$384,452)	(\$384,452)
OPEB Expense (Gain)	(\$25,650)	(\$21,055)	(\$46,705)

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$6,533	\$24,634	\$31,167
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	68,057	23,889	91,946
Changes of assumptions	84,787	6,346	91,133
Differences between projected and actual investment earnings	5,605	13,473	19,078
School District contributions subsequent to the measurement date	<u>19,326</u>	<u>-</u>	<u>19,326</u>
Total	<u>\$184,308</u>	<u>\$68,342</u>	<u>\$252,650</u>
Deferred Inflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$252,956	\$76,577	\$329,533
Changes of assumptions	12,528	365,165	377,693
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	<u>5,239</u>	<u>9,658</u>	<u>14,897</u>
Total	<u>\$270,723</u>	<u>\$451,400</u>	<u>\$722,123</u>

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (continued)

\$19,326 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	(\$21,094)	(\$97,516)	(\$118,610)
2023	(20,689)	(88,263)	(108,952)
2024	(20,756)	(85,126)	(105,882)
2025	(20,219)	(80,496)	(100,715)
2026	(16,522)	(12,972)	(29,494)
Thereafter	(6,461)	(18,685)	(25,146)
Total	(\$105,741)	(\$383,058)	(\$488,799)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – SERS (continued)

Valuation Date	June 30, 2020
Actuarial Assumptions Experience Study Date	5 year period ended June 30, 2015
Investment Rate of Return	7.50 percent, net of investment expenses, including inflation
Price Inflation	3.00%
Salary increases, including price inflation	3.50% - 18.20%
Municipal Bond Index Rate	
Prior Measurement Date	3.13%
Measurement Date	2.45%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Prior Measurement Date	3.22%
Measurement Date	2.63
Medical Trend Assumption	
Pre-Medicare	7.00% - 4.75%
Medicare	5.25% - 4.75%

Mortality Assumptions - Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Estate	17.00	6.60
Multi-Asset Strategy	5.00	6.65
Total	<u>100.00 %</u>	

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – SERS (continued)

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability at June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.0% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS’ net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$767,694	\$627,214	\$515,532

The following table presents the OPEB liability of SERS, what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower and higher than the current rate.

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$493,883	\$627,214	\$805,511

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020 actuarial valuation are presented below:

Projected Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45%	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	-6.69%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	11.87%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Mortality Rates — For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Experience Studies — Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – STRS (continued)

Investment Return Assumptions —STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55 %
Alternatives	17.00	7.09 %
Fixed Income	21.00	3.00 %
Real Estate	10.00	6.00 %
Liquidity Reserves	1.00	2.25 %
Total	100.00 %	

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care fund investments of 7.45% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The following table represents the net OPEB liability (asset) as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB (asset) liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 10 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – STRS (continued)

	1% Decrease in Discount Rate <u>(6.45%)</u>	Current Discount Rate <u>(7.45%)</u>	1% Increase in Discount Rate <u>(8.45%)</u>
School District's proportionate share of the net OPEB (asset) liability	(\$334,498)	(\$384,452)	(\$426,836)

	1% Decrease in Trend Rates <u></u>	Current Trend Rate <u></u>	1% Increase in Trend Rates <u></u>
School District's proportionate share of the net OPEB (asset) liability	(\$424,205)	(\$384,452)	(\$336,027)

Assumption Changes Since the Prior Measurement Date – There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

NOTE 11 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 275 days for classified personnel and 275 days for certified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65 days for classified and 64 days for certified personnel.

Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Core Source, Inc.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 12 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2021 were as follows:

	Principal Outstanding 06/30/20	Additions	Deductions	Principal Outstanding 06/30/21	Due in One Year
Compensated Absences	\$ 391,840	\$ 412,009	\$ 407,620	\$ 396,229	\$ 7,865
Net Pension Liability:					
STRS	4,939,213	353,744	-	5,292,957	-
SERS	1,610,958	248,813	-	1,859,771	-
Total Net Pension Liability	<u>6,550,171</u>	<u>602,557</u>	<u>-</u>	<u>7,152,728</u>	<u>-</u>
Net OPEB Liability:					
STRS	-	-	-	- *	-
SERS	696,692	-	69,478	627,214	-
Total OPEB Liability	<u>696,692</u>	<u>-</u>	<u>69,478</u>	<u>627,214</u>	<u>-</u>
School Facilities Construction and Improvement Bonds	2,070,000	-	150,000	1,920,000	375,000
Premium	32,300	-	3,400	28,900	-
School Facilities Construction and Improvement Bonds	9,150,000	-	275,000	8,875,000	-
Premium	230,292	-	6,675	223,617	-
Total Improvement Bonds	<u>11,482,592</u>	<u>-</u>	<u>435,075</u>	<u>11,047,517</u>	<u>375,000</u>
Capital Lease	500,000	-	50,000	450,000	50,000
Total Long-Term Obligations	<u>\$ 19,621,295</u>	<u>\$ 1,014,566</u>	<u>\$ 962,173</u>	<u>\$ 19,673,688</u>	<u>\$ 432,865</u>

* OPEB for STRS has a Net OPEB asset in the amount of \$384,452 as of June 30, 2021.

Compensated absences will be paid from the fund in which the employees' salaries are paid, with the most significant fund being the General Fund.

On January 6, 2020, the School District issued Series 2020 School Facilities Construction and Improvement Bonds in the total amount of \$2,070,000. Principal amounts are due annually at an interest rate of 2.41% with last maturity on November 1, 2030. The bonds will be repaid from the Bond Retirement fund.

On August 14, 2019, the School District issued Series 2019 School Facilities Construction and Improvement Bonds in the total amount of \$9,500,000. The issuance consisted of \$625,000 Serial Bonds maturing in fiscal year 2020 and 2021 at an interest rate of 5.0% and \$8,875,000 Term Bonds maturing at various intervals from fiscal years 2032 to 2056 at an interest rate of 3.0%. The bonds will be repaid from the Bond Retirement fund.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 12 - LONG-TERM LIABILITIES (continued)

The School District's overall legal debt margin was \$8,732,487 with an unvoted debt margin of \$90,788 at June 30, 2021.

Principal and interest requirements to retire the School Facilities Construction and Improvement Bonds outstanding at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Bonds Principal	Bonds Interest
2022	\$ 375,000	\$ 308,003
2023	280,000	300,110
2024	142,000	295,025
2025	146,000	291,555
2026	149,000	288,000
2027-2031	828,000	1,382,391
2032-2036	1,170,000	1,247,400
2037-2041	1,495,000	1,047,975
2042-2046	1,775,000	801,375
2047-2051	2,055,000	514,875
2052-2056	2,380,000	182,700
Total	\$ 10,795,000	\$ 6,659,409

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association - META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The School District paid META \$15,611 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Scioto County Career Technical Center - The Scioto County Career Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of five representatives from the City and County Boards within Scioto County, each of which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Career Technical Center, Brett Butler, who serves as Treasurer, at 951 Vern Riffe Drive, Lucasville, Ohio 45648.

Coalition of Rural and Appalachian Schools - The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District did not utilize the services of the Coalition during the year.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 14 - PUBLIC ENTITY SHARED RISK POOL AND INSURANCE PURCHASING POOLS

Optimal Health Initiatives Consortium - The School District is a member of the Optimal Health Initiatives Consortium (the “Consortium”), a public entity shared risk pool, consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, and the Butler Health Plan. The overall objective of the Consortium is to enable its members to purchase employee benefits and related products and services using the Consortium’s economies of scale to create cost-savings. The Council’s business and affairs are managed by an Executive Board of Trustees, consisting of the chairperson of each division’s board of trustees and the chairperson of the Butler Health Plan. The participants pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the fiscal agent, Charlie Leboeus, Mounyjoy Chilton Medley, LLP, 201 East 5th Street, Suite 2100, Cincinnati, Ohio 45202.

Schools of Ohio Risk Sharing Authority - The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing insurance pool. The pool consists of 105 school districts, joint vocational schools, and educational service centers throughout Ohio who pool risk for property, crime, liability, boiler and machinery, and public official liability coverage. SORSA is governed by a board of trustees elected by members. The School District pays an annual premium to SORSA for this coverage. Reinsurance is purchased to cover claims exceeding this amount and for all claims related to equipment breakdown coverage.

Ohio SchoolComp Workers’ Compensation Group Rating Plan - The School District participates in the Ohio SchoolComp Workers’ Compensation Group Rating Plan (GRP), an insurance purchasing pool. The Ohio School Board Association (OSBA) and the Ohio Association of School Business Officials (OASBO) co-sponsor the GRP. The Executive Directors of the OSBA and the OASBO, or their designees, serve as coordinators of the program.

NOTE 15 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years.

The following information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Acquisition</u>
Set-aside Balance as of June 30, 2020	\$ -
Current Year Set-aside Requirement	101,066
Current Year Offsets	(91,528)
Current Year Qualifying Expenditures	(9,538)
Set-aside Balance as of June 30, 2021	\$ -

The School District had qualifying expenditures and offsets during the fiscal year that would have reduced the capital improvements set-aside amount below zero. However, the carryover amount for Capital Acquisitions is limited to the balance of the offsets attributed to bond or tax levy proceeds so the amount reported is zero. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$11,570,000 at June 30, 2021.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 16 - CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

Litigation

As of June 30, 2021, the School District is not currently party to any legal proceedings.

Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the School District and does not anticipate any further FTE adjustments for fiscal year 2021. These adjustments did not have a significant impact on the School District's funding.

NOTE 17 – INTERFUND ACTIVITY

Transfers

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. In 2021, the General fund transferred monies to the Lunchroom Non-major Special Revenue Fund in the amount of \$5,012 and Classroom Facilities in the amount of \$762,754.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 18 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Building Project	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid Items	\$ 8,341	\$ -	\$ -	\$ -	\$ 8,341
Restricted for					
Other Purposes	-	-	-	178,285	178,285
Classroom Maintenance	-	-	-	118,203	118,203
Debt Services Payments	-	-	-	561,546	561,546
Capital Improvements	-	4,381,551	7,954,911	-	12,336,462
Total Restricted	-	4,381,551	7,954,911	858,034	13,194,496
Committed to					
Termination Benefits	66,398	-	-	-	66,398
Total Committed	66,398	-	-	-	66,398
Assigned to					
Other Purposes	3,084	-	-	-	3,084
Total Assigned	3,084	-	-	-	3,084
Unassigned (Deficit)					
	2,660,012	-	-	(21,814)	2,638,198
Total Fund Balances	<u>\$ 2,737,835</u>	<u>\$ 4,381,551</u>	<u>\$ 7,954,911</u>	<u>\$ 836,220</u>	<u>\$ 15,910,517</u>

NOTE 19 – LEASE OBLIGATION

During a previous fiscal year, the School District entered into a lease for the purpose of constructing a bus garage. Capital assets under this lease have been capitalized in the amount \$601,044. The lease will be paid from the General Fund. The annual requirements to amortize the lease obligation outstanding as of June 30, 2021 are as follows:

Year Ending June 30	Amount
2022	\$63,430
2023	61,850
2024	65,191
2025	63,453
2026	61,715
2027-2028	193,927
Total	509,566
Less: Amount Representing Interest	(59,566)
Present Value of Net Minimum Lease Payments	<u>\$ 450,000</u>

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 20 – NEW ACCOUNTING PRINCIPLES/RESTATEMENT OF NET POSITION/FUND BALANCES

For the fiscal year ended June 30, 2021, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its agency funds and all of the agency funds were reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District’s financial statements.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on net position as of June 30, 2020:

	Governmental <u>Activities</u>
Net Position, June 30, 2020	\$17,282,877
Adjustments:	
GASB 84	<u>11,498</u>
Restated Net Position, June 30, 2020	<u><u>\$17,294,375</u></u>

The implementation of GASB Statement No. 84 had the following effect on fund balance as of June 30, 2020:

	All Other Governmental <u>Funds</u>
Fund Balances, June 30, 2020	\$ 745,210
Adjustments:	
GASB 84	11,498
Restated Fund Balances, June 30, 2020	<u><u>\$ 756,708</u></u>

Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. At June 30, 2020, agency funds reported assets and liabilities of \$11,498. Due to the reclassification of these agency funds, custodial funds reported assets and net position of \$-0- as of June 30, 2020.

NOTE 21 – OTHER MATTERS OF POTENTIAL SIGNIFICANCE

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

The School District’s investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Green Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 22 – ACCOUNTABILITY

At June 30, 2021, the Lunchroom, Public School Preschool, Title VI-B, and the Title I Special Revenue Funds had fund balance deficits of \$12,513, \$6,766, \$265 and \$2,270, respectively, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 23 – SUBSEQUENT EVENTS

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the respective school. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each School District. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

On June 28, 2021, the School District entered into a lease agreement with Daktronics for a scoreboard and related equipment in the amount of \$406,414. There was an initial advance payment of \$81,282.80 required in fiscal year 2022 and then annual payments will be made in the amount of \$81,282.80 in August of 2022, 2023, 2024 and 2025. Proceeds from this lease were not received until fiscal year 2022.

On August 6, 2021, the School District amended their Ohio Facilities Construction Commission project in the amount of \$2,740,786 primarily due to market conditions. The budget must be increased for the design and construction work required to build one new elementary/middle/high school to house grades PK thru 12 to meet minimum design manual standards.

On October 20, 2021, the School District entered into an agreement with WAI Construction Group, LLC in the amount of \$518,000 to complete softball and baseball field upgrades for the School District.

NOTE 24 – CONTRACTUAL COMMITMENTS

As a result of projects that were in progress at June 30, 2021, the District had the following significant outstanding contractual commitments at fiscal year-end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended as of June 30, 2021</u>	<u>Amount Remaining on Contract</u>
SHP-Design, Construction Phase, LFI	\$1,831,017	\$952,560	\$878,457
Geiger Brothers, Inc.-Demolition and Stadium Project	1,043,691	332,283	711,408
Field Turf-Stadium Project	1,697,222	-	1,697,222
Musco-Stadium Project	333,350	-	333,350
Dant Clayton-Stadium Project	606,250	226,405	379,845
Motz-Various Cx services & Related Areas	113,948	9,394	104,554
Daktronics-Stadium Scoreboard & Related	406,414	-	406,414

Green Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total plan pension liability	\$ 21,033,809,319	\$ 20,527,251,448	\$ 19,997,700,966	\$ 19,588,417,687	\$ 19,770,708,121	\$ 18,503,280,961	\$ 17,881,827,171	\$ 17,247,161,078
Plan net position	<u>14,419,598,627</u>	<u>14,544,076,104</u>	<u>14,270,515,748</u>	<u>13,613,638,590</u>	<u>12,451,630,823</u>	<u>12,797,184,030</u>	<u>12,820,884,107</u>	<u>11,300,482,029</u>
Net pension liability	6,614,210,692	5,983,175,344	5,727,185,218	5,974,779,097	7,319,077,298	5,706,096,931	5,060,943,064	5,946,679,049
School District's proportion of the net pension liability	0.0281178%	0.0269248%	0.0250841%	0.0255679%	0.0243933%	0.0265039%	0.0249980%	0.0249980%
School District's proportionate share of the net pension liability	\$ 1,859,771	\$ 1,610,958	\$ 1,436,613	\$ 1,527,626	\$ 1,785,364	\$ 1,512,338	\$ 1,265,135	\$ 1,486,551
School District's covered payroll	\$ 1,115,657	\$ 923,681	\$ 839,919	\$ 824,586	\$ 757,564	\$ 797,883	\$ 726,400	\$ 865,434
School District's proportionate share of the net pension liability as a percentage of its covered payroll	166.70%	174.41%	171.04%	185.26%	235.67%	189.54%	174.17%	171.77%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Eight Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total plan pension liability	\$ 98,672,288,072	\$ 97,840,944,397	\$ 96,904,056,552	\$ 96,126,440,462	\$ 100,756,422,489	\$ 99,014,653,744	\$ 96,167,057,104	\$ 94,366,693,720
Plan net position	<u>74,475,846,279</u>	<u>75,726,545,352</u>	<u>74,916,301,830</u>	<u>72,371,226,119</u>	<u>67,283,408,184</u>	<u>71,377,578,736</u>	<u>71,843,596,331</u>	<u>65,392,746,348</u>
Net pension liability	24,196,441,793	22,114,399,045	21,987,754,722	23,755,214,343	33,473,014,305	27,637,075,008	24,323,460,773	28,973,947,372
School District's proportion of the net pension liability	0.02187494%	0.02233483%	0.02086626%	0.02091039%	0.02125800%	0.02178349%	0.02401380%	0.02401380%
School District's proportionate share of the net pension liability	\$ 5,292,957	\$ 4,939,213	\$ 4,588,022	\$ 4,967,308	\$ 7,115,693	\$ 6,020,319	\$ 5,840,987	\$ 6,957,746
School District's covered payroll	\$ 2,757,686	\$ 2,622,193	\$ 2,372,143	\$ 2,298,843	\$ 2,236,750	\$ 2,272,743	\$ 2,453,623	\$ 2,601,546
School District's proportionate share of the net pension liability as a percentage of its covered payroll	191.93%	188.36%	193.41%	216.08%	318.13%	264.89%	238.06%	267.45%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.29%	66.78%	72.09%	74.71%	69.30%

(1) Information prior to 2014 is not available.
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of School District Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 160,896	\$ 156,192	\$ 124,697	\$ 113,389	\$ 115,442	\$ 106,059	\$ 105,161	\$ 100,679	\$ 119,776	\$ 137,280
Contributions in relation to the contractually required contribution	<u>(160,896)</u>	<u>(156,192)</u>	<u>(124,697)</u>	<u>(113,389)</u>	<u>(115,442)</u>	<u>(106,059)</u>	<u>(105,161)</u>	<u>(100,679)</u>	<u>(119,776)</u>	<u>(137,280)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 1,149,257	\$ 1,115,657	\$ 923,681	\$ 839,919	\$ 824,586	\$ 757,564	\$ 797,883	\$ 726,400	\$ 865,434	\$ 1,020,669
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of School District Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 379,580	\$ 386,076	\$ 367,107	\$ 332,100	\$ 321,838	\$ 313,145	\$ 318,184	\$ 318,971	\$ 338,201	\$ 310,389
Contributions in relation to the contractually required contribution	<u>(379,580)</u>	<u>(386,076)</u>	<u>(367,107)</u>	<u>(332,100)</u>	<u>(321,838)</u>	<u>(313,145)</u>	<u>(318,184)</u>	<u>(318,971)</u>	<u>(338,201)</u>	<u>(310,389)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 2,711,286	\$ 2,757,686	\$ 2,622,193	\$ 2,372,143	\$ 2,298,843	\$ 2,236,750	\$ 2,272,743	\$ 2,453,623	\$ 2,601,546	\$ 2,387,608
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Five Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total plan OPEB liability	\$ 2,655,938,750	\$ 2,978,600,373	\$ 3,209,899,769	\$ 3,065,846,821	\$ 3,220,574,434
Plan net position	<u>482,611,478</u>	<u>463,810,679</u>	<u>435,629,637</u>	<u>382,109,560</u>	<u>370,204,515</u>
Net OPEB liability	2,173,327,272	2,514,789,694	2,774,270,132	2,683,737,261	2,850,369,919
School District's proportion of the net OPEB liability	0.02885960%	0.02770380%	0.02565120%	0.02593680%	0.02476550%
School District's proportionate share of the net OPEB liability	\$ 627,214	\$ 696,692	\$ 711,634	\$ 696,076	\$ 705,908
School District's covered payroll	\$ 946,914	\$ 923,681	\$ 839,919	\$ 824,586	\$ 757,564
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	66.24%	75.43%	84.73%	84.42%	93.18%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Five Fiscal Years i(1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total plan OPEB liability	\$ 2,139,797,000	\$ 2,215,918,000	\$ 2,114,451,000	\$ 7,377,410,000	\$ 8,533,654,000
Plan net position	3,897,296,000	3,872,158,000	3,721,349,000	3,475,779,000	3,185,628,000
Net OPEB liability (asset)	(1,757,499,000)	(1,656,240,000)	(1,606,898,000)	3,901,631,000	5,348,026,000
School District's proportion of the net OPEB liability (asset)	0.02187494%	0.02233483%	0.02086626%	0.02091039%	0.02125800%
School District's proportionate share of the net OPEB liability (asset)	\$ (384,452)	\$ (369,918)	\$ (335,300)	\$ 815,846	\$ 1,136,883
School District's covered payroll	\$ 2,639,964	\$ 2,622,193	\$ 2,372,143	\$ 2,298,843	\$ 2,236,750
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-14.56%	-14.11%	-14.13%	35.49%	50.83%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available.
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of School District Contributions for OPEB
School Employees Retirement System of Ohio
Last Six Fiscal Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 19,326	\$ 17,035	\$ 22,048	\$ 18,958	\$ 14,096	\$ 12,727
Contributions in relation to the contractually required contribution	<u>(19,326)</u>	<u>(17,035)</u>	<u>(22,048)</u>	<u>(18,958)</u>	<u>(14,096)</u>	<u>(12,727)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 1,149,257	\$ 946,914	\$ 923,681	\$ 839,919	\$ 824,586	\$ 757,564
Contributions as a percentage of covered payroll	1.68%	1.80%	2.39%	2.26%	1.71%	1.68%

(1) Information prior to 2016 is not available.

See accompanying notes to required supplementary information.

Green Local School District
Required Supplementary Information
Schedule of School District Contributions for OPEB
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 2,711,286	\$ 2,639,964	\$ 2,622,193	\$ 2,372,143	\$ 2,298,843	\$ 2,236,750
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2016 is not available.

See accompanying notes to required supplementary information.

Pension

School Employees Retirement System (SERS)

Changes in benefit terms

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in benefit terms

2019-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Green Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

Pension (continued)

State Teachers Retirement System (STRS) (continued)

Changes in assumptions (continued)

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

OPEB

School Employees Retirement System (SERS)

Changes in benefit terms

2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

2020: The discount rate was changed from 3.70% to 3.22%

- (1) The Municipal Bond Index Rate decreased from 3.62 percent to 3.13 percent.

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.63% to 3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

Green Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

OPEB (Continued)

School Employees Retirement System (SERS) (Continued)

Changes in assumptions (continued)

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Fiscal Year 2018 3.63%
 - Fiscal Year 2017 2.98%
- (2) Municipal Bond Index Rate:
 - Fiscal Year 2018 3.56%
 - Fiscal Year 2017 2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Fiscal Year 2018 3.63%
 - Fiscal Year 2017 2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP- 2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in benefit terms

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

2020: There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Green Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

OPEB (Continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in assumptions

2021: The health care cost trend rates were changed to the following: medical Pre-Medicare from 5.87% initial – 4.00% ultimate down to 5.00% initial – 4.00% ultimate; medical Medicare from 4.93% initial – 4.00% ultimate down to 9.62% initial – 4.00% ultimate up to 11.87% initial – 4.00% ultimate.

2020: The health care trend assumption rate changed as follows: Medical Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate. Medical Pre-Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate. Prescription Drug Medicare – from 8 percent to 7.73 percent initial, 4 percent ultimate. Prescription Drug Pre-Medicare – from -5.23 percent to 9.62 initial, 4 percent ultimate.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated. There was a decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year

Green Local School District
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Provided Through to Subrecipients	Federal Awards Expenditures
<u>United States Department of Agriculture</u>				
<i>Passed through the Ohio Department of Education</i>				
Child Nutrition Cluster:				
COVID-19 School Breakfast Program	3L70	10.553	\$0	\$952
School Breakfast Program	3L70	10.553	0	48,697
COVID-19 National School Lunch Program	3L60	10.555	0	2,333
National School Lunch Program	3L60	10.555	0	108,183
National School Lunch Program - Non-Cash Assistance	N/A	10.555	0	2,431
Total Child Nutrition Cluster			0	162,596
Total United States Department of Agriculture			0	162,596
<u>United States Department of Treasury</u>				
<i>Passed through the Ohio Department of Education</i>				
COVID-19 Coronavirus Relief Fund	5CV1	21.019	0	35,690
<i>Passed through the South Central Ohio Educational Service Center</i>				
COVID-19 Coronavirus Relief Fund	N/A	21.019	0	42,665
Total Coronavirus Relief Fund			0	78,355
Total United States Department of Treasury			0	78,355
<u>United States Department of Education</u>				
<i>Passed through the Ohio Department of Education</i>				
Special Education Cluster (IDEA):				
Special Education-Grants to States	3M20	84.027A	0	144,758
Special Education-Preschool Grants	3C50	84.173A	1,613	1,613
Total Special Education Cluster (IDEA)			1,613	146,371
Title I Grants to Local Educational Agencies-School Improvement	3M00	84.010A	0	35,029
Title I Grants to Local Educational Agencies	3M00	84.010A	0	297,037
Total Title I Grants to Local Educational Agencies			0	332,066
Rural Education	3Y80	84.358B	0	19,619
School Improvement Grants	3AN0	84.377A	0	40,115
COVID-19 Education Stabilization Fund	3HS0	84.425D	0	232,942
Supporting Effective Instruction State Grants	3Y60	84.367A	0	34,051
Student Support and Academic Enrichment Program	3HI0	84.424A	0	24,254
Total United States Department of Education			1,613	829,418
Total Federal Financial Assistance			\$1,613	\$1,070,369

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

Green Local School District
Notes to the Schedule of Federal Awards Expenditures
2 CFR 200.510(b)(6)
For the Fiscal Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) is a summary of the activity of the District's federal award programs. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – Child Nutrition Cluster

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first.

Note 5 – Food Donation Program

The District reports commodities consumed on the schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

Note 6 – Subrecipients

The District passes certain federal awards received from the Ohio Department of Education to another government (subrecipient). As note 2 describes, the District reports expenditures of federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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*

Independent Auditor's Report

Board of Education
Green Local School District
4070 Gallia Pike
Franklin Furnace, Ohio 45629

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 Green Local School District, Scioto County, Ohio (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 29, 2022, wherein we noted that the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. We also noted the School District restated its beginning net position and fund balances as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities".

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District'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.

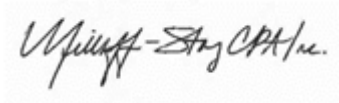
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 School District'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 financial statements. 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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Education
Green Local School District
4070 Gallia Pike
Franklin Furnace, Ohio 45629

Report on Compliance for Each Major Federal Program

We have audited Green Local School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District 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 the School District's major federal programs for the year ended June 30, 2021.

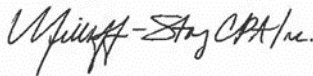
Report on Internal Control Over Compliance

Management of the School District 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 School District'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 the Uniform Guidance, 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 School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

Green Local School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?		No
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		Special Education Cluster (IDEA), AL #84.027A & AL #84.173A; Title I Grants to Local Educational Agencies, AL #84.010A
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?		No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

OHIO AUDITOR OF STATE KEITH FABER



GREEN LOCAL SCHOOL DISTRICT

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 5/17/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov