



Dave Yost • Auditor of State

**GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis	13
Statement of Activities – Cash Basis	14
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis Governmental Funds	15
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds	16
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balance - Budget and Actual (Budget Basis) General Fund	17
Statement of Fiduciary Net Position – Cash Basis Fiduciary Funds	18
Statement of Changes in Fiduciary Net Position – Cash Basis Private purpose Trust Fund	19
Notes to the Basic Financial Statements	21
Schedule of Federal Awards Receipts and Expenditures.....	47
Notes to the Schedule of Federal Awards Receipts and Expenditures	48
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	49
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A133	51
Schedule of Findings.....	53
Schedule of Prior Audit Findings.....	55

THIS PAGE INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Green Local School District
Wayne County
100 Smithie Drive
P.O. Box 438
Smithville, Ohio 44677

To the Board of Education:

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, Wayne County, Ohio (the School District), as of and for the year ended June 30, 2015 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 preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Local School District, Wayne County, Ohio, as of June 30, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this and Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to the Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2016, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

February 4, 2016

THIS PAGE INTENTIONALLY LEFT BLANK

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The discussion and analysis of the Green Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position decreased \$1,520,315, as final disbursements were made associated with the Ohio Facilities Construction Commission ("OFCC") project that began in fiscal year 2012.
- Outstanding debt decreased from \$12,700,313 to \$12,586,927 through capital lease and principal payments, as well as a debt refunding, made during the current year.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Green Local School District as a whole, entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District. 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 what remains 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. For fiscal year 2015, the general fund, the bond retirement fund and the classroom facilities fund are the School District's most significant funds.

Basis of Accounting

The School District has elected to present its financial statements on the cash basis of accounting. This cash basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions.

Essentially, the only assets reported on this strictly cash receipt and disbursement basis presentation in a statement of net position will be cash and cash equivalents. The statement of activities reports cash receipts and disbursements, or in other words, the sources and uses of cash and cash equivalents. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The statement of net position and the statement of activities answer this question.

These two statements report the School District's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, governmental activities include the School District's programs and services, including instruction, support services, extracurricular activities and food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds include the general fund, the bond retirement fund and the classroom facilities 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 cash basis of accounting. 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 determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Reporting the School District's Fiduciary Responsibilities

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. These funds are not reflected in the government-wide financial statements because the resources are not available to support the School District's own programs.

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2015 compared to 2014.

(Table 1)
Net Position – Cash Basis

	Governmental Activities	
	2015	2014
Assets		
Equity in Pooled Cash and Investments	\$ 6,845,424	\$ 8,365,739
Cash and Investments with Fiscal Agents	330,255	330,255
<i>Total Assets</i>	\$ 7,175,679	\$ 8,695,994
Net Position		
Restricted for:		
Capital Outlay	\$ 3,075,673	\$ 5,547,567
Debt Service	879,512	592,083
Other Purposes	500,222	230,876
Unrestricted	2,720,272	2,325,468
<i>Total Net Position</i>	\$ 7,175,679	\$ 8,695,994

Net position of the governmental activities decreased \$1,520,315, which represents a 17 percent decrease from fiscal year 2014. The decrease is primarily due to continued disbursements associated with the remaining construction costs made during fiscal year 2015 from the Ohio Facilities Construction Commission ("OFCC") project that began in fiscal year 2012.

A portion of the School District's net position, \$4,455,407 or 62 percent, represents resources subject to external restrictions on how they may be used. The remaining balance of the government-wide unrestricted net position of \$2,720,272 may be used to meet the School District's ongoing obligations.

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 2 shows the changes in net position for fiscal year 2015 as compared to fiscal year 2014. Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue for fiscal year 2015. For comparability purposes, the fiscal year 2014 column in Tables 2 and 3 were also updated.

(Table 2)
Changes in Net Position – Cash Basis

	Governmental Activities	
	2015	2014
Receipts		
Program Receipts		
Charges for Services and Sales	\$ 1,257,325	\$ 1,169,943
Operating Grants, Contributions and Interest	1,428,198	1,385,108
Capital Grants, Contributions and Interest	22,096	0
<i>Total Program Receipts</i>	<u>2,707,619</u>	<u>2,555,051</u>
General Receipts		
Property Taxes	4,608,694	4,490,005
Grants and Entitlements not Restricted to		
Specific Programs	5,698,006	6,228,184
Proceeds from Sale of Capital Assets	32,645	19,117
Proceeds of General Obligation Bonds	7,069,998	0
Premium on Debt Issuance	326,096	0
Investment Earnings	2,411	48,425
Miscellaneous	141,589	130,441
<i>Total General Receipts</i>	<u>17,879,439</u>	<u>10,916,172</u>
<i>Total Receipts</i>	<u>20,587,058</u>	<u>13,471,223</u>
Program Disbursements		
Instruction:		
Regular	5,769,096	5,735,727
Special	1,143,484	1,033,939
Vocational	135,034	133,459
Other	105,143	138,521
Support Services:		
Pupils	379,148	457,953
Instructional Staff	213,995	102,836
Board of Education	108,620	82,308
Administration	916,224	1,079,111
Fiscal	342,546	281,806
Operation and Maintenance of Plant	915,862	782,489
Pupil Transportation	711,587	662,266
Central	29,301	12,643
Operation of Non-Instructional Services:		
Food Service Operations	253,972	311,213
Extracurricular Activities	433,552	504,872
Capital Outlay	2,674,579	12,989,787
Debt Service:		
Payment to Refunded Bond Escrow Agent	7,124,019	0
Principal Retirement	127,993	37,149
Interest and Fiscal Charges	593,718	718,304
Issuance Costs	129,500	0
<i>Total Program Disbursements</i>	<u>22,107,373</u>	<u>25,064,383</u>
<i>Change in Net Position</i>	<u>(1,520,315)</u>	<u>(11,593,160)</u>
<i>Net Position Beginning of Year</i>	<u>8,695,994</u>	<u>20,289,154</u>
<i>Net Position End of Year</i>	<u>\$ 7,175,679</u>	<u>\$ 8,695,994</u>

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Total receipts increased \$7,115,835, or 53 percent, mostly due to the refunding of the Building America bonds. See Note 10 for further information on the refunding.

Capital outlay disbursements decreased \$10,315,208 due to construction of the OFCC project being substantially completed in fiscal year 2014. Debt service disbursements increased due to the debt refunding mentioned above.

Governmental Activities

The statement of activities shows the cost of program services and the charges for services 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 tax revenue and unrestricted State entitlements.

(Table 3)
Governmental Activities – Cash Basis

	Total Costs of Services		Net Costs of Services	
	2015	2014	2015	2014
Program Disbursements				
Instruction:				
Regular	\$ 5,769,096	\$ 5,735,727	\$ 4,602,642	\$ 4,817,923
Special	1,143,484	1,033,939	455,210	335,224
Vocational	135,034	133,459	111,422	112,681
Other	105,143	138,521	105,143	138,521
Support Services:				
Pupils	379,148	457,953	377,193	457,953
Instructional Staff	213,995	102,836	154,827	68,166
Board of Education	108,620	82,308	108,620	82,308
Administration	916,224	1,079,111	907,786	1,079,111
Fiscal	342,546	281,806	320,314	281,806
Operation and Maintenance of Plant	915,862	782,489	915,862	782,489
Pupil Transportation	711,587	662,266	688,193	640,834
Central	29,301	12,643	29,301	12,643
Operation of Non-Instructional Services:				
Food Service Operations	253,972	311,213	(15,476)	10,905
Extracurricular Activities	433,552	504,872	263,494	336,795
Capital Outlay	2,674,579	12,989,787	2,652,483	12,989,645
Debt Service:				
Payment to Refunded Bond Escrow Agent	7,124,019	0	7,124,019	0
Principal Retirement	127,993	37,149	127,993	37,149
Interest and Fiscal Charges	593,718	718,304	341,228	325,179
Issuance Costs	129,500	0	129,500	0
Total	\$ 22,107,373	\$ 25,064,383	\$ 19,399,754	\$ 22,509,332

Capital outlay disbursements decreased \$10,315,208 mostly due to decreased disbursements for the OFCC project.

The dependence upon tax revenues and general revenue entitlements from the state for governmental activities is apparent. Program revenues only account for 12 percent of all governmental expenses. The community is the largest area of support for the School District students.

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The School District's Funds

The School District's governmental funds are accounted for using the cash basis of accounting.

The School District's governmental funds reported a combined fund balance of \$7,175,679, which is lower than the prior year balance of \$8,695,994.

The general fund had total cash receipts of \$10,774,350. The cash disbursements of the general fund totaled \$10,378,872. The general fund's fund balance increased \$395,478 in 2015.

The bond retirement fund had total cash receipts of \$838,759. The cash disbursements of the bond retirement fund totaled \$823,405. The bond retirement fund's fund balance increased \$287,429 in 2015.

The classroom facilities fund had total cash receipts of \$178,041 and total cash disbursements of \$2,453,509, for a decrease in fund balance of \$2,275,468 in 2015. The decrease in fund balance is primarily due to disbursements made associated with the OFCC project.

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.

During the course of fiscal year 2015, the School District amended its general fund budget. For the general fund, original budget basis receipts were \$10,323,197, which were \$411,699 lower than the final budget of \$10,734,896. Actual receipts of \$10,652,732 were \$82,164 lower than the final budget.

For fiscal year 2015, the general fund original budget basis disbursements were \$12,158,025, which were \$1,421,499 higher than the final budget basis disbursements of \$10,736,526. Actual disbursements of \$10,633,314 were \$103,212 lower than the final budget.

Green Local School District
Wayne County, Ohio
(Unaudited)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Debt Administration

The School District had the following long-term obligations outstanding at June 30, 2015 and 2014.

(Table 4)
Outstanding Debt, at June 30

	Governmental Activities	
	2015	2014
OFCC School Improvement Bonds, Series 2010 issue		
Build America Bonds - 5.60 - 6.36%	\$ 0	\$ 7,070,000
Qualified School Construction Bonds - 5.11%	5,560,000	5,560,000
2014 Classroom Facilities & School Improvement Bonds	6,994,607	0
Capital Leases	32,320	70,313
<i>Total</i>	<u>\$ 12,586,927</u>	<u>\$ 12,700,313</u>

During fiscal year 2015, the School District issued \$7,069,998 in refunding bonds. For further information regarding the School District's debt, refer to Note 10 of the basic financial statements.

Current Issues

Through the implementation of a strategic planning initiative, Green Local Schools' administration, teaching and non-teaching staff, parents, students and community partners have established a mission statement and goals. The School District's mission reflects the partnership with families and community to prepare students for lifelong personal development.

The following goals will drive the decision making process in the School District:

- Green Local School District will annually examine current educational programming utilizing data analysis, review best practices and implement appropriate changes;
- Green Local School District will hire, maintain and retain high quality employees;
- The School District will establish communication among all stakeholders to achieve at least a 75 percent (revised annually) satisfaction rating;
- Green Local School District will achieve financial stability through the appropriate use of human and other resources while remaining educationally sound;

Green Local School District
Wayne County, Ohio
(Unaudited)

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The School District is utilizing the above goals and related action plan steps to continue the process of being at the forefront of education in Wayne County. The School District initiated a "content management" website which allows for better continuity of each building's presence on the web, posting of information for the community and gaining stakeholder feedback. The School District is at the forefront of using "Scodle", a web link for teachers to post files, messages, homework assignments, blogs, quizzes, and more, for student access on the web. Parents are encouraged to view their students' progress and grades through online access of ProgressBook. Workbook fees can now be paid by parents over the Internet using EZpay. Central office records are being stored electronically through the use of scanners and records imaging software. The Treasurer has established a Finance Team made up of community members. This team acts in an advisory capacity to the Board and administrators and meets monthly during the school year.

In the fall of 2009, the School District voters supported the renewal of an Emergency Levy in the amount of \$500,000 for seven years. A second emergency levy in the amount of \$850,000 was renewed at the November 2, 2010 election for a term of ten years. The voters of Green Local School District passed this renewal by a margin of 54.7 percent.

On May 4, 2010, the voters of the Green Local School District passed a 4.75 mill bond issue by a margin of 54 percent. This enables the School District to go forth with the Ohio Facilities Construction Project which will provide a new K – 12 school building for the School District. The state's share, 65 percent, represents \$21,400,073 while the School District's share will be \$11,523,117 excluding local initiatives. School district students and staff moved into the building in the fall of 2014.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances 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 Mark Dickerhoof, Treasurer of Green Local School District, Post Office Box 438, Smithville, Ohio 44677.

Green Local School District
Wayne County, Ohio
Statement of Net Position - Cash Basis
June 30, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 6,845,424
Cash and Investments with Fiscal Agents	330,255
<i>Total Assets</i>	<i>\$ 7,175,679</i>
Net Position	
Restricted for:	
Capital Outlay	\$ 3,075,673
Debt Service	879,512
Other Purposes	500,222
Unrestricted	2,720,272
<i>Total Net Position</i>	<i>\$ 7,175,679</i>

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Activities - Cash Basis
For the Fiscal Year Ended June 30, 2015

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 5,769,096	\$ 983,894	\$ 182,560	\$ 0	\$ (4,602,642)
Special	1,143,484	13,655	674,619	0	(455,210)
Vocational	135,034	0	23,612	0	(111,422)
Other	105,143	0	0	0	(105,143)
Support Services:					
Pupils	379,148	0	1,955	0	(377,193)
Instructional Staff	213,995	0	59,168	0	(154,827)
Board of Education	108,620	0	0	0	(108,620)
Administration	916,224	0	8,438	0	(907,786)
Fiscal	342,546	0	22,232	0	(320,314)
Operation and Maintenance of Plant	915,862	0	0	0	(915,862)
Pupil Transportation	711,587	0	23,394	0	(688,193)
Central	29,301	0	0	0	(29,301)
Operation of Non-Instructional Services:					
Food Service Operations	253,972	122,802	146,646	0	15,476
Extracurricular Activities	433,552	136,974	33,084	0	(263,494)
Capital Outlay	2,674,579	0	0	22,096	(2,652,483)
Debt Service:					
Payment to Refunded Bond Escrow Agent	7,124,019	0	0	0	(7,124,019)
Principal Retirement	127,993	0	0	0	(127,993)
Interest and Fiscal Charges	593,718	0	252,490	0	(341,228)
Issuance Costs	129,500	0	0	0	(129,500)
Totals	\$ 22,107,373	\$ 1,257,325	\$ 1,428,198	\$ 22,096	(19,399,754)

General Receipts

Property Taxes Levied for:	
General Purposes	3,902,848
Debt Service	506,788
Capital Outlay	132,066
Building Maintenance	66,992
Grants and Entitlements not Restricted to Specific Programs	5,698,006
Proceeds from Sale of Capital Assets	32,645
Proceeds of General Obligation Bonds	7,069,998
Premium on Debt Issuance	326,096
Investment Earnings	2,411
Miscellaneous	141,589
Total General Receipts	17,879,439
Change in Net Position	(1,520,315)
Net Position Beginning of Year	8,695,994
Net Position End of Year	\$ 7,175,679

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
June 30, 2015

	General	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 2,727,040	\$ 549,257	\$ 2,313,558	\$ 1,255,569	\$ 6,845,424
Cash and Investments with Fiscal Agents	0	330,255	0	0	330,255
<i>Total Assets</i>	<u>\$ 2,727,040</u>	<u>\$ 879,512</u>	<u>\$ 2,313,558</u>	<u>\$ 1,255,569</u>	<u>\$ 7,175,679</u>
Fund Balances					
Nonspendable	\$ 475	\$ 0	\$ 0	\$ 0	\$ 475
Restricted	0	879,512	2,313,558	1,261,862	4,454,932
Committed	10,068	0	0	0	10,068
Assigned	400,659	0	0	0	400,659
Unassigned	2,315,838	0	0	(6,293)	2,309,545
<i>Total Fund Balances</i>	<u>\$ 2,727,040</u>	<u>\$ 879,512</u>	<u>\$ 2,313,558</u>	<u>\$ 1,255,569</u>	<u>\$ 7,175,679</u>

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balances - Cash Basis - Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 3,902,848	\$ 506,788	\$ 0	\$ 199,058	\$ 4,608,694
Intergovernmental	5,810,700	331,971	105,237	845,210	7,093,118
Investment Income	2,081	0	330	96	2,507
Tuition and Fees	905,524	0	0	0	905,524
Extracurricular Activities	65,396	0	0	136,975	202,371
Gifts and Donations	3,095	0	0	55,085	58,180
Charges for Services	16,561	0	0	122,801	139,362
Rent	10,068	0	0	0	10,068
Miscellaneous	58,077	0	72,474	7,900	138,451
<i>Total Receipts</i>	<u>10,774,350</u>	<u>838,759</u>	<u>178,041</u>	<u>1,367,125</u>	<u>13,158,275</u>
Disbursements					
Current:					
Instruction:					
Regular	5,596,437	0	0	172,615	5,769,052
Special	795,775	0	0	347,709	1,143,484
Vocational	135,034	0	0	0	135,034
Other	105,143	0	0	0	105,143
Support Services:					
Pupils	377,228	0	0	1,920	379,148
Instructional Staff	121,940	0	0	92,055	213,995
Board of Education	108,620	0	0	0	108,620
Administration	902,318	0	0	13,906	916,224
Fiscal	304,427	11,379	0	26,740	342,546
Operation and Maintenance of Plant	887,235	0	0	28,627	915,862
Pupil Transportation	711,587	0	0	0	711,587
Central	29,301	0	0	0	29,301
Extracurricular Activities	263,640	0	0	169,912	433,552
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	253,972	253,972
Capital Outlay	1,002	0	2,453,509	220,068	2,674,579
Debt Service:					
Principal Retirement	37,993	90,000	0	0	127,993
Interest and Fiscal Charges	1,192	592,526	0	0	593,718
Issuance Costs	0	129,500	0	0	129,500
<i>Total Disbursements</i>	<u>10,378,872</u>	<u>823,405</u>	<u>2,453,509</u>	<u>1,327,524</u>	<u>14,983,310</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>395,478</u>	<u>15,354</u>	<u>(2,275,468)</u>	<u>39,601</u>	<u>(1,825,035)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	0	0	0	32,645	32,645
Proceeds of General Obligation Bonds	0	7,069,998	0	0	7,069,998
Premium on Debt Issuance	0	326,096	0	0	326,096
Payment to Refunded Bond Escrow Agent	0	(7,124,019)	0	0	(7,124,019)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>272,075</u>	<u>0</u>	<u>32,645</u>	<u>304,720</u>
<i>Net Change in Fund Balances</i>	395,478	287,429	(2,275,468)	72,246	(1,520,315)
<i>Fund Balances Beginning of Year</i>	<u>2,331,562</u>	<u>592,083</u>	<u>4,589,026</u>	<u>1,183,323</u>	<u>8,695,994</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,727,040</u>	<u>\$ 879,512</u>	<u>\$ 2,313,558</u>	<u>\$ 1,255,569</u>	<u>\$ 7,175,679</u>

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 3,782,116	\$ 3,932,950	\$ 3,902,848	\$ (30,102)
Intergovernmental	5,621,221	5,845,401	5,800,661	(44,740)
Investment Income	2,017	2,097	2,081	(16)
Tuition and Fees	864,683	899,167	892,285	(6,882)
Charges for Services	21,318	22,169	21,999	(170)
Rent	9,757	10,146	10,068	(78)
Miscellaneous	22,085	22,966	22,790	(176)
<i>Total Receipts</i>	<u>10,323,197</u>	<u>10,734,896</u>	<u>10,652,732</u>	<u>(82,164)</u>
Disbursements				
Current:				
Instruction:				
Regular	6,337,963	5,596,937	5,543,132	53,805
Special	927,669	819,207	811,332	7,875
Vocational	156,569	138,263	136,934	1,329
Other	144,412	127,528	126,302	1,226
Support Services:				
Pupils	495,904	437,924	433,714	4,210
Instructional Staff	152,632	134,787	133,491	1,296
Board of Education	129,036	113,949	112,854	1,095
Administration	1,047,484	925,013	916,121	8,892
Fiscal	351,566	310,462	307,477	2,985
Operation and Maintenance of Plant	1,215,563	1,073,441	1,063,122	10,319
Pupil Transportation	863,136	762,219	754,892	7,327
Central	33,502	29,585	29,301	284
Extracurricular Activities	301,443	266,199	263,640	2,559
Capital Outlay	1,146	1,012	1,002	10
<i>Total Disbursements</i>	<u>12,158,025</u>	<u>10,736,526</u>	<u>10,633,314</u>	<u>103,212</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,834,828)</u>	<u>(1,630)</u>	<u>19,418</u>	<u>21,048</u>
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	22,384	23,277	23,099	(178)
<i>Net Change in Fund Balance</i>	(1,812,444)	21,647	42,517	20,870
<i>Fund Balance Beginning of Year</i>	2,216,188	2,216,188	2,216,188	0
Prior Year Encumbrances Appropriated	86,528	86,528	86,528	0
<i>Fund Balance End of Year</i>	<u>\$ 490,272</u>	<u>\$ 2,324,363</u>	<u>\$ 2,345,233</u>	<u>\$ 20,870</u>

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 41,463	\$ 74,013
<i>Total Assets</i>	<i>\$ 41,463</i>	<i>\$ 74,013</i>
 Net Position		
Held in Trust for Scholarships	\$ 41,463	\$ 0
Held for Student Activities	0	74,013
<i>Total Net Position</i>	<i>\$ 41,463</i>	<i>\$ 74,013</i>

See accompanying notes to the basic financial statements.

Green Local School District
Wayne County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2015

	Scholarship
Additions	
Gifts and Contributions	\$ 1,600
Interest	683
Miscellaneous	3,869
<i>Total Additions</i>	6,152
 Deductions	
Payments in Accordance with Trust Agreements	3,500
<i>Change in Net Position</i>	2,652
<i>Net Position Beginning of Year</i>	38,811
<i>Net Position End of Year</i>	\$ 41,463

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1 – Description of the School District

The Green Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by state and federal agencies.

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 the School District, this includes general operations, food service and student related activities.

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 for the organization. The School District has no component units.

The School District is associated with two organizations which are defined as jointly governed organizations. These organizations include the Tri-County Computer Services Association and the Portage County School Consortium. These organizations are presented in Note 12 of the basic financial statements.

Management believes the financial statements included in the report represent all of the funds of the School District over which the School District has the ability to exercise direct operating control.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

Although required by Ohio Administrative Code Sections 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the cash accounting basis. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when cash is received rather than when earned, and disbursements are recognized when cash is paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 effect of interfund activity within governmental activities columns have been removed from this statement.

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

Equity is classified as net position and displayed in separate components:

1. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Net position restricted for other purposes include resources restricted for capital improvements, Federal and State grants restricted to disbursements for specific purposes and food services. As of June 30, 2015, the School District did not have any net position restricted by enabling legislation.
2. Unrestricted net position – All other net position that does not meet the definition of “restricted”.

The School District's policy is to first apply restricted resources when cash disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

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 governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Governmental fund equity is classified as 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 governmental funds. The classifications are as follows:

- a. Non-spendable - The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

- b. 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.
- c. Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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.
- d. Assigned - Amounts in the assigned 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 the Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.
- e. 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 first applies restricted resources when, an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balances, 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 can be used.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

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. The following are the School District's major governmental funds:

General Fund The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is disbursed or transferred according to the general laws of Ohio.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Bond Retirement Fund The Bond Retirement Fund is used to account for property tax receipts and transfers from the General Fund to pay principal and interest on the School District's general obligation bonds.

Classroom Facilities Fund The classroom facilities fund is used to account for all monies received and disbursed in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed internally or externally.

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 agency 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. The School District's private purpose trust funds account for scholarships for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds include various student-managed activities.

C. Cash and Investments

To improve cash management, 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 Investments" on the financial statements. During fiscal year 2015, the School District's investments included nonnegotiable certificates of deposit, money market accounts and State Treasury Asset Reserve of Ohio (STAR Ohio).

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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2015.

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 presented on the financial statements as "equity in pooled cash and investments". Investments with an original maturity of more than three months that are not made from the pool are reported as "investments".

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2015 amounted to \$2,081, which includes \$1,434 assigned from other School District funds.

D. Capital Assets

Acquisitions of capital assets are recorded as disbursements when paid. The financial statements do not report these assets.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

E. Compensated Absences

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the School District.

F. Pensions

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

G. Accrued Liabilities and Long-term Obligations

Under Ohio law, a debt service fund must be created and used for the payment of tax and receipt anticipation notes. Long-term debt arising from cash basis transactions of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when made.

H. Intergovernmental Receipts

Unrestricted intergovernmental revenues received on the basis of entitlements are recorded as receipts when the entitlement is received. Federal and State reimbursement type grants are recorded as receipts when the grant is received.

I. Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. The items are not reflected as assets, but as disbursements in the accompanying cash basis financial statements.

J. Interfund Activity

During the course of normal operations, the School District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund through which resources to be expended are recorded as transfers.
2. Reimbursements from one fund to another are treated as disbursements in the reimbursing fund and a reduction in disbursements in the reimbursed fund.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

3. The School District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2015.

L. Budgetary Data

All funds, other than agency 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 sets 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 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 statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2015.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated receipts. 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

M. Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of disbursements on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Disbursements plus encumbrances may not legally exceed appropriations.

N. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

O. Receipts and Disbursements

Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the School District's taxpayers are reported as program receipts. The School District has the following program receipts: charges for service, operating and capital grants, contributions and interest.

All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

Disbursements

Governmental activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant (buildings), pupil transportation, extracurricular activities, and food service operations.

P. Implementation of New Accounting Policies

For the fiscal year ended June 30, 2015, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*.

GASB Statement No. 68 requires recognition of the entire net pension liability and a more comprehensive measure of pension expense for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. See Note 7 for further information.

GASB Statement No. 69 addresses accounting and financial reporting for government combinations (including mergers, acquisitions and transfers of operations) and disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the School District.

GASB Statement No. 71 amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. See Note 7 for further information.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 3 – Accountability and Compliance

A. Accountability

Fund balances at June 30, 2015 included the following individual fund deficits:

Non Major Special Revenue Funds:

Teacher Entry Year	\$	325
Student Growth		4,244
Title II-A		1,724

The general fund provides transfers to cover deficit balances; however; this is done when cash is needed. The deficit fund balances were created at June 30, 2015, due to the School District not yet receiving reimbursement for certain disbursements.

B. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. For fiscal year 2015, the School District prepared its financial report on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This financial report omits assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities and disclosures that, while material, cannot be determined at this time.

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 two-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.

The School District is setting aside monies in a Sinking Fund investment account with the Huntington Bank that will be used to fund the scheduled balloon payment on their long-term obligation described in Note 10. The balance as of June 30, 2015, is \$330,255 and has been excluded from the investments reported below as it is not part of the School District's internal investment pool. These amounts are reported on the financial statements as "Cash and Investments with Fiscal Agents".

Interim deposits are deposits of interim monies. 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations 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 other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the School District's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, and per School District policy, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Deposits - At fiscal year-end, the carrying amount of the School District's deposits was \$3,868,046 and the bank balance was \$4,028,059. As of June 30, 2015, \$606,754 of the bank balance was covered by Federal Depository Insurance. The remaining bank balance of \$3,421,305 was collateralized but uninsured.

Cash and Investments with Fiscal Agents – The School District is setting aside monies in a Sinking Fund investment account with Huntington Bank that will be used to fund future payments on their long-term obligations described in Note 10. The balance as of June 30, 2015 was \$330,255 and has been excluded from the investments reported below as it is not part of the School District's internal investment pool. These amounts are reported on the financial statements as "Cash and Investments with Fiscal Agents."

Investments – Investments are reported at cost. As of June 30, 2015, the School District had the following investments and maturities:

Rating by Standard and Poor	Entity	Carrying Value	Investment Maturities in years (0-1)	Percentage of Total Investment
AAAm	STAR Ohio	\$ 1,992,705	\$ 1,992,705	64%
AAAm	Money Market	1,100,149	1,100,149	36%
	Total	\$ 3,092,854	\$ 3,092,854	100%

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Credit Risk – The School District's investment credit ratings are summarized above. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2015, is 53 days.

Concentration of Credit Risk –The School District places no limit on the amount the School District may invest in any one issuer. At June 30, 2015, the School District had investments summarized above in amounts greater than 5 percent of total investments.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 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 School District receives property taxes from Wayne 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, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2014 Second- Half Collections		2015 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 132,654,610	97%	\$153,293,500	97%
Public Utility Personal Property	3,882,420	3%	3,970,870	3%
Total	<u>\$ 136,537,030</u>	<u>100%</u>	<u>\$157,264,370</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$ 59.65		\$ 57.05	

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 6 – Risk Management

A. Property and Liability

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. The School District has a comprehensive property and casualty policy with Ohio School Plans. The deductible is \$1,000 per incident on property and equipment. All vehicles are also insured with the Ohio School Plans and have a \$1,000 deductible. All board members, administrators, and employees are covered under a school district liability policy with the Ohio School Plans. The limits of this coverage are \$3,000,000 per occurrence and \$5,000,000 per aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. All the board members and the superintendent have a \$20,000 position bond with the Travelers Casualty and Surety Company of America. There has been no significant reduction in insurance coverage from the prior year.

The Treasurer is covered under a surety bond in the amount of \$30,000. This bond is provided by the Travelers Casualty and Surety Company of America.

B. Workers' Compensation

Effective calendar year 2010, the School District enrolled in the Ohio School Comp Group rating program. The program is sponsored by the Ohio School Boards Association member districts and the Ohio Association of School Business Officials members. The program provides, through the third party administrator, CompManagement, administrative, training and safety resources for administering the workers' compensation plan for the School District employees. Premiums are calculated on rate per \$100 of payroll. This rate is calculated based upon accident history and administrative costs.

C. Employee Medical Benefits

The School District is a member of the Portage Area School Consortium (the Consortium) for health insurance for the School District's employees. The Consortium was established in 1981 so that member educational-service providers in Portage County and others outside the county could manage risk exposures and purchase necessary insurance coverage's as a group. The Consortium is organized into two distinct entities to facilitate its risk management operations. The Property and Casualty Insurance Pool functions to manage the member districts' physical property and liability risks. The Health and Welfare Trust is to facilitate the management of risks associated with providing employee benefits, coverage's such as health and accident insurance, disability insurance and life insurance. The School District participates in the Health and Welfare Trust. The Consortium retains a third-party administrator to facilitate the operation of the Health and Welfare Trust.

The School District pays all insurance premiums directly to the Consortium. Although the School District recognizes that it retains a contingent liability to provide insurance coverage's should the assets of the Consortium become depleted, it is the opinion of management that the assets of the Consortium are sufficient to meet its claims.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans

Net Pension Liability

For fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* were effective. These GASB pronouncements had no effect on beginning net position as reported June 30, 2014, as the net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability 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 this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$174,340 for fiscal year 2015.

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.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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. 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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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, member contributions are allocated among investment choices by the member, and employer contributions 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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 that 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 State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$663,352 for fiscal year 2015.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Net Pension Liability

The net pension liability was measured as of June 30, 2014, 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:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 11,390,222	\$ 2,269,833	\$ 13,660,055
Proportion of the Net Pension Liability	0.04682813%	0.04485000%	

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, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 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 (7.75 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 7.75 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 (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 3,238,377	\$ 2,269,833	\$ 1,455,204

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Actuarial Assumptions - STRS

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

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 7.75 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 16,306,344	\$ 11,390,222	\$ 7,232,836

Note 8 – Post Employment Benefits

A. 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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. 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.

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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. For fiscal year 2015, this amount was \$20,450. 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.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2015, 2014, and 2013 were \$32,863, \$23,112 and \$22,199, respectively. For fiscal year 2015, 2014, and 2013, 100 percent has been contributed.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

B. State Teachers Retirement System

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 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 Ohio to offer the Plan and gives the Retirement Board 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. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$48,782, and \$48,290, respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

Note 9 – Other Employee Benefits

A. Life Insurance

The School District provides term life insurance to employees through American United Life Insurance Company in the amount of \$35,000 for all eligible employees, the Treasurer has \$50,000 in coverage, and the Superintendent has \$200,000 in coverage. Employees with less than an average 25-hour work week are eligible for \$17,500 term life insurance. Term life insurance is provided at a rate of \$.09/\$1,000/month.

B. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators, who are contracted to work no less than 12 months, earn 10 to 20 days of vacation per year depending upon length of service. Teachers and Administrators who work less than 12 months do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-quarter days per month cumulated to a limit of 260 days. Upon retirement, certified and classified employees with 10 years or more of service to the School District may receive severance for 25 percent of accrued and unused sick leave.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 10 – Long - Term Obligations

The changes in the School District's long-term obligations during the year consisted of the following:

Description	Outstanding 6/30/2014	Additions	Reductions	Outstanding 6/30/2015	Amounts Due in One Year
Governmental Obligations Bonds					
OFCC School Improvement Bonds, Series 2010 issue					
Build America Bonds - 5.66 - 6.36%	\$ 7,070,000	\$ 0	\$ 7,070,000	\$ 0	\$ 0
Qualified School Construction Bonds - 5.11%	5,560,000	0	0	5,560,000	0
2014 Classroom Facilities & School Improvement					
Refunding Bonds					
Current Interest Serial Bonds	0	2,665,000	90,000	2,575,000	25,000
Current Interest Term Bonds	0	4,155,000	0	4,155,000	0
Capital Appreciation Bonds	0	249,998	0	249,998	0
Accretion	0	14,609	0	14,609	0
Capital Leases	70,313	0	37,993	32,320	32,320
Total Long-Term Obligations	<u>\$ 12,700,313</u>	<u>\$ 7,084,607</u>	<u>\$ 7,197,993</u>	<u>\$ 12,586,927</u>	<u>\$ 57,320</u>

Capital leases will be paid from the general fund. The OFCC School Improvement Bonds will be paid from the bond retirement fund.

In September 2010, the School District issued \$12,949,998 in voted Classroom Facilities and School Improvement bonds for the purpose of financing their Ohio Facilities Construction Project which will build one new K-12 School. The bond issue consists of \$7,070,000 in Build America bonds, \$5,570,000 in Qualified School Construction bonds and \$309,998 in tax-exempt bonds. The School District is setting aside monies toward this future payment in a sinking fund, described in Note 4 as “Cash and Investments with Fiscal Agents.”

The Build America bonds have interest rates ranging from 5.66 to 6.36 percent. \$330,000 of the Build America bonds mature in fiscal year 2028, with the remaining Build America bonds maturing each December 1 through fiscal year 2041. The Qualified School Construction bonds have a 5.11 percent interest rate with final maturity December 1, 2026. The Build America Bonds were refunded during fiscal year 2015.

On September 25, 2014, the School District issued \$7,069,998 in voted general obligation bonds, which included serial, term and capital appreciation (deep discount) bonds in the amount of \$2,665,000, \$4,155,000 and \$249,998, respectively. The bonds refunded \$7,070,000 of outstanding Build America bonds. The bonds were issued for a 27 year period with final maturities at December 1, 2041.

At the date of refunding, \$7,124,019, (including premium and other issuance costs) was received to pay off the old debt. As a result, \$7,070,000 of the notes was retired. The bonds were issued with a premium of \$326,096. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$259,984 over the next 27 years and resulted in an economic gain of \$175,224.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The bond issue consists of serial, term and capital appreciation bonds. The serial bonds were issued with a varying interest rate of 2.00 to 4.00 percent. The term bonds that mature in fiscal years 2022, 2026, 2037 and 2041 are subject to a mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 of the years shown in and according to the following schedule:

2022 Term Bonds		2026 Term Bonds	
Year	Amount	Year	Amount
2019	\$ 25,000	2023	\$ 25,000
2020	25,000	2024	25,000
2021	25,000	2025	25,000
2022	25,000 (a)	2026	25,000 (a)

2037 Term Bonds		2041 Term Bonds	
Year	Amount	Year	Amount
2035	\$ 485,000	2038	\$ 560,000
2036	520,000	2039	595,000
2037	540,000 (a)	2040	615,000
		2041	640,000 (a)

(a) Remaining principal balance scheduled to be paid at the stated maturity of the corresponding Term Bonds.

The term bonds maturing after December 1, 2022 are subject to optional redemption, in whole or in part, on any date on or after December 1, 2022, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The capital appreciation bonds will mature December 1, 2027 and 2028. These bonds were purchased at a discount at the time of issuance and at maturity all compounded interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semi-annually, the value of the bond increases. Therefore, as the value increases, the accretion is noted. The maturity amount of the bonds is \$700,000. The fiscal year accretion amount was \$14,609.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Qualified School Construction Bonds	General Obligation Bonds	Capital Appreciation Bonds	Interest/ Accretion	Total
2016	\$ 0	\$ 25,000	\$ 0	\$ 544,602	\$ 569,602
2017	0	25,000	0	544,102	569,102
2018	0	25,000	0	543,602	568,602
2019	0	25,000	0	543,102	568,102
2020	0	25,000	0	942,571	967,571
2021-2025	0	125,000	0	2,703,791	2,828,791
2026-2030	5,560,000	410,000	249,998	2,277,081	8,497,079
2031-2035	0	2,115,000	0	1,008,438	3,123,438
2036-2040	0	2,700,000	0	531,400	3,231,400
2041-2042	0	1,255,000	0	50,700	1,305,700
Total	\$ 5,560,000	\$ 6,730,000	\$ 249,998	\$ 9,689,389	\$ 22,229,387

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 11 – Capital Leases

The School District has entered into leases for copier equipment and computers. Lease payments in the governmental funds have been reclassified and are reflected as debt service in the basic financial statements for the general fund. These disbursements are reflected as program/function expenditures on a budgetary basis.

The following is a schedule of the future minimum lease payments required under the lease agreement and the present value of the minimum lease payments as of June 30, 2015.

Year	Amount
2016	\$ 32,655
Less amount representing interest	335
Present Value of Minimum Lease Payments	\$ 32,320

Note 12 – Jointly Governed Organizations

A. Tri-County Computer Services Association (TCCSA)

The Midland Council of Governments dba/Tri-County Computer Services Association is organized under Chapter 167 of the Ohio Revised Code. The Tri-County Computer Services Association (TCCSA) is a jointly governed organization. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts in Ashland, Holmes, Medina and Wayne counties. TCCSA is governed by representatives from each of the participating public school districts served by TCCSA. TCCSA is recognized as one of twenty-three regional Information Technology Centers (ITC) as defined by the Ohio Department of Education. Each of the participating districts supports TCCSA based upon a per pupil charge dependent upon the software package utilized. Financial information can be obtained by contacting the Executive Director at TCCSA located at 2125 Eagle Pass, Wooster, OH 44691. During the fiscal year ended June 30, 2015, the School District paid \$125,363 to TCCSA for basic service charges.

B. Portage County School Consortium (the Consortium)

The School District is a member of the Portage County School Consortium, an insurance group-purchasing consortium made up of member districts inside and outside of Portage County. All member districts pay an insurance premium directly to the Consortium. Although the School District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing board as provided in the consortium's enabling authority.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 13 – Contingencies

A. 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 is 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, 2015, if applicable, cannot be determined at this time.

B. Litigation

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

C. Other Commitments

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At fiscal year end, the School District's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General	\$ 340,927
Classroom Facilities	545,893
Nonmajor Governmental	388,042
	<u>\$ 1,274,862</u>

D. School District Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school districts, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

Note 14 – Set-Asides

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 and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

	Capital Acquisition
Set-Aside Reserve Balance June 30, 2014	\$ 0
Current Year Set Aside Requirement	200,307
Current Year Qualifying Offsets	(271,414)
Total	\$ (71,107)
Balance carried forward to FY 2016	\$ 0
Set-Aside Reserve Balance June 30, 2015	\$ 0

Although the School District had qualifying offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is therefore not presented as being carried forward to future years.

Note 15 – Budgetary Basis of Accounting

The statement of receipts, disbursements and changes in fund balance - budget and actual (cash 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 the cash basis are that:

- a. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of a disbursement; and,
- b. Some funds are included in the general fund (cash basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the cash basis for the general fund is as follows:

	General Fund
Net Change in Fund Balance	
Budget basis	\$ 42,517
Funds budgeted elsewhere**	15,919
Adjustment for encumbrances	337,042
Cash basis	\$ 395,478

**As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on the cash basis. This includes the unclaimed funds, rotary and public school support funds.

Green Local School District
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 16 – Fund Balance

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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Classroom Facilities</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Nonspendable for:					
Unclaimed Funds	\$ 475	\$ 0	\$ 0	\$ 0	\$ 475
Restricted for:					
Capital Outlay	0	0	2,313,558	1,018,939	3,332,497
Debt Retirement	0	879,512	0	0	879,512
Food Service Operations	0	0	0	157,620	157,620
Extracurricular Activities	0	0	0	59,371	59,371
Special Education	0	0	0	25,932	25,932
Total Restricted	<u>0</u>	<u>879,512</u>	<u>2,313,558</u>	<u>1,261,862</u>	<u>4,454,932</u>
Committed for:					
Board Specified	<u>10,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,068</u>
Assigned for:					
Encumbrances:					
Instruction	67,910	0	0	0	67,910
Support Services	269,131	0	0	0	269,131
Other	48,064	0	0	0	48,064
Subsequent Years Appropriations	<u>15,554</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,554</u>
Total Assigned	<u>400,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>400,659</u>
Unassigned	<u>2,315,838</u>	<u>0</u>	<u>0</u>	<u>(6,293)</u>	<u>2,309,545</u>
Total Fund Balances	<u>\$ 2,727,040</u>	<u>\$ 879,512</u>	<u>\$ 2,313,558</u>	<u>\$ 1,255,569</u>	<u>\$ 7,175,679</u>

Note 17 – Contractual Commitments

At June 30, 2015, the School District had the following outstanding contractual commitments:

<u>Contract/Vendor</u>	<u>Contracted Amount</u>	<u>Amount Remaining</u>
SKC Communication	\$ 93,332	\$ 65,898
Most Paving	157,987	157,987
TR Snyder Construction	53,246	28,852
Southeast Security	1,245,149	12,293
ProQuality Land Devel	457,962	104,383
	<u>\$ 2,007,676</u>	<u>\$ 369,413</u>

**GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	\$ 43,114	\$ 43,114
Cash Assistance:			
School Breakfast Program	10.553	14,518	14,518
National School Lunch Program	10.555	128,843	128,843
Total Child Nutrition Cluster		<u>186,475</u>	<u>186,475</u>
Total U.S. Department of Agriculture		<u>186,475</u>	<u>186,475</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Special Education - Grants to States	84.027	218,585	207,124
Title I Grants to Local Educational Agencies	84.010	153,702	150,967
Improving Teacher Quality State Grants	84.367	53,768	79,280
ARRA - Race to the Top, Recovery Grant	84.395	5,294	5,294
Total U.S. Department of Education		<u>431,349</u>	<u>442,665</u>
Total Federal Awards Receipts and Expenditures		<u><u>\$ 617,824</u></u>	<u><u>\$ 629,140</u></u>

The accompanying notes are an integral part of this schedule.

**GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Green Local School District's (the School District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Green Local School District
Wayne County
100 Smithie Dr.
P.O. Box 438
Smithville, Ohio 44677

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Local School District, Wayne County, Ohio (the School District), as of and for the year ended June 30, 2015, 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 February 4, 2016, wherein we noted the School District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

February 4, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Green Local School District
Wayne County
100 Smithie Dr.
P.O. Box 438
Smithville, Ohio 44677

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Green Local School District's, Wayne County, Ohio (the School District's), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the School District's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

Management's Responsibility

The School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for the School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the School District's major program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on the Major Federal Program

In our opinion, Green Local School District, Wayne County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

February 4, 2016

**GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 84.027 – Special Education – Grants to States
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2015-001

Noncompliance

Ohio Rev. Code § 117.38 provides each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. **Ohio Admin. Code § 117-2-03** further clarifies the requirements of **Ohio Rev. Code § 117.38**.

Ohio Admin. Code § 117-2-03(B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). The School District prepared its financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time. Failure to prepare proper GAAP financial statements may result in the School District being fined or other administrative remedies.

The School District should prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Officials' Response: Every year the Board of Education passes a resolution to prepare cash basis financial statements. The Green Local School Board of Education recognizes the value in preparing timely and accurate financial statements to reflect the District's operations as of fiscal year end. Due to the cost requirements of preparing these financial statements according to Generally Accepted Accounting Principles (GAAP), the Board has determined that preparing year end statements on a cash basis of accounting will reflect the District's financial position and allow for resources previously spent on GAAP to be allocated for educational purposes.

3. FINDINGS FOR FEDERAL AWARDS

None

GREEN LOCAL SCHOOL DISTRICT
WAYNE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	ORC 117.38 and OAC 117-2-(03)B - Filing GAAP Financial Statements	No	See report comment 2015-001

This page intentionally left blank.



Dave Yost • Auditor of State

GREEN LOCAL SCHOOL DISTRICT

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 17, 2016**