



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GREEN LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY  
JUNE 30, 2024**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	17
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
to the Statement of Activities .....	20
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget (Non-GAAP Basis) and Actual	
General Fund.....	21
Statement of Fiduciary Net Position	
Fiduciary Funds .....	22
Statement of Changes in Fiduciary Net Position	
Fiduciary Funds .....	23
Notes to the Basic Financial Statements .....	24
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability	
School Employees Retirement System (SERS) of Ohio.....	62
State Teachers Retirement System (STRS) of Ohio .....	62
Schedule of the School District Contributions - Pension	
School Employees Retirement System (SERS) of Ohio.....	64
State Teachers Retirement System (STRS) of Ohio .....	64
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)	
School Employees Retirement System (SERS) of Ohio.....	66
State Teachers Retirement System (STRS) of Ohio .....	66

**GREEN LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY  
JUNE 30, 2024**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of School District Contributions - OPEB	
School Employees Retirement System (SERS) of Ohio.....	68
State Teachers Retirement System (STRS) of Ohio .....	68
Notes to Required Supplementary Information .....	70
Schedule of Receipts and Expenditures of Federal Awards .....	75
Notes to the Schedule of Receipts and Expenditures of Federal Awards .....	76
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	77
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	79
Schedule of Findings.....	83
Prepared by Management:	
Corrective Action Plan .....	85

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Green Local School District  
Summit County  
1755 Townpark Blvd.  
P.O. Box 218  
Green, Ohio 44232

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Green Local School District, Summit County, Ohio (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the Green Local School District, Summit County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary information***

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts and Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025, on our consideration of the 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 23, 2025

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**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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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, 2024. 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 and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2024 are as follows:

- Net position increased \$6,609,348 from 2023.
- Capital assets increased \$18,344,284 during fiscal year 2024.

***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, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Green Local School District, the general, permanent improvement, building, and community courts building funds are by far the most significant funds.

***Reporting the School District as a Whole***

***Statement of Net Position and the Statement of Activities***

While the basic financial statements contain 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 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

---

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 non-instructional services, e.g., food service operations.

***Reporting the School District's Most Significant Funds***

***Fund Financial Statements***

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, permanent improvement fund, building fund and the community courts building 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Reporting the School District's Fiduciary Responsibilities***

The School District acts in a trustee capacity as an agent for individuals, private organizations and/or other governmental units. These activities are reported in custodial funds. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2024 compared to 2023:

**Table 1**  
**Net Position**

	Governmental Activities		
	2024	2023	Change
<b>Assets</b>			
Current & Other Assets	\$ 174,112,303	\$ 163,860,029	\$ 10,252,274
Net OPEB Asset	3,283,792	4,333,859	(1,050,067)
Capital Assets	52,875,886	34,531,602	18,344,284
<i>Total Assets</i>	<u>230,271,981</u>	<u>202,725,490</u>	<u>27,546,491</u>
<b>Deferred Outflows of Resources</b>			
Pension & OPEB	11,162,278	12,370,139	(1,207,861)
<i>Total Deferred Outflows of Resources</i>	<u>11,162,278</u>	<u>12,370,139</u>	<u>(1,207,861)</u>
<b>Liabilities</b>			
Current & Other Liabilities	11,872,373	9,384,769	2,487,604
Long-Term Liabilities:			
Due Within One Year	1,999,594	3,768,364	(1,768,770)
Due In More Than One Year:			
Pension & OPEB	49,657,550	50,178,113	(520,563)
Other Amounts	133,988,861	121,355,989	12,632,872
<i>Total Liabilities</i>	<u>197,518,378</u>	<u>184,687,235</u>	<u>12,831,143</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	35,570,644	26,230,325	9,340,319
Payments in Lieu of Taxes	1,548,726	1,383,746	164,980
Pension & OPEB	8,757,181	11,364,341	(2,607,160)
<i>Total Deferred Inflows of Resources</i>	<u>45,876,551</u>	<u>38,978,412</u>	<u>6,898,139</u>
<b>Net Position</b>			
Net Investment in Capital Assets	28,905,768	27,004,926	1,900,842
Restricted	6,624,701	6,358,524	266,177
Unrestricted	(37,491,139)	(41,933,468)	4,442,329
<i>Total Net Position</i>	<u>\$ (1,960,670)</u>	<u>\$ (8,570,018)</u>	<u>\$ 6,609,348</u>

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2024, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and other postemployment benefits (OPEB), the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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fiscal year 2024 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Capital assets include land, construction in progress, buildings and improvements, furniture and equipment, vehicles and intangible right to use equipment. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position represents resources that are subject to external restrictions on how they may be used, while the balance of government-wide net position is unrestricted.

Current and other assets increased primarily from unspent proceeds received from the City of Green, Ohio for the construction of the community courts project and middle school gym (See Note 14 for more information). Capital assets increased during fiscal year 2024 due to construction in process for building projects. Current and other liabilities also increased during the fiscal year due to timing difference in contracts payable, while long-term liabilities increased due to an increase unearned revenue resulting from Community Courts building project during the fiscal year.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and net pension liability (NPL)/net OPEB liability (NOL)/net OPEB asset (NOA) and are described in more detail in their respective notes.

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**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2024	2023	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$ 2,497,783	\$ 2,375,425	\$ 122,358
Operating Grants	3,498,891	5,240,725	(1,741,834)
Capital Grants	997,335	594,528	402,807
<i>Total Program Revenues</i>	<u>6,994,009</u>	<u>8,210,678</u>	<u>(1,216,669)</u>
<b>General Revenues</b>			
Property Taxes	34,739,096	36,732,442	(1,993,346)
Grants & Entitlements	16,534,364	15,838,650	695,714
Payments in Lieu of Taxes	1,513,143	1,645,916	(132,773)
Miscellaneous	7,146,860	3,446,073	3,700,787
<i>Total General Revenues</i>	<u>59,933,463</u>	<u>57,663,081</u>	<u>2,270,382</u>
<i>Total Revenues</i>	<u>66,927,472</u>	<u>65,873,759</u>	<u>1,053,713</u>
<b>Program Expenses</b>			
Instruction:			
Regular	23,542,804	24,059,629	(516,825)
Special	8,443,508	8,009,497	434,011
Vocational	720	25,942	(25,222)
Other	490,574	572,013	(81,439)
Support Services:			
Pupils	3,238,752	3,548,919	(310,167)
Instructional Staff	1,700,506	1,709,260	(8,754)
Board of Education	14,772	33,693	(18,921)
Administration	3,857,977	3,871,567	(13,590)
Fiscal	1,659,984	1,249,022	410,962
Business	252,339	225,200	27,139
Operation and Maintenance of Plant	4,174,977	4,807,614	(632,637)
Pupil Transportation	3,167,565	3,030,402	137,163
Central	717,598	924,580	(206,982)
Operation of Non-Instructional/Shared Services:			
Food Service Operations	1,470,043	1,377,118	92,925
Community Services	11,613	283,417	(271,804)
Other	1,000	-	1,000
Extracurricular Activities	2,207,745	3,250,917	(1,043,172)
Debt Service:			
Interest and Fiscal Charges	5,365,647	3,594,150	1,771,497
<i>Total Expenses</i>	<u>60,318,124</u>	<u>60,572,940</u>	<u>(254,816)</u>
<i>Change in Net Position</i>	<u>6,609,348</u>	<u>5,300,819</u>	<u>1,308,529</u>
<i>Net Position Beginning of Year</i>	<u>(8,570,018)</u>	<u>(13,870,837)</u>	<u>5,300,819</u>
<i>Net Position End of Year</i>	<u>\$ (1,960,670)</u>	<u>\$ (8,570,018)</u>	<u>\$ 6,609,348</u>

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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There was a decrease in operating grants due to the decrease in COVID-19 pandemic grant funding. Capital grants increase during the fiscal year due to the City of Green contributions to the community courts building project. General revenues increased in fiscal year 2024 as investment earnings increased due to favorable market returns.

Overall, program expenses decreased slightly. The changes in program expenses are primarily associated to changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes. Interest and fiscal charges increased over the fiscal year due to an increase in scheduled interest payments on debt issued in the prior fiscal year.

***Governmental Funds***

The School District's major funds are accounted for using the modified accrual basis of accounting.

	<u>Fund Balance</u> <u>6/30/2024</u>	<u>Fund Balance</u> <u>6/30/2023</u>	<u>Increase</u> <u>(Decrease)</u>
General	\$ 5,012,874	\$ 10,772,260	\$ (5,759,386)
Building Fund	93,446,647	106,398,189	(12,951,542)
Community Courts Building Fund	14,278,437	-	14,278,437
Permanent Improvement Fund	4,663,059	4,924,190	(261,131)
Other Governmental	2,503,433	4,513,041	(2,009,608)
Total	<u>\$ 119,904,450</u>	<u>\$ 126,607,680</u>	<u>\$ (6,703,230)</u>

The general fund's fund balance decreased during the year due to a significant decrease in property taxes available as an advance. With the increase in assessed values recently, the School is experiencing a large increase in delinquencies as well.

The fund balance of the building fund decreased primarily due to capital outlay expenditures for the School District's building projects in which debt proceeds were issued in the prior year.

The fund balance of the community courts building fund increased as the School received funds for the Community Courts building projects, which is just underway.

The fund balance of the permanent improvement fund decreased slightly due to increased debt retirement expenditures.

***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 2024, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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*Original Budget Compared to Final Budget*

Final budget revenue increased over the original budget due to an increase in budgeted other revenue, while there was no significant change in budgeted appropriations during the fiscal year.

*Final Budget Compared to Actual Results*

Actual budget basis revenue and other financing sources were lower than the final budget basis revenue and other financing sources, as property tax revenue did not meet expectations.

There were no significant difference in final expenditure appropriations and other financing uses and the actual expenditures and other financing uses.

***Capital Assets and Debt Administration***

**Capital Assets**

In fiscal year 2024, capital assets increased due to additions for construction in process primarily for the elementary and middle school buildings. See Note 9 for more information about the capital assets of the School District.

**Debt**

Outstanding debt increased due to an increase unearned revenue resulting from Community Courts building project during the fiscal year.. See Note 14 for additional details.

***Current Issues***

The School District continues to receive strong support from the residents of the School District. As the preceding information shows, the School District relies heavily on its local property taxpayers. The district has 2 emergency levies that were both renewed for ten years, one expiring 2031 that collects approximately 4.8 million and the second expires in 2034 collecting approximately \$4.1 million. A safety and security levy was passed in August 2018 for 1 mill to cover the cost of school resource officers, safety upgrades, and mental health counselors. This was renewed in May 2023 for a 5 year period beginning January 2024. A \$67,845,000 bond issue was passed by voters on May 3, 2022 for the construction and renovation of the school's campus.

Real estate and personal property tax collections have shown small increases in the past but the appraisal in the summer of 2023 shows increases in residential homes by 35%. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due the passage of a levy, which can only derive the dollar amount indicated by the levy. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. The only exception is inside millage and when/if the district falls below the 20 mill floor.



**Green Local School District**  
**Summit County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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Thus, the School District's dependence upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 57.96 percent of General revenues for governmental activities for the School District in fiscal year 2024 (including public utility and homestead/rollback reimbursements).

The School District has also been affected by increased delinquency rates and changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. Management has diligently planned expenses so that the levies will stretch for the ten years it is planned and beyond. This will be increasingly difficult with mandates in gifted education, rising utility costs and gasoline expenses, increased special education services required for our students, and significant increases in health insurance and property/liability/fleet insurance.

The School District also currently receives slightly over \$200,000 in casino revenue.

All scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In addition, the School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

***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 Eydie Snowberger, Treasurer of Green Local School District, 1755 Town Park Blvd, P.O. Box 218, Green, Ohio 44232.

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**Green Local School District**  
**Summit County, Ohio**  
*Statement of Net Position*  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 17,566,544
Investments in Segregated Accounts	110,384,714
Intergovernmental Receivable	930,493
Taxes Receivable	43,625,641
Payments in Lieu of Taxes Receivable	1,548,726
Prepaid Items	56,185
Net OPEB Asset	3,283,792
Capital Assets not being depreciated/amortized	23,432,798
Capital Assets being depreciated/amortized, net	29,443,088
<i>Total Assets</i>	<u>230,271,981</u>
<b>Deferred Outflows of Resources</b>	
Pension	9,379,792
OPEB	1,782,486
<i>Total Deferred Outflows of Resources</i>	<u>11,162,278</u>
<b>Liabilities</b>	
Accounts Payable	303,886
Accrued Wages and Benefits	5,923,552
Accrued Vacation Payable	258,836
Contracts Payable	3,136,652
Intergovernmental Payable	1,279,256
Accrued Interest Payable	879,911
Matured Compensated Absences Payable	8,867
Unearned Revenue	81,413
Long-Term Liabilities:	
Due Within One Year	1,999,594
Due In More Than One Year:	
Net Pension Liability	46,538,967
Net OPEB Liability	3,118,583
Other Amounts Due in More Than One Year	133,988,861
<i>Total Liabilities</i>	<u>197,518,378</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes Levied for the Next Year	35,570,644
Payments in Lieu of Taxes	1,548,726
Pension	3,255,660
OPEB	5,501,521
<i>Total Deferred Inflows of Resources</i>	<u>45,876,551</u>
<b>Net Position</b>	
Net Investment in Capital Assets	28,905,768
Restricted for:	
Capital Outlay	241,907
Restricted for OPEB	3,283,792
Other Purposes	3,099,002
Unrestricted	(37,491,139)
<i>Total Net Position</i>	<u>\$ (1,960,670)</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$ 23,542,804	\$ 491,035	\$ 685,097	\$ 622,397	\$ (21,744,275)
Special	8,443,508	161,839	1,391,631	-	(6,890,038)
Vocational	720	2,900	-	-	2,180
Other	490,574	-	-	-	(490,574)
Support Services:					
Pupils	3,238,752	150,874	29,645	-	(3,058,233)
Instructional Staff	1,700,506	99,369	341,769	-	(1,259,368)
Board of Education	14,772	-	-	-	(14,772)
Administration	3,857,977	2,651	42,565	-	(3,812,761)
Fiscal	1,659,984	-	299	-	(1,659,685)
Business	252,339	-	-	-	(252,339)
Operation and Maintenance of Plant	4,174,977	-	205,625	374,938	(3,594,414)
Pupil Transportation	3,167,565	-	21,739	-	(3,145,826)
Central	717,598	-	152,295	-	(565,303)
Operation of Non-Instructional/Shared Services:					
Food Service Operations	1,470,043	714,771	611,467	-	(143,805)
Community Services	11,613	-	16,759	-	5,146
Other	1,000	-	-	-	(1,000)
Extracurricular Activities	2,207,745	874,344	-	-	(1,333,401)
Interest and Fiscal Charges	5,365,647	-	-	-	(5,365,647)
Total	\$ 60,318,124	\$ 2,497,783	\$ 3,498,891	\$ 997,335	(53,324,115)

**General Revenues**

Property Taxes Levied for:	
General Purposes	26,268,760
Debt Services	3,190,282
Capital Outlay	4,479,061
Safety and Security	800,993
Grants and Entitlements not Restricted to Specific Programs	16,534,364
Payments in Lieu of Taxes	1,513,143
Investment Earnings	7,000,810
Miscellaneous	146,050
<b>Total General Revenues</b>	<b>59,933,463</b>
<b>Change in Net Position</b>	<b>6,609,348</b>
<b>Net Position Beginning of Year</b>	<b>(8,570,018)</b>
<b>Net Position End of Year</b>	<b>\$ (1,960,670)</b>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2024*

	General	Building Fund	Community Courts Building Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 10,210,657	\$ 464,915	\$ 12,107	\$ 4,458,172	\$ 2,420,693	\$ 17,566,544
Investments in Segregated Accounts	-	95,339,921	15,044,793	-	-	110,384,714
Interfund Receivable	132,327	-	-	-	-	132,327
Intergovernmental Receivable	51,569	-	-	-	878,924	930,493
Taxes Receivable	32,612,848	-	-	5,949,963	5,062,830	43,625,641
Payments in Lieu of Taxes Receivable	1,548,726	-	-	-	-	1,548,726
Prepaid Items	54,105	-	-	916	1,164	56,185
<i>Total Assets</i>	<u>\$ 44,610,232</u>	<u>\$ 95,804,836</u>	<u>\$ 15,056,900</u>	<u>\$ 10,409,051</u>	<u>\$ 8,363,611</u>	<u>\$ 174,244,630</u>
<b>Liabilities</b>						
Accounts Payable	\$ 212,369	\$ -	\$ -	\$ 48,380	\$ 43,137	\$ 303,886
Accrued Wages and Benefits	5,512,230	-	-	11,380	399,942	5,923,552
Contracts Payable	-	2,358,189	778,463	-	-	3,136,652
Intergovernmental Payable	1,212,727	-	-	-	66,529	1,279,256
Interfund Payable	-	-	-	-	132,327	132,327
Matured Compensated Absences Payable	8,867	-	-	-	-	8,867
Unearned Revenue	-	-	-	-	81,413	81,413
<i>Total Liabilities</i>	<u>6,946,193</u>	<u>2,358,189</u>	<u>778,463</u>	<u>59,760</u>	<u>723,348</u>	<u>10,865,953</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	26,479,371	-	-	4,879,003	4,212,270	35,570,644
Payments in Lieu of Taxes	1,548,726	-	-	-	-	1,548,726
Unavailable Revenue	4,623,068	-	-	807,229	924,560	6,354,857
<i>Total Deferred Inflows of Resources</i>	<u>32,651,165</u>	<u>-</u>	<u>-</u>	<u>5,686,232</u>	<u>5,136,830</u>	<u>43,474,227</u>
<b>Fund Balances</b>						
Nonspendable	73,833	-	-	916	1,164	75,913
Restricted	-	93,446,647	14,278,437	-	2,503,102	110,228,186
Committed	17,324	-	-	4,662,143	3,481	4,682,948
Assigned	2,425,614	-	-	-	-	2,425,614
Unassigned	2,496,103	-	-	-	(4,314)	2,491,789
<i>Total Fund Balance</i>	<u>5,012,874</u>	<u>93,446,647</u>	<u>14,278,437</u>	<u>4,663,059</u>	<u>2,503,433</u>	<u>119,904,450</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 44,610,232</u>	<u>\$ 95,804,836</u>	<u>\$ 15,056,900</u>	<u>\$ 10,409,051</u>	<u>\$ 8,363,611</u>	<u>\$ 174,244,630</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
June 30, 2024

<b>Total Governmental Fund Balances</b>		<b>\$ 119,904,450</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		52,875,886
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 279,045	
Delinquent Property Taxes	<u>6,075,812</u>	6,354,857
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(879,911)
The net OPEB asset and net pension/OPEB liability/asset are not due and payable in the current period, therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	3,283,792	
Deferred Outflows - Pension	9,379,792	
Deferred Outflows - OPEB	1,782,486	
Net Pension Liability	(46,538,967)	
Net OPEB Liability	(3,118,583)	
Deferred Inflows - Pension	(3,255,660)	
Deferred Inflows - OPEB	<u>(5,501,521)</u>	(43,968,661)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(104,100,000)	
Learning Center Obligation	(3,504,181)	
Bus Acquisition Bonds	(350,000)	
Unearned Revenue -Long Tern (See Note 14)	(21,639,191)	
Unamortized Bond Premium	(3,777,704)	
Lease Payable	(143,864)	
Accrued Vacation Leave Payable	(258,836)	
Compensated Absences	<u>(2,473,515)</u>	(136,247,291)
<i>Net Position of Governmental Activities</i>		<u><u>\$ (1,960,670)</u></u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

	General	Building Fund	Community Courts Building Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property and Other Local Taxes	\$ 22,487,530	\$ -	\$ -	\$ 3,808,440	\$ 3,468,831	\$ 29,764,801
Intergovernmental	15,927,326	-	14,549,944	552,157	3,590,141	34,619,568
Investment Income	506,496	5,741,092	736,965	-	16,257	7,000,810
Tuition and Fees	671,822	-	-	-	-	671,822
Extracurricular Activities	335,588	-	-	-	731,402	1,066,990
Charges for Services	-	-	-	-	717,671	717,671
Rent	41,300	-	-	-	-	41,300
Contributions and Donations	10,532	-	-	-	-	10,532
Payments in Lieu of Taxes	1,513,143	-	-	-	-	1,513,143
Miscellaneous	115,572	-	-	-	30,477	146,049
<i>Total Revenues</i>	<u>41,609,309</u>	<u>5,741,092</u>	<u>15,286,909</u>	<u>4,360,597</u>	<u>8,554,779</u>	<u>75,552,686</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	21,874,728	-	-	326,908	587,718	22,789,354
Special	7,430,198	-	-	-	1,153,048	8,583,246
Vocational	328	-	-	-	392	720
Other	490,574	-	-	-	-	490,574
Support Services:						
Pupils	2,968,573	-	-	-	315,804	3,284,377
Instructional Staff	1,420,570	-	-	7,869	327,891	1,756,330
Board of Education	14,772	-	-	-	-	14,772
Administration	3,690,780	-	-	-	29,154	3,719,934
Fiscal	1,499,979	-	-	96,653	80,567	1,677,199
Business	262,287	-	-	4,064	-	266,351
Operation and Maintenance of Plant	3,022,822	-	-	402,233	401,239	3,826,294
Pupil Transportation	3,000,242	-	-	64,623	18,847	3,083,712
Central	364,840	-	-	148,882	133,492	647,214
Operation of Non-Instructional/Shared Services:						
Food Service Operations	-	-	-	-	1,475,116	1,475,116
Community Services	-	-	-	-	23,297	23,297
Other	-	-	-	-	1,000	1,000
Extracurricular Activities	1,203,858	-	-	53,471	732,399	1,989,728
Capital Outlay	-	18,692,634	1,008,472	347,280	49,266	20,097,652
Debt Service						
Principal Retirement	115,000	-	-	1,162,656	1,750,000	3,027,656
Interest and Fiscal Charges	9,144	-	-	2,007,089	3,485,157	5,501,390
<i>Total Expenditures</i>	<u>47,368,695</u>	<u>18,692,634</u>	<u>1,008,472</u>	<u>4,621,728</u>	<u>10,564,387</u>	<u>82,255,916</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,759,386)</u>	<u>(12,951,542)</u>	<u>14,278,437</u>	<u>(261,131)</u>	<u>(2,009,608)</u>	<u>(6,703,230)</u>
<i>Net Change in Fund Balances</i>	(5,759,386)	(12,951,542)	14,278,437	(261,131)	(2,009,608)	(6,703,230)
<i>Fund Balances Beginning of Year, as previously presented</i>	10,772,260	106,398,189	-	-	9,437,231	126,607,680
<i>Changes within Financial Reporting Entity</i> <i>Nonmajor to Major Fund</i>	-	-	-	4,924,190	(4,924,190)	-
<i>Fund Balances Beginning of Year, as adjusted</i>	<u>10,772,260</u>	<u>106,398,189</u>	<u>-</u>	<u>4,924,190</u>	<u>4,513,041</u>	<u>126,607,680</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,012,874</u>	<u>\$ 93,446,647</u>	<u>\$ 14,278,437</u>	<u>\$ 4,663,059</u>	<u>\$ 2,503,433</u>	<u>\$ 119,904,450</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$ (6,703,230)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	\$ 20,479,084	
Current Year Depreciation/Amortization	<u>(2,134,800)</u>	18,344,284
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(46,900)	
Delinquent Property Tax	<u>4,974,295</u>	4,927,395
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	2,470,000	
Learning Center Obligation	367,809	
Bus Acquisition Bonds	80,000	
Unearned Revenue -Long Term (See Note 14)	(13,897,947)	
Lease Payable	<u>109,847</u>	(10,870,291)
Amortization of premium on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		116,032
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable		19,711
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	4,342,351	
OPEB	<u>100,404</u>	4,442,755
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(4,002,213)	
OPEB	<u>429,253</u>	(3,572,960)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Vacation Leave Payable	15,495	
Compensated Absences	<u>(109,843)</u>	<u>(94,348)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 6,609,348</u></u>

See accompanying notes to the basic financial statements.



**Green Local School District**  
**Summit County, Ohio**  
*Statement of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and Other Financing Sources	\$ 44,513,692	\$ 46,175,346	\$ 45,654,780	\$ (520,566)
Expenditures and Other Financing Uses	47,574,068	47,641,445	47,639,747	1,698
Net Change in Fund Balance	(3,060,376)	(1,466,099)	(1,984,967)	(518,868)
<i>Fund Balance Beginning of Year</i>	10,657,056	10,657,056	10,657,056	-
Prior Year Encumbrances Appropriated	660,494	660,494	660,494	-
<i>Fund Balance End of Year</i>	<u>\$ 8,257,174</u>	<u>\$ 9,851,451</u>	<u>\$ 9,332,583</u>	<u>\$ (518,868)</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Fund*  
*June 30, 2024*

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	<u>Custodial</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 5,392
<i>Total Assets</i>	<u>5,392</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations, and Other Governments	5,392
<i>Total Net Position</i>	<u>\$ 5,392</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2024*

	<u>Custodial</u>
<b>Additions</b>	
Other	\$ 10,977
<i>Total Additions</i>	<u>10,977</u>
 <b>Deductions</b>	
Payments in Accordance with Trust Agreements	<u>5,585</u>
<i>Total Deductions</i>	<u>5,585</u>
 <i>Change in Net Position</i>	 5,392
 <i>Net Position Beginning of Year</i>	 <u>-</u>
 <i>Net Position End of Year</i>	 <u>\$ 5,392</u>

See accompanying notes to the basic financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT**

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 operates under a locally elected five-member board of education and provides educational services as mandated by state and/or federal agencies.

The School District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These School District operations will be included as part of the reporting entity.

Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the School District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the School District. Management has determined the School District has no component units.

The School District is associated with one jointly governed organization and one public entity risk pool. These organizations are the Northeast Ohio Network for Educational Technology and the Stark County Schools Council of Governments.

On this basis, the basic financial statements include all of the funds of the School District over which the Board of Education exercises operating control.

***Northeast Ohio Network for Educational Technology (NEOnet)***

NEOnet is a jointly governed organization created as a regional council of governments made up of public districts and county boards of education from Summit, Medina and Portage Counties. The primary function of NEOnet is to provide data processing services to its member districts with the major emphasis being placed on accounting, inventory control and payroll services. Other areas of service provided by NEOnet include student scheduling, registration, grade reporting, and test scoring. Each member district pays an annual fee for the services provided by NEOnet. NEOnet is governed by a board of directors comprised of each Superintendent within the Organization. The Summit County Educational Service Center serves as the fiscal agent of the organization and receives funding from the State Department of Education.

Each district has one vote in all matters and each member district's control over budgeting and financing of NEOnet is limited to its voting authority and any representation it may have on the board of directors.

The continued existence of NEOnet is not dependent on the School District's continued participation and no equity interest exists. Financial information can be obtained by contacting the NEOnet Fiscal Officer at 700 Graham Road, Cuyahoga Falls, Ohio 44221.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Stark County Schools Council of Governments***

The Stark County Schools Council of Governments Health Benefits Program (Council), is a shared risk pool. The Council is governed by an assembly which consists of one representative from each participant (usually the superintendent or designee). The assembly elects officers for two-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the consortium. All consortium revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Financial information can be obtained by writing to the Stark County Educational Service Center, 6057 Strip Avenue NW, North Canton, OH 44720.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The most significant of the School District's accounting policies are described below.

***A. Basis of Presentation***

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

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

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

***Fund Financial Statements*** During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of 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.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***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 funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. 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 expended or transferred according to the general laws of Ohio.

***Building Fund*** The building fund accounts for financial resources to be used for the acquisitions, construction, or improvement of major capital facilities.

***Community Courts Building Fund*** The community courts building fund accounts for financial resources to be used for the acquisitions, construction, or improvement of the community courts building project.

***Permanent Improvement Fund*** The permanent improvements fund accounts for financial resources related to the acquiring, constructing or improvement of capital 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 upon the use of the resources.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the School District for Ohio High School Athletic Association (OHSAA) tournaments.

***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Like the government-wide statements, fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the fund financial statements as "Intergovernmental Revenue" and an expenditure of "Food Service Operations." In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants and Contributions" program revenue account.

Under the modified accrual basis the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***E. Pooled Cash and Investments***

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

For presentation on the financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Following Ohio statutes, the Board of Education has, by resolutions, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$506,496 which included \$196,636 assigned from other School District funds.



**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***F. Capital Assets***

General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	5 - 40 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 - 20 Years
Intangible Right to Use Equipment	5 - 20 Years

The School District is reporting intangible right to use assets related to copier leases. This intangible asset is being amortized in a systemic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

***G. Compensated Absences***

The School District reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. These amounts are recorded as "Accrued Vacation Payable" on the basic financial statements.

Sick leave benefits are accrued as a liability using the termination percentage method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the likelihood an employee will be paid a severance based on their length of service in their respective retirement plan.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employee will be paid.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***H. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

***I. Pensions and Other Postemployment Benefits (OPEB)***

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

***J. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***K. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category 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” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

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

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

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

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

***L. Interfund Activity***

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

On fund financial statements, receivables and payables resulting from short-term interfund loans and interfund services provided and used are classified as "Interfund Receivable/Payable." Interfund balances are eliminated in the governmental activities column of the statement of net position.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***M. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in the 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 2024.

***N. Estimates***

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

***O. Budgetary Data***

All funds, other than custodial 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 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 2024.

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

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

***Lapsing of Appropriations*** At the close of each 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**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 3 – FUND BALANCE**

Fund balance can be 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 as follows:

	General	Building Fund	Building Fund - Community Courts	Permanent Improvements	Other Governmental Funds	Total
<b>Nonspendable for:</b>						
Prepays	\$ 54,105	\$ -	\$ -	\$ 916	\$ 1,164	\$ 56,185
Unclaimed Monies	19,728	-	-	-	-	19,728
<b>Total Nonspendable</b>	<b>73,833</b>	<b>-</b>	<b>-</b>	<b>916</b>	<b>1,164</b>	<b>75,913</b>
<b>Restricted for:</b>						
Capital Outlay	-	93,446,647	14,278,437	-	-	107,725,084
Debt Service	-	-	-	-	351,582	351,582
Scholarships	-	-	-	-	819	819
Food Service	-	-	-	-	300,766	300,766
Federally Funded Programs	-	-	-	-	193,293	193,293
State Funded Programs	-	-	-	-	17,565	17,565
Extracurricular Activities	-	-	-	-	473,262	473,262
Local Grants	-	-	-	-	60,465	60,465
Other Purposes	-	-	-	-	1,105,350	1,105,350
<b>Total Restricted</b>	<b>-</b>	<b>93,446,647</b>	<b>14,278,437</b>	<b>-</b>	<b>2,503,102</b>	<b>110,228,186</b>
<b>Committed for:</b>						
Capital Outlay	-	-	-	4,662,143	-	4,662,143
Other Purposes	17,324	-	-	-	3,481	20,805
<b>Total Committed</b>	<b>17,324</b>	<b>-</b>	<b>-</b>	<b>4,662,143</b>	<b>3,481</b>	<b>4,682,948</b>
<b>Assigned for:</b>						
Instruction	91,887	-	-	-	-	91,887
Support Services	166,957	-	-	-	-	166,957
Subsequent Year Appropriations	1,926,969	-	-	-	-	1,926,969
Public School Support	239,801	-	-	-	-	239,801
Other Purposes	-	-	-	-	-	-
<b>Total Assigned</b>	<b>2,425,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,425,614</b>
Unassigned	2,496,103	-	-	-	(4,314)	2,491,789
<b>Total Fund Balance</b>	<b>\$ 5,012,874</b>	<b>\$ 93,446,647</b>	<b>\$ 14,278,437</b>	<b>\$ 4,663,059</b>	<b>\$ 2,503,433</b>	<b>\$ 119,904,450</b>

Fund balances at June 30, 2024 included the following individual fund deficit:

	Deficit
<b>Non-Major Governmental Funds</b>	
Title I Disadvantaged Children	4,314
<b>Total</b>	<b>\$ 4,314</b>

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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The deficit in these funds resulted from an adjustment for accrued liabilities. The general fund is liable for any deficit in the non-major governmental funds and will provide transfers when cash is required, not when accruals occur.

**NOTE 4 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2024, the School District has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the School District.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 resulted in additional reporting requirements for changes within the financial reporting entity.

During fiscal year 2024, the School District's permanent improvement fund qualified to be reported as a major fund. The effects of the change within the financial reporting entity are shown on the Statement of Receipts, Disbursements and Changes in Fund Balances.

**NOTE 5 – BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment or commitment of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

**Net Change in Fund Balance**

GAAP Basis	\$ (5,759,386)
Net Adjustment for Revenue Accruals	4,389,395
Net Adjustment for Expenditure Accruals	(2,922)
Funds Budgeted Elsewhere **	(12,078)
Adjustment for Encumbrances	<u>(599,976)</u>
Budget Basis	<u>\$ (1,984,967)</u>

\*\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes public school support, family support specialist program, and school resource officer funds.

**NOTE 6 – DEPOSITS AND INVESTMENTS**

Monies held by the School District are classified by State statute into three categories.

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

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

Interim 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.

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 notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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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 that 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 items (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);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date, in an amount not to exceed 40 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate notes rated in either of the two highest 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.

***Deposits*** - At year-end, \$2,222,774 of the School District's bank balance of \$14,147,018 was exposed to custodial credit risk because this amount was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation (FDIC).

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

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



**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, one of the School District's financial institutions was approved for a reduced collateral rate of 60 percent through the OPCS.

**Investments** As of June 30, 2024, the School District had the following investments:

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
	Net Asset Value (NAV):					
AAAm	Money Market	\$ 760,446	\$ 760,446	\$ -	\$ -	0.67%
	Fair Value:					
AA+	FFCB	8,126,754	8,126,754	-	-	7.13%
AA+	FHLMC	12,546,518	12,386,925	159,593	-	11.01%
AA+	FHLB	23,415,107	14,260,069	8,855,062	299,976	20.56%
AA+	FNMA	143,350	-	143,350	-	0.13%
AA+	US Treasury Note	9,819,062	8,575,877	552,809	690,376	8.62%
N/A	Negotiable Certificates of Depos	3,718,349	3,199,777	518,572	-	3.26%
A-1/A-1+	Commercial Paper	52,431,910	52,431,910	-	-	46.03%
A-1+	Treasury Bills	2,946,585	2,946,585	-	-	2.59%
	Total Investments	<u>\$ 113,908,081</u>	<u>\$ 102,688,343</u>	<u>\$ 10,229,386</u>	<u>\$ 990,352</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2024. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

**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.

**Credit Risk** The School District's investment credit ratings are summarized above.

**Concentration of Credit Risk** The School District places no limit on the amount the School District may invest in any one issuer. See percentage of investments above. Additionally, the Ohio Revised Code limits the investment in commercial paper notes of a single issuer to five percent of interim monies available for investment at the time of purchase.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – 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 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, 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 year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2024 with real property taxes. Public utility real property is assessed at 35 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 Summit County. The Fiscal Officer 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, 2024, are available to finance fiscal year 2025 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 903,411,090	92.75%	\$1,141,518,310	94.11%
Public Utility Personal Property	70,580,630	7.25%	71,388,140	5.89%
	<u>\$ 973,991,720</u>	<u>100.00%</u>	<u>\$ 1,212,906,450</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 44.32		\$ 41.88	

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2024, consisted of taxes, interfund, payments in lieu of taxes, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

**NOTE 9 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated/Amortized:</i>				
Land	\$ 1,417,577	\$ -	\$ -	\$ 1,417,577
Construction in Progress	2,095,975	19,919,246	-	22,015,221
Total Capital Assets, Not Being Depreciated/Amortized	<u>3,513,552</u>	<u>19,919,246</u>	<u>-</u>	<u>23,432,798</u>
<i>Capital Assets, Being Depreciated/Amortized:</i>				
Buildings and Improvements	65,282,169	304,947	-	65,587,116
Furniture and Equipment	6,793,425	254,891	-	7,048,316
Vehicles	4,686,589	-	-	4,686,589
Intangible Right to Use Equipment	461,804	-	-	461,804
Total Capital Assets, Being Depreciated/Amortized	<u>77,223,987</u>	<u>559,838</u>	<u>-</u>	<u>77,783,825</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Buildings and Improvements	(38,164,737)	(1,658,743)	-	(39,823,480)
Furniture and Equipment	(5,276,855)	(181,951)	-	(5,458,806)
Vehicles	(2,547,025)	(185,446)	-	(2,732,471)
Intangible Right to Use Equipment	(217,320)	(108,660)	-	(325,980)
Total Accumulated Depreciation/Amortization	<u>(46,205,937)</u>	<u>(2,134,800)</u>	<u>-</u>	<u>(48,340,737)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>31,018,050</u>	<u>(1,574,962)</u>	<u>-</u>	<u>29,443,088</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 34,531,602</u>	<u>\$ 18,344,284</u>	<u>\$ -</u>	<u>\$ 52,875,886</u>

Depreciation/Amortization expense was charged to governmental functions as follows:

<i>Governmental Activities:</i>	
Regular Instruction	\$ 1,045,401
Administration	249,833
Operation and Maintenance of Plant	374,642
Pupil Transportation	177,879
Central	15,529
Food Service Operations	1,877
Extracurricular Activities	<u>269,639</u>
Total Depreciation/Amortization	<u>\$ 2,134,800</u>

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 10 – RISK MANAGEMENT**

***A. Liability Insurance***

The School District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries; and, natural disasters. During fiscal year 2024, the School District contracted for property and inland marine, liability insurance, and fleet insurance. Insurance settlements have not exceeded insurance coverage in each of the past three years, nor has there been a significant reduction in coverage from the prior year.

***B. Fidelity Bonds***

The Board Members and Superintendent have position bonds, \$20,000 and \$25,000, respectively. The Treasurer is covered under a surety bond in the amount of \$100,000. All other School District employees who are responsible for handling funds are covered by various other bonds ranging from \$5,000 to \$25,000.

***C. Workers' Compensation***

The School District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The School District is a member of the Ohio Association of School Business Officials' Group Rating Program, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs.

***D. Employee Health Insurance***

The School District is a member of the Stark County Schools Council of Governments (the Council), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the "Program") is an employee health benefit plan which covers the participating members' employees. The Council acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purpose of paying health benefit claims for employees and their covered dependents, administrative expenses of the program, and premiums for stop-loss insurance coverage. The School District accounts for the premiums paid as expenditures in the general or applicable fund.

**NOTE 11 – OTHER EMPLOYEE BENEFITS**

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination percentage method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy.

Employees earn vacation at rates specified by Union Contractual Agreement based on credit service. Administrative and 260 day employees are entitled to vacation ranging from 10 to 30 days.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

---

All employees are entitled to a sick leave credit equal to one and one quarter days for each month of service. This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to teachers upon retirement is limited to 33 1/3 percent of the value of the first 400 days of sick leave with a maximum of 50 days. All other employees are limited to 33 1/3 percent of the value of the first 132 days of sick leave with a maximum of 44 days.

**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability (Asset)***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the School District’s proportionate share of each pension/OPEB 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/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The 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/OPEB are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Plan Description – School District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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, may be included in this plan.

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

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, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,059,330 for fiscal year 2024. Of this amount, \$100,968 is reported as an intergovernmental payable.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***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 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](http://www.strsoh.org).

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,283,021 for fiscal year 2024. Of this amount, \$632,063 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.1842075%	0.16884448%	
Prior Measurement Date	0.1894218%	0.16737355%	
Change in Proportionate Share	-0.0052143%	0.00147093%	
Proportionate Share of the Net			
Pension Liability	\$ 10,178,413	\$ 36,360,554	\$ 46,538,967
Pension Expense	\$ 957,804	\$ 3,044,409	\$ 4,002,213

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.



**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 437,491	\$ 1,325,628	\$ 1,763,119
Changes of Assumptions	72,099	2,994,489	3,066,588
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	5,109	202,625	207,734
School District Contributions Subsequent to the Measurement Date	1,059,330	3,283,021	4,342,351
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,574,029</b>	<b>\$ 7,805,763</b>	<b>\$ 9,379,792</b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ -	\$ 80,684	\$ 80,684
Net Difference between Projected and Actual Earnings on Pension Plan Investments	143,065	108,973	252,038
Changes of Assumptions	-	2,253,988	2,253,988
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	205,646	463,304	668,950
<b>Total Deferred Inflows of Resources</b>	<b>\$ 348,711</b>	<b>\$ 2,906,949</b>	<b>\$ 3,255,660</b>

\$4,342,351 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ 9,865	\$ (439,454)	\$ (429,589)
2026	(458,342)	(1,422,345)	(1,880,687)
2027	606,881	3,642,090	4,248,971
2028	7,584	(164,498)	(156,914)
Total	<b>\$ 165,988</b>	<b>\$ 1,615,793</b>	<b>\$ 1,781,781</b>

**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

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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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. Future benefits for all current plan members were projected through 2137.

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, 2023, and 2022 are presented below:

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)
Cash	2.00%	0.75%
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00%</u>	

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14.00 percent. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return, 7.00 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. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

**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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 15,022,818	\$ 10,178,413	\$ 6,097,925

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

Post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

\*Final target weights reflected at October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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. 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, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

**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 7.00 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 (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 55,914,484	\$ 36,360,554	\$ 19,823,279

***Assumption and Benefit Changes Since the Prior Measurement Date*** Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

**NOTE 13 – DEFINED BENEFIT OPEB PLANS**

See Note 12 for a description of the net OPEB liability (asset).

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

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$100,404, which is reported as an intergovernmental payable. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2024.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB***

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.1892981%	0.16884448%	
Prior Measurement Date	0.1941123%	0.16737355%	
Change in Proportionate Share	-0.0048142%	0.00147093%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 3,118,583	\$ (3,283,792)	
OPEB Expense	\$ (263,275)	\$ (165,978)	\$ (429,253)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 6,495	\$ 5,119	\$ 11,614
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	24,173	5,861	30,034
Changes of Assumptions	1,054,485	483,748	1,538,233
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	83,638	18,566	102,204
School District Contributions Subsequent to the Measurement Date	100,404	-	100,404
<b>Total Deferred Outflows of Resources</b>	<u>\$ 1,269,195</u>	<u>\$ 513,294</u>	<u>\$ 1,782,489</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 1,608,372	\$ 500,866	\$ 2,109,238
Changes of Assumptions	885,709	2,166,598	3,052,307
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	294,708	45,268	339,976
<b>Total Deferred Inflows of Resources</b>	<u>\$ 2,788,789</u>	<u>\$ 2,712,732</u>	<u>\$ 5,501,521</u>

\$100,404 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (481,150)	\$ (966,931)	\$ (1,448,081)
2026	(425,694)	(461,724)	(887,418)
2027	(278,408)	(168,849)	(447,257)
2028	(186,786)	(229,519)	(416,305)
2029	(142,735)	(210,256)	(352,991)
Thereafter	(105,225)	(162,159)	(267,384)
<b>Total</b>	<u>\$ (1,619,998)</u>	<u>\$ (2,199,438)</u>	<u>\$ (3,819,436)</u>

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set



**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average 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. As of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Geometric)</u>
Cash	2.00%	0.75%
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00%</u>	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

***Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 3,986,440	\$ 3,118,583	\$ 2,434,241
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,291,115	\$ 3,118,583	\$ 4,215,089

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Projected Salary Increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation is based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

\*Final target weights reflected at October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (2,779,300)	\$ (3,283,792)	\$ (3,723,151)
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (3,743,539)	\$ (3,283,792)	\$ (2,730,035)

***Benefit Term Changes Since the Prior Measurement Date*** Healthcare trends were updated to reflect emerging claims and recoveries experiences as well as benefit changes effective January 1, 2024.

**NOTE 14- LONG TERM OBLIGATIONS**

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

	Outstanding 6/30/2023	Additions	Reductions	Outstanding 6/30/2024	Amounts Due in One Year
<i>Long Term Obligations:</i>					
<i>General Obligation Bonds:</i>					
Energy Conservation Refunding Bonds - 2016					
Term Bonds	\$ 875,000	\$ -	\$ 115,000	\$ 760,000	\$ 120,000
2022 School Improvement Bonds					
Term Bonds	67,845,000	-	1,750,000	\$ 66,095,000	125,000
Bond Premium	2,719,683	-	75,547	2,644,136	-
2022 Certificates of Participation	37,850,000	-	605,000	37,245,000	-
COP Premium	1,174,053	-	40,485	1,133,568	-
<i>Total General Obligation Bonds</i>	<u>110,463,736</u>	<u>-</u>	<u>2,586,032</u>	<u>107,877,704</u>	<u>245,000</u>
<i>Direct Borrowings/Placements</i>					
Bus Acquisition Bonds - 2018	<u>430,000</u>	<u>-</u>	<u>80,000</u>	<u>350,000</u>	<u>85,000</u>
<i>Net Pension/OPEB Liability:</i>					
Pension	47,452,756	-	913,789	46,538,967	-
OPEB	<u>2,725,357</u>	<u>393,226</u>	<u>-</u>	<u>3,118,583</u>	<u>-</u>
<i>Total Net Pension/OPEB Liability</i>	<u>50,178,113</u>	<u>393,226</u>	<u>913,789</u>	<u>49,657,550</u>	<u>-</u>
<i>Other Long-Term Obligations:</i>					
Lease Payable	253,711	-	109,847	143,864	114,493
Unearned Revenue	7,741,244	14,895,282	997,335	21,639,191	1,059,289
Learning Center Obligation - 2005	3,871,990	-	367,809	3,504,181	368,957
Compensated Absences	<u>2,363,672</u>	<u>221,131</u>	<u>111,288</u>	<u>2,473,515</u>	<u>126,855</u>
<i>Total Other Long-Term Obligations</i>	<u>14,230,617</u>	<u>15,116,413</u>	<u>1,586,279</u>	<u>27,760,751</u>	<u>1,669,594</u>
<i>Total Governmental Activities Long-Term Liabilities</i>	<u>\$175,302,466</u>	<u>\$ 15,509,639</u>	<u>\$ 5,166,100</u>	<u>\$185,646,005</u>	<u>\$ 1,999,594</u>

The Energy Conservation bond will be paid from the general fund and the bus bonds, and the bus lease purchase will be paid from the permanent improvement fund. The Learning Center debt will be paid from the permanent improvement fund. Compensated absences will be paid from the fund from which the employee is paid. In prior years this has primarily been the general fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

On September 20, 2004, the School District entered into a Cooperative Agreement for a Community Learning Center with the City of Green (City). The City has issued bonds in anticipation of the tax revenue to pay the construction costs of two facilities, approximately \$25,000,000 in fiscal year 2005. The School District is responsible for constructing, maintaining, and insuring the facilities. While the School District will hold legal title to the facilities, the City will have an undivided ownership interest during the term of the agreement, 28 years. The City will also retain the right to use the facilities, in accordance with procedures established by the City, during the agreement term of 28 years. The City is responsible for the first \$1,000,000 in annual debt service, and the School District agrees to pay the remaining annual debt service. The City of Green refinanced this debt in fiscal year 2013 which reduced the interest rate and the amount due by the School District by \$255,144.

The City of Green refinanced this debt in fiscal year 2022 which reduced the interest rate and the amount owed by the School District. As a result of the refunding, more of the City's portion will be applied to the outstanding principal balance. The School District's portion of the total debt is now \$3,504,181.

On July 14, 2023, the City and the School District entered into an agreement to construct a Community Learning Center ("Community Learning Center"), which was made up of a gym at the Green Middle School and Community Court Facilities attached to the middle school. The City agreed to assist with the cost of construction for approximately \$14,900,000 of this project. Under the agreement, both parties will have access to the Community Court Facilities and the middle school gym, with the School District listed as owner of the Community Learnt Center. The City issued revenue bonds in the amount of \$14,900,000 on July 26, 2023 to assist in the construction. \$14,549,944 of the proceeds from the revenue bonds were given to the School District in August 2023. In addition, the City contributed an additional \$345,338 of their own funds to pay for pre-construction costs. The initial term of this agreement commenced on the date of the agreement and terminates on December 31, 2059. The School District and the City must meet annually to agree upon a "shared use schedule", however if an agreement cannot be reached, the School District will make the determination on the use of the gym and the City will make the determination of the use of the Community Court Facilities. Both parties will give due regard to the interest of the other

The School District has capitalized the total cost of the construction of the Community Learning Center associated with the fiscal year 2004 agreement with the City. In addition, the School District will capitalize the construction costs associated with the fiscal year 2024 Community Learning Center agreement with the City as construction is completed. As a result of the City's contributions to the School District for the fiscal 2005 and fiscal 2024 Community Learning Center agreements, along with the undivided interest terms stated above, the earnings process for the School District has not been completed. This process will occur over a 28-year period and 36-year period, respectively. The unearned portion of these contributions have been recognized as a long-term obligation.

In fiscal year 2014, the School District issued \$1,718,541 in general obligation bonds for the purpose of energy conservation improvements to School District buildings. The bonds bear an interest rate of 3.75 percent and were refunded in 2017.

In fiscal year 2017, the School District issued \$1,630,000 in refunding general obligation bonds which bear an interest rate of 2.09 percent and will mature December 1, 2029. The proceeds were used to refund \$1,631,572 of the School District's outstanding energy conservation improvement bonds. The bonds that were refunded were called on August 3, 2016 thus there are no outstanding refunded bonds to report as defeased.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

The issuance of these refunding bonds 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 \$156,168.

On June 14, 2018 the School District issued \$825,000 in Bus Acquisition Bonds for the purchase of nine school buses. The bonds bear an interest rate of 2.97% and mature on December 1, 2027.

In fiscal year 2023, the School District issued a \$67,845,000 general obligation school improvement bonds which bear an interest rate of 5.00 percent and will mature November 1, 2059. The proceeds were used to fund the School District's building projects.

In fiscal year 2023, the School District issued a \$37,850,000 certificate of participation which bears an interest rate of 5.00 percent and will mature November 1, 2052. The proceeds were used to fund the School District's building projects.

All general obligation bonds listed are direct obligations of the School District for which its full faith, credit and resources are pledged.

Principal and interest requirements to retire the Learning Center Obligation, the bus acquisition bonds and the general obligation bonds outstanding at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Learning Center Obligation		Bus Acquisition Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 245,000	\$ 5,368,970	\$ 368,957	\$ 52,889	\$ 85,000	\$ 9,133	\$ 698,957	\$ 5,430,992
2026	320,000	5,358,337	372,746	49,725	85,000	6,608	777,746	5,414,670
2027	355,000	5,345,027	378,230	45,903	90,000	4,010	823,230	5,394,940
2028	395,000	5,329,987	382,204	40,668	90,000	1,337	867,204	5,371,992
2029	490,000	3,395,586	388,687	34,696	-	-	878,687	3,430,282
2030 - 2034	5,250,000	26,035,335	1,613,357	66,191	-	-	6,863,357	26,101,526
2035 - 2039	10,815,000	23,867,413	-	-	-	-	10,815,000	23,867,413
2040 - 2044	15,095,000	20,685,834	-	-	-	-	15,095,000	20,685,834
2045 - 2049	20,740,000	16,138,253	-	-	-	-	20,740,000	16,138,253
2050 - 2054	25,265,000	10,021,963	-	-	-	-	25,265,000	10,021,963
2055 - 2059	20,360,000	4,231,425	-	-	-	-	20,360,000	4,231,425
2060	4,770,000	131,175	-	-	-	-	4,770,000	131,175
Total	<u>\$ 104,100,000</u>	<u>\$ 125,909,305</u>	<u>\$ 3,504,181</u>	<u>\$ 290,072</u>	<u>\$ 350,000</u>	<u>\$ 21,088</u>	<u>\$ 107,954,181</u>	<u>\$ 126,220,465</u>

The School District signed an agreement to lease copiers beginning October 1, 2020 through September 30, 2025. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring them to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease or using the District's incremental borrowing rate. This discount is being amortized over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

Fiscal Year Ending June 30,	Lease Payable	
	Principal	Interest
2025	\$ 114,493	\$ 3,809
2026	29,371	203
Total	<u>\$ 143,864</u>	<u>\$ 4,011</u>

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 15 – INTERFUND TRANSACTIONS**

***Interfund Balances***

At June 30, 2024, the School District had the following interfund balances:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 132,327	\$ -
Nonmajor Governmental Funds	<u>-</u>	<u>132,327</u>
Total	<u>\$ 132,327</u>	<u>\$ 132,327</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30, 2024. The outstanding advance is expected to be repaid once the anticipated revenues are received.

**NOTE 16 – CONTINGENCIES AND SIGNIFICANT COMMITMENTS**

***Grants***

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

***Litigation***

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

***Encumbrances***

At June 30, 2024, the School District had the following outstanding encumbrances for governmental funds.

<u>Fund</u>	<u>Amount</u>
General	\$ 259,767
Building Fund	70,705,880
Building Fund - Community Courts	12,860,441
Permanent Improvements	202,447
Nonmajor Governmental	<u>897,769</u>
	<u>\$84,926,304</u>

**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

***Contractual Commitment***

As of June 30, 2024, the School District had the following outstanding contractual commitments.

	Contractual Commitment	Expended	Balance 6/30/2024
New Buildings Projects	\$ 7,893,132	\$ 4,131,201	\$ 3,761,931
Green Middle School Building and Community Courts	63,000,524	9,051,576	53,948,948
Green Elementary School Building and Community Courts	41,056,782	8,195,278	32,861,504
Boiler Repair / Replacement	98,571	-	98,571
Green High School MAU Replacement	126,200	-	126,200
	<u>\$ 112,175,209</u>	<u>\$ 21,378,055</u>	<u>\$ 90,797,154</u>

**NOTE 17 – STATUTORY RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for 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.

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

	Capital Improvement Reserve
Set Aside Restricted Balance June 30, 2023	\$ -
Current Year Set-Aside Requirement	846,767
Current Year Qualifying Expenditures	(9,747,058)
Total	<u>\$ (8,900,291)</u>
Balance Carried Forward to Fiscal Year 2025	<u>\$ -</u>
Set Aside Balance June 30, 2024	<u>\$ -</u>

Although the School District had current year expenditures during the fiscal year that reduced the set-aside amount to below zero, 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 18 – ASSET RETIREMENT OBLIGATION**

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code (OAC) Section 1301-7-9 and require a School District classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must



**Green Local School District**  
**Summit County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination.

In accordance with OAC Section 1301-7-9, and applicable accounting standards, the School District believes an asset retirement obligation (ARO) to be present, however, while the School District is familiar with the requirements, the cost to satisfy these requirements is not reasonably estimable at this time and therefore an ARO is not recognized in the School District's financial statements.

**Green Local School District**  
**Summit County, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b><i>School Employees Retirement System (SERS)</i></b>				
School District's Proportion of the Net Pension Liability	0.1842075%	0.1894218%	0.1886649%	0.1851479%
School District's Proportionate Share of the Net Pension Liability	\$ 10,178,413	\$ 10,245,404	\$ 6,961,188	\$ 12,246,072
School District's Covered Payroll	\$ 7,433,829	\$ 6,905,593	\$ 6,490,229	\$ 6,523,150
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	136.92%	148.36%	107.26%	187.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
<b><i>State Teachers Retirement System (STRS)</i></b>				
School District's Proportion of the Net Pension Liability	0.16884448%	0.1673736%	0.17094010%	0.17079994%
School District's Proportionate Share of the Net Pension Liability	\$ 36,360,554	\$ 37,207,352	\$ 21,856,228	\$ 41,327,508
School District's Covered Payroll	\$ 23,254,136	\$ 21,957,136	\$ 20,572,650	\$ 21,347,600
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	156.36%	169.45%	106.24%	193.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.90%	87.80%	75.50%

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.1840783%	0.1787307%	0.1823070%	0.1762294%	0.1750266%	0.1736610%
\$ 11,013,727	\$ 10,236,238	\$ 10,892,441	\$ 12,898,366	\$ 9,987,187	\$ 8,788,884
\$ 6,435,652	\$ 6,069,170	\$ 5,766,529	\$ 6,025,264	\$ 6,024,568	\$ 5,933,939
171.14%	168.66%	188.89%	214.07%	165.77%	148.11%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.16919036%	0.16768613%	0.16516066%	0.16405817%	0.16329980%	0.16128624%
\$ 37,415,431	\$ 36,870,415	\$ 39,234,269	\$ 54,915,215	\$ 45,131,288	\$ 39,230,395
\$ 19,939,900	\$ 19,332,150	\$ 18,017,714	\$ 18,063,836	\$ 17,427,243	\$ 18,855,815
187.64%	190.72%	217.75%	304.01%	258.97%	208.05%
77.40%	77.31%	75.30%	66.80%	72.10%	74.70%

See accompanying notes to the required supplementary information.

**Green Local School District**  
**Summit County, Ohio**  
*Required Supplementary Information*  
*Schedule of School District Contributions - Pension*  
*Last Ten Fiscal Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 1,059,330	\$ 1,040,736	\$ 966,783	\$ 908,632
Contributions in Relation to the Contractually Required Contribution	<u>(1,059,330)</u>	<u>(1,040,736)</u>	<u>(966,783)</u>	<u>(908,632)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 7,566,643	\$ 7,433,829	\$ 6,905,593	\$ 6,490,229
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ 3,283,021	\$ 3,255,579	\$ 3,073,999	\$ 2,880,171
Contributions in Relation to the Contractually Required Contribution	<u>(3,283,021)</u>	<u>(3,255,579)</u>	<u>(3,073,999)</u>	<u>(2,880,171)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 23,450,150	\$ 23,254,136	\$ 21,957,136	\$ 20,572,650
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 913,241	\$ 868,813	\$ 819,338	\$ 807,314	\$ 843,537	\$ 794,038
<u>(913,241)</u>	<u>(868,813)</u>	<u>(819,338)</u>	<u>(807,314)</u>	<u>(843,537)</u>	<u>(794,038)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,523,150	\$ 6,435,652	\$ 6,069,170	\$ 5,766,529	\$ 6,025,264	\$ 6,024,568
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$ 2,988,664	\$ 2,791,586	\$ 2,706,501	\$ 2,522,480	\$ 2,528,937	\$ 2,439,814
<u>(2,988,664)</u>	<u>(2,791,586)</u>	<u>(2,706,501)</u>	<u>(2,522,480)</u>	<u>(2,528,937)</u>	<u>(2,439,814)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,347,600	\$ 19,939,900	\$ 19,332,150	\$ 18,017,714	\$ 18,063,836	\$ 17,427,243
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

**Green Local School District**  
**Summit County, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*Last Eight Fiscal Years (1)*

	2024	2023	2022	2021
<b><i>School Employees Retirement System (SERS)</i></b>				
School District's Proportion of the Net OPEB Liability	0.1892981%	0.1941123%	0.1949290%	0.1930400%
School District's Proportionate Share of the Net OPEB Liability	\$ 3,118,583	\$ 2,725,357	\$ 3,689,191	\$ 4,195,389
School District's Covered Payroll	\$ 7,433,829	\$ 6,905,593	\$ 6,490,229	\$ 6,523,150
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.95%	39.47%	56.84%	64.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
<b><i>State Teachers Retirement System (STRS)</i></b>				
School District's Proportion of the Net OPEB Liability (Asset)	0.16884448%	0.16737355%	0.17094000%	0.17080000%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (3,283,792)	\$ (4,333,859)	\$ (3,604,130)	\$ (3,001,807)
School District's Covered Payroll	\$ 23,254,136	\$ 21,957,136	\$ 20,572,650	\$ 21,347,600
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(14.12%)	(19.74%)	(17.52%)	(14.06%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	168.52%	230.73%	174.73%	182.10%

(1) Information prior to 2017 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.1890010%	0.1821375%	0.1853039%	0.1788095%
\$ 4,752,978	\$ 5,052,986	\$ 4,973,070	\$ 5,096,733
\$ 6,435,652	\$ 6,069,170	\$ 5,766,529	\$ 6,025,264
73.85%	83.26%	86.24%	84.59%
15.57%	13.57%	12.46%	11.49%
0.16919000%	0.16768613%	0.16516066%	0.16405817%
\$ (2,802,192)	\$ (2,694,545)	\$ 6,443,960	\$ 8,773,874
\$ 19,939,900	\$ 19,332,150	\$ 18,017,714	\$ 18,063,836
(14.05%)	(13.94%)	35.76%	48.57%
174.70%	176.00%	47.10%	37.30%

See accompanying notes to the required supplementary information.

**Green Local School District**  
**Summit County, Ohio**  
*Required Supplementary Information*  
*Schedule of School District Contributions - OPEB*  
*Last Ten Fiscal Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution (1)	\$ 100,404	\$ 97,479	\$ 95,102	\$ 92,556
Contributions in Relation to the Contractually Required Contribution	<u>\$ (100,404)</u>	<u>\$ (97,479)</u>	<u>\$ (95,102)</u>	<u>\$ (92,556)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 7,566,643	\$ 7,433,829	\$ 6,905,593	\$ 6,490,229
OPEB Contributions as a Percentage of Covered Payroll (1)	1.33%	1.31%	1.38%	1.43%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 23,450,150	\$ 23,254,136	\$ 21,957,136	\$ 20,572,650
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 90,742	\$ 120,277	\$ 115,879	\$ 83,856	\$ 91,424	\$ 138,604
<u>\$ (90,742)</u>	<u>\$ (120,277)</u>	<u>\$ (115,879)</u>	<u>\$ (83,856)</u>	<u>\$ (91,424)</u>	<u>\$ (138,604)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,523,150	\$ 6,435,652	\$ 6,069,170	\$ 5,766,529	\$ 6,025,264	\$ 6,024,568
1.39%	1.87%	1.91%	1.45%	1.52%	2.30%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,347,600	\$ 19,939,900	\$ 19,332,150	\$ 18,017,714	\$ 18,063,836	\$ 17,427,243
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – NET PENSION LIABILITY**

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

***Changes in Assumptions - SERS***

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Years 2016 and Prior</u>
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

***Changes in Benefit Terms - SERS***

For fiscal year 2023, COLA were increased from 2.00 percent to 2.50 percent.

For fiscal year 2022, COLA were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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***Changes in Assumptions – STRS***

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	<u>Fiscal Years 2022 and 2023</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 8.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, 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 no set back from age 90 and above.

***Changes in Benefit Terms - STRS***

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

**Green Local School District**  
**Summit County, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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Fiscal year 2017 and prior, COLA was 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 commences on fifth anniversary of retirement date

**NOTE 2 - NET OPEB LIABILITY (ASSET)**

***Changes in Assumptions – SERS***

Amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	<u>Fiscal Years 2023 and 2022</u>	<u>Fiscal Years 2021-2017</u>
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

	<u>Fiscal Year</u>							
<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal Bond Index Rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

***Changes in Assumptions – STRS***

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality,

**Green Local School District**  
**Summit County, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

***Changes in Benefit Terms – STRS***

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

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

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

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

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**GREEN LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal AL Number	Pass Through Entity Identifying Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education &amp; Workforce</i>						
Child Nutrition Cluster						
School Breakfast Program	10.553	50013-3L70-2024	\$ 68,400	\$ -	\$ 68,400	\$ -
National School Lunch Program	10.555	50013-3L60-2024	419,994	126,025	419,994	126,025
<b>Total Child Nutrition Cluster</b>			<u>488,394</u>	<u>126,025</u>	<u>488,394</u>	<u>126,025</u>
<b>Total U.S. Department of Agriculture</b>			<u>488,394</u>	<u>126,025</u>	<u>488,394</u>	<u>126,025</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education &amp; Workforce</i>						
Special Education Cluster						
Special Education - Grants to States	84.027A	50013-3M20-2023	242,466	-	169,490	-
Special Education - Grants to States	84.027A	50013-3M20-2024	666,688	-	701,198	-
COVID-19 American Rescue Plan - Special Education	84.027X	50013-3M20-2023	37,635	-	24,115	-
Special Education Preschool Grants	84.173A	50013-3C50-2024	21,659	-	21,659	-
<b>Total Special Education Cluster</b>			<u>968,448</u>	<u>-</u>	<u>916,462</u>	<u>-</u>
Title I						
Title I Grants to Local Education Agencies	84.010A	50013-3M00-2023	147,670	-	77,955	-
Title I Grants to Local Education Agencies	84.010A	50013-3M00-2024	367,411	-	390,892	-
<b>Total Title I</b>			<u>515,081</u>	<u>-</u>	<u>468,847</u>	<u>-</u>
Title II-A						
Supporting Effective Instruction State Grants	84.367A	50013-3Y60-2023	20,979	-	13,697	-
Supporting Effective Instruction State Grants	84.367A	50013-3Y60-2024	67,829	-	94,402	-
<b>Total Title II-A</b>			<u>88,808</u>	<u>-</u>	<u>108,099</u>	<u>-</u>
Title IV-A						
Student Support and Academic Enrichment Program	84.424A	50013-3H10-2024	42,671	-	46,242	-
Stronger Connections Grant	84.424F	50013-3H10-2024	32,015	-	32,015	-
<b>Total Title IV-A</b>			<u>74,686</u>	<u>-</u>	<u>78,257</u>	<u>-</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)						
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425U	50013-3HS0-2024	250,849	-	191,725	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	50013-3HS0-2024	764,792	-	764,424	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Homeless)	84.425W	50013-3HZ0-2024	825	-	825	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Homeless Targeted)	84.425W	50013-3HZ0-2024	16,500	-	16,500	-
<b>Total COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)</b>			<u>1,032,966</u>	<u>-</u>	<u>973,474</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<u>2,679,989</u>	<u>-</u>	<u>2,545,138</u>	<u>-</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>						
<i>Passed Through Ohio Facilities Construction Commission (OFCC)</i>						
COVID-19 Coronavirus SLFRF - Ohio K-12 School Safety Program (Round 2)	21.027	50013-5CV3-2023	-	-	41,509	-
COVID-19 Coronavirus SLFRF - Ohio K-12 School Safety Program (Round 3)	21.027	50013-5CV3-2023	-	-	108,525	-
<b>Total COVID-19 Coronavirus SLFRF</b>			<u>-</u>	<u>-</u>	<u>150,034</u>	<u>-</u>
<b>Total U.S. Department of the Treasury</b>			<u>-</u>	<u>-</u>	<u>150,034</u>	<u>-</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 3,168,383</u>	<u>\$ 126,025</u>	<u>\$ 3,183,567</u>	<u>\$ 126,025</u>

The accompanying notes are an integral part of this schedule.

**GREEN LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Green Local School District (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<b>Program Title</b>	<b>AL Number</b>	<b>Amt. Transferred</b>
Title I Grants to Local Educational Agencies	84.010A	\$ 53,160
Supporting Effective Instruction State Grant, Title II-A	84.367A	\$ 46
Student Support and Academix Enrichment, Title IV-A	84.424A	\$ 40



# OHIO AUDITOR OF STATE KEITH FABER

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## 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  
Summit county  
1755 Town Park Blvd  
P.O. Box 218  
Green, Ohio 44232

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Green Local School District, Summit County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 23, 2025.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 23, 2025

# OHIO AUDITOR OF STATE KEITH FABER

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Green Local School District  
Summit County  
1755 Townpark Blvd.  
P.O. Box 218  
Green, Ohio 44232

To the Board of Education:

### Report on Compliance for the Major Federal Program

#### *Opinion on the Major Federal Program*

We have audited Green Local School District's, Summit County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Green Local School District's major federal program for the year ended June 30, 2024. Green Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Green Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

#### *Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 23, 2025

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**GREEN LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER – 2024-001**

Financial Reporting - Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Permanent Improvement Fund was presented as a non-major fund resulting in overstatements of all related balances in Other Governmental Funds due to the District improperly including the Permanent Improvement Fund as part of Other Governmental Funds rather than presenting separately as a major fund.

The financial statements and footnotes have been adjusted to correct for the error and present the Permanent Improvement Fund as a separate major fund.

To help ensure the financial statements are presented properly, the District should review the design, implementation, and maintenance of internal control relevant to preparing and fairly presenting financial statements, and update and/or clarify the procedures and expected practices to help ensure proper reporting.

**Official's Response:** Refer to the Corrective Action Plan.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None





**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**JUNE 30, 2024**

**Finding Number:** 2024-001  
**Planned Corrective Action:** Ensure the GAAP Converters properly determine and report all major funds.  
**Anticipated Completion Date:** 05/30/2025  
**Responsible Contact Person:** Eydie Snowberger

*Eydie M Snowberger*

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# OHIO AUDITOR OF STATE KEITH FABER



**GREEN LOCAL SCHOOL DISTRICT**

**SUMMIT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 6/12/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)