

DATED JUNE 20, 2022

NEW ISSUE
Electronic Bidding via Parity®
Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM

RATING
Moody's: " "

In the opinion of Bond Counsel, under existing law (i) interest on the Bonds will be excludable from gross income of the holders thereof for purposes of federal taxation and (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax, all subject to the qualifications described herein under the heading "Tax Exemption." The Bonds and interest thereon are exempt from income taxation and ad valorem taxation by the Commonwealth of Kentucky and political subdivisions thereof (see "Tax Exemption" herein).

\$1,730,000*
GREEN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2022

Dated with Delivery: July 19, 2022

Due: as shown below

Interest on the Bonds is payable each June 1 and December 1, beginning December 1, 2022. The Bonds will mature as to principal on June 1, 2023 and thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of \$5,000 and integral multiples thereof.

Maturing		Interest	Reoffering	Maturing		Interest	Reoffering
1-Jun	Amount*	Rate	Yield	1-Jun	Amount*	Rate	Yield
2023	\$155,000	%	%	2028	\$175,000	%	%
2024	\$155,000	%	%	2029	\$180,000	%	%
2025	\$160,000	%	%	2030	\$185,000	%	%
2026	\$160,000	%	%	2031	\$190,000	%	%
2027	\$170,000	%	%	2032	\$200,000	%	%

The Bonds are not subject to redemption prior to their stated maturity.

Notwithstanding the foregoing, the Corporation reserves the right to call, upon thirty (30) days notice, the Bonds in whole or in part on any date for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

The Bonds constitute a limited indebtedness of the Green County School District Finance Corporation and are payable from and secured by a pledge of the gross income and revenues derived by leasing the Project (as hereinafter defined) on an annual renewable basis to the Green County Board of Education.

The Green County (Kentucky) School District Finance Corporation will until June 28, 2022, at 1:00 P.M., E.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed \$175,000.**

PURCHASER'S OPTION: The Purchaser of the Bonds, within 24 hours of the sale, may specify to the Financial Advisor that any Bonds may be combined immediately succeeding sequential maturities into a Term Bond(s), bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) being subject to mandatory redemption in such maturities for such Term Bond(s).

The Bonds will be delivered utilizing the BOOK-ENTRY-ONLY-SYSTEM administered by The Depository Trust Company.

The Corporation deems this preliminary Official Statement to be final for purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

**GREEN COUNTY, KENTUCKY
BOARD OF EDUCATION**

Marcy Goff, Chairperson
Marshel Davis, Member
Dan Hedgespeth, Member
Mike McCubbin, Member
Clevis Jeffries, Member

William Hodges, Superintendent/Secretary

**GREEN COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Marcy Goff, President
Marshel Davis, Member
Dan Hedgespeth, Member
Mike McCubbin, Member
Clevis Jeffries, Member

William Hodges, Secretary
Zachary Leftwich, Treasurer

BOND COUNSEL

Rubin & Hays
Louisville, Kentucky

FINANCIAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U. S. Bank Trust Company, National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Green County School District Finance Corporation School Building Revenue Bonds, Series of 2022, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the Board since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Corporation will pass upon the accuracy or adequacy of this Official Statement or approve the Bonds for sale.

The Official Statement includes the front cover page immediately preceding this page and all Appendices hereto.

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**OFFICIAL STATEMENT
Relating to the Issuance of**

\$1,730,000*

**GREEN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2022**

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Green County School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2022 (the "Bonds").

The Bonds are being issued to finance improvements at Green County High School (the "Project").

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds will be secured by a lien and a pledge of the rental income derived by the Corporation from leasing the Project (as hereinafter defined) to the Green County Board of Education (the "Board") on a year to year basis (see "Security" herein).

All financial and other information presented in this Official Statement has been provided by the Green County Board of Education from its records, except for information expressly attributed to other sources. The presentation of financial and other information is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement should be considered in its entirety, and no one subject discussed should be considered more or less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents.

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Lease Agreement, dated July 19, 2022, may be obtained at the office of Rubin & Hays, Bond Counsel, 450 South Third Street, Louisville, Kentucky 40202.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

The following information about the Book-Entry only system applicable to the Bonds has been supplied by DTC. Neither the Corporation nor the Paying Agent and Registrar makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Paying Agent and Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or its nominee, the Paying Agent and Registrar or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Paying Agent and Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice the Corporation or the Paying Agent and Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry system has been obtained from sources that the Corporation believes to be reliable but the Corporation takes no responsibility for the accuracy thereof.

THE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.290 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board. Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Board herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

Any bonds, notes or other indebtedness issued or contracted by the Corporation shall, prior to the issuance or incurrence thereon, be specifically approved by the Board. The members of the Board of Directors of the Corporation are the members of the Board. Their terms expire when they cease to hold the office and any successor members of the Board are automatically members of the Corporation upon assuming their public offices.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION; NO PARTICIPATION IN THIS ISSUE

The Kentucky School Facilities Construction Commission (the "Commission") is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of KRS Sections 157.611 through 157.640, as amended, repealed and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner which will ensure an equitable distribution of funds based upon unmet need.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2021. Inter alia, the Budget provides \$124,836,200 in FY 2020-21 to pay debt service on existing and future bond issues; \$58,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes \$58,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2022.

The 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018 and 2020 Regular Sessions of the Kentucky General Assembly appropriated funds to be used for debt service of participating school districts. The appropriations for each biennium are shown in the following table:

<u>Biennium</u>	<u>Appropriation</u>
1986-88	\$18,223,200
1988-90	14,050,700
1990-92	13,542,800
1992-94	3,075,300
1994-96	2,800,000
1996-98	4,996,000
1998-00	12,141,500
2000-02	8,100,000
2002-04	9,500,000
2004-06	14,000,000
2006-08	9,000,000
2008-10	10,968,000
2010-12	12,656,200
2012-14	8,469,200
2014-16	8,764,000
2016-18	23,019,400
2018-20	7,608,000
2020-22	<u>2,946,900</u>
 Total	 \$183,861,200

In addition to the appropriations for new financings as shown, appropriations subsequent to that for 1986 included additional funds to continue to meet the annual debt requirements for all bond issues involving Commission participation issued in prior years.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

The Kentucky General Assembly is required by the Kentucky Constitution to adopt measures providing for the state's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget (the "State Budget") to the General Assembly during the legislative session held in each even numbered year. State Budgets have generally been adopted by the General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature for appropriations commencing for a two-year period beginning the following July 1.

In the absence of a legislatively enacted budget, the Supreme Court has ruled the Governor has no authority to spend money from the state treasury except where there is a statutory, constitutional or federal mandate and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay principal of, premium, if any, and interest, when due, on obligations that are subject to appropriation.

Due to the unforeseen nature on the economy of the Commonwealth caused by the COVID-19 pandemic, in its 2020 regular session, the General Assembly adopted only a one-year budget for the biennial period ending June 30, 2021 which was approved and signed by the Governor. The biennial budget was reviewed and supplemented during the General Assembly's 2021 regular session. Such budget became effective beginning July 1, 2020. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov

OUTSTANDING BONDS

The following table shows the outstanding Bonds of the Board by the original principal amount of each issue, the current principal outstanding, the amount of the original principal scheduled to be paid with the corresponding interest thereon by the Board or the School Facilities Construction Commission, the approximate interest range; and, the final maturity date of the Bonds:

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2015-REF	\$7,360,000	\$5,540,000	\$3,089,283	\$4,270,717	2.000% - 2.375%	2027
2016-REF	\$1,645,000	\$1,470,000	\$1,504,586	\$140,414	2.000%	2029
2016 Energy	\$3,110,000	\$2,610,000	\$2,508,815	\$601,185	2.000% - 2.750%	2036
2017	\$400,000	\$340,000	\$400,000	\$0	2.250% - 3.500%	2037
2021	\$25,830,000	\$25,830,000	\$18,221,361	\$7,608,639	2.000% - 2.375%	2041
TOTALS:	\$38,345,000	\$35,790,000	\$25,724,045	\$12,620,955		

AUTHORITY

The Board of Directors of the Corporation has adopted a Bond Resolution which authorized among other things:

- i) the issuance of approximately \$1,730,000 of Bonds subject to a permitted adjustment of \$175,000;
- ii) the advertisement for the public sale of the Bonds;
- iii) the Official Terms and Conditions for the sale of the Bonds to the successful bidder; and,
- iv) the President and Secretary of the Corporation to execute certain documents relative to the sale and delivery of the Bonds.

THE BONDS

General

The Bonds will be dated July 19, 2022, will bear interest from that date as described herein, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2022, and will mature as to principal on June 1, 2023 and thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky, has been designated as the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co. Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see "BOOK-ENTRY-ONLY-SYSTEM" below. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on December 1 and June 1 of each year, beginning December 1, 2022 (Record Date is the 15th day of month preceding interest due date).

Redemption

The Bonds are not subject to option redemption prior to their state maturity.

Notwithstanding the foregoing, the Corporation reserves the right, upon thirty (30) days notice, to call the Bonds in whole or in part on any date at par for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any building constituting the Project and apply casualty insurance proceeds to such purpose.

SECURITY

General

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds are payable as to both principal and interest solely from the income and revenues derived from the leasing of the Project financed from the Bond proceeds from the Corporation to the Board. The Bonds are secured by a pledge of revenue on and from the Project; provided, however, said lien and pledge are on parity with the liens and pledges securing the Corporation's outstanding School Building Revenue Bonds issued to improve the building in which the Project is located.

The Lease; Pledge of Rental Revenues

The Board has leased the school Project securing the Bonds for an initial period from July 19, 2022, through June 30, 2023 with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until June 1, 2032, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

STATE INTERCEPT

Under the terms of the Lease and any renewal thereof, so long as the Bonds remain outstanding and in conformance with the intent and purpose of KRS 157.627(5) and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the Lease, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said rentals when due, the Board has granted under the terms of the Lease and Participation Agreement to the Corporation the right to notify and request the Kentucky Department

of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals.

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance improvements at Green County High School (the "Project").

The Board has reported construction bids have been let for the Project and approval of the Kentucky Department of Education, Buildings and Grounds, to award the construction contract is expected prior to the sale and delivery of the Bonds.

Contractors for the Project are required to furnish to the Board a one hundred percent completion bond to assure their performance of the construction contract.

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet approximately 100% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	-----School Building Revenue Bonds, Series 2022-----				Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	General Fund Portion	
2023	\$1,210,672	\$155,000	\$49,062	\$204,062	\$204,062	\$1,210,672
2024	\$1,211,526	\$155,000	\$52,580	\$207,580	\$207,580	\$1,211,526
2025	\$1,212,821	\$160,000	\$48,395	\$208,395	\$208,395	\$1,212,821
2026	\$1,211,263	\$160,000	\$43,435	\$203,435	\$203,435	\$1,211,263
2027	\$1,209,777	\$170,000	\$38,475	\$208,475	\$208,475	\$1,209,777
2028	\$1,414,084	\$175,000	\$33,205	\$208,205	\$208,205	\$1,414,084
2029	\$1,414,183	\$180,000	\$27,605	\$207,605	\$207,605	\$1,414,183
2030	\$1,413,627	\$185,000	\$21,485	\$206,485	\$206,485	\$1,413,627
2031	\$1,415,914	\$190,000	\$14,825	\$204,825	\$204,825	\$1,415,914
2032	\$1,416,114	\$200,000	\$7,700	\$207,700	\$207,700	\$1,416,114
2033	\$1,420,663					\$1,420,663
2034	\$1,419,564					\$1,419,564
2035	\$1,427,764					\$1,427,764
2036	\$1,425,264					\$1,425,264
2037	\$1,430,954					\$1,430,954
2038	\$1,428,870					\$1,428,870
2039	\$1,429,833					\$1,429,833
2040	\$1,429,897					\$1,429,897
2041	\$1,434,001					\$1,434,001
2042	\$1,452,052					\$1,452,052
TOTALS:	\$27,428,845	\$1,730,000	\$336,767	\$2,066,767	\$2,066,767	\$27,428,845

Note: Numbers rounded to the nearest \$1.00.

ESTIMATED USE OF BOND PROCEEDS

The table below shows the estimated sources of funds and uses of proceeds of the Bonds, other than any portions thereof representing accrued interest:

Sources:	
Par Amount of Bonds	<u>\$1,730,000.00</u>
Total Sources	\$1,730,000.00
Uses:	
Deposit to Construction Fund	\$1,666,250.00
Underwriter's Discount (2%)	34,600.00
Cost of Issuance	<u>29,150.00</u>
Total Uses	\$1,730,000.00

DISTRICT STUDENT POPULATION

Selected school census and average daily attendance for the Green County School District is as follows:

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	1,509.0	2010-11	1,539.5
2001-02	1,537.8	2011-12	1,557.5
2002-03	1,546.6	2012-13	1,546.5
2003-04	1,497.1	2013-14	1,483.6
2004-05	1,506.5	2014-15	1,470.8
2005-06	1,490.8	2015-16	1,467.6
2006-07	1,547.3	2016-17	1,477.6
2007-08	1,524.8	2017-18	1,469.1
2008-09	1,566.1	2018-19	1,452.4
2009-10	1,550.1	2019-20	1,457.6

Source: Kentucky State Department of Education.

STATE SUPPORT

Support Education Excellence in Kentucky (SEEK). In determining the cost of the program to Support Education Excellence in Kentucky (SEEK), the statewide guaranteed base funding level is computed by dividing the amount appropriated by the prior year's statewide average daily attendance. The SEEK fund is a guaranteed amount of money per pupil in each school district of Kentucky. The current SEEK allotment is \$3,866 per pupil. The \$100 capital outlay allotment per each average daily attendance is included within the guaranteed amounts. Each district's base funding from the SEEK program is adjusted for the number of at-risk students, the number and types of exceptional children in the district, and cost of transporting students from and to school in the district.

Capital Outlay Allotment. The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the State Department of Education. These funds shall be used for the following capital outlay purposes:

- a. For direct payment of construction costs.

- b. For debt service on voted and funding bonds.
- c. For payment or lease-rental agreements under which the board will eventually acquire ownership of the school plant.
- d. For retirement of any deficit resulting from over-expenditure for capital construction, if such deficit resulted from certain declared emergencies.
- e. As a reserve fund for the above named purposes, to be carried forward in ensuing budgets.

The allotment for each school board of education in the Commonwealth for fiscal year 1978-79 was \$1,800 per classroom unit. The 1979 Session of the Kentucky General Assembly approved increases in this allotment in 1979-80 to \$1,900 per classroom unit. This rate remained unchanged in 1980-81. The 1981 Session of the Kentucky General Assembly decreased the allotment per classroom to \$1,800 and this allotment rate did not change from the 1981-82 rate, until the 1990-91 school year. Beginning with 1990-91, the Capital Outlay allotment for each district is based on \$100 per average daily attendance.

The following table shows the computation of the capital outlay allotment for the Green County School District for certain preceding school years. Beginning 1990-91, the allotment is based on average daily attendance as required by law.

<u>Year</u>	<u>Capital Outlay Allotment</u>	<u>Year</u>	<u>Capital Outlay Allotment</u>
2000-01	150,900.0	2010-11	153,945.0
2001-02	153,780.0	2011-12	155,750.0
2002-03	154,660.0	2012-13	154,647.0
2003-04	149,710.0	2013-14	148,361.0
2004-05	150,650.0	2014-15	147,080.0
2005-06	149,080.0	2015-16	146,760.0
2006-07	154,730.0	2016-17	147,760.0
2007-08	152,480.0	2017-18	146,910.0
2008-09	156,610.0	2018-19	145,235.7
2009-10	155,005.0	2019-20	145,760.0

If the school district has no capital outlay needs, upon approval from the State, the funds can be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses and purchase of modern technological equipment for educational purposes. If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of the levy for eligible purposes, the State may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses (school districts which use capital outlay allotments to meet current expenses are not eligible to participate in the School Facilities Construction Commission funds).

Facilities Support Program of Kentucky. School districts may be eligible to participate in the Facilities Support Program of Kentucky (FSPK), subject to the following requirements:

- 1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;
- 2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,
- 3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes \$6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to \$40,500 effective January 1, 2021.

Limitation on Taxation. The 1979 Special Session of the Kentucky General Assembly enacted House Bill 44 which provides that no school district may levy a general tax rate, voted general tax rate, or voted building tax rate which would generate revenues that exceeds the previous years revenues by four percent (4%).

The 1990 Regular Session of the Kentucky General Assembly in enacting the "School Reform" legislative package amended the provisions of KRS 160.470 which prohibited school districts from levying ad valorem property taxes which would generate revenues in excess of 4% of the previous year's revenues without said levy subject to recall to permit exceptions to the referendum under (1) KRS 160.470(12) [a new section of the statute] and (2) an amended KRS 157.440.

Under KRS 160.470(12)(a) for fiscal years beginning July 1, 1990 school districts are required to levy a "minimum equivalent tax rate" of thirty cents (\$.30) for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including occupational or utilities) levied by the district for school purposes divided by the total assessed value of property plus the assessment for motor vehicles certified by the State Revenue Cabinet. Failure to levy the minimum equivalent rate subjects the board of the district to removal.

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(12)(a) which will produce up to 15% of those revenues guaranteed by the program to support education excellence in Kentucky. Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470.

Local Thirty Cents Minimum. Effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents (\$.30) for general school purposes. If a board fails to comply, its members shall be subject to removal from office for willful neglect of duty.

Additional 15% Not Subject to Recall. Effective with the school year beginning July 1, 1990, each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by the SEEK program. Effective with the 1990-91 school year, the State will equalize the revenue generated by this levy at one hundred fifty percent (150%) of the statewide average per pupil equalized assessment. For 1993-94 and thereafter, this level is set at \$225,000. The additional 15% rate levy is not subject to the public hearing or recall provisions.

Assessment Valuation. No later than July 1, 1994, all real property located in the state and subject to local taxation shall be assessed at one hundred percent (100%) of fair cash value.

Special Voted and Other Local Taxes. Any district may, in addition to other taxes for school purposes, levy not less than four cents nor more than twenty cents on each one hundred dollars (\$100) valuation of property subject to local taxation, to provide a special fund for the purchase of sites for school buildings and the erection, major alteration, enlargement, and complete equipping of school buildings. In addition, districts may levy taxes on tangible and intangible property and on utilities, except generally any amounts of revenues generated above that provided for by House Bill 44 is subject to voter recall.

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	50.4	292,665,496	1,475,034
2001-02	50	302,420,179	1,512,101
2002-03	51.3	310,674,459	1,593,760
2003-04	51.3	318,185,405	1,632,291
2004-05	51.1	330,956,810	1,691,189
2005-06	51.1	354,310,539	1,810,527
2006-07	50.2	362,522,539	1,819,863
2007-08	51.1	384,309,367	1,963,821
2008-09	56.2	395,736,444	2,224,039
2009-10	56.2	402,836,900	2,263,943
2010-11	54.9	419,234,927	2,301,600
2011-12	54.4	420,299,027	2,286,427
2012-13	57.1	434,806,946	2,482,748
2013-14	57.9	434,687,446	2,516,840
2014-15	59.6	438,414,701	2,612,952
2015-16	61.3	443,199,414	2,716,812
2016-17	61.8	456,574,311	2,821,629
2017-18	59.2	471,950,815	2,793,949
2018-19	65	479,767,357	3,118,488
2019-20	65.8	493,553,991	3,247,585

Overlapping Bond Indebtedness

The following table shows any other overlapping bond indebtedness of the Green County School District or other issuing agency within the County as reported by the State Local Debt Officer for the period ending June 30, 2020.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Green			
Refinancing Revenue	\$7,175,000	\$1,145,000	\$6,030,000
City of Greensburg			
General Obligations	\$1,710,000	\$902,427	\$807,573
Water & Sewer Revenue	\$1,852,000	\$938,000	\$914,000
Improvement Project Revenue	\$4,171,000	\$346,400	\$3,824,600
Community Center Revenue	\$1,390,000	\$507,917	\$882,083
Special Districts			
Green-Taylor Water District	\$7,262,000	\$2,189,500	\$5,072,500
Totals:	\$23,560,000	\$6,029,244	\$17,530,756

Source: 2020 Kentucky Local Debt Report.

SEEK Allotment

The Board has reported the following information as to the SEEK allotment to the District, and as provided by the State Department of Education. These receipts are compared to the 1989-90 fiscal year funding prior to enactment of the Kentucky Education Reform Act:

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	5,827,711	1,475,034	7,302,745
2001-02	6,023,988	1,512,101	7,536,089
2002-03	6,005,979	1,593,760	7,599,739
2003-04	6,322,595	1,632,291	7,954,886
2004-05	6,473,447	1,691,189	8,164,636
2005-06	6,689,038	1,810,527	8,499,565
2006-07	7,127,018	1,819,863	8,946,881
2007-08	7,722,014	1,963,821	9,685,835
2008-09	8,080,490	2,224,039	10,304,529
2009-10	7,212,209	2,263,943	9,476,152
2010-11	7,047,505	2,301,600	9,349,105
2011-12	7,710,841	2,286,427	9,997,268
2012-13	7,577,853	2,482,748	10,060,601
2013-14	7,096,088	2,516,840	9,612,928
2014-15	7,197,757	2,612,952	9,810,709
2015-16	7,435,740	2,716,812	10,152,552
2016-17	7,516,777	2,821,629	10,338,406
2017-18	7,384,096	2,793,949	10,178,045
2018-19	7,433,326	3,118,488	10,551,814
2019-20	7,699,231	3,247,585	10,946,816

- (1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at \$100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.
- (2) The Board established a current equivalent tax rate (CETR) of \$0.658 for FY 2019-20. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

- i) Each district board of education is required to prepare a general school budget on forms prescribed and furnished by the Kentucky Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the school during the succeeding fiscal year and the estimated amount that will be received from all sources.
- ii) By September 15 of each year, after the district receives its tax assessment data from the Department of Revenue and the State Department of Education, 3 copies of the budget are forwarded to the State Department for approval or disapproval.
- iii) The State Department of Education has adopted a policy of disapproving a school budget if it is financially unsound or fails to provide for:
 - a) payment of maturing principal and interest on any outstanding voted school improvement bonds of the district or payment of rental in connection with any outstanding school building revenue bonds issued for the benefit of the school district; or
 - b) fails to comply with the law.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds or obligations which present similar tax issues, will not affect the market price for the Bonds.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board having outstanding at the time the Bonds referred to herein are offered for public sale municipal securities in excess of \$1,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule

15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

The Board has adopted new procedures to assure timely and complete filings in the future with regard to the Rule in order to provide required financial reports and operating data or notices of material events.

Financial information regarding the Board may be obtained from Superintendent, Green County School District Board of Education, 402 East Hodgenville Avenue, Greensburg, Kentucky 42743, Telephone 270-932-6601.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that:

(A) The Bonds and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and will not be a specific item of tax preference for purposes of Federal income taxation.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2022, the Bonds are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

The Corporation will provide the purchaser the customary no-litigation certificate, and the final approving Legal Opinions of Rubin & Hays, Bond Counsel, Louisville, Kentucky approving the legality of the Bonds. These opinions will accompany the Bonds when delivered, without expense to the purchaser.

Original Issue Premium

Certain of the Bonds are being initially offered and sold to the public at a premium ("Acquisition Premium" from the amounts payable at maturity thereon. "Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Bonds that bear an interest rate that is higher than the yield (as shown on the cover page hereof), are being initially offered and sold to the public at an Acquisition Premium (the "Premium Bonds"). For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt bonds") must be amortized and will reduce the bondholder's adjusted basis in that bond. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining bondholder's taxable income for federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Bonds, that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") are being initially offered and sold to the public at a discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers)

at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond. The amount accrued will be based on a single rate of interest, compounded semiannually (the "yield to maturity") and, during each semi-annual period, the amount will accrue ratably on a daily basis. The OID accrued during the period that an initial purchaser of a Discount Bond at its issue price owns it is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond. In practical effect, accrued OID is treated as stated interest, that is, as excludible from gross income for federal income tax purposes.

In addition, original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

COVID-19

The recent outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States and the Commonwealth of Kentucky, has been declared a Pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic.

While the collection of property taxes, which are a significant source of building fund revenue for the payment of principal and interest due on the bonds (see "LOCAL SUPPORT" herein) may be impacted by the COVID-19 emergency, the District does not expect the impact to be significant unless the economic hardship is long term. In addition, the Commonwealth of Kentucky revenues are also likely to be impacted by a long-term economic hardship caused by declining collections of sales taxes, wage taxes, income taxes, property taxes and other revenue sources. The impact of those declining revenue collections on state education funds (see "STATE SUPPORT" herein) is unknown. Although the potential impact of the virus on the Commonwealth and the Board of Education's future ability to make payments under the Lease cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the Board of Education and ultimately, the Corporation.

On March 24, 2020 the Governor of Kentucky signed Senate Bill 177 which provides relief to Kentucky School Districts in light of the Coronavirus emergency. Among other things, it removes the limits on the number of days that a district can utilize an approved Non-Traditional Instruction program ("NTI"). Senate Bill 177 also authorizes Kentucky Superintendents to use their school year 2018-2019 attendance data on their Superintendent's Annual Attendance Report. The report determines a district's average daily attendance used in calculating Support Education Excellence in Kentucky ("SEEK") funds. On Friday, Dec. 18, 2020, Gov. Andy Beshear issued Executive Order No. 2020-1041 (EO 2020-1041), which outlines requirements and recommendations for the reopening of schools in January 2021. For more information on the Kentucky Department of Education's response to COVID 19, please see their website at <https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx>.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened (i) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Board or Corporation taken with respect to the issuance or sale thereof or (ii) which if successful would have a material adverse effect on the financial condition of the Board.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Rubin & Hays, Bond Counsel. The form of the approving legal opinion of Bond Counsel will appear on each printed Bond.

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

Bond Counsel has reviewed the information contained in the Official Statement describing the Bonds and the provisions of the Bond Resolution and related proceedings authorizing the Bonds, but Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections, and general information concerning the Corporation or District, and expresses no opinion thereon, assumes no responsibility for same and has not undertaken independently to verify any information contained herein.

BOND RATING

As noted on the cover page of this Official Statement, Moody's Investors Service has given the Bonds the indicated rating. Such rating reflects only the respective views of such organization. Explanations of the significance of the rating may be obtained from the rating agency. There can be no assurance that such rating will be maintained for any given period of time or will not be revised or withdrawn entirely by the rating agency, if in their judgement circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Prospective bidders are advised that RSA Advisors, LLC ("RSA") has been employed as Financial Advisor in connection with the issuance of the Bonds. RSA's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

APPROVAL OF OFFICIAL STATEMENT

The Corporation has approved and caused this "Official Statement" to be executed and delivered by its President. In making this "Official Statement" the Corporation relied upon information furnished to it by the Board of Education of the Green County School District and does not assume any responsibility as to the accuracy or completeness of any of the information in this Official Statement except as to copies of documents denominated "Official Terms and Conditions" and "Bid Form." The financial information supplied by the Board of Education is represented by the Board of Education to be correct. The Corporation deems this preliminary Official Statement to be final for purposes of Securities Exchange Commission Rule 15c2-12(b)(1) as qualified by the cover hereof.

No dealer, broker, salesman, or other person has been authorized by the Corporation, the Green County Board of Education or the Financial Advisor to give any information or representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except when otherwise indicated, the information set forth herein has been obtained from the Kentucky Department of Education and the Green County School District and is believed to be reliable; however, such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Financial Advisor or by Counsel. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to the date hereof.

APPENDIX A

**Green County School District Finance Corporation
School Building Revenue Bonds
Series of 2022**

Demographic and Economic Data

GREEN COUNTY, KENTUCKY

Green County, located in south central Kentucky, had an estimated 2020 population of 11,002 people. Greensburg, the county seat of Green County, had an estimated 2020 population of 2,084. Greensburg is located 82 miles south of Louisville, Kentucky; 124 miles northeast of Nashville, Tennessee; and 349 southeast of St. Louis, Missouri. The county is located in the Pennyrile Region of South Central Kentucky and Covers a land area of 289 square miles.

The Economic Framework

Green County has a labor force of 4,357 people, with an unemployment rate of 4%. The top 5 jobs by occupation are as follows: education, training/library - 487 (17.09%); office and administrative support - 366 (12.84%); executive, managers and administrators - 270 (9.47%); sales - 197 (6.91%); and, food preparation, serving - 180 (6.32%).

Transportation

Highways servicing Greensburg are U.S. Highway 68, a AAA-rated trucking highway; Kentucky Route 61, a AA-rated trucking highway; and Kentucky Route 70. Twelve trucking companies provide interstate and/or intrastate service to Greensburg. The nearest rail service is provided by CSX Transportation as Munfordville, 27 miles west of Greensburg. The Taylor County Airport, 12 miles northeast, has a 5,000-foot paved runway. The nearest scheduled commercial airline service is available at the Louisville International Airport in Louisville, 76 miles north; and at the Blue Grass Airport, 87 miles northeast, near Lexington. Commercial airline service is also available at the Nashville International Airport in Nashville, Tennessee, 130 miles south of Greensburg.

Power and Fuel

East Kentucky Power Cooperative provides electric power throughout Green County along with Kentucky Utilities. Natural gas service is provided to Green County by Atmos Energy Corporation and Louisville Gas & Electric.

Education

The Green County School System provide primary and secondary education in Green County.

LOCAL GOVERNMENT

Structure

Greensburg is governed by a mayor, six commissioners and a full-time city manager. The mayor is elected to a four-year term, while the commissioners each serve two-year terms. Green County is governed by a county judge/executive and five magistrates. Each county official serves a four-year term.

Property Taxes

The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside of city limits may also be subject to city property taxes.

Special local taxing jurisdictions (fire protection districts, watershed districts, and sanitation districts) levy taxes within their operating areas (usually a small portion of community or county).

Property assessments in Kentucky are at 100% fair cash value. Accounts receivable are taxed at 85% of face value.

LABOR MARKET STATISTICS

The Green County Labor Market Area includes Green County and the surrounding Kentucky counties of Adair, Barren, Hart, LaRue, Marion, Metcalfe Russell, and Taylor.

Population

<u>Area</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Green County	11,040	10,995	11,002
Greensburg	2,068	2,058	2,084

Source: U.S. Department of Commerce, Bureau of the Census.

Population Projections

<u>Area</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
Green County	10,367	9,971	9,542

Source: Kentucky State Data Center, University of Louisville and Kentucky Cabinet for Economic Development.

EDUCATION

Public Schools

	<u>Green County</u>
Total Enrollment (2019-2020)	1,573
Pupil-Teacher Ratio (2019-2020)	15-1

Vocational Training

Vocational training is available at both the state vocational-technical schools and the area vocational education centers. The state vocational-technical schools are post-secondary institutions. The area vocational education centers are designed to supplement the curriculum of high school students. Both the state vocational-technical schools and the area vocational education centers offer evening courses to enable working adults to upgrade current job skills.

Arrangements can be made to provide training in the specific production skills required by an industrial plant. Instruction may be conducted either in the vocational school or in the industrial plant, depending upon the desired arrangement and the availability of special equipment.

Bluegrass State Skills Corporation

The Bluegrass State Skills Corporation, an independent public corporation created and funded by the Kentucky General Assembly, provides programs of skills training to meet the needs of business and industry from entry level to advanced training, and from upgrading present employees to retraining experienced workers.

The Bluegrass State Skills corporation is the primary source for skills training assistance for a new or existing company. The Corporation works in partnership with other employment and job training resources and programs, as well as Kentucky's economic development activities, to package a program customized to meet the specific needs of a company.

<u>Vocational School</u>	<u>Location</u>	<u>Enrollment 2019-2020</u>
Green County ATC	Greensburg, KY	488
Marion County ATC	Lebanon, KY	574
Lake Cumberland ATC	Russell Springs, KY	879
Barren County ATC	Glasgow, KY	807
Casey County ATC	Liberty, KY	394
Nelson County ATC	Bardstown, KY	604
Monroe County ATC	Tompkinsville, KY	493
Wayne County ATC	Monticello, KY	551
Pulaski ATC	Somerset, KY	423
Lincoln County ATC	Stanford, KY	363
Bullitt County ATC	Shepherdsville, KY	498
Warren County ATC	Bowling Green, KY	233
Garrard County ATC	Lancaster, KY	386

Colleges and Universities

<u>Name</u>	<u>Location</u>	<u>Enrollment (Fall 2020)</u>
Campbellsville University	Campbellsville, KY	13,744
Lindsey Wilson College	Columbia, KY	1,999
Centre College	Danville, KY	1,411
Western Kentucky University	Bowling Green, KY	18,171
Elizabethtown Community & Tech College	Elizabethtown, KY	6,684
Somerset Community College	Somerset, KY	5,657
Southcentral KY Community & Tech College	Bowling Green, KY	3,503

EXISTING INDUSTRY

<u>Firm</u>	<u>Product</u>	<u>Total Employed</u>
<i>Greensburg:</i>		
Bishop's Cabinet Shop Inc.	Commercial work for cabinet parts	11
Haydon Materials	Asphalt, crushed stone (gravel)	8

Source: Kentucky Cabinet for Economic Development; Kentucky Directory of Manufacturers - 2020.

APPENDIX B

**Green County School District Finance Corporation
School Building Revenue Bonds
Series of 2022**

Audited Financial Statement ending June 30, 2021

GREEN COUNTY SCHOOL DISTRICT
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITOR'S REPORT

Year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Greensburg, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Green County School District (the "District") as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for Schools District Audits Independent Auditor's Contract and Appendices I and II of the Independent Auditor's Contract. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of District's proportionate share of net pension liabilities, net OPEB liabilities, and schedules of required contributions on Pages 3 through 8 and 42 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The additional information shown on Pages 58 through 59 is presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards on Pages 62 through 64 are presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The additional information shown on pages 58 through 59 and the Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information shown on pages 58 through 59 and the Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the 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 January 15, 2022, on our consideration of the Green County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Green County School District's internal control over financial reporting and compliance.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
January 15, 2022

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

As management of the Green County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning unassigned fund balance for the District's General Fund was \$1,503,167 as compared to \$2,139,571 for the year ending balance on June 30, 2021.
- A continued effort focuses on purchasing in the areas of supplies, food, energy and travel resulting in savings due to management strategies.
- Interest income earned in FY 2021 was \$86,350 as compared to \$61,697 in 2020. Total revenue increased by 5.35 percent for all governmental funds from \$19,290,371 in FY 20 to \$20,350,981 in FY 21.
- SEEK funding reported in the district's general fund in FY 2021 was \$7,195,424. The amount of SEEK received in FY 2020 was \$7,553,468. There was a 4.86% decrease in SEEK during 2021 in comparison with FY 2020.
- The General Fund had \$13,990,552 (including the beginning balance) in revenue, which primarily consisted of the state program (SEEK), property, local occupational license taxes, utilities and motor vehicle taxes. Excluding inter-fund transfers of \$212,411, there was \$13,175,760 in General Fund expenditures.
- Bonds are issued as the district renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The district's total principal bonded indebtedness decreased by \$1,215,000 during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 9-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental and proprietary funds. The only proprietary fund is food service operations. All other activities of the district are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

Notes to the financial statements- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-40 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets exceeded liabilities by \$2,041,834 as of June 30, 2021 as compared to \$155,696 as of June 30, 2020. The increase in net position in fiscal year 2020 is attributed primarily to a decrease in noncurrent liabilities while assets remained relatively consistent.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the Period Ending June 30, 2021 and 2020:

	2021	2020
Assets:		
Current Assets	\$ 3,475,891	\$ 2,526,435
Capital Assets	21,904,056	21,850,112
Total Assets	25,379,947	24,376,547
Deferred Outflows of Resources		
CERS	2,287,902	2,028,201
Defeasance on refunding	248,055	277,929
KTRS	615,018	327,125
Total deferred outflows of resources	3,150,975	2,633,255
Liabilities:		
Current Liabilities	1,857,950	1,997,384
Noncurrent Liabilities	22,504,499	22,776,199
Total Liabilities	24,362,449	24,773,583
Deferred Inflows of Resources		
CERS	769,637	1,145,523
KTRS	1,357,000	935,000
Total deferred inflows of resources	2,126,637	2,080,523
Net Position		
Net Investment in Capital Assets	10,800,807	9,522,395
Restricted	(1,118,076)	(996,605)
Unrestricted	(7,640,897)	(8,370,094)
Total Net Position	\$ 2,041,834	\$ 155,696

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

COMMENTS ON BUDGET COMPARISONS

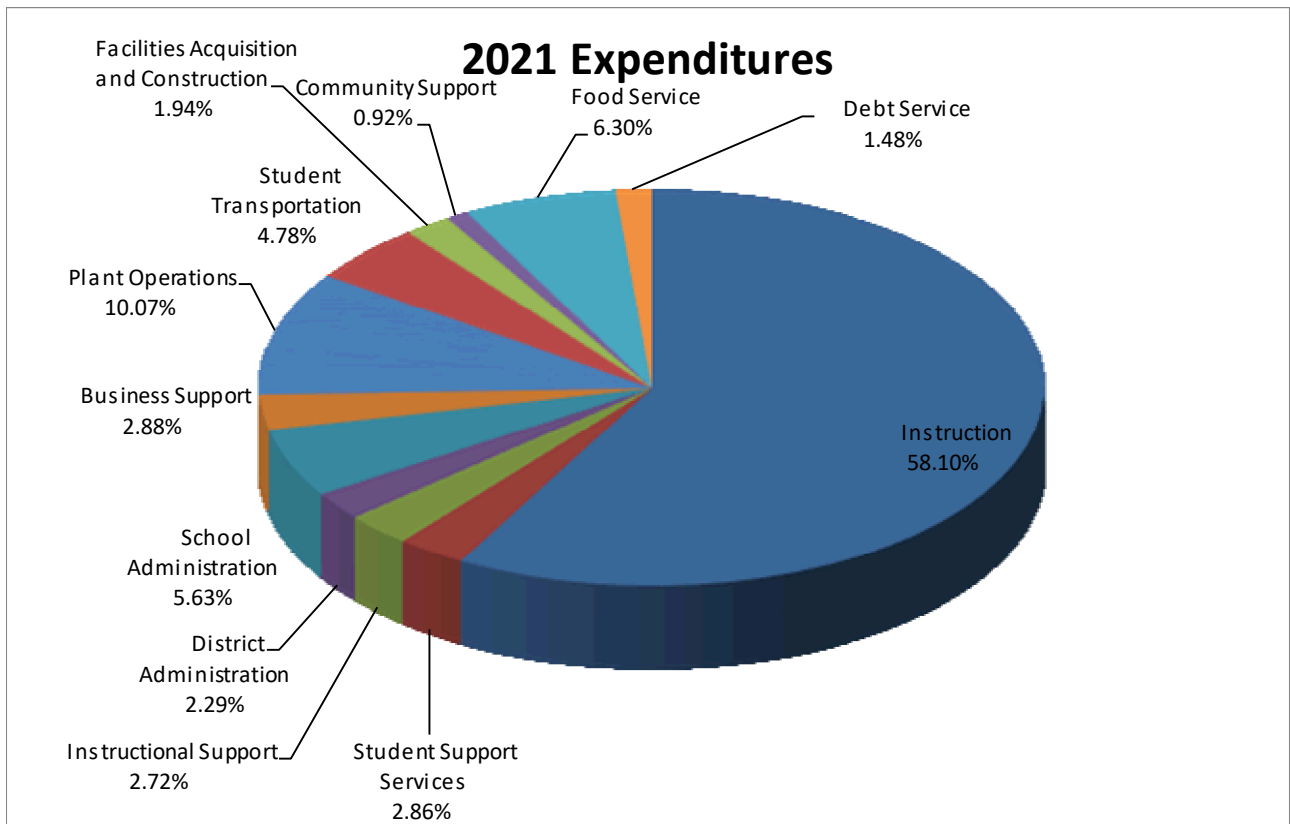
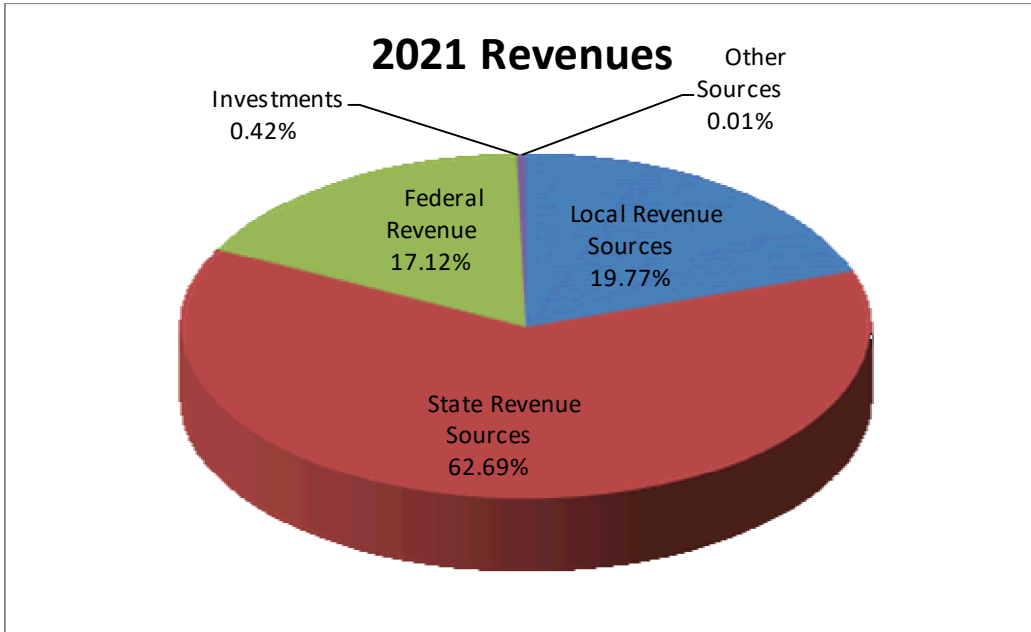
- The District's total revenues for the fiscal year ended June 30, 2021, net of inter-fund transfers and on-behalf payments, were \$16,194,600.
- General fund budget compared to actual revenue (net of unbudgeted on-behalf payments) varied from line item to line item with the ending actual balance being \$2,188,050 more than budget.
- General fund final actual expenditures were \$267,522 less than budget.

The following table presents a summary of governmental revenue and expenditures for the fiscal year ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Revenues:		
Local Revenue Sources	\$ 4,264,397	\$ 3,474,817
State Revenue Sources	13,587,167	14,615,505
Federal Revenue	3,709,461	2,405,091
Investments	90,692	61,697
Lunchroom sales	23,791	51,145
Other Sources	1,770	3,485
Total Revenues	<u>21,677,278</u>	<u>20,611,740</u>
Expenditures:		
Instruction	11,622,086	12,267,278
Student Support Services	571,750	361,644
Instructional Support	544,264	506,727
District Administration	458,821	435,102
School Administration	1,126,841	1,069,581
Business Support	576,853	432,599
Plant Operations	2,013,789	1,932,496
Student Transportation	956,885	1,075,594
Facilities Acquisition and Construction	388,405	48,973
Community Support	184,569	161,202
Food Service	1,260,996	1,306,091
Interest	296,905	369,201
Total Expenditures	<u>20,002,164</u>	<u>19,966,488</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ 1,675,114</u>	<u>\$ 645,252</u>

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

The following pie charts are included as additional illustrations of the District's revenues and expenses for the year ended June 30, 2021



GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

GENERAL FUND REVENUE SOURCES

General fund receipts in FY 2021 were derived from three sources: local taxes account for 18 percent of all revenue; state sources were responsible for 80 percent of general fund revenue; and an additional 2 percent came from federal sources, investment income and other miscellaneous fees.

GENERAL FUND EXPENDITURE CATEGORIES

General Fund expenditures in FY 2021 were spread among eight functions.

<u>Expenditure Category</u>	<u>Percent</u>
Instructional Activities (<i>teachers, instructional assistants, instructional supplies, materials & equipment</i>)	54.1
Plant Operations	11.3
Student Transportation	10.8
School Administration Support (principal's offices)	7.9
Student Support Services (<i>pupil attendance, guidance, social work, health, psychologist, speech pathologists, occupational and physical therapy, services for the visually impaired</i>)	2.4
Instructional Staff Support	4
District Administration Support (<i>board of ed, office of superintendent</i>)	3.6
Business Support Services	4.3
Community Services, Site Improvement, Debt Service & Fund Transfers (<i>Local Technology Match</i>)	1.6

BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2 percent contingency. The district adopted a budget with \$1,514,374 in contingency (11.56% of the entire budget). The beginning cash balance for beginning the fiscal year was \$1,663,962 (general fund).

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2021

Questions regarding this report should be directed to the Superintendent (270-932-6601) or to the Finance Officer (270-932-6601) or by mail at 402 East Hodgenville Ave., Greensburg, Kentucky 42743.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business Type Activities	Total
Assets:			
Current Assets:			
Cash & cash equivalents	\$ 1,379,573	\$ 138,888	\$ 1,518,461
Cash & cash equivalents, restricted	-	-	-
Inventory	-	28,792	28,792
Accounts receivable			
Taxes current	627,509	-	627,509
Other accounts receivable	-	-	-
Intergovernmental -direct federal	-	-	-
Intergovernmental -indirect federal	1,169,031	132,098	1,301,129
Total current assets	<u>3,176,113</u>	<u>299,778</u>	<u>3,475,891</u>
Noncurrent Assets:			
Land and other non-depreciable assets	373,134	-	373,134
Capital assets net of accumulated depreciation	21,487,984	42,938	21,530,922
Total noncurrent assets	<u>21,861,118</u>	<u>42,938</u>	<u>21,904,056</u>
Total assets	<u>25,037,231</u>	<u>342,716</u>	<u>25,379,947</u>
Deferred outflows of resources			
Defeasance on refunding	248,055	-	248,055
CERS OPEB	876,989	171,914	1,048,903
KTRS OPEB	615,018	-	615,018
CERS	1,034,569	204,430	1,238,999
Total deferred outflows of resources	<u>2,774,631</u>	<u>376,344</u>	<u>3,150,975</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION - CONTINUED
June 30, 2021

	Governmental Activities	Business Type Activities	Total
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 58,742	\$ -	\$ 58,742
KSBIT assessment	-	-	-
Accrued interest payable	89,400	-	89,400
Other accrued liabilities	14,154	-	14,154
Current portion of bond obligations	1,120,000	-	1,120,000
Current portion of capital lease	40,861	-	40,861
Current portion of accrued sick leave	138,855	-	138,855
Unearned revenue	395,940	-	395,940
Total current liabilities	<u>1,857,952</u>	<u>-</u>	<u>1,857,952</u>
Noncurrent liabilities:			
Noncurrent portion of bond obligations	10,075,000	-	10,075,000
Noncurrent portion of capital lease	115,443	-	115,443
Noncurrent portion of accrued sick leave	138,856	-	138,856
Net OPEB liability-CERS	1,852,236	366,000	2,218,236
Net OPEB liability-KTRS	2,909,000	-	2,909,000
Net pension liability	5,885,078	1,162,886	7,047,964
Total noncurrent liabilities	<u>20,975,613</u>	<u>1,528,886</u>	<u>22,504,499</u>
Total liabilities	<u>22,833,565</u>	<u>1,528,886</u>	<u>24,362,451</u>
Deferred Inflows of Resources			
OPEB-CERS	432,180	85,398	517,578
OPEB-KTRS	1,357,000	-	1,357,000
CERS	210,470	41,589	252,059
Total deferred inflows of resources	<u>1,999,650</u>	<u>126,987</u>	<u>2,126,637</u>
Net Position			
Net investment in capital assets	10,757,869	42,938	10,800,807
Restricted for:			
Inventories	-	28,792	28,792
Food Service	-	132,661	132,661
Other	-	(1,279,529)	(1,279,529)
Unrestricted	<u>(7,779,222)</u>	<u>138,325</u>	<u>(7,640,897)</u>
Total net position	<u>\$ 2,978,647</u>	<u>\$ (936,813)</u>	<u>\$ 2,041,834</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expense	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities:							
Instruction	\$ 11,622,086	\$ 1,770	\$ 3,874,173	\$ -	\$ (7,746,143)	\$ -	\$ (7,746,143)
Support Services							
Student	571,750	-	3,762	-	(567,988)	-	(567,988)
Instruction Staff	544,264	-	6,999	-	(537,265)	-	(537,265)
District Administrative	458,821	-	-	-	(458,821)	-	(458,821)
School Administrative	1,126,841	-	69,411	-	(1,057,430)	989	(1,056,441)
Business Support Services	576,853	-	-	-	(576,853)	-	(576,853)
Plant Operation and Maintenance	2,013,789	-	119,653	-	(1,894,136)	-	(1,894,136)
Student Transportation	956,885	-	46,381	-	(910,504)	-	(910,504)
Community Service Operations	184,569	-	184,569	-	-	-	-
Facilities Acquisition & Construction	388,405	-	-	1,347,234	958,829	-	958,829
Interest on Long-Term Debt	296,905	-	-	-	(296,905)	-	(296,905)
Total Governmental Activities	<u>18,741,168</u>	<u>1,770</u>	<u>4,304,948</u>	<u>1,347,234</u>	<u>(13,087,216)</u>	<u>-</u>	<u>(13,087,216)</u>
Business-Type Activities							
Food Service	1,260,996	23,791	1,270,821	-	-	33,616	33,616
Total business-type activities	<u>1,260,996</u>	<u>23,791</u>	<u>1,270,821</u>	<u>-</u>	<u>-</u>	<u>33,616</u>	<u>33,616</u>
Total primary government	<u>\$ 20,002,164</u>	<u>\$ 25,561</u>	<u>\$ 5,575,769</u>	<u>\$ 1,347,234</u>	<u>(13,087,216)</u>	<u>33,616</u>	<u>(13,053,600)</u>
General Revenues:							
Taxes							
Property Taxes					2,584,129	-	2,584,129
Delinquent Property Taxes					62,131	-	62,131
Motor Vehicle					402,651	-	402,651
Utility Taxes					628,344	-	628,344
Other Taxes					27,092	-	27,092
Investment Earnings					86,351	4,341	90,692
Federal and State Aid					10,403,329	-	10,403,329
Miscellaneous					503,004	-	503,004
Gains (loss) on Sale of Fixed Assets					27,342	-	27,342
Transfers					-	-	-
Total general revenues and transfers					<u>14,724,373</u>	<u>4,341</u>	<u>14,728,714</u>
Change in Net Position					1,637,157	37,957	1,675,114
Net Position - Beginning (restated)					<u>1,341,490</u>	<u>(974,770)</u>	<u>366,720</u>
Net Position - Ending					<u>\$ 2,978,647</u>	<u>\$ (936,813)</u>	<u>\$ 2,041,834</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Special Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets and resources:						
Cash and cash equivalents	\$ 951,450	\$ -	\$ -	\$ -	\$ 428,123	\$ 1,379,573
Cash and cash equivalents, restricted	-	-	-	-	-	-
Accounts receivable:						
Taxes current	-	-	-	-	-	-
Other accounts receivable	239,171	-	388,130	-	208	627,509
Intergovernmental - direct federal	-	-	-	-	-	-
Intergovernmental - indirect federal	-	1,169,031	-	-	-	1,169,031
Interfund receivable	1,116,449	-	-	-	-	1,116,449
Total assets and resources	<u>\$ 2,307,070</u>	<u>\$ 1,169,031</u>	<u>\$ 388,130</u>	<u>\$ -</u>	<u>\$ 428,331</u>	<u>\$ 4,292,562</u>
Liabilities and fund balance:						
Liabilities:						
Accounts payable	\$ 14,141	\$ 44,576	\$ -	\$ -	\$ 25	\$ 58,742
Interfund payable	-	728,319	388,130	-	-	1,116,449
Accounts payable from restricted assets	-	-	-	-	-	-
Other accrued liabilities	14,154	-	-	-	-	14,154
Unearned revenue	-	395,940	-	-	-	395,940
Total liabilities	<u>28,295</u>	<u>1,168,835</u>	<u>388,130</u>	<u>-</u>	<u>25</u>	<u>1,585,285</u>
Fund balances:						
Nonspendable	-	98	-	-	-	98
Restricted - future construction	-	-	2,343	-	128,557	130,900
Restricted - Other	-	-	(2,343)	-	213,367	211,024
Committed - sick leave payable	138,856	-	-	-	-	138,856
Assigned-Purch Obl	348	(2,602)	-	-	-	(2,254)
Unassigned fund balance	2,139,571	2,700	-	-	86,382	2,228,653
Total fund balance	<u>2,278,775</u>	<u>196</u>	<u>-</u>	<u>-</u>	<u>428,306</u>	<u>2,707,277</u>
Total liabilities and fund balance	<u>\$ 2,307,070</u>	<u>\$ 1,169,031</u>	<u>\$ 388,130</u>	<u>\$ -</u>	<u>\$ 428,331</u>	<u>\$ 4,292,562</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances per fund financial statements		\$	2,707,277
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in government activities are not current financial resources and therefore are not reported as assets in this fund financial statement. The cost of the assets is \$38,124,745, and the accumulated depreciation is \$16,263,627.			
			21,861,118
Deferred inflows of resources-CERS	\$ (642,650)		
Deferred inflows of resources-KTRS	(1,357,000)		
Deferred outflows of resources-CERS	1,911,558		
Deferred outflows of resources-KTRS	615,018		
Net OPEB liability-CERS	(1,852,236)		
Net OPEB liability-KTRS	(2,909,000)		
Net pension liability	<u>(5,885,078)</u>		(10,119,388)
Bonds payable are not reported in this fund financial statement because they are not due and payable in the current period, but they are presented in the statement of net position.			
			(11,351,304)
Certain liabilities, (Sick leave and interest payable) are not presented in this fund financial statement because they are not due and payable, but they are presented in the statement of net position as follows:			
Defeasance on refunding	248,055		
Interest Payable	(89,400)		
Accrued Sick Leave Payable	<u>(277,711)</u>		<u>(119,056)</u>
Net position for governmental activities		\$	<u><u>2,978,647</u></u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Special Revenue (Grant) Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
From local sources:						
Taxes:						
Property	\$ 2,154,254	\$ -	\$ -	\$ -	\$ 519,098	\$ 2,673,352
Motor vehicles	402,651	-	-	-	-	402,651
Utilities	628,344	-	-	-	-	628,344
Tuition and fees	1,770	-	-	-	-	1,770
Earnings and investments	86,350	-	-	-	-	86,350
Other local revenues	127,663	29,705	275	-	375,066	532,709
Intergovernmental - state	9,451,106	1,896,083	388,130	754,105	959,104	13,448,528
Intergovernmental - indirect federal	-	2,536,519	-	-	-	2,536,519
Intergovernmental - direct federal	40,758	-	-	-	-	40,758
Total revenues	<u>12,892,896</u>	<u>4,462,307</u>	<u>388,405</u>	<u>754,105</u>	<u>1,853,268</u>	<u>20,350,981</u>
Expenditures:						
Instruction	7,243,310	3,874,172	-	-	52,293	11,169,775
Support services:						
Student	321,427	3,762	-	-	306,317	631,506
Instructional staff	537,149	6,999	-	-	-	544,148
District Administration	478,460	-	-	-	-	478,460
School Administration	1,055,221	69,412	-	-	-	1,124,633
Business support services	576,853	-	-	-	-	576,853
Plant operations and maintenance	1,514,968	119,653	-	-	-	1,634,621
Student transportation	1,448,372	46,381	-	-	3,280	1,498,033
Food service operation	-	-	-	-	-	-
Facilities acquisition and construction	-	-	388,405	-	-	388,405
Other - facilities	-	-	-	-	-	-
Community service activities	-	184,569	-	-	-	184,569
Debt service:						
Principal	-	-	-	1,258,339	-	1,258,339
Interest	-	-	-	273,327	-	273,327
Total expenditures	<u>13,175,760</u>	<u>4,304,948</u>	<u>388,405</u>	<u>1,531,666</u>	<u>361,890</u>	<u>19,762,669</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(282,864)</u>	<u>157,359</u>	<u>-</u>	<u>(777,561)</u>	<u>1,491,378</u>	<u>588,312</u>
Other financing sources (uses):						
Proceeds from capital lease	-	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-	-
Proceeds from sale of assets	27,342	-	-	-	-	27,342
Operating transfers in	1,070,314	30,553	-	777,561	36	1,878,464
Operating transfers out	(212,412)	(187,814)	-	-	(1,478,238)	(1,878,464)
Total other financing sources (uses)	<u>885,244</u>	<u>(157,261)</u>	<u>-</u>	<u>777,561</u>	<u>(1,478,202)</u>	<u>27,342</u>
Net change in fund balance	602,380	98	-	-	13,176	615,654
Fund Balance June 30, 2020	<u>1,676,395</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>415,130</u>	<u>2,091,623</u>
Fund Balance June 30, 2021	<u>\$ 2,278,775</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,306</u>	<u>\$ 2,707,277</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net Change - Governmental Funds \$ 615,654

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

Governmental funds report capital outlays as expenditures because they use current financial resources. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays for the year.

Depreciation Expense	\$ (928,639)	
Capital Outlays	<u>961,480</u>	32,841

Bond proceeds are reported as financial sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Principal Paid:		
District	563,871	
State	651,129	
Capital Lease	<u>39,342</u>	1,254,342

Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.

Accrued Interest Payable	10,293	
Accrued Sick Leave	(3,915)	
Bond defeasance on refunding	(29,874)	
KISBIT payable	20,583	
Net pension liability	(449,971)	
Net OPEB liability-CERS	(552,752)	
Net OPEB liability-KTRS	345,000	
Deferred outflows of resources	499,449	
Deferred inflows of resources	<u>(104,493)</u>	(265,680)

In the statement of activities the net gain on the sale/disposal of assets is reported in, whereas in the governmental funds the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balances by the cost of the assets sold/disposed.

Change in net position of governmental activities		<u>\$ 1,637,157</u>
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GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	<u>Food Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 138,888
Accounts receivable	132,098
Inventory	28,792
Total current assets	<u>299,778</u>
Noncurrent assets	
Capital assets net of accumulated depreciation	<u>42,938</u>
Total noncurrent assets	<u>42,938</u>
Total assets	<u>342,716</u>
Deferred Outflows of resources	
OPEB	171,914
CERS	204,430
Total Deferred Outflows of resources	<u>376,344</u>
Liabilities	
Current liabilities	
Accounts payable	<u>-</u>
Total current liabilities	<u>-</u>
Noncurrent liabilities	
Net OPEB liability - CERS	366,000
Net pension liability - CERS	<u>1,162,886</u>
Total noncurrent liabilities	<u>1,528,886</u>
Total liabilities	<u>1,528,886</u>
Deferred Inflows of resources	
OPEB-CERS	85,398
CERS	<u>41,589</u>
Total Deferred Inflows of resources	<u>126,987</u>
Net position	
Net investment in capital assets	42,938
Unassigned	13,822
Restricted:	
Food Service	118,839
Inventory	28,792
Restricted - other	(1,279,529)
Unrestricted	<u>138,325</u>
Total net position	<u>\$ (936,813)</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	<u>Food Service Fund</u>
Operating Revenues:	
Lunchroom sales	\$ 7,169
Other operating revenues	16,622
Total operating revenues	<u>23,791</u>
Operating Expenses:	
Salaries and benefits	768,745
Contract services	24,553
Material and supplies	448,074
Depreciation	15,280
Other operating expenses	4,344
Total operating expenses	<u>1,260,996</u>
Operating income (loss)	<u>(1,237,205)</u>
Non-operating revenues (expenses)	
Federal grants	1,075,332
Donated commodities	56,851
State grants	138,638
Interest income	4,341
Total non-operating revenues (expenses)	<u>1,275,162</u>
Income (loss) before capital contributions and transfers	<u>37,957</u>
Net transfers	<u>-</u>
Change in net position	37,957
Net position - beginning	<u>(974,770)</u>
Net position - ending	<u>\$ (936,813)</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Cash Flows From Operating Activities:	
Cash received from:	
Lunchroom sales	\$ 7,169
Other activities	16,622
Cash paid to/for:	
Employees	(520,949)
Supplies	(394,581)
Other activities	<u>(28,898)</u>
Net cash provided (used) by operating activities	(920,636)
Cash flows from noncapital financing activities:	
State grants	13,039
Federal grants	<u>943,604</u>
Net cash provided (used) by noncapital financing activities	956,643
Cash flows from investing activities:	
Receipt of interest income	4,341
Purchase of assets	(36,383)
Net transfers	<u>-</u>
Net cash provided (used) by investing activities	(32,042)
Net increase (decrease) in cash and cash equivalents	3,965
Balances, beginning of year	<u>134,923</u>
Balances, end of year	<u><u>\$ 138,888</u></u>
Reconciliation of change in operating income to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (1,237,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	15,280
State on-behalf payments	125,599
Donated commodities	56,851
GASB 68 expense	101,313
GASB 75 expense	20,884
Change in Assets and Liabilities:	
(Increase) decrease in inventory	(3,358)
Increase (decrease) in accounts payable	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ (920,636)</u></u>
Schedule of non-cash transactions:	
On behalf payments from the state for employee benefits	\$ 125,599
Donated commodities received from federal government	56,851
Gasb 68 & 75 expenses (net)	122,197

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	<u>Trust Fund</u>	<u>Scholarship Fund</u>
Assets		
Cash and cash equivalents	\$ 53,138	\$ 1,061,872
Investments - certificates of deposit	<u>-</u>	<u>20,000</u>
Total assets	<u>53,138</u>	<u>1,081,872</u>
Liabilities		
Accounts payable	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Net position		
Held in trust	<u>53,138</u>	<u>1,081,872</u>
Total liabilities and net position	<u>\$ 53,138</u>	<u>1,081,872</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY
FUNDS
For the Year Ended June 30, 2021

	Trust Fund	Scholarship Fund
Additions		
Interest Income	\$ -	\$ 19,562
Donations	-	1,043,993
Total additions	-	1,063,555
Deductions		
Benefits paid	-	2,000
Change in net position	-	1,061,555
Net position - beginning	53,138	20,317
Net position - ending	\$ 53,138	\$ 1,081,872

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Green County Board of Education (“Board”), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Green County Board of Education (“District”). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Green County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Green County Board of Education Finance Corporation – The Green County Board of Education has established the Green County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation’s Board of Directors.

Basis of Presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

In the government-wide statement of net position and statement of activities both governmental and business-like activities are presented using the accrual basis of accounting. Under accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in net total assets. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The District has the following funds:

- Governmental Fund Types
 1. The General Fund is the main operating fund of the Board. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of the District.
 2. The Special Revenue (Grant) Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal awards included in this report on pages 61 through 63. This is a major fund of the District.
 3. The District Activity Fund is a Special Revenue Fund type and is used to account for funds received at the school level.
 4. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Fund).
 - a. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the district's facility plan.
 - b. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the district's facility plan. This is a major fund of the District.
 - c. The Construction Fund includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.
 5. The Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky Law.
- Proprietary Fund Types (Enterprise Fund)
 1. The Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.
 2. Operating revenues in the proprietary funds are the revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Fiduciary Fund Types

1. The Agency Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds comply with *Accounting Procedures for Kentucky School Activity Funds*.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and 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 District, available means expected to be received within sixty days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before it can be recognized.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted first, then unrestricted resources, as they are needed.

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported in inventory.

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, are not recognized in governmental funds.

Property Taxes

Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund.

The property tax rates assessed for the year ended June 30, 2021, to finance the General Fund operations were \$.537 per \$100 valuation for real property, \$.537 per \$100 valuation for business personal property and \$.539 per \$100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

All reported capital assets 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 for both general capital assets and proprietary fund assets:

Description	Governmental Activities Estimated Lives
Buildings and improvements	40 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-14 years
Food service equipment	7 years
Furniture and fixtures	7 years
Other	7 years

Inter-fund Balances

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund receivables/payables”. These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Budgetary Process

Budgetary Basis of Accounting: The District’s budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

- Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- The budget can be amended after initial approval.
- Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.
- On-Behalf payments were not considered in the budget.

Encumbrances

Encumbrances are not liabilities and, therefore, are not reported as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are re-appropriated in the next year. There were no outstanding encumbrances at year-end.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

The District considers demand deposits, money market funds, nonnegotiable certificates of deposits and other investments with an original maturity of 90 days or less, to be cash equivalents.

Inventories

The only inventory maintained by the District consists of expendable supplies held for consumption and is accounted for in the Enterprise Fund. Inventory consists of donated and purchased food held for resale and is expensed when used. Purchased food is valued at cost and the U.S. Government donated commodities value is determined by the U.S. Department of Agriculture.

Prepaid Assets

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

Receivables

The District recognizes revenues as receivable when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance Classification Policies and Procedures

- Non-spendable fund balance-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balances-amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint;

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Assigned fund balance-amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority;
- Unassigned fund balances-amounts that are available for any purpose; positive amounts are reported only in the General Fund

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt 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. Net positions are 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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or other outside contributions of resources restricted to capital acquisition and construction.

Inter-fund Activity

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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Board's policy is to apply restricted net positions first.

NOTE 2 – ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities.

At June 30, 2021, the carrying amount of the District's cash and cash equivalents (cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less) was \$2,633,471 while the bank statements totaled \$4,622,866. Of the total bank balances, \$250,000 was insured by FDIC; collateral agreements were executed and collateral, with a FMV of \$8,395,485 and book value of \$11,516,968, was pledged and held by the pledging bank's trust departments in the District's name to secure the remainder of deposits.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 3 – CASH AND INVESTMENTS - CONTINUED

Due to the nature of the accounts and certain limitations on the use of the funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Special Revenue Fund, Debt Service Fund, Food Service Fund and Agency Fund.

Kentucky Revised Statutes authorizes the District to invest in the following: obligations of the United States Government and of its agencies and instrumentalities, repurchase agreements and specially approved AAA rated corporate bonds; bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities; certificates of deposit or other interest bearing accounts issued by any bank or savings and loan institution up to FDIC insured amount, and in larger amounts provided that the bank pledges as security obligations having a current market value at least equal to any uninsured deposits.

The District held no investments at June 30, 2021.

NOTE 4 – CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Transfers/ Retirements	Balance June 30, 2021
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 373,134	\$ -	\$ -	\$ 373,134
Total Capital Assets not being Depreciated	<u>373,134</u>	<u>-</u>	<u>-</u>	<u>373,134</u>
Capital Assets, being Depreciated:				
Land Improvements	990,651	43,592	-	1,034,243
Buildings and Building Improvements	30,822,994	149,000	-	30,971,994
Technology equipment	1,642,044	-	-	1,642,044
Vehicles	3,107,546	666,703	(328,983)	3,445,266
General Equipment	555,877	102,185	-	658,062
Totals at historical cost	<u>37,119,112</u>	<u>961,480</u>	<u>(328,983)</u>	<u>37,751,609</u>
Less accumulated depreciation for:				
Land Improvements	575,727	27,790	-	603,517
Buildings and Building Improvements	10,682,658	743,244	-	11,425,902
Technology Equipment	1,620,464	-	-	1,620,464
Vehicles	2,326,380	137,034	(328,983)	2,134,431
General Equipment	458,740	20,571	-	479,311
Construction	-	-	-	-
Total accumulated depreciation	<u>15,663,969</u>	<u>928,639</u>	<u>(328,983)</u>	<u>16,263,625</u>
Governmental Activities Capital Net	<u>\$ 21,828,277</u>	<u>\$ 32,841</u>	<u>\$ -</u>	<u>\$ 21,861,118</u>

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Proprietary Activities				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and Building Improvements	-	-	-	-
Technology Equipment	34,717	-	-	34,717
General Equipment	622,774	36,383	(3,293)	655,864
Construction	-	-	-	-
Totals at historical cost	<u>657,491</u>	<u>36,383</u>	<u>(3,293)</u>	<u>690,581</u>
Less Accumulated Depreciation For:				
Land	-	-	-	-
Buildings and Buildings Improvement	-	-	-	-
Technology Equipment	35,067	2,709	-	37,776
General Equipment	600,589	12,571	(3,293)	609,867
Construction	-	-	-	-
Total Accumulated Depreciation	<u>635,656</u>	<u>15,280</u>	<u>(3,293)</u>	<u>647,643</u>
Proprietary activities capital assets, net	<u>\$ 21,835</u>	<u>\$ 21,103</u>	<u>\$ -</u>	<u>\$ 42,938</u>

Depreciation Expense Charged to Governmental Functions as Follows:

Plant Operation and Maintenance	\$ 614,053
Instruction	185,626
Student Transportation	125,555
School Admin Support	2,209
District Admin Support	944
Student Support Services	136
Instructional Staff Support	116
Total	<u><u>\$ 928,639</u></u>

NOTE 5 – LONG-TERM OBLIGATIONS

The original amount of the issue, the issue dates, and interest rates are summarized below:

Issue	District Original Amount	SFCC Original Amount	Interest Rate Ranges	Maturity Dates
Issue of 2004	\$ -	\$ 845,000	3.75%	June 30, 2024
Issue of 2010	\$ 3,499,739	\$ 905,261	2.00%	April 1, 2021
Issue of 2015	\$ 3,089,283	\$ 4,270,717	2.00%	August 1, 2027
Issue of 2016 - Energy Savings	\$ 2,508,815	\$ 601,185	2.00%	October 1, 2036
Issue of 2016 - School Refundi	\$ 1,504,586	\$ 140,414	2.49%	August 1, 2029
Issue of 2017	\$ 400,000	\$ -	3.63%	April 1, 2038

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Green County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

The District has “participation agreements” with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2021 for debt service (principal and interest) are as follows:

Year	Green County School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2021-2022	\$ 566,157	\$ 149,499	\$ 553,843	\$ 87,920	\$ 1,357,419
2022-2023	574,038	138,061	565,962	75,759	1,353,820
2023-2024	585,891	126,386	584,109	63,346	1,359,732
2024-2025	608,633	114,327	536,367	50,492	1,309,819
2025-2026	629,223	101,548	545,777	39,355	1,315,903
2027-2031	2,756,569	302,463	1,233,431	62,003	4,354,466
2032-2036	985,727	108,621	174,273	16,109	1,284,730
2037-2041	263,622	4,879	31,378	431	300,310
Totals	\$ 6,969,860	\$ 1,045,784	\$ 4,225,140	\$ 395,415	\$ 12,636,199

Total interest incurred for the year ended June 30, 2021 was \$296,905, all of which was charged to expense.

Capital Leases

The District entered into a capital lease in March 2015 with the Kentucky Inter-local Transportation Association (KISTA) upon purchase of four school buses. Principal payments are due annually on March 1. Interest is stated at an average of 2.309% and is due semi-annually on September 1 and March 1.

The school buses and related accumulated amortization under capital lease is as follows:

	Governmental Activities
School Buses	\$ 397,975
Less: Accumulated depreciation	(218,886)
Net Value	<u>\$ 179,089</u>

As of June 30, 2021, capital lease annual amortization is as follows:

<u>Year Ending June 30,</u>	
2022	\$ 44,493
2023	44,536
2024	37,824
2025	<u>37,880</u>
Total requirements	164,733
Less Interest	<u>(9,188)</u>
Present value of remaining payments	<u>\$ 155,545</u>

Amortization of leased equipment under capital assets is included with depreciation expense

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District’s past experience of making termination payments. As of June 30, 2021, management has estimated the accrued sick leave liability obligation will be approximately \$277,710. The entire sick leave liability is reported on the government-wide financial statements.

Long-term liability the fiscal year ended June 30, 2021 was as follows:

A summary of the changes in the outstanding bonds during the fiscal year ended June 30, 2021:

	Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities					
Revenue Bonds Payable	\$ 12,410,000	\$ -	\$ 1,215,000	\$ 11,195,000	\$ 1,120,000
Capital Lease Payable	195,646	-	39,342	156,304	40,861
KISBIT Payable	20,583	-	20,583	-	-
Accrued Sick Leave	273,796	3,915	-	277,711	138,855
Net OPEB Liability - CERS	1,299,484	552,752	-	1,852,236	-
Net OPEB Liability - KTRS	3,254,000	-	345,000	2,909,000	-
Net pension liability	5,435,107	449,971	-	5,885,078	-
	<u>5,435,107</u>	<u>449,971</u>	<u>-</u>	<u>5,885,078</u>	<u>-</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 22,888,616</u>	<u>\$ 1,006,638</u>	<u>\$ 1,619,925</u>	<u>\$ 22,275,329</u>	<u>\$ 1,299,716</u>

The debt service fund is primarily responsible for paying bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying accrued vacation and sick leave.

NOTE 6 – COMMITMENTS UNDER NONCAPITALIZED LEASES

Commitments under operating lease agreements for office equipment and student tablets provide the minimum future rental payments as of June 30, 2021 as follows:

Year ending June 30:	
2020	\$ 3,463
2021	843
2022	562
2022	-
2023	-
Total Minimum Payments	<u>\$ 4,868</u>

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 7 – RETIREMENT PLANS

Kentucky Teacher’s Retirement

The District’s employees are provided with two pension plans, based on each position’s college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.

General information about the County Employees retirement system Non-Hazardous (“CERS”)

Plan description - Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided – CERS provides retirement, health insurance, death, and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years’ service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years of service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General assembly. Retirement is based on a factor of the number of years’ service and the hire date multiplied by the average of the highest five years’ earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years’ service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent’s beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent’s monthly final rate of pay and any dependent child will receive 10% of the decedent’s monthly final rate of pay up to 40% for all dependent children. Five years’ service is required for non-service related disability benefits.

Contributions – Required contributions by the employee are based on the tier:

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The district’s contribution requirement for CERS for the years ended June 30, 2021, 2020, and 2019 was \$482,528, \$454,258, and \$377,776 from the District and \$125,100, \$117,638 and 115,636 from employees. The total covered payroll for CERS during the years ended June 30, 2021, 2020 and 2019 was \$2,500,145, \$2,353,670, and \$2,312,726.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 7 – RETIREMENT PLANS - CONTINUED

General information about the Teachers' Retirement System of the State of Kentucky ("KTRS")

Plan description – Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS) – a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

Benefits provided – For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, employees must either:

- 1.) Attain age fifty-five (55) and complete five (5) years of Kentucky service, or
- 2.) Complete 27 years of Kentucky service.

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. KTRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

Cost of living increases are one and one-half (1.5) percent annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.640 % of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.425% of their salary to KTRS.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 13.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

During the years ended June 30, 2021, 2020, and 2019 contributions of \$2,203,986, \$2,140,707 and \$2,068,440 were made by the State of Kentucky and \$20,551, \$22,585 and \$22,298 in contributions were passed through the District's federally funded programs. Employee contributions for the years ended June 30, 2021, 2020, and 2019 totaled \$1,011,600, \$968,946 and \$924,809. All payments were made to the retirement system in the amount of the annually required contributions.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 7 – RETIREMENT PLANS - CONTINUED

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District’s proportionate share of the net pension liability for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District Commonwealth support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate shares of the CERS net pension liability	\$	7,047,964
Commonwealth's proportionate share of the KTRS net pension liability associated with the District		30,449,398
	\$	37,497,362

The net pension liability for each plan was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Districts proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2020, the Districts proportion was 0.091891% percent.

For the year ended June 30, 2021, the District recognized pension expense of \$989,592 related to CERS and 2,203,986 related to KTRS. The District also recognized revenue of \$2,203,986 for KTRS support provided by the Commonwealth. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 175,754	\$ -
Changes of assumptions	275,211	-
Net difference between projected and actual earnings on pension plan investments	305,506	129,139
Changes in proportion and differences between District contributions and proportionate share of contributions	-	122,920
District contributions subsequent to the measurement date	482,528	-
Total	\$ 1,238,999	\$ 252,059

The District reported \$482,528 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	193,060
2023	155,280
2024	85,239
2025	70,833

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 For the Year Ended June 30, 2021

NOTE 7 – RETIREMENT PLANS - CONTINUED

Actuarial assumptions—the total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	3.00%
Payroll growth rate	2%	
Projected salary increases	3.30%- 10.30%	3.5%-7.30%
Investment rate of return, net of investment expense & inflation	6.25%	7.50%

For CERS, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disability Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008-June 30, 2013.

For KTRS, Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025, set forward two years for males and one year for females. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010-June 30, 2015 adopted by the Board on December 19, 2016. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Discount rate—for CERS, the projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Comprehensive Annual Financial Report (CAFR).

For KTRS, the discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term rate of return: For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering the period July 1, 2010 – June 30, 2015 adopted by the Board on November 19, 2016.. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (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 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.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 For the Year Ended June 30, 2021

NOTE 7 – RETIREMENT PLANS - CONTINUED

For KTRS, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by KTRS’s investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term</u>
U.S. Equity	40.0%	4.6%
International Equity	22.0%	5.6%
Fixed Income	15.0%	0.0%
Additional Categories*	7.0%	2.5%
Real Estate	7.0%	4.3%
Private Equity	7.0%	7.7%
Cash	2.0%	-0.5%
Total	<u>100.0%</u>	

*Includes Hedge Funds, High Yield and Non-US Developed Bonds

Sensitivity of CERS and KTRS proportionate share of net pension liability to changes in the discount rate—The following table present the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage- point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	6.25%
District's proportionate share of net pension liability	8,691,673	7,047,964	5,686,910
KTRS	7.00%	8.00%	9.00%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net positions—detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports of both CERS and KTRS.

DEFERRED COMPENSATION:

The District also offers employees the option to participate in a defined contribution plan under Section 403(B), 401(K) and 457 of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amount allowable by law. The District does not contribute to these plans. For the year ended June 30, 2020, employee contributed approximately \$184,499 to the plan.

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan – CERS

Medical Insurance Plan

Plan description - Employees whose positions do not require a degree beyond a high school diploma are covered by the Kentucky Retirement Systems’ Insurance Fund, a component of the cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Benefits provided – To be eligible for medical benefits, the member must have retired either for service or disability. The Kentucky Retirement Systems' Insurance Fund offers coverage for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance based on years of service.

Contributions – In order to fund the post-retirement healthcare benefit, for Tier 1 plan members (those participating prior to September 1, 2008) 5.26% of the gross annual payroll of members is contributed, all of which is paid by the District. For Tier 2 plan members (those participating on, or after September 1, 2008 and before January 1, 2014 an additional 1% of the gross annual payroll is contributed by the plan member. Tier 3 plan members (those whose participation began after January 1, 2014) also contribute an additional 1% of their annual payroll into a Cash Balance Plan. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan

General Information about the OPEB Plan - KTRS

Plan description – Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS)—a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

The state reports a liability, deferred outflows of resources and deferred inflows of resources, and expense as a result of its statutory requirement to contribute to the TRS Medical Insurance and Life Insurance Plans. The following information is about the TRS plans:

Medical Insurance Plan

Plan description – In addition to the OPEB benefits described above, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The TRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Benefits provided – To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund offers coverage to members under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. TRS retired members are given a supplement to be used for payment of their health insurance premium. The amount of the member's supplement is based on a contribution supplement table approved by the TRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

Contributions – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the District reported a liability of \$2,218,236 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.091864%.

The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate shares of the net OPEB liability	\$	5,127,236
Commonwealth's proportionate share of the net OPEB liability associated with the District		2,330,000
		<u>7,457,236</u>
	\$	<u>7,457,236</u>

For the year ended June 30, 2021, the District recognized OPEB expense of \$275,145 and revenue of \$166,436 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 370,621	\$ 1,610,910
Changes of assumptions	561,842	2,346
Net difference between projected and actual earnings on OPEB plan investments	213,992	45,263
Changes in proportion and differences between District contributions and proportionate share of contributions	122,000	216,059
District contributions subsequent to the measurement date	395,466	-
Total	\$ 1,663,921	\$ 1,874,578

Of the total amount reported as deferred outflows of resources related to OPEB, \$395,466 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2022	(105,685)
2023	(76,865)
2024	(119,610)
2025	(99,457)
2026	(157,506)
Thereafter	(47,000)

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS’s investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity	40.0%	4.6%
International Equity	22.0%	5.6%
Fixed Income	15.0%	0.0%
Other Additional Categories	7.0%	2.5%
Real Estate	7.0%	4.3%
Private Equity	7.0%	7.7%
Cash	2.0%	-0.5%
Total	<u>100.0%</u>	

Discount rate - The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CERS – The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

Discount rate – For CERS, the projection of cash flows used to determine the discount rate of 5.84% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contributions rate of projected compensation over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 6.56%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2017. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System’s actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System’s trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

Sensitivity of CERS and KTRS proportionate share of net OPEB liability to changes in the discount rate—The following table present the net OPEB liability of the District, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage- point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS:	4.34%	5.34%	6.34%
District's proportionate share of net OPEB liability	2,849,782	2,218,236	1,699,526
KTRS:	7.00%	8.00%	9.00%
District's proportionate share of net OPEB liability	3,515,000	2,909,000	2,402,000

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates – The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Districts' net OPEB liability	1,717,469	2,218,236	2,825,929

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

Life Insurance Plan

Plan description – Life Insurance Plan – TRS administers the life insurance plan as provided by Kentucky Revised Statute 161.655 to eligible active and retired members. The TRS Life Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

Benefits provided – TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions – In order to fund the post-retirement life insurance benefit, three hundredths of one percent (.03%) of the gross annual payroll of members is contributed by the state.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate shares of the net OPEB liability	\$	-
Commonwealth's proportionate share of the net OPEB liability associated with the District		70,000
	\$	70,000

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving a ninety (90) day notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the members on a pro rata basis.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 9 - RISK MANAGEMENT - CONTINUED

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - CONTINGENCIES

The District receives funding from Federal, State and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantor's review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and un-reimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

NOTE 11 – COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss (contingency).

NOTE 12 - DEFICIT OPERATING/FUND BALANCES

There are no funds of the District that currently have a deficit balance. In addition, the following fund had operations that resulted in a current year deficit of expenditures over revenues resulting in a corresponding reduction of fund balance:

District Activity Fund	\$2,234
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NOTE 13 - TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	Special Revenue	General Fund	Indirect Cost	\$ 161,271
Operating	Capital Outlay	General Fund	Capital Funds	145,492
Operating	Building Fund	General Fund	Capital Funds	763,551
Operating	School Activity	District Activity	Operation	36
Operating	General Fund	Special Revenue	KETS Matching	30,553
Operating	General Fund	Debt Service	Debt Service	181,858
Operating	Special Revenue	Debt Service	Debt Service	26,544
Operating	Building Fund	Debt Service	Debt Service	569,159
				\$ 1,878,464

NOTE 14 – ON-BEHALF PAYMENTS

The following are the on-behalf payments the District received from the Commonwealth of Kentucky for the year ended June 30, 2021:

TRS - GASB 68	\$ 2,203,986
TRS - GASB 75	166,436
Health Insurance	2,261,255
Life Insurance	3,405
Administrative fees	27,651
Flexible Plans	77,525
Technology	87,276
Debt Service	754,105
Less: Federal Reimbursements	(98,961)
Total	\$ 5,482,678

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2021

NOTE 15 – LITIGATION

The District is subject to various other legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the combined financial statements as a result of the cases presently in progress.

NOTE 16 – RESTRICTED NET POSITION

The government-wide statement of net position reports (\$996,605) of restricted net position, none of which is restricted by enabling legislation.

NOTE 17 – RECENT GASB PRONOUNCEMENTS

Management has not currently determined what effects, if any, the implementation of the following recently enacted statements may have on its future financial statements:

GASB Statement, *Leases*, issued June 2017, will be effective for periods beginning after June 15, 2021. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement will enhance the needs of consolidated financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 89, *Accounting for Interest Incurred before the End of a Construction Period*, issued June 2018, will be effective for periods beginning after December 15, 2020. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

NOTE 18 - SUBSEQUENT EVENTS

Management has reviewed subsequent events through January 15, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
From local sources				
Taxes				
Property	\$ 1,738,572	\$ 1,846,100	\$ 2,154,254	\$ 308,154
Motor vehicles	330,000	315,000	402,651	87,651
Utilities	644,000	625,000	628,344	3,344
Tuition and fees	4,160	2,500	1,770	(730)
Earnings on investments	61,500	60,500	86,350	25,850
Other local revenues	135,500	126,500	127,663	1,163
Intergovernmental - state	7,268,621	7,714,247	9,451,106	1,736,859
Intergovernmental - direct federal	-	-	-	-
Intergovernmental - indirect federal	16,000	15,000	40,758	25,758
Total revenues	<u>10,198,353</u>	<u>10,704,847</u>	<u>12,892,896</u>	<u>2,188,050</u>
Expenditures:				
Instruction	6,281,735	6,309,356	7,243,310	(933,954)
Support Services:				
Student	323,294	323,294	321,427	1,867
Instructional staff	461,329	461,116	537,149	(76,033)
District administration	1,666,433	2,048,607	478,460	1,570,147
School administration	855,534	855,534	1,055,221	(199,687)
Business support services	233,834	233,834	576,853	(343,019)
Plant operation and maintenance	1,175,325	1,391,656	1,514,968	(123,312)
Student transportation	1,240,279	1,240,279	1,448,372	(208,093)
Miscellaneous	44,563	44,563	-	44,563
Total expenditures	<u>12,282,326</u>	<u>12,908,239</u>	<u>13,175,760</u>	<u>(267,522)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,083,973)</u>	<u>(2,203,392)</u>	<u>(282,864)</u>	<u>1,920,528</u>
Other financing sources (uses)				
Proceeds from sale of assets	-	-	27,342	27,342
Operating transfers in	786,802	909,043	1,070,314	161,271
Operating transfers out	(179,036)	(181,858)	(212,412)	(30,554)
Total other financing sources (uses)	<u>607,766</u>	<u>727,185</u>	<u>885,244</u>	<u>158,058</u>
Net change in fund balance	(1,476,207)	(1,476,207)	602,380	2,078,587
Fund balance June 30, 2020	<u>1,476,207</u>	<u>1,476,207</u>	<u>1,676,395</u>	<u>200,188</u>
Fund balance June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,278,775</u>	<u>\$ 2,278,775</u>

On-Behalf Payments of \$4,407,998 are not budgeted by the Green County School District.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Earnings and investments	\$ -	\$ -	\$ -	\$ -
Other local revenues	-	8	29,705	29,697
Intergovernmental - state	635,304	1,879,116	1,896,083	16,967
Intergovernmental - indirect federal	1,039,239	3,336,009	2,536,519	(799,490)
Intergovernmental - direct federal	-	-	-	-
Total revenues	<u>1,674,543</u>	<u>5,215,133</u>	<u>4,462,307</u>	<u>(752,825)</u>
Expenditures:				
Instruction	1,460,653	4,788,045	3,874,172	913,873
Support services:				
Student	5,172	-	3,762	(3,762)
Instructional staff	6,464	6,462	6,999	(537)
District administration	-	-	-	-
School administration	39,246	69,412	69,412	-
Business support services	-	-	-	-
Plant operations and maintenance	-	110,679	119,653	(8,974)
Student transportation	-	12,236	46,381	(34,145)
Food service operation	-	-	-	-
Community service activities	163,008	165,474	184,569	(19,095)
Total expenditures	<u>1,674,543</u>	<u>5,152,308</u>	<u>4,304,948</u>	<u>847,360</u>
Excess (Deficit) of Revenues Over Expenditures	<u>-</u>	<u>62,825</u>	<u>157,359</u>	<u>94,535</u>
Other financing sources (uses)				
Operating transfers in	5,172	43,410	30,553	(12,857)
Operating transfers out	(5,172)	(193,453)	(187,814)	5,639
Total other financing sources (uses)	<u>-</u>	<u>(150,043)</u>	<u>(157,261)</u>	<u>(7,218)</u>
Net change in fund balance	-	(87,218)	98	87,316
Fund balance June 30, 2020	-	-	98	98
Fund balance June 30, 2021	<u>\$ -</u>	<u>\$ (87,218)</u>	<u>\$ 196</u>	<u>\$ 87,414</u>

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY
June 30, 2021

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.093057%	0.092199%	0.099000%	0.099000%	0.097000%	0.09500%	0.09600%	0.096000%
District's proportionate share of the net pension liability (asset)	\$ 7,047,964	\$ 6,484,397	\$ 5,926,232	\$ 5,182,686	\$ 4,786,834	\$ 4,105,717	\$ 3,126,271	\$ 3,642,608
District's covered-employee payroll	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017	\$ 2,751,499	\$ 2,692,947	\$ 2,752,000
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	299.45%	280.38%	245.60%	214.94%	206.51%	149.22%	116.09%	132.36%
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%	61.22%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 482,528	\$ 454,258	\$ 377,776	\$ 349,402	\$ 337,855	\$ 288,863	\$ 284,109	\$ 303,429
Contributions in relation to the contractually required contribution	<u>(482,528)</u>	<u>(454,258)</u>	<u>(377,776)</u>	<u>(349,402)</u>	<u>(337,855)</u>	<u>(288,863)</u>	<u>(284,109)</u>	<u>(303,429)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,500,145	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017	\$ 2,751,499	\$ 2,692,947
Contributions as a percentage of covered-employee payroll	19.30%	19.30%	16.33%	14.48%	14.01%	12.46%	10.33%	11.27%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS
 For the Year Ended June 30, 2021

NOTE 1 – ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2020 (the most current available):

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Remaining amortization period	26 years, closed
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increases, including wage inflation	3.3% to 11.55% varies by service
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with scale BB (set back 1 year for females)

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET PENSION LIABILITY
June 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability (asset)	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 30,449,398</u>	<u>\$ 28,445,853</u>	<u>\$ 28,546,945</u>	<u>\$ 59,598,406</u>	<u>\$ 65,292,294</u>	<u>\$ 51,227,708</u>
Total	<u>\$ 30,449,398</u>	<u>\$ 28,445,853</u>	<u>\$ 28,546,945</u>	<u>\$ 59,598,406</u>	<u>\$ 65,292,294</u>	<u>\$ 51,227,708</u>
District's covered-employee payroll	7,537,493	7,194,157	7,376,668	7,442,386	7,361,773	7,292,271
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS
June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 7,402,151	\$ 7,357,493	\$ 7,194,157	\$ 7,376,668	\$ 7,442,386	\$ 7,361,773	\$ 7,292,271
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY
June 30, 2021

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.091864%	0.092176%	0.99%	0.99%	0.97%
District's proportionate share of the net OPEB liability (asset)	\$ 2,218,236	\$ 1,550,359	\$ 1,727,578	\$ 1,996,390	\$ 1,565,909
District's covered-employee payroll	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	94.25%	67.04%	71.59%	82.79%	67.55%
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	60.44%	57.62%	52.39%	Unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 173,448	\$ 112,035	\$ 122,509	\$ 113,411	\$ 114,556	\$ 107,917	\$ 109,633	\$ 113,731
Contributions in relation to the contractually required contribution	<u>(173,448)</u>	<u>(112,035)</u>	<u>(122,509)</u>	<u>(113,411)</u>	<u>(114,556)</u>	<u>(107,917)</u>	<u>(109,633)</u>	<u>(113,731)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,500,145	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017	\$ 2,751,499	\$ 2,692,947
Contributions as a percentage of covered-employee payroll	6.94%	4.76%	5.30%	4.70%	4.75%	4.66%	3.98%	4.22%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS OPEB
 For the Year Ended June 30, 2021

NOTE 1 – ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTION FOR FISCAL YEAR 2021

The following actuarial methods and assumptions, for actuarially determined contributions effective for the fiscal year ending June 30, 2020 (the most current available):

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Remaining amortization period	26 years, closed
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increases	3.30% to 11.55%, varies by service
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)
Healthcare cost trend rates:	
Pre - 65	Initial trend starting at 7.25% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post - 65	Initial trend starting at 5.10% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.
Phase-in provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - MEDICAL INSURANCE
June 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB medical insurance liability (asset)	0.115251%	0.111197%	0.113000%	0.117000%	0.117000%
District's proportionate share of the net OPEB liability (asset)	\$ 2,909,000	\$ 3,254,000	\$ 3,912,061	\$ 4,161,623	\$ 4,121,000
Commonwealth's proportionate share of the net OPEB liability (asset) associated with the District	<u>2,330,000</u>	<u>2,628,000</u>	<u>3,371,379</u>	<u>3,399,445</u>	<u>3,365,000</u>
Total	<u>\$ 5,239,000</u>	<u>\$ 5,882,000</u>	<u>\$ 7,283,440</u>	<u>\$ 7,561,068</u>	<u>\$ 7,486,000</u>
District's covered-employee payroll	6,784,673	6,450,905	6,698,382	6,664,930	6,608,372
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	42.88%	50.44%	58.40%	62.44%	62.36%
Plan fiduciary net position as a percentage of the total pension liability	39.05%	32.58%	25.50%	21.18%	unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB MEDICAL INSURANCE
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 222,018	\$ 203,540	\$ 193,528	\$ 200,986	\$ 199,948	\$ 198,251
Contributions in relation to the contractually required contribution	<u>(222,018)</u>	<u>(203,540)</u>	<u>(193,528)</u>	<u>(200,986)</u>	<u>(199,948)</u>	<u>(198,251)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 7,402,151	\$ 6,784,673	\$ 6,450,905	\$ 6,698,382	\$ 6,664,930	\$ 6,608,372
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS OPEB MEDICAL INSURANCE
For the Year Ended June 30, 2021

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	22 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount Rate	8.00%
Healthcare cost trend rates:	
Under Age 65	7.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2021
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

GREEN COUNTY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - LIFE INSURANCE
 June 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability (asset)	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 70,000</u>	<u>\$ 61,000</u>	<u>\$ 58,000</u>	<u>\$ 46,000</u>	<u>\$ 32,000</u>
Total	<u><u>\$ 70,000</u></u>	<u><u>\$ 61,000</u></u>	<u><u>\$ 58,000</u></u>	<u><u>\$ 46,000</u></u>	<u><u>\$ 32,000</u></u>
District's covered-employee payroll	6,784,673	6,450,905	7,376,668	7,442,386	7,361,773
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	71.57%	75.00%	75.00%	79.99%	unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB LIFE INSURANCE
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 7,402,151	\$ 6,784,673	\$ 6,450,905	\$ 6,698,382	\$ 6,664,930	\$ 6,608,372
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS NET OPEB LIABILITY - LIFE INSURANCE
 For the Year Ended June 30, 2021

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020 (the most current available):

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.45%
Discount Rate	7.50%
Healthcare cost trend rates:	
Under Age 65	7.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2021
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

SUPPLEMENTARY SCHEDULES

GREEN COUNTY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Non-Major Governmental Funds
Assets and resources:					
Cash & cash equivalents	\$ 70,800	\$ 226,423	\$ 271	\$ 130,629	\$ 428,123
Accounts receivable	208	-	-	-	208
Total assets and resources	<u>\$ 71,008</u>	<u>\$ 226,423</u>	<u>\$ 271</u>	<u>\$ 130,629</u>	<u>\$ 428,331</u>
Liabilities and fund balance:					
Liabilities:					
Accounts payable	\$ -	\$ 25	\$ -	\$ -	\$ 25
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>
Fund balance					
Restricted - KSFCC escrow prior year	-	-	-	128,286	128,286
Restricted - future construction	-	-	271	-	271
Restricted - debt service	-	-	-	-	-
Restricted-Other	-	211,024	-	2,343	213,367
Unassigned	71,008	15,374	-	-	86,382
Total fund balance	<u>71,008</u>	<u>226,398</u>	<u>271</u>	<u>130,629</u>	<u>428,306</u>
Total liabilities and fund balance	<u>\$ 71,008</u>	<u>\$ 226,423</u>	<u>\$ 271</u>	<u>\$ 130,629</u>	<u>\$ 428,331</u>

GREEN COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Other Governmental Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 519,098	\$ 519,098
Earnings on investments	-	-	-	-	-
Intergovernmental - local	-	-	-	-	-
Intergovernmental - state	-	-	145,492	813,612	959,104
Other revenue	53,339	321,727	-	-	375,066
Total revenues	<u>53,339</u>	<u>321,727</u>	<u>145,492</u>	<u>1,332,710</u>	<u>1,853,268</u>
Expenditures:					
Instruction	52,293	-	-	-	52,293
Student transportation	3,280	-	-	-	3,280
Support services	-	306,317	-	-	306,317
Plant operation and maintenance	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Building improvements	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>55,573</u>	<u>306,317</u>	<u>-</u>	<u>-</u>	<u>361,890</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,234)</u>	<u>15,410</u>	<u>145,492</u>	<u>1,332,710</u>	<u>1,491,378</u>
Other financing sources (uses)					
Operating transfers in	36	-	-	-	36
Operating transfers out	-	(36)	(145,492)	(1,332,710)	(1,478,238)
Total other financing sources (uses)	<u>36</u>	<u>(36)</u>	<u>(145,492)</u>	<u>(1,332,710)</u>	<u>(1,478,202)</u>
Net change in fund balance	(2,198)	15,374	-	-	13,176
Fund balance June 30, 2020	73,206	211,024	271	130,629	415,130
Fund balance June 30, 2021	<u>\$ 71,008</u>	<u>\$ 226,398</u>	<u>\$ 271</u>	<u>\$ 130,629</u>	<u>\$ 428,306</u>

SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
SCHOOL ACTIVITY FUNDS

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS
For the Year Ended June 30, 2021

	Cash Balance July 1, 2020	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2021
General	\$ 17,849	\$ 4,893	\$ 4,915	\$ 17,827	\$ -	\$ 44	\$ 17,783
Freshman Class	-	-	-	-	-	-	-
Sophomore Class	-	-	-	-	-	-	-
Junior Class	65	10,018	10,083	-	-	-	-
Senior Class	2,273	2,966	2,653	2,587	-	-	2,587
Senior Class Trip	2,187	2,257	1,127	3,317	-	-	3,317
Art Club	1,345	-	-	1,345	-	-	1,345
Band	322	955	562	715	-	-	715
Band Camp Fees	-	-	-	-	-	-	-
Beta	1,344	-	456	888	-	-	888
Biology	117	-	-	117	-	-	117
Family and Consumer Science	51	-	-	51	-	-	51
FCA	147	-	-	147	-	-	147
FCCLA	81	-	-	81	-	-	81
FCCLA Just Because	320	-	-	320	-	-	320
Gifted and Talented	255	-	-	255	-	-	255
Greenhouse/FFA	15,599	11,160	7,010	19,749	-	-	19,749
History Club	187	-	-	187	-	-	187
Multi Media	190	-	-	190	-	-	190
Opioid Abuse Awareness	1,984	-	407	1,577	-	-	1,577
Pep Club	420	-	-	420	-	-	420
Rotary Interact Club	658	-	-	658	-	-	658
Science	1,042	-	-	1,042	-	-	1,042
SOS	521	-	-	521	-	-	521
Spanish Club	132	-	-	132	-	-	132
STLP	225	182	-	407	-	-	407
Student Council	-	-	-	-	-	-	-
Unite Club	250	250	-	500	-	-	500
Yearbook	1,249	6,893	7,902	240	-	-	240
Athletics	-	53,080	47,560	5,520	-	-	5,520
4th Region Golf Account	646	1,450	1,248	848	-	-	848
Archery Boosters	3,355	-	-	3,355	-	-	3,355
Baseball Boosters	1,816	19,626	14,097	7,345	-	-	7,345
Bass Fishing Boosters	1,218	4,797	1,417	4,598	-	-	4,598
Bowling Boosters	776	2,956	3,395	337	-	-	337
Boy's XC Boosters	7,609	5,917	5,600	7,926	-	-	7,926
Boy's Basketball Boosters	12,432	3,336	7,010	8,758	-	-	8,758
Boy's Golf Boosters	992	500	868	624	-	-	624
Cheerleader Boosters	1,768	8,037	9,078	727	-	-	727

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS - CONTINUED
For the Year Ended June 30, 2021

	Cash Balance July 1, 2020	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2021
Esports Boosters	\$ 470	\$ 1,540	\$ 1,376	\$ 634	\$ -	\$ -	\$ 634
Football Boosters	12,779	21,677	23,883	10,573	-	-	10,573
Football Boosters Little	4,588	-	-	4,588	-	-	4,588
Girl's Basketball Boosters	3,059	1,916	3,388	1,587	-	-	1,587
Girl's XC Boosters	82	-	-	82	-	-	82
Girl's Golf Boosters	2,257	-	820	1,437	-	-	1,437
Soccer Boosters	266	2,328	941	1,653	-	-	1,653
Softball Boosters	11,244	3,195	6,306	8,133	-	-	8,133
Tennis Boosters	-	193	123	70	-	-	-
Track Boosters	2,055	26,503	21,066	7,491	-	-	7,491
Volleyball Boosters	5,590	9,961	8,524	7,027	-	-	7,027
Wrestling Boosters	1,847	-	744	1,103	-	-	1,103
Concessions	412	8,252	7,637	1,027	-	-	1,027
Faculty & Staff	-	2,109	1,811	298	-	-	298
Staff Fundraiser	77	-	-	77	-	-	77
Change Fund	-	900	900	-	-	-	-
Green County High School	124,149	217,847	202,906	139,090	-	25	139,065
Green County Middle School	37,097	65,821	61,720	41,198	-	-	41,198
Green County Intermediate	27,369	21,236	31,680	16,925	-	-	16,925
Green County Primary	22,440	10,033	13,571	18,902	-	-	18,902
Green County Area Tech	-	23,398	13,090	10,308	-	-	10,308
Total	<u>\$ 211,055</u>	<u>\$ 338,334</u>	<u>\$ 322,967</u>	<u>\$ 226,423</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 226,398</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
<u>U.S. Department of Treasury</u>			
Passed through the Kentucky Department of Education			
Coronavirus Relief Fund	21.019	CARES	\$ 20,462
Coronavirus Relief Fund	21.019	CARES	428,915
Total U.S. Department of Trasury passed through the Kentucky Department of Education			449,377
<u>U.S. Department of Education</u>			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100201-19	133,284
Title I Grants to Local Educational Agencies	84.010	3100001-19	1,621
Title I Grants to Local Educational Agencies	84.010	31-00002-19	5,991
Title I Grants to Local Educational Agencies	84.010	31-00002-20	550,586
Title I Grants to Local Educational Agencies	84.010	3100002-20	2,141
			693,623
Special Education Cluster:			
Special Education - Grants to States	84.027	3810002-19	7,367
Special Education - Grants to States	84.027	3810002-20	337,997
Special Education - Preschool Grants	84.173	3800002-19	514
Special Education - Preschool Grants	84.173	3800002-20	6,462
Total Special Education Cluster			352,340
Career and Technical Education-Basic Grants to States	84.048	3710002-18	390
Career and Technical Education-Basic Grants to States	84.048	3710002-19	35,887
Career and Technical Education-Basic Grants to States	84.048	3710002-20	11,345
			47,622
Title IV Rural & Low Income	84.358	3140002-20	30,184
			30,184
Supporting Effective instruction State Grants	84.367	3230002-19	1,868
Supporting Effective instruction State Grants	84.367	3230002-20	80,713
			82,581
Student Support and Academic Enrichment Program	84.424	3420002-20	17,156
			17,156
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4000002-20	1,979
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4000003-20	399,580
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4200002-21	897,518
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	GEER	2,442
			1,301,519
Total U.S. Department of Education passed through the Kentucky Department of Education			2,974,402

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
Passed through the Kentucky Office of Vocational Rehabilitation:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	Not Available	\$ 50,362
Total passed through the Kentucky Office of Vocational Rehabilitation			50,362
Total U.S. Department of Education			3,024,764
 <u>U.S. Department of Agriculture</u>			
Passed through the Kentucky Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	7760005 20	20,793
National School Lunch Program	10.555	7750002 20	38,771
Summer Food Service Program for Children	10.559	7740023 20	127,627
Summer Food Service Program for Children	10.559	7740023 21	805,708
Summer Food Service Program for Children	10.559	7690024 20	13,120
Summer Food Service Program for Children	10.559	7690024 21	69,312
Total Child Nutrition Cluster			1,075,331
State Administrative Expenses for Child Nutrition	10.560	7700001 20	3,745
			3,745
Total U.S. Department of Agriculture passed through the Kentucky Department of Education			1,079,076
Passed through the Kentucky Department of Agriculture:			
Commodity Supplemental Food Program	10.565	Not Available	56,851
Total U.S. Department of Agriculture			1,135,927
Total Federal Financial Assistance			\$ 4,160,691

The accompanying notes are an integral part of this schedule.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Green County School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of title 2 U.S. *Code of federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Green County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Green County School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at fair value of the commodities disbursed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREEN COUNTY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of audit issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ Yes X No
- Significant deficiencies identified that are Not considered to be material weakness (es)? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs?

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are Not considered to be material weakness (es)? _____ Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.173	US Department of Education Passed through the Kentucky Department of Education: Special Education Cluster
84.425	US Department of Education Passed through the Kentucky Department of Education Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section II – Financial Statement of Findings

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021

Financial Statement of Findings

No matters were reported

Federal awards Findings and Questioned Costs:

No matters were reported



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENTAL AUDITING STANDARDS*

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Campbellsville, KY 42743

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, and the requirements prescribed by the Kentucky State Committee for School District Audits *Independent Auditor's Contract* in Appendices I, and II of the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green County School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Green County School District's basic financial statements and have issued our report thereon dated January 15, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *State Audit Requirements* section of the *Independent Auditor's Contract*.

We also noted other matters that we reported to management of Green County Board of Education in a separate letter dated January 15, 2022.

Purpose of this Report

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

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
January 15, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Campbellsville, KY 42718

Report on Compliance for Each Major Federal Program

We have audited Green County School District's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Green County School District's major federal programs for the year ended June 30, 2021. Green County School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Green County School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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), and the audit requirements prescribed by the Kentucky State Committee for Schools District Audits Independent Auditor's Contract, Appendix I of the Independent Auditor's Contract – Audit Extension Request, and Appendix II of the Independent Auditor's Contract – Instructions for Submission of the Audit Contract, Audit Acceptance Statement, AFR and Balance Sheet, Statement of Certification, and Audit Report. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Green County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Green County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Green County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green County School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, Kentucky
January 15, 2022

MANAGEMENT LETTER



January 15, 2022

Members of the Board of Education
Green County Board of Education
Campbellsville, Kentucky

In planning and performing our audit of the financial statements of Green County School District for the year ended June 30, 2021, we considered the Board's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters, but we would first like to address the progress of the management letter points from the previous audit.

The management letter from the previous fiscal year discussed three points with respect to strengthening internal controls within the Central Office and one point with respect to strengthening internal controls within the school activity funds.

The following observations were made concerning the prior year management letter points:

No prior year comments noted

Sincerely,

Wise, Buckner, Sprowles & Associates, PLLC

Wise, Buckner, Sprowles & Associates, PLLC
Certified Public Accountants

Campbellsville, Kentucky

CURRENT YEAR COMMENTS:

GREEN COUNTY HIGH SCHOOL

Finding #1 – In our test performed over receipts, we found four occurrences of which the students did not sign the Multiple Receipt Form.

Recommendation – We recommend that high school bookkeepers and activity fund sponsors be aware of the finding and review the Redbook for proper use of the Multiple Receipt Form and/or take additional Redbook training.

Management Response – Appropriate Multiple Receipt Form usage is discussed during our annual Redbook trainings. District Finance Officer will meet with bookkeeper and appropriate staff to review required procedures.

APPENDIX C

**Green County School District Finance Corporation
School Building Revenue Bonds
Series of 2022**

Continuing Disclosure Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

Re: Green County School District Finance Corporation School Building Revenue Bonds, Series 2022.

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Green County School District Finance Corporation (the "Issuer") and the Board of Education of Green County, Kentucky (the "Board") in connection with the issuance of the above referenced Bonds (the "Bonds"), said Bonds being issued by the Issuer for the purpose of providing funds to finance the construction and renovations to Green County High School (the "Project"). The Issuer and the Board covenant and agree as follows:

Section 1. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the Issuer and the Board hereby agree to provide or cause to be provided through a designated agent (the "Agent"), if so appointed by the Issuer or the Board, in a timely manner, to the Electronic Municipal Market Access system ("EMMA") at <http://www.emma.msrb.org>, audited financial statements prepared in accordance with generally accepted accounting principles ("GAAP") and operating data (collectively the "Annual Report") of the Issuer and the Board generally consistent with the information contained in Appendix A of the Official Statement used in the marketing of the Bonds. Such Annual Report will be available no later than December 31 of each calendar year following the Board's fiscal year (June 30), beginning with the fiscal year ending June 30, 2022, and each fiscal year thereafter and will be available to the Agent, EMMA and to each holder of Bonds who requests such information by written request to the Issuer or the Board.

Section 2. The Issuer and the Board hereby agree to provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of such event, to EMMA, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds;
- (g) modifications to rights of the Bondholders, if material;
- (h) Bond calls, if material and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer or the Board;
- (m) consummation of a merger, consolidation, or acquisition involving the Issuer or a borrower or the sale of all or substantially all of the assets of the Issuer or a borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer or the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer or the Board, any of which affect Bondholders, if material; and/or
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer or the Board, any of which reflect financial difficulties.

The Issuer or the Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if it is determined that such other event is material with respect to the Bonds, but the Issuer and/or the Board do not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

If the Issuer and/or the Board are unable to provide to EMMA an Annual Report by the date required in this Disclosure Agreement, the Board's Finance Officer shall send a notice to EMMA, notifying it of the inability, at that time, and the reasons why the Issuer or the Board failed, to file the Annual Report.

If the Issuer's and the Board's fiscal year changes, then the Issuer and/or the Board, through the Board's Finance Officer, shall send a notice of such change to EMMA. If such change will result in the Issuer's or the Board's fiscal year ending on a date later than the ending date prior to such change, the Board's Finance Officer shall provide notice of such change to EMMA, on or prior to the deadline for filing the Annual Report in effect when the Issuer and the Board operated under their prior fiscal year. Such notice may be provided to EMMA along with the Annual Report, provided that it is filed at or prior to the deadline described above.

Section 3. The Issuer and the Board agree to provide or to cause to be provided in a timely manner, to EMMA, notice of a failure by the Issuer or the Board to provide the required notices set out in Section 2 above.

Section 4. The obligations of the Issuer and the Board described above will remain in effect only for such period that (i) the Bonds are outstanding in accordance with their terms and (ii) that the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule. The Issuer and the Board reserve the right to terminate its obligations to provide notices of material events as set forth above, if and when the Issuer and the Board no longer remain an obligated person with respect to the Bonds within the meaning of the Rule.

Section 5. The Issuer and the Board acknowledge that this undertaking pursuant to the Rule described in this Disclosure Agreement is intended to be for the benefit of the Bondholders (including holders of beneficial interests in the Bonds) and shall be enforceable by any Bondholder, provided that a Bondholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Issuer's and the Board's obligations pursuant to the provisions of this undertaking, and any failure by the Issuer and the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under the Bond Resolution. In the event of a failure of the Issuer and the Board to comply with any provision of this Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate to obtain specific performance by court order to cause the Issuer and/or the Board to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer and the Board to comply with this Disclosure Agreement shall be an action to compel specific performance.

Section 6. Notwithstanding any other provision of the Bond Resolution, these continuing disclosure requirements may be amended, if the Issuer and the Board receive an opinion of independent legal counsel to the effect that:

- (i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the types of activities in which the Issuer and the Board are engaged;
- (ii) the amendment would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) such amendment does not materially impair the interests of the Bondholders.

Section 7. The Issuer and the Board have adopted Guidelines and Procedures Relating to the Compliance with the Rule.

Section 8. The Issuer and the Board agree to make publicly available its Annual Report. Such information regarding the Issuer and the Board can be obtained from the Board's Finance Officer, 402 East Hodgenville Avenue, Greensburg, Kentucky 42743; Telephone (270) 932-5231.

Section 9. It is the intention and expectation of the Issuer and the Board that the Annual Report with respect to each fiscal year will be either transmitted to the Agent with the request that the information be immediately filed

with, or shall otherwise be filed directly with, EMMA, as required under the Rule and this Disclosure Agreement, no later than December 31 of each calendar year following the end of the fiscal year (June 30) of the Issuer and the Board. If the Issuer and the Board appoint an Agent to undertake the filing requirements of the Rule and this Disclosure Agreement, the Board's Finance Officer shall request confirmation from the Agent that the Annual Report has been timely and appropriately filed with EMMA, as required under the Rule and this Disclosure Agreement.

Section 10. As of the date of this Disclosure Agreement, the Issuer and the Board are in compliance with the reporting requirements of the Rule for all undertakings for which they are an "obligated person" as defined in the Rule.

Section 11. This Disclosure Agreement is being executed and delivered by the Issuer and the Board for the benefit of the Bondholders and in order to assist the Underwriter of the Bonds in complying with the Rule and shall create no rights in any other person or entity.

Date: July 19, 2022.

GREEN COUNTY SCHOOL DISTRICT
FINANCE CORPORATION

BOARD OF EDUCATION OF GREEN COUNTY,
KENTUCKY

By _____
President

By _____
Chairman

The undersigned hereby acknowledges having received a copy of this Continuing Disclosure Agreement and has read and understands the duties assigned hereunder:

By _____
Finance Officer, Board of Education of
Green County, Kentucky

APPENDIX D

**Green County School District Finance Corporation
School Building Revenue Bonds
Series of 2022**

Official Terms and Conditions of Bond Sale

**OFFICIAL
TERMS AND CONDITIONS OF BOND SALE**

\$1,730,000*

**Green County School District Finance Corporation
School Building Revenue Bonds, Series of 2022
Dated July 19, 2022**

1. Date and Hour of Sale

The Secretary of the Green County School District Finance Corporation (the "Corporation"), will, until 1:00 P.M., E.T., June 28, 2022, at the office of The Kentucky School Facilities Construction Commission (the "Commission"), 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601, receive competitive, electronic and sealed bids for the purchase of \$1,730,000 (subject to an adjustment upward or downward in the amount of \$175,000) of its Green County School District Finance Corporation School Building Revenue Bonds, Series 2022, dated the date of issuance. Bids will be opened by the Executive Director of the Commission, at the time stated above and verbal confirmation of the successful bid will be given shortly thereafter. Formal award and approval of the successful bid will be made by the Corporation's Financial Advisor at 3:00 P.M. (E.T.) on said June 28, 2022.

2. Description and Maturities of Bonds

The Bonds bear interest from the Date of Issuance, payable semiannually, will be in the denomination of \$5,000 or any multiple thereof, and will mature on June 1 in each of the respective years, as follows:

<u>Maturity Date</u>		<u>Maturity Date</u>	
<u>June 1</u>	<u>Principal*</u>	<u>June 1</u>	<u>Principal*</u>
2023	\$155,000	2028	\$175,000
2024	\$155,000	2029	\$180,000
2025	\$160,000	2030	\$185,000
2026	\$160,000	2031	\$190,000
2027	\$170,000	2032	\$200,000

*The principal maturities are subject to change pursuant to the Bond Resolution pursuant to which the Bonds will be issued.

Bidders may elect to structure the maturities to include term bonds with mandatory sinking fund redemptions.

Said Bonds are payable as to principal at U.S. Bank Trust Company, National Association, Louisville, Kentucky, the Registrar and Paying Agent (the "Paying Agent").

Bonds maturing are not subject to optional redemption prior to their stated maturity

The Bonds are to be issued in fully registered form (both principal and interest). The Paying Agent will mail a check representing interest payments semiannually to each Bondowner of record as of the 15th day of the month preceding each interest due date by regular United States mail postmarked not later than the due date. Principal will be paid upon submission of matured Bonds to the Paying Agent. Upon the submission of a proper, executed assignment, the Paying Agent will transfer ownership of a Bond within three (3) business days of receipt without expense to the Bondowner.

3. Authority and Purpose

The Bonds have been duly authorized by a resolution (the "Bond Resolution") duly passed by the Board of Directors of the Corporation, pursuant to the authority of Sections 162.120 through 162.300, inclusive, 162.385 and 58.010 through 58.140, inclusive, and 58.180 of the Kentucky Revised Statutes, for the purpose of financing the cost, not otherwise provided, of the finance the improvements to Green County High School (the "Project").

4. Security

The Bonds, in the opinion of Bond Counsel, will constitute legal, valid and binding special obligations of the Corporation, payable solely from and secured by an exclusive pledge of and a lien on the revenues of the Project, which revenues are derived from payments to be made under the Lease Agreement (the "Lease") between the Corporation and the Board of Education, on a year-to-year basis, the initial period of which expires on June 30, 2023, with the Board of Education having the exclusive option to renew thereafter from year to year (July 1 of each year to June 30 of each ensuing year) for periods of one year at a time until the final maturity of the Bonds (June 1, 2032). In the Lease, the Board of Education agrees to pay annually (as long as the Lease remains in force) rentals in an amount sufficient to pay the principal of and interest on the Bonds as same become due, plus the annual maintenance and insurance costs.

In addition to the aforesaid pledge of the revenues created for the benefit of the Bondowners, a statutory mortgage lien has been created on the Project in favor of the Bondowners, and the Project and any appurtenances thereto will remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on the Bonds; provided, however, that said statutory mortgage lien (together with such revenue pledge) is and will be restricted in its application to the Project and appurtenances thereto financed by the Bonds, and to such easements and rights-of-way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of the same.

The right has been reserved by the Corporation, at the request of the Board of Education, to withdraw any unimproved portion of the Project Site from the property encumbered by the Bonds, and to convey such portion to the Board of Education, for any purpose whatever, if the Board of Education shall certify that such withdrawal and conveyance does not adversely affect the Board of Education's usage of the Project or adversely affect the security of the Bondowners. Also, the right has been reserved to grant easements and rights-of-way through the property for roads, utilities, drainage and other public purposes, free and clear of the lien and pledge securing the Bonds; provided (a) no such release shall be made which would interfere with the ownership and efficient operation of the Project, or of any other school buildings and appurtenances securing any other outstanding bonds, or with the use of the surrounding premises for school purposes; (b) no such release may be made which would impair ingress to and egress from any school building; and (c) any such release shall not affect any reduction in the rental otherwise required by the Lease.

5. Lease

In connection with the issuance of the Bonds, the Board of Education and the Corporation have entered into the Lease, providing, in substance that so long as the Board of Education exercises its renewal options its rentals will be payable according to the terms and provisions of the Lease until June 1, 2032, the final maturity of the Bonds, and same shall be deposited as received into the Debt Service Fund, as established by the Bond Resolution authorizing the issuance of the Bonds and used and applied for the payment of all maturing principal of and interest on the Bonds as they mature.

6. Legal Opinion

In the opinion of Rubin & Hays, Municipal Bond Counsel, Louisville, Kentucky, the principal of the Bonds is not subject to Kentucky ad valorem taxation and the interest on the Bonds is excludable from gross income for federal income tax purposes, is not a specific preference for purposes of the federal alternative minimum tax. The legal opinion of Rubin & Hays is subject to the condition that the Corporation comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax

purposes, including the requirement as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds. The purchaser will be furnished said opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Bonds.

In order to assure the purchasers of the Bonds that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation (subject to certain exceptions set out below), the Corporation has covenanted in its Resolution authorizing the Bonds that (1) the Corporation will take all actions necessary to comply with the provisions of the Code, (2) the Corporation will take no actions which will violate any of the provisions of the Code, or that would cause the Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become subject to federal income taxation, and (4) that the Corporation will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds.

The Bonds are not "private activity bonds" within the meaning of the Code, and the Corporation has been advised by Bond Counsel, and therefore believes, that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax.

The Corporation covenants and agrees that in the event it is determined by the Corporation or the Board of Education, upon advice of nationally recognized bond counsel, that the Construction Account is subject to the rebate requirements of Section 148(f) of the Code by reason of failure of the Corporation to satisfy the requirements of the two-year construction expenditure exception set forth in Section 148(f)(4)(C) of the Code, and does generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Bonds, plus any income attributable to such excess, it shall rebate to the United States of America any such excess generated from such investments.

The tax-exempt status of the Bonds is subject to the following exceptions:

1. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds.
2. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.
3. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.
4. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds.

The Corporation has reserved the right to amend the Bond Resolution without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Bonds shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Corporation as part of the consideration for the purchase of the Bonds. To the extent that the Corporation obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in the Bond Resolution authorizing the Bonds would not subject interest on the Bonds to federal income taxation or Kentucky income taxation, the Corporation is not required to comply with such covenants and requirements.

If, prior to the delivery of the Bonds, any event shall occur which alters the tax-exempt status of the Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Corporation, whereupon the amount of the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Bonds, including statements concerning the authority, purpose and security of the Bonds; but Bond Counsel has not reviewed any of the financial statements or calculations, such as debt service requirements, budget estimates, enrollment, capital outlay, estimated revenues, expenditures or other financial information in the Official Statement, and expresses no opinion thereon or assumes any responsibility in connection therewith.

7. Terms of Sale

The Bonds are offered for sale upon the following terms and conditions:

- A. A minimum price is required for the entire issue of not less than \$1,712,700 (99% of par).
- B. The successful bidder will be required to deposit with U.S. Bank Trust Company, National Association, Louisville, Kentucky, for the account of the Green County School District Finance Corporation, immediately available funds in the amount of 2% of the final par amount of Bonds, representing the good faith deposit, by the close of business on June 29, 2022. The amount of said good faith deposit, without interest, will be deducted from the purchase price at the time of delivery of the Bonds.
- C. The determination of the best bid will be made on the basis of the lowest net interest cost of all bids submitted for \$1,730,000 of Bonds as offered for sale under the terms and conditions herein specified. Upon determination of the lowest net interest cost according to the schedule of principal amounts listed in the Official Bid Form, the Corporation shall immediately proceed to adjust such principal amounts of the Bonds to determine the maturities of its final bond issue. The successful bidder will be required to accept the final bond issue as so computed, whether the principal amount has been decreased in any amount, and to pay the percentage purchase price based upon the aggregate amount of the final bond issue.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required and the underwriting discount bid by the successful bidder shall be held constant. Underwriting discount is hereby defined as the difference between the purchase price of the Bonds submitted by the successful bidder and the price at which the Bonds are reoffered to the public, divided by the par amount of the Bonds which were bid. Underwriting discount shall be calculated from information submitted by the successful bidder.

- D. Bidders must state an interest rate or rates in a multiple of 1/8 or 1/20 of 1%, or both.
- E. There is no limit on the number of different rates that may be specified by any bidder; provided, however, that interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.
- F. The maximum permissible net interest cost for the Bonds shall not exceed the "Bond Buyer's" Index of 20 municipal bonds as established on the Thursday immediately preceding the date of sale of said Bonds, plus 1.50%.
- G. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity, even though some such Bonds may be subject to mandatory redemption prior to their maturity date.
- H. Bidders may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the Corporation may require such Term Bonds to be subject to mandatory redemption by lot at a redemption price of 100% of the principal amount thereof plus

accrued interest to the date of redemption on June 1 of the years and in the principal amounts set forth in the final adjusted maturity schedule as seen on page 2 of the successful bid.

- I. The right to reject bids for any reason deemed advisable by the Corporation, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the Corporation, shall be minor or immaterial, is expressly reserved.
- J. Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY® potential bidders may contact PARITY®, telephone (212) 404-8102.

In the event of a system malfunction in the electronic bidding process or at the sole discretion of a bidder, bids may be made on forms which, together with an Official Statement, may be obtained at the office of the Financial Advisor, RSA Advisors, LLC, 147 E. Third Street, Lexington, Kentucky 40508. Bids will be marked "Bid for Green County School District Finance Corporation School Building Revenue Bonds, Series 2022" and bids must be received by the Corporation at the office of the Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601, Fax: (888) 979-6152, prior to the date and hour stated above.

- K. It shall be the responsibility of the purchasers of the Bonds to furnish or cause to be furnished to the Payee Bank/Registrar at least five (5) days prior to the date of delivery of the Bonds, a list of the names, addresses and social security numbers or taxpayer identification numbers of each of the beneficial owners of the Bonds, and the principal amounts and maturities thereof. In the event of the failure to so deliver such list, the Bonds shall be issued in denominations corresponding to the principal amount of each respective maturity, or in the denomination of \$5,000, as shall be determined by the Payee Bank/Registrar.
- L. Delivery will be made in Louisville, Kentucky, at no additional expense other than the charge, if any, of a delivery bank. The purchasers may elect to require delivery at any bank or trust company elsewhere in the Continental United States, or delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping expense, insurance in transit and the fee of the depository trust corporation. In connection with the issuance of the Bonds, the Corporation will pay for the printing of the Bonds, which will contain the opinion of Bond Counsel.
- M. The Bonds may be issued in certificated form or Book-Entry Form. If the Bonds are issued in Book-Entry Form, then the Bonds will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases will be made in book-entry form only, except as permitted by the Bond Resolution. Purchasers of the Bonds will not receive physical delivery of bond certificates. So long as CEDE & CO. is the registered owner of the Bonds, as nominee of DTC, interest, together with the principal of and redemption premium, if any, on the Bonds will be paid directly to DTC by the Trustee.

- N. Upon wrongful refusal of the successful bidder to take delivery of and pay for the Bonds when tendered for delivery, the amount of the good faith deposit shall be forfeited by such bidder, and such amount shall be deemed liquidated damages for such default; provided, however, if said Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale, said bidder shall be relieved of any liability to accept the Bonds hereunder.
- O. The purchasers of the Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and payment for the Bonds in accordance with the terms of the purchase agreement.
- P. The successful bidder shall promptly advise the Financial Advisor to the Board of Education and the Corporation of (i) the reoffering price for each maturity of the Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Bonds on the reoffering date.
- Q. The purchasers will pay for the printing of the final Official Statement and printed bond certificates, if any.

8. Establishment of Issue Price.

The Corporation is offering the Bonds for sale pursuant to the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) and if competitive sale requirements are met the following provisions for the establishment of issue price will apply to the initial sale of the Bonds to the public (the "competitive sale requirements"):

- (1) the Corporation has disseminated these Official Terms and Conditions of Bond Sale to potential bidders/underwriters in a manner that is reasonably designed to reach potential bidders/underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Corporation anticipates receiving bids from one or more bidders/underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds with the understanding that in order for the competitive sale requirements to be met, the Corporation shall receive bids from three or more underwriters or purchasers of bonds who have established industry reputations; and
- (4) the Corporation anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in these Official Terms and Conditions of Bond Sale.

The Corporation shall take all steps that are reasonably necessary to ensure that the initial sale of the Bonds to the public will satisfy the competitive sale requirements.

In the event that the initial sale of the Bonds to the public does not satisfy the competitive sale requirements, the Corporation has determined to treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Corporation (or the Corporation's Financial Advisor) shall promptly advise the prospective winning bidder, prior to the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the hold-the-offering-price rule.

Because the Corporation has determined to apply the hold-the-offering-price rule to any maturity of the Bonds, the winning bidder shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Corporation or its Financial Advisor when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Corporation acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer who is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Corporation further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer who is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer who is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if and for so long as directed by the winning bidder and in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter who is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer who is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if and for so long as directed in the related pricing wires.

Sales of any Bonds to any person who is a related party to an underwriter shall not constitute sales to the public for purposes of these Official Terms and Conditions of Bond Sale. Further, for purposes of these Official Terms and Conditions of Bond Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person who agrees pursuant to a written contract with the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person who agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to more than 50% common ownership.

The winning bidder shall assist the Corporation in establishing the issue price of the Bonds and shall execute and deliver to the Corporation at Closing an "issue price" certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, in a form agreed to by the winning bidder, the Corporation and Bond Counsel and substantially in the form as set forth in the attached Exhibit A (Certificate of Underwriter).

9. Firm Bids.

Any bid received shall be considered a firm offer for the purchase of the Bonds identified in these Official Terms and Conditions of Bond Sale and shall not be subject to any conditions, except as permitted hereunder. Bids shall not be revocable.

The Corporation and the Board of Education have agreed in the Bond Resolution of the Board of Directors of the Corporation and the Resolution of the Board of Education, to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12, as amended and interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), (i) on or prior to 180 days after the end of each fiscal year, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained in Appendix A to the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds.

The purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, in form and substance reasonably satisfactory to the purchaser, evidence that the Corporation and the Board of Education have made the limited continuing disclosure undertaking set forth above for the benefit of the holders of the Bonds.

The Corporation shall provide to the successful purchaser a final Official Statement in accordance with the Rule. Arrangements have been made with the printer of the preliminary official statement, upon submission of completion text, to print a reasonable quantity of final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the final Official Statement.

Concurrently with the delivery of the Bonds, the President and Secretary of the Corporation will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

RSA Advisors, LLC, has been employed as Financial Advisor to the Board of Education and the Corporation in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

(Signed) Green County School District Finance Corporation, by William Hodges, Secretary.

APPENDIX E

**Green County School District Finance Corporation
School Building Revenue Bonds
Series of 2022**

Official Bid Form

OFFICIAL BID FORM

Green County School District Finance Corporation
 School Building Revenue Bonds, Series 2022,
 to be held on June 28, 2022 at 1:00 P.M. ET
 in the office of the Kentucky School Facilities Construction Commission
 700 Louisville Road
 Carriage House
 Frankfort, Kentucky 40601
 Phone: (502) 564-5582
 Fax: (888) 979-6152

Subject to the terms and conditions set forth in a Resolution of the Board of Directors of Green County School District Finance Corporation, providing for the sale of \$1,730,000 (subject to an adjustment upward or downward in the amount of \$175,000) of Green County School District Finance Corporation School Building Revenue Bonds, Series 2022, dated the Date of Issuance, and in accordance with the notice of sale of the Bonds, and in accordance with the Official Terms and Conditions of Sale of Bonds, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$1,730,000 principal amount of Bonds, the sum of \$_____ (not less than \$1,712,700), such Bonds to bear interest payable semiannually at the following annual rate(s):

<u>Maturity Date</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial Bond</u> <u>Rate</u>	<u>Term Bond*</u> <u>Rate</u>	<u>Maturity Date</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial Bond</u> <u>Rate</u>	<u>Term Bond*</u> <u>Rate</u>
2023	\$ 155,000	____%	____%	2032	\$175,000	____%	____%
2024	155,000	____%	____%	2033	180,000	____%	____%
2025	160,000	____%	____%	2034	185,000	____%	____%
2026	160,000	____%	____%	2035	190,000	____%	____%
2027	170,000	____%	____%	2036	200,000	____%	____%

*Bidders may elect to structure the maturities to include term bonds with mandatory sinking fund redemptions. To bid term bonds, put interest rate in Term Bond Rate column.

We understand that the proposed principal amount of Bonds may be adjusted downwards in any amount. We agree to pay the percentage purchase price based upon the adjusted aggregate amount of the bond issue, at the same price per \$1,000 of Bonds, as the price bid per \$1,000 of Bonds by the undersigned with the variation in such amount being adjusted as determined by the Green County School District Finance Corporation at the time of acceptance of the best bid. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required and the underwriting discount bid by the successful bidder shall be held constant. Underwriting discount is hereby defined as the difference between the purchase price of the Bonds submitted by the successful bidder and the price at which the Bonds are reoffered to the public, divided by the par amount of the Bonds which were bid. Underwriting discount shall be calculated from information submitted by the successful bidder.

We understand that the Green County School District Finance Corporation will furnish the final, approving legal opinion of Rubin & Hays, Municipal Bond Attorneys, of Louisville, Kentucky. If we are the successful bidder, we will cause to be deposited in U.S. Bank Trust Company, National Association, Louisville, Kentucky, for the account of the Green County School District Finance Corporation, immediately available funds in the amount of \$34,600, representing the good faith deposit, prior to the close of business on June 29, 2022, which amount, without interest, will be deducted from the purchase price of the Bonds when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of sale.

Respectfully submitted,

Bidder

By _____
Authorized Officer

Address

Total interest cost from July 19, 2022 to final maturity \$ _____

Plus discount or less any premium \$ _____

Net interest cost (Total interest cost plus discount or less any premium) \$ _____

Net Interest Cost (ie NIC) _____%

The above computations of net interest cost are submitted for information only and are not part of this Bid.

ACCEPTANCE OF BID BY GREEN COUNTY SCHOOL DISTRICT
FINANCE CORPORATION WITH ADJUSTMENT OF AMOUNT AND TOTAL BID PRICE

Accepted by the Board of Directors of the Green County School District Finance Corporation, on this June 28, 2022, as to \$ _____ of Bonds at an adjusted price of \$ _____, plus accrued interest, with the change in amount of Bonds being reflected by the following changes in the maturities thereof.

Maturity Date <u>June 1</u>	Principal <u>Amount</u>	Serial Bond <u>Rate</u>	Term Bond* <u>Rate</u>	Maturity Date <u>June 1</u>	Principal <u>Amount</u>	Serial Bond <u>Rate</u>	Term Bond* <u>Rate</u>
2023	\$ _____	_____ %	_____ %	2032	\$ _____	_____ %	_____ %
2024	_____	_____ %	_____ %	2033	_____	_____ %	_____ %
2025	_____	_____ %	_____ %	2034	_____	_____ %	_____ %
2026	_____	_____ %	_____ %	2035	_____	_____ %	_____ %
2027	_____	_____ %	_____ %	2036	_____	_____ %	_____ %

Dated: June 28, 2022

RSA Advisors, LLC,
Financial Advisor and Agent for Green County
School District Finance Corporation