BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY
JUNE 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Bowling Green City School District
Wood County
137 Clough Street
Bowling Green, Ohio 43402

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 3 to the financial statements, during 2022, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 23, 2023

The management's discussion and analysis of Bowling Green City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased $8,236,314. Net position of governmental activities increased $7,360,741, which represents a 426.35% increase from 2021's deficit balance of $1,726,467. Net position of business-type activities increased $875,573 or 61.87% from 2021's deficit balance of $1,415,165.

- General revenues accounted for $33,618,883 in revenue or 81.42% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $7,670,012 or 18.58% of total governmental activities revenues of $41,288,895.

- The District had $33,928,154 in expenses related to governmental activities; only $7,670,012 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily property taxes and unrestricted grants and entitlements) of $33,618,883 were used to provide for these programs.

- The District's major governmental fund is the general fund. The general fund had $33,146,488 in revenues and $32,734,781 in expenditures and other financing uses. The fund balance of the general fund increased $411,707 from a balance of $21,983,490 to $22,395,197.

Using this Financial Report

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The general fund is the District's only major governmental fund and the food service fund is the District's only major proprietary fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues* and *expenses* except for fiduciary funds using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operations and maintenance, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service fund is included in business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds

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

Proprietary Fund

These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The District's food service fund is reported here.

Reporting the District's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic 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.

Required Supplemental Information

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund is provided. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of the District's contributions to the retirement systems to fund pension and OPEB obligations.

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The District as a Whole

The statement of net position provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2022 and June 30, 2021.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	(Restated) 2021	2022	2021	2022	(Restated) 2021
Assets						
Current assets	$ 57,381,605	$ 53,615,695	$ 654,926	$ 130,372	$ 58,036,531	$ 53,746,067
Capital assets, net	31,748,393	30,955,101	42,839	54,566	31,791,232	31,009,667
Total assets	89,129,998	84,570,796	697,765	184,938	89,827,763	84,755,734
Deferred outflows of resources						
Unamortized deferred charges on debt refunding	1,762,756	1,939,828	-	-	1,762,756	1,939,828
Pension	7,670,998	6,432,177	45,650	86,851	7,716,648	6,519,028
OPEB	832,832	1,010,536	27,662	74,950	860,494	1,085,486
Total deferred outflows of resources	10,266,586	9,382,541	73,312	161,801	10,339,898	9,544,342
Liabilities						
Current liabilities	3,487,789	2,591,007	53,567	21,480	3,541,356	2,612,487
Long-term liabilities:						
Due within one year	1,809,265	1,602,178	-	-	1,809,265	1,602,178
Due in more than one year:						
Net pension liability	19,623,723	37,347,367	253,796	659,622	19,877,519	38,006,989
Other amounts	25,466,469	27,226,095	29,483	32,281	25,495,952	27,258,376
Net OPEB liability	2,161,173	2,602,974	134,351	338,338	2,295,524	2,941,312
Total liabilities	52,548,419	71,369,621	471,197	1,051,721	53,019,616	72,421,342
Deferred inflows of resources						
Property taxes levied for the next fiscal year	20,412,178	19,614,224	-	-	20,412,178	19,614,224
Pension	16,414,323	711,121	330,241	239,071	16,744,564	950,192
OPEB	4,387,390	3,984,838	509,231	471,112	4,896,621	4,455,950
Total deferred inflows of resources	41,213,891	24,310,183	839,472	710,183	42,053,363	25,020,366
Net Position						
Net investment in capital assets	7,811,010	6,347,828	42,839	54,566	7,853,849	6,402,394
Restricted	4,563,634	3,587,802	-	-	4,563,634	3,587,802
Unrestricted (deficit)	(6,740,370)	(11,662,097)	(582,431)	(1,469,731)	(7,322,801)	(13,131,828)
Total net position (deficit)	$ 5,634,274	$ (1,726,467)	$ (539,592)	$ (1,415,165)	$ 5,094,682	$ (3,141,632)

The net pension liability and the net OPEB liability (asset) reported by the School District at June 30, 2022, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

The table below shows the change in net position for fiscal years 2022 and 2021. Due to practicality, 2021 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB Statement No. 87 (see Note 3). Rather, the cumulative impact of applying GASB Statement No. 87 is reflected in the beginning net position for 2021.

Change in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	(Restated) 2021	2022	2021	2022	(Restated) 2021
Revenues						
Program revenues:						
Charges for services and sales	$ 1,156,302	$ 974,261	$ 137,675	$ 32,955	$ 1,293,977	$ 1,007,216
Operating grants and contributions	6,431,442	3,861,134	1,429,117	554,213	7,860,559	4,415,347
Capital grants and contributions	82,268	82,218	-	-	82,268	82,218
General revenues:						
Property taxes	20,979,349	21,959,461	-	-	20,979,349	21,959,461
Income taxes	4,653,529	4,145,187	-	-	4,653,529	4,145,187
Grants and entitlements not restricted	8,123,276	9,189,673	-	-	8,123,276	9,189,673
Investment earnings	(261,412)	86,023	995	432	(260,417)	86,455
Miscellaneous	124,141	534,521	-	7,600	124,141	542,121
Total revenues	41,288,895	40,832,478	1,567,787	595,200	42,856,682	41,427,678
Expenses						
Program expenses:						
Instruction	21,023,149	24,065,542	-	-	21,023,149	24,065,542
Support services	10,760,327	12,085,524	-	-	10,760,327	12,085,524
Operation of non-instructional services	420,034	505,607	-	-	420,034	505,607
Extracurricular activities	1,052,410	961,577	-	-	1,052,410	961,577
Interest and fiscal charges	672,234	982,272	-	-	672,234	982,272
Food service	-	-	692,214	516,066	692,214	516,066
Total expenses	33,928,154	38,600,522	692,214	516,066	34,620,368	39,116,588
Changes in net position	7,360,741	2,231,956	875,573	79,134	8,236,314	2,311,090
Net position (deficit) at beginning of year (restated)	(1,726,467)	(3,958,423)	(1,415,165)	(1,494,299)	(3,141,632)	(5,452,722)
Net position (deficit) at end of year	$ 5,634,274	$ (1,726,467)	$ (539,592)	$ (1,415,165)	$ 5,094,682	$ (3,141,632)

Governmental Activities

Net position of the District's governmental activities increased $7,360,741 over the deficit balance of $1,726,467. Total governmental expenses of $33,928,154 were offset by program revenues of $7,670,012 and general revenues of $33,618,883. Program revenues supported 22.61% of the total governmental expenses.

Expenses of the governmental activities decreased $4,672,368. This decrease is primarily the result of a decrease in pension expense. The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 81.76% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled $21,023,149 or 61.96% of total governmental expenses for fiscal year 2022.

The statement of activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction	$ 21,023,149	$ 17,778,881	$ 24,065,542	$ 21,079,326
Support services	10,760,327	7,218,646	12,085,524	10,803,152
Operation of non-instructional services	420,034	32,284	505,607	70,023
Extracurricular activities	1,052,410	556,097	961,577	748,136
Interest and fiscal charges	672,234	672,234	982,272	982,272
Total expenses	$ 33,928,154	$ 26,258,142	$ 38,600,522	$ 33,682,909

The dependence upon tax revenues during fiscal year 2022 for governmental activities is apparent, as 84.57% of 2022 instruction activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State are the primary support for the District's students.

Business-Type Activities

Business-type activities consist of food service operations. This program had revenues of $1,567,787 and expenses of $692,214 for fiscal year 2022. The District's business-type activities do not receive support from tax revenues. Net position of the food service fund increased $875,573. Due to the COVID-19 pandemic, the federal government increased the grants and subsidies available for food service programs through the USDA National School Lunch Program.

The District's Funds

The District's governmental funds reported a combined fund balance of $30,454,312 which is $1,949,662 more than last year's total of $28,504,650. The schedule on the following page indicates the fund balance and the total change in fund balance as of June 30, 2022, and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change
General	$ 22,395,197	$ 21,983,490	$ 411,707
Other governmental	8,059,115	6,521,160	1,537,955
Total	$ 30,454,312	$ 28,504,650	$ 1,949,662

General Fund

The District's general fund balance increased $411,707 during fiscal year 2022. While fund balance increased overall, both revenue and expenditures decreased during fiscal year 2022. The decrease in interest earnings was a result of market value fluctuations in the District's investment portfolio. Changes in the way foundation funding revenue is reported resulted in a decrease in tuition revenue.

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Taxes	$ 23,508,227	$ 24,077,861	(2.37) %
Intergovernmental	9,088,801	10,077,387	(9.81) %
Tuition and fees	607,407	745,550	(18.53) %
Interest and fair value adjustment	(261,412)	84,980	(407.62) %
Extracurricular activities	43,822	27,319	60.41 %
Other revenues	159,643	584,399	(72.68) %
Total	$ 33,146,488	$ 35,597,496	(6.89) %

The table that follows assists in illustrating the expenditures of the general fund. During fiscal year 2022, expenditures of the general fund decreased by 1.92%. The District received Federal ESSER grant funding that allowed certain instructional expenses to be paid from nonmajor governmental funds rather than the general fund, resulting in a decrease in general fund expenditures and an increase in general fund balance. Expenditures related to instruction decreased, and the District did not issue bonds during the period, therefore there were no bond issuance costs, as there were in the prior year. The reduction in instruction expenditures was offset by the increases in instructional staff, administration, and operations and maintenance.

	2022 Amount	2021 Amount	Percentage Change
Expenditures			
Instruction	$ 18,902,467	$ 20,605,592	(8.27) %
Support services	11,752,801	10,499,520	11.94 %
Operation of non-instructional services	300	-	100.00 %
Extracurricular activities	690,145	662,260	4.21 %
Facilities acquisition and construction	20,163	20,376	(1.05) %
Debt service	79,251	272,515	(70.92) %
Total	$ 31,445,127	$ 32,060,263	(1.92) %

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District amended its general fund budget. For the general fund, final budgeted revenues and other financing sources of $35,581,640 were $2,199,774 more than actual revenues and other financing sources of $33,381,866. The original budgeted revenues and other financing sources of $34,291,452 were $1,290,188 lower than final budgeted revenues and other financing sources of $35,581,640.

General fund final appropriations and other financing uses were $36,094,768. The actual budget basis expenditures and other financing uses for fiscal year 2022 totaled $33,183,509, which was $2,911,259 less than the final budget appropriations and other financing uses. The final appropriations and other financing uses were $634,566 greater than the original appropriations and other financing uses of $35,460,202.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had $31,791,232 invested in land, buildings/improvements, furniture/equipment, vehicles and intangible right to use leases. $31,748,393 was reported in the governmental activities and $42,839 was reported in the business-type activities. The following table shows fiscal year 2022 balances compared to 2021:

Capital Assets on June 30
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	(Restated) 2021	2022	2021	2022	(Restated) 2021
Land	$ 278,664	$ 278,664	$ -	$ -	$ 278,664	$ 278,664
Construction in progress	2,256,301	758,050	-	-	2,256,301	758,050
Building/improvements	27,441,674	27,814,250	-	-	27,441,674	27,814,250
Furniture/equipment	697,781	958,093	42,839	54,566	740,620	1,012,659
Vehicles	871,641	900,968	-	-	871,641	900,968
Intangible right to use:						
Leased buildings	59,402	97,939	-	-	59,402	97,939
Leased equipment	142,930	147,137	-	-	142,930	147,137
Total	$ 31,748,393	$ 30,955,101	$ 42,839	$ 54,566	$ 31,791,232	$ 31,009,667

See Note 9 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2022 the District had $18,958,706 in general obligation bonds outstanding (including accreted interest), $3,465,000 in certificates of participation outstanding, and $154,517 in capital leases. Of this total debt outstanding, $1,488,772 is due within one year and $21,089,451 is due in more than one year. The following table summarizes the bonds and leases outstanding:

Outstanding Debt at June 30

	Governmental Activities 2022	Governmental Activities (Restated) 2021
General obligation bonds	$ 18,958,706	$ 19,830,251
Certificates of participation	3,465,000	3,645,000
Capital leases	154,517	245,076
Total	$ 22,578,223	$ 23,720,327

See Note 10 to the basic financial statements for detail on the District's debt administration.

Economic Factors

The COVID-19 Pandemic began in early 2020 and the effects of the pandemic continue to impact our state, country and our globalized economy. Inflation during April of 2022 hit a 40 year high not seen since the early 1980's. While increased inflation impacting District costs are expected to continue in the short term, it remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our finances in addition to negative effects on state and local funding.

A reappraisal will occur in 2023 for collection in 2024 for which we are estimating an 8% composite increase for residential/agricultural and a 1% increase for commercial/industrial property. CAUV values represent 9.1% of Class I residential/agricultural values a HB49 authorized a reduction in CAUV computations that results in these values falling on average by 30%. A reduction of value has been weighted in to our average Class I value change in 2020. This caused somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but will not result in lower taxes to our District.

Our District is currently a formula district in FY22 and is expected to continue as a formula district in FY23-FY26 on the new Fair School Funding Plan (FSFP), should it continue to be fully phased in by the legislators. The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant FY23 through FY26.

The District has a .5% income tax that was renewed for a continuing period of time, on November 2, 2021. The .5% income tax equates to $4.01 million in tax dollars in FY22. The District experienced a decrease of 3.99% in FY21, but realized a 9.69% increase in FY22. Income tax revenue is expected to continually increase on an annual basis.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

In fiscal year 2019 the (northbound) Rover Pipeline began operations and public utility value brought additional funding to the District. As a result of a Board resolution, this new revenue was designated to be solely used for Capital Projects. A second pipeline (southbound) went into operations in fiscal year 2020 and provided substantial funding to the District. Rover Pipeline appealed the tax valuation and the Ohio Tax Commissioner affirmed the value. However, Rover filed a second appeal with the Board of Tax Appeals (BTA) to reduce the value by 49% in Wood County. Should Rover win the appeal, the District will be required to return a portion of the funding received in fiscal year 2020. Future law changes could affect this volatile funding, so it is cautiously being evaluated as reliable revenue at this time. Parties continue to be in heavy litigation with no decision expected in the foreseen future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Cathy Schuller, Treasurer, Bowling Green City School District, 137 Clough Street, Bowling Green, Ohio 43402.

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BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash, cash equivalents and investments	$ 26,972,326	$ 616,600	$ 27,588,926
Receivables:			
Property taxes	23,161,241	-	23,161,241
Income taxes	2,178,406	-	2,178,406
Accounts	18,385	-	18,385
Accrued interest	3,177	-	3,177
Intergovernmental	2,094,387	12,982	2,107,369
Prepayments	383,537	3,861	387,398
Materials and supplies inventory	7,381	21,483	28,864
Net OPEB asset	2,562,765	-	2,562,765
Capital assets:			
Nondepreciable capital assets	2,534,965	-	2,534,965
Depreciable capital assets, net	29,213,428	42,839	29,256,267
Capital assets, net	31,748,393	42,839	31,791,232
Total assets	89,129,998	697,765	89,827,763
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,762,756	-	1,762,756
Pension	7,670,998	45,650	7,716,648
OPEB	832,832	27,662	860,494
Total deferred outflows of resources	10,266,586	73,312	10,339,898
Liabilities:			
Accounts payable	120,914	1,081	121,995
Contracts payable	574,892	-	574,892
Retainage payable	100,838	-	100,838
Accrued wages and benefits payable	2,066,158	34,983	2,101,141
Intergovernmental payable	95,115	405	95,520
Pension obligation payable	472,959	17,098	490,057
Accrued interest payable	56,913	-	56,913
Long-term liabilities:			
Due within one year	1,809,265	-	1,809,265
Due in more than one year:			
Net pension liability	19,623,723	253,796	19,877,519
Net OPEB liability	2,161,173	134,351	2,295,524
Other amounts due in more than one year	25,466,469	29,483	25,495,952
Total liabilities	52,548,419	471,197	53,019,616
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	20,412,178	-	20,412,178
Pension	16,414,323	330,241	16,744,564
OPEB	4,387,390	509,231	4,896,621
Total deferred inflows of resources	41,213,891	839,472	42,053,363
Net position:			
Net investment in capital assets	7,811,010	42,839	7,853,849
Restricted for:			
Capital projects	1,441,613	-	1,441,613
Debt service	1,107,151	-	1,107,151
State funded programs	627,303	-	627,303
Federally funded programs	737,512	-	737,512
Student activities	313,386	-	313,386
Other purposes	336,669	-	336,669
Unrestricted (deficit)	(6,740,370)	(582,431)	(7,322,801)
Total net position	$ 5,634,274	$ (539,592)	$ 5,094,682

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	$ 21,023,149	$ 630,809	$ 2,613,459	$ -
Support services	10,760,327	12,100	3,447,313	82,268
Operation of non-instructional services	420,034	82,330	305,420	-
Extracurricular activities	1,052,410	431,063	65,250	-
Interest and fiscal charges	672,234	-	-	-
Total governmental activities	33,928,154	1,156,302	6,431,442	82,268
Business-type activities:				
Food service	692,214	137,675	1,429,117	-
Total business-type activities	692,214	137,675	1,429,117	-
Totals	$ 34,620,368	$ 1,293,977	$ 7,860,559	$ 82,268

General revenues:
Property taxes levied for:
General purposes
Debt service
Capital outlay
Income taxes levied for:
General purposes
Grants and entitlements not restricted to specific programs
Investment earnings and fair value adjustment
Miscellaneous
Total general revenues

Change in net position

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (17,778,881)	$ -	$ (17,778,881)
(7,218,646)	-	(7,218,646)
(32,284)	-	(32,284)
(556,097)	-	(556,097)
(672,234)	-	(672,234)
(26,258,142)	-	(26,258,142)
-	874,578	874,578
-	874,578	874,578
(26,258,142)	874,578	(25,383,564)
18,870,241	-	18,870,241
1,731,703	-	1,731,703
377,405	-	377,405
4,653,529	-	4,653,529
8,123,276	-	8,123,276
(261,412)	995	(260,417)
124,141	-	124,141
33,618,883	995	33,619,878
7,360,741	875,573	8,236,314
(1,726,467)	(1,415,165)	(3,141,632)
$ 5,634,274	$ (539,592)	$ 5,094,682

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash, cash equivalents and investments	$ 19,737,013	$ 7,235,313	$ 26,972,326
Receivables:			
Property taxes	20,913,116	2,248,125	23,161,241
Income taxes	2,178,406	-	2,178,406
Accounts	17,435	950	18,385
Accrued interest	3,177	-	3,177
Interfund loans	543,091	-	543,091
Intergovernmental	136,487	1,957,900	2,094,387
Prepayments	370,531	13,006	383,537
Materials and supplies inventory	7,381	-	7,381
Total assets	$ 43,906,637	$ 11,455,294	$ 55,361,931
Liabilities:			
Accounts payable	$ 100,491	$ 20,423	$ 120,914
Contracts payable	-	574,892	574,892
Retainage payable	-	100,838	100,838
Accrued wages and benefits payable	1,948,385	117,773	2,066,158
Compensated absences payable	56,200	-	56,200
Intergovernmental payable	93,659	1,456	95,115
Pension obligation payable	451,099	21,860	472,959
Interfund loans payable	-	543,091	543,091
Total liabilities	2,649,834	1,380,333	4,030,167
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	18,439,176	1,973,002	20,412,178
Delinquent property tax revenue not available	54,057	6,532	60,589
Income tax revenue not available	315,259	-	315,259
Intergovernmental revenue not available	53,114	36,312	89,426
Total deferred inflows of resources	18,861,606	2,015,846	20,877,452
Fund balances:			
Nonspendable:			
Materials and supplies inventory	7,381	-	7,381
Prepaids	370,531	13,006	383,537
Unclaimed funds	6,879	-	6,879
Restricted:			
Debt service	-	1,252,812	1,252,812
Capital improvements	-	1,440,039	1,440,039
Non-public schools	-	7,501	7,501
State funded programs	-	627,303	627,303
Federally funded programs	-	717,942	717,942
Extracurricular	-	312,703	312,703
Other purposes	-	329,790	329,790
Committed:			
Capital improvements	-	3,365,042	3,365,042
Termination benefits	872,560	-	872,560
Insurance payments	492,174	-	492,174
Other purposes	550	-	550
Assigned:			
Student instruction	3,366	-	3,366
Student and staff support	88,629	-	88,629
Subsequent year's appropriations	3,050,269	-	3,050,269
Unassigned	17,502,858	(7,023)	17,495,835
Total fund balances	22,395,197	8,059,115	30,454,312
Total liabilities, deferred inflows and fund balances	$ 43,906,637	$ 11,455,294	$ 55,361,931

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total governmental fund balances		$ 30,454,312
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		31,748,393
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds		
Property taxes receivable	$ 60,589	
Income taxes receivable	315,259	
Intergovernmental receivable	89,426	
Total		465,274
Unamortized premiums on bonds issued are not recognized in the funds.		(2,539,892)
Unamortized amounts on refundings are not recognized in the funds.		1,762,756
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds		(56,913)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	7,670,998	
Deferred inflows - pension	(16,414,323)	
Net pension liability	(19,623,723)	
Deferred outflows - OPEB	832,832	
Deferred inflows - OPEB	(4,387,390)	
Net OPEB asset	2,562,765	
Net OPEB liability	(2,161,173)	
Total		(31,520,014)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(22,423,706)	
Lease obligations	(154,517)	
Compensated absences	(2,081,419)	
Retirement incentives	(20,000)	
Total		(24,679,642)
Net position of governmental activities		$ 5,634,274

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 18,911,350	$ 2,113,436	$ 21,024,786
Income taxes	4,596,877	-	4,596,877
Intergovernmental	9,088,801	5,369,654	14,458,455
Investment earnings and fair value adjustment	(261,412)	-	(261,412)
Tuition and fees	607,407	-	607,407
Extracurricular	43,822	388,224	432,046
Rental income	12,100	-	12,100
Charges for services	23,402	81,347	104,749
Contributions and donations	23,582	92,282	115,864
Miscellaneous	100,559	247,642	348,201
Total revenues	33,146,488	8,292,585	41,439,073
Expenditures:			
Current:			
Instruction	18,902,467	1,555,500	20,457,967
Support services	11,752,801	3,868,760	15,621,561
Operation of non-instructional services	300	410,791	411,091
Extracurricular activities	690,145	344,426	1,034,571
Facilities acquisition and construction	20,163	-	20,163
Debt service:			
Principal retirement	72,899	1,147,660	1,220,559
Interest and fiscal charges	6,352	717,147	723,499
Total expenditures	31,445,127	8,044,284	39,489,411
Excess of revenues over (under) expenditures	1,701,361	248,301	1,949,662
Other financing sources (uses):			
Transfers in	-	1,289,654	1,289,654
Transfers (out)	(1,289,654)	-	(1,289,654)
Total other financing sources (uses)	(1,289,654)	1,289,654	-
Net change in fund balances	411,707	1,537,955	1,949,662
Fund balances at beginning of year	21,983,490	6,521,160	28,504,650
Fund balances at end of year	$ 22,395,197	$ 8,059,115	$ 30,454,312

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 1,949,662
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 2,648,523	
Current year depreciation	(1,853,722)	
Total		794,801
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(1,509)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(45,437)	
Income taxes	56,652	
Intergovernmental	(237,426)	
Total		(226,211)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilitie on the statement of net position.		1,220,559
In the statement of activities, interest is accrued on outstanding bonds whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities		
Decrease in accrued interest payable	4,659	
Accreted interest on capital appreciation bonds	(78,455)	
Amortization of bond premiums	302,133	
Amortization of deferred charges	(177,072)	
Total		51,265
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,790,128	
OPEB	82,895	
Total		2,873,023
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	469,135	
OPEB	205,757	
Total		674,892
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		24,259
Change in net position of governmental activities		$ 7,360,741

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Business-Type Activity - Food Service
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	$ 616,600
Receivables:	
Intergovernmental	12,982
Prepayments	3,861
Materials and supplies inventory	21,483
Total current assets	654,926
Noncurrent assets:	
Depreciable capital assets, net	42,839
Total noncurrent assets	42,839
Total assets	697,765
Deferred outflows of resources:	
Pension	45,650
OPEB	27,662
Total deferred outflows of resources	73,312
Liabilities:	
Accounts payable	1,081
Accrued wages and benefits	34,983
Pension obligation payable	17,098
Intergovernmental payable	405
Total current liabilities	53,567
Long-term liabilities:	
Compensated absences payable	29,483
Net pension liability	253,796
Net OPEB liability	134,351
Total long-term liabilities	417,630
Total liabilities	471,197
Deferred inflows of resources:	
Pension	330,241
OPEB	509,231
Total deferred inflows of resources	839,472
Net position:	
Investment in capital assets	42,839
Unrestricted (deficit)	(582,431)
Total net position (deficit)	$ (539,592)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activity - Food Service
Operating revenues:	
Sales/charges for services	$ 137,675
Total operating revenues	137,675
Operating expenses:	
Personal services	115,421
Purchased services	11,468
Materials and supplies	545,247
Depreciation	11,727
Other	8,351
Total operating expenses	692,214
Operating loss	(554,539)
Nonoperating revenues:	
Grants and subsidies	1,342,621
Interest revenue	995
Federal donated commodities	86,496
Total nonoperating revenues	1,430,112
Change in net position	875,573
Net position (deficit) at beginning of year	(1,415,165)
Net position (deficit) at end of year	$ (539,592)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activity - Food Service
Cash flows from operating activities:	
Cash received from sales/charges for services	$ 137,675
Cash received from other operations	-
Cash payments for personal services	(479,417)
Cash payments for contractual services	(11,468)
Cash payments for materials and supplies	(464,959)
Cash payments for other expenses	(8,372)
Net cash used in operating activities	(826,541)
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies	1,458,821
Cash used in repayment of interfund loans	(16,675)
Net cash provided by noncapital financing activities	1,442,146
Cash flows from investing activities:	
Interest received	995
Net cash provided by investing activities	995
Net increase in cash and cash equivalents	616,600
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	$ 616,600

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Food Service
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(554,539)
Adjustments:		
Depreciation		11,727
Federal donated commodities		86,496
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Materials and supplies inventory		(6,982)
Prepayments		(497)
Deferred outflows - pension		41,201
Deferred outflows - OPEB		47,288
Accounts payable		774
Accrued wages and benefits		23,624
Intergovernmental payable		324
Compensated absences payable		(2,798)
Pension obligation payable		7,365
Net pension liability		(405,826)
Net OPEB liability		(203,987)
Deferred inflows - pension		91,170
Deferred inflows - OPEB		38,119
Net cash used in operating activities	$	(826,541)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust	
	Scholarship	Custodial
Assets:		
Equity in pooled cash and cash equivalents	$ 111,962	$ 31,140
Total assets	111,962	31,140
Net position:		
Restricted for individuals, organizations and other governments	111,962	31,140
Total net position	$ 111,962	$ 31,140

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust	Custodial
	Scholarship	
Additions:		
Earnings on investments	$ 20	$ -
Contributions and donations	50	23,229
Other custodial fund collections	-	17,229
Total additions	70	40,458
Deductions:		
Other custodial fund disbursements	-	32,475
Scholarships awarded	500	-
Total deductions	500	32,475
Change in net position	(430)	7,983
Net position at beginning of year	112,392	23,157
Net position at end of year	$ 111,962	$ 31,140

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1- DESCRIPTION OF THE SCHOOL DISTRICT

Bowling Green City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city district as defined by Section 3311.02, Ohio Revised Code. The District operates under an elected five member Board of Education and is responsible for provision of public education to residents of the District. The District is located in Wood County in northwest Ohio. Its boundaries include all of the City of Bowling Green and portions of surrounding townships.

The District serves 2,696 students and encompasses an area of approximately one hundred eighteen square miles. The District regularly employs 226 licensed/certified employees and 110 non-certified/licensed employees. In addition, the District employed substitute employees to cover the duties of absent bus drivers while contracting with an employment service for all other substitute employees and certain paraprofessionals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

The District's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39 determining whether certain organizations are component units and GASB Statement No. 61 The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34. The financial statements of the reporting entity include those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

Jointly Governed Organization:

Penta Career Center: an Ohio Vocational School District
The Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of nine board members appointed from participating School Districts' or Educational Service Centers' elected Board of Education. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg, and Rossford; one representative from each of these counties: Fulton, Ottawa, and Lucas; and two representatives from Wood County. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

The District also participates in an insurance group purchasing pool and two workers' compensation group rating plans. See Note 11 for further details.

Non-public Schools
Non-public schools located within the District boundaries include: St. Aloysius and St. Louis Elementary Schools, the Montessori School of Bowling Green, Bowling Green Christian Academy, and Sleek Academy. These non-public schools are operated independently of the District. The District receives and disburses auxiliary services money from the State for support of St. Aloysius and St. Louis Elementary schools. The other schools receive their money directly. Both the Montessori School and Bowling Green Christian Academy contract with the District for services. The receipt and expenditure of these auxiliary services monies are accounted for by the District and are reflected in a nonmajor governmental fund for financial reporting purposes, but the non-public schools' operations are not reflected in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ohio Schools Council
The Ohio Schools Council Association (Council) is a jointly governed organization among school districts, educational service centers, joint vocational districts, and Developmental Disabilities Boards which was formed to purchase quality products and services at the lowest possible cost to participants. The Council is governed by a board consisting of nine superintendents from the participants. The degree of control exercised by any particiant is limited to its representation on the Board. Financial information can be obtained from the Ohio Schools Council Association, 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of “financial flow” (sources, uses and balances of financial resources). The following is the District's major Governmental Fund:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, and (c) financial resources that are restricted, committed or assigned to expenditures for principal and interest.

PROPRIETARY FUNDS

Proprietary Funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Proprietary Funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position. The following is the District's Proprietary Fund:

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District’s major enterprise fund accounts for its food service operation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus - Financial Statements

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 a 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 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 therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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.

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. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 plus deferred outflows and current liabilities plus deferred inflows, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's enterprise fund is charges for sales and services. Operating expenses for enterprise funds include the cost of sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Government-wide, proprietary and fiduciary fund financial statements measure and report all assets, deferred outflows, liabilities, deferred inflows, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined while "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after the June 30 year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, student fees, property taxes available as an advance and income taxes.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available.

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

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, Proprietary Funds and the Fiduciary Funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when they are incurred. The entitlement value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. Grants received before eligibility requirements are met are recorded as deferred inflows on the governmental fund financial statements. The Proprietary Funds receive no revenue from property taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred loss on debt refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds (except custodial) while GASB requires only the general and any major special revenue funds to be reported in the supplementary schedules presenting budgetary information. The specific timetable for fiscal year 2022 is as follows:

1. Pursuant to Section 5705.281, ORC, the Wood County Budget Commission has waived the requirement for school districts to adopt a tax budget. In place of the tax budget, the District must submit an estimate of revenues for the fiscal year commencing the following July 1 for all funds by no later than January 20 of the preceding fiscal year.

2. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to July 1, the District must prepare a budget in which total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. This budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary schedule reflect the amounts set forth in the Amended Official Certificate of Estimated Resources and the final Amended Certificate issued for fiscal year 2022.

3. By July 1, the annual appropriation resolution is legally enacted by the Board of Education. While the District uses an expenditure account coding system consisting of a minimum of fund number, a four digit function, and a three digit object, the Board adopted appropriation is at the fund and first digit of function level of expenditures for the General Fund and at the fund level for all other district funds. These are considered the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Any revisions that alter the total of any fund appropriation or alter first digit function appropriations within the General Fund must be approved by the Board of Education.

5. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions.

   All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.

6. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2022.

7. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, first digit function level for the General fund and the fund level for all other funds.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract-related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental funds, encumbrances outstanding at year-end appear as a commitment or assignment of the fund balance on the balance sheet and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance.

F. Cash and Investments

Cash received by the District is pooled with individual fund balance integrity maintained. Monies for all funds are maintained in this pool or temporarily used to purchase short-term cash equivalent investments (maturity date within three months of the date acquired by the District) which are stated at cost. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio statutes, all investment earnings are credited to the General Fund except those specified according to Board Resolution. Interest earnings are allocated to these funds based on average monthly cash balances. Cash basis interest revenue credited to the General fund during fiscal year 2022 amounted to $174,732, which included $46,774 assigned from other School District funds, while interest in the amount of $995 was credited to other District funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2022. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of presentation in the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time of purchase by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Prepaids

Prepayments for Governmental Funds represent cash disbursements that have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period-end, because prepayment is not available to finance future Governmental Fund expenditures, an amount equal to the carrying value of the asset is classified as nonspendable in the fund balance.

I. Capital Assets and Depreciation

Capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the Governmental Funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than $5,000 and a useful life of less than five years.

Donated capital assets are recorded at their acquisition value at the date received. The District does not possess any infrastructure. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by an appraisal company who specializes in this area.

All capital assets, except for land, are depreciated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives. The District is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational matter of the shorter of the lease term or the useful life of the underlying asset.

Asset	Life (years)
Buildings and Improvements	9-50
Furniture and Equipment	5-20
Vehicles	5-10
Intangible leased assets	5

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Intergovernmental Revenues

In governmental funds, entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when measurable and earned.

K. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and is not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement.

A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments. In the Government-wide statement of net position, this liability is recorded in the “Due within one year” liability account with the long-term portion of accumulated absences recorded in the “Due in more than one year” liability account.

L. Long-Term Obligations

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of Governmental Funds. In the Government-wide statement of net position, the current portion of general obligation bonds and notes are recorded in the “Due within one year” liability account with the long-term portion of these general obligation bonds and notes recorded in the “Due in more than one year” liability account.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District’s net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

M. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

O. Net Position

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Transactions

During the course of normal operations, transactions occur between funds. The most significant include:

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

Reimbursements from one fund to another are treated as an expenditure/expense in the reimbursing fund and a reduction of expenditure/ expense in the reimbursed fund.

Short-term interfund loans are reflected as due to/due from other funds while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds.

Interfund operating transfers and loans are eliminated on the Government-wide statements.

Q. Estimates

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

R. Unamortized Bond Premiums/Deferred Charges on Refunding

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense.

This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

S. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District also recognized $245,076 in governmental activities in leases payable at July 1, 2021; however, a portion of this amount was offset by the intangible asset, right to use lease - equipment.

A net position restatement is required in order implement GASB Statement No. 87 and GASB Implementation Guide 2019-3. The governmental activities have been restated as follows:

	Governmental Activities
Net position as previously reported	$ (1,932,988)
Intangible asset - right to use equipment	206,521
Restated net position at July 1, 2021	$ (1,726,467)

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 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. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
Title III	$ 795
Title I	5,505
Auxiliary services	723

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

State statutes require the classification of monies held by the District into three categories:

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Interim monies are permitted to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. Historically, the District has not purchased these types of investments or issued these types of notes.

A. Cash on Hand

At fiscal year end, the District had $1,954 in undeposited cash on hand which is included on the balance sheet of the District as part of "cash, cash equivalents and investments".

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

B. Deposits

At June 30, 2022, the carrying amount of the District's deposits was $12,328,458 and the bank balance was $12,614,354. Of the entire bank balance, $2,684,810 was covered by federal depository insurance while $9,929,544 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. Financial institutions which have received an extension (the "grace period") from the Ohio Treasurer of State to participate in the OPCS beyond June 30, 2021 may also pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total fair value of the securities so pledged is at least equal to 105% of the total amount of all public deposits to be secured by the pooled securities that are not covered by any federal deposit insurance. For 2022, all of the District's financial institutions participated in the OPCS.

C. Investments

As of June 30, 2022, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	$ 1,610,560	$ -	$ -	$ -	$ -	$ 1,610,560
FHLMC	1,568,002	-	-	869,590	-	698,412
FFCB	842,127	-	124,225	-	251,156	466,746
Municipal Bonds	638,599	69,965	-	82,921	-	485,713
Commercial Paper	4,858,352	3,441,606	1,416,746	-	-	-
Negotiable CDs	2,430,595	497,777	733,932	242,999	477,660	478,227
U.S. Treasury Note	1,926,275	-	-	497,793	296,449	1,132,033
U.S. Government Money Market	19,377	19,377	-	-	-	-
Amortized cost:						
STAR Ohio	1,507,729	1,507,729	-	-	-	-
Total	$ 15,401,616	$ 5,536,454	$ 2,274,903	$ 1,693,303	$ 1,025,265	$ 4,871,691

The weighted average maturity of investments is 1.39 years.

The District's investments in federal agency securities (FHLB, FHLMC, FFCB), commercial paper, municipal bonds, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). The District's investment in U.S. Government money market funds and U.S. Treasury notes are valued using quoted market prices in active markets (Level 1 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and in accordance with the Ohio Revised Code, the District's investment policy limits investment maturities to five years or less. Commercial paper must mature within 270 days.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The District's investments in U.S. Treasury notes and in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment in U.S. Government money market funds are rated AAAm by Standard & Poor's and Aaa-mf by Moody's Investor Services. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. The District's investment in negotiable CD's are not rated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk; however, the District minimizes custodial credit risk by utilizing multiple safekeeping agents for its book-entry securities.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer, although Ohio law sets limits on investments in commercial paper. The following table includes the percentage of each investment type held by the District at June 30, 2022:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
FHLB	$ 1,610,560	10.45
FHLMC	1,568,002	10.18
FFCB	842,127	5.47
Municipal Bonds	638,599	4.15
Commercial Paper	4,858,352	31.54
Negotiable CDs	2,430,595	15.78
U.S. Government Treasury Note	1,926,275	12.51
U.S. Government Money Market	19,377	0.13
Amortized cost:		
STAR Ohio	1,507,729	9.79
Total	$ 15,401,616	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation between cash and investments as reported in the preceding paragraphs to that reported on in the statements of net position:

Cash and investments per note	
Carrying amount of deposits	$ 12,328,458
Investments	15,401,616
Cash on hand	1,954
Total	$ 27,732,028

Cash, cash equivalents and investments per statement of net position	
Governmental activities	$ 26,972,326
Business-type activities	616,600
Private-purpose trust funds	111,962
Custodial funds	31,140
Total	$ 27,732,028

NOTE 5 - TAXES

A. Property Tax

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property (used for public utility) located in the District. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes.

Real property taxes received in calendar year 2022 were levied after April 1, 2021 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021 and were collected in 2021 with real property taxes. Public utility real property is assessed at 35% of true value and tangible personal property is assessed at varying percentages of true value.

The Wood County Treasurer and Henry County Treasurer collect property tax on behalf of the District. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by June 30, 2022 are available to finance current year operations. The amount available to be advanced can vary based upon the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable, in accordance with GASB 33, as of June 30, 2022. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred inflows of resources.

The amount available as an advance at June 30, 2022, was $2,419,883 for the general fund, $199,904 for the bond retirement fund (a nonmajor governmental fund), and $68,687 for the permanent improvement fund (a nonmajor governmental fund).

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 702,836,330	90.05	$ 710,762,530	89.83
Public utility personal	77,649,730	9.95	80,439,440	10.17
Total	$ 780,486,060	100.00	$ 791,201,970	100.00

B. School District Income Tax

The District levies an income tax of 0.5% on the gross salaries, wages and other personal service compensation earned by residents of the District. All the revenue received from the income tax is recorded directly into the general fund.

NOTE 6 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Bowling Green and Wood County provide tax abatements through Enterprise Zones (Ezone).

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The Ezone agreements entered into by the City of Bowling Green and Wood County affect the property tax receipts collected and distributed to the District. Under these agreements, the District's abated property taxes were $499,059 in fiscal year 2022.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022, consisted of taxes, accrued interest, accounts (charges for services and fees), intergovernmental receivables and interfund receivables (discussed in Note 8). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of the specific State programs and the current year guarantee of federal funds, income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	
General Fund	
SERS Receivable	$ 53,114
Ohio Department of Education Foundation	83,373
Total General Fund	136,487
Other Governmental Funds	
ESC of Lake Erie West	12,386
ESSER	1,894,115
IDEA	3,221
Title IV	599
Title I	34,822
IDEA, Preschool	2,010
Title II-A	10,747
Total Other Governmental Funds	1,957,900
Total Governmental Activities	$ 2,094,387

NOTE 8 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable for the year ended June 30, 2022, consisted of the following, as reported on the fund financial statements:

Interfund loan from the general fund to:	Amount
Nonmajor governmental funds	$ 543,091

The purpose of the other interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2022 are reported on the statement of net position.

B. Interfund transfers for the year ended June 30, 2022, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	Amount
General fund	$ 1,289,654

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 9 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported capital assets for the right to use leased equipment which are reflected in the schedule below. The following is a summary by category of the changes in governmental activities capital assets at June 30, 2022:

	Restated Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	$ 278,664	$ -	$ -	$ 278,664
Construction in progress	758,050	2,298,702	(800,451)	2,256,301
Total capital assets, not being depreciated/amortized	1,036,714	2,298,702	(800,451)	2,534,965
Capital assets, being depreciated/amortized:				
Buildings and Improvements	49,917,656	883,376	-	50,801,032
Furniture and Equipment	4,677,283	81,146	(15,086)	4,743,343
Vehicles	2,685,118	185,750	(162,596)	2,708,272
Intangible right to use:				
Leased Buildings	97,939	-	-	97,939
Leased Equipment	147,137	-	-	147,137
Total capital assets, being depreciated/amortized	57,525,133	1,150,272	(177,682)	58,497,723
Less: accumulated depreciation/amortization:				
Buildings and Improvements	(22,103,406)	(1,255,952)	-	(23,359,358)
Furniture and Equipment	(3,719,190)	(339,949)	13,577	(4,045,562)
Vehicles	(1,784,150)	(215,077)	162,596	(1,836,631)
Intangible right to use:				
Leased Buildings	-	(38,537)	-	(38,537)
Leased Equipment	-	(4,207)	-	(4,207)
Total accumulated depreciation/amortization	(27,606,746)	(1,853,722)	176,173	(29,284,295)
Governmental activities capital assets, net	$ 30,955,101	$ 1,595,252	$ (801,960)	$ 31,748,393

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

Instruction	$ 1,212,598
Support services	575,579
Noninstructional Activities	16,386
Extracurricular activities	49,159
Total depreciation/amortization expense	$ 1,853,722

NOTE 9 - CAPITAL ASSETS – (Continued)

A summary of the business-type capital assets at June 30, 2022 follows:

	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets, being depreciated:				
Furniture and Equipment	$ 368,305	$ -	$ -	$ 368,305
Total capital assets, being depreciated	368,305	-	-	368,305
Less: accumulated depreciation:				
Furniture and Equipment	(313,739)	(11,727)	-	(325,466)
Total accumulated depreciation	(313,739)	(11,727)	-	(325,466)
Business-type activities capital assets, net	$ 54,566	$ (11,727)	$ -	$ 42,839

NOTE 10- LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable which are reflected in the schedule below. During the fiscal year 2022, the following changes occurred in long-term obligations:

	Interest Rate	Issue Date	Maturity Date	Restated Balance 07/01/21	Increase	Decrease	Balance 06/30/22	Amount Due in One Year
Governmental activities:								
Compensated absences:								
Sick leave (severance)				$ 1,985,508	$ 48,061	$ (140,243)	$ 1,893,326	$ 56,200
Vacation				240,413	191,655	(187,775)	244,293	244,293
Early retirement incentive				40,000	-	(20,000)	20,000	20,000
2017 Certificates of Participation	1.05-4.0%	10/25/2017	6/1/2037	3,645,000	-	(180,000)	3,465,000	180,000
2015 Advance Refunding Bonds	2.0-5.0%	4/30/2015	12/1/2034	9,275,000	-	(850,000)	8,425,000	925,000
2021 Advance Refunding Bonds	0.957-4.0%	2/24/2021	12/1/2034					
Current interest bonds				10,060,000	-	(100,000)	9,960,000	290,000
Capital appreciation bonds				480,000	-	-	480,000	-
Accreted interest				15,251	78,455	-	93,706	-
Lease Obligations				245,076	-	(90,559)	154,517	93,772
Net pension liability				37,347,367	-	(17,723,644)	19,623,723	-
Net OPEB liability				2,602,974	-	(441,801)	2,161,173	-
Total governmental activities				$ 65,936,589	$ 318,171	$ (19,734,022)	46,520,738	$ 1,809,265
Add: unamortized premium on bonds							2,539,892	
Total on statement of net position							$ 49,060,630	
Businsess-type activities								
Compensated absences:								
Sick leave (severance)				$ 32,281	$ -	$ (2,798)	$ 29,483	$ -
Net pension liability				659,622	-	(405,826)	253,796	-
Net OPEB liability				338,338	-	(203,987)	134,351	-
Total business-type activities				$ 1,030,241	$ -	$ (612,611)	$ 417,630	$ -

NOTE 10- LONG-TERM OBLIGATIONS – (Continued)

The District has established a Severance Benefits Fund, as permitted by H.B. 426, to liquidate accumulated sick leave upon retirement of employees while sick leave and vacation benefits enjoyed by active employees are paid by the fund from which the employee is normally paid, in most cases the General Fund. The District offered an early retirement incentive for the term July 1, 2019 through June 30, 2020. Employees who met the criteria were eligible for a one time severance payment of $15,000 plus an additional payment of $5,000 for each of the three years following retirement. The District had four employees that are owed a total of $20,000 as of June 30, 2022.

Net Pension Liability: The District's net pension liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset: The District's net OPEB liability/asset is described in Note 13. The District pays obligations related to employee compensation from the fund benefiting from their services.

Lease Obligations: The District has entered into lease agreements for the use of right to use buildings and equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund and the permanent improvement nonmajor capital improvements fund.

The District has entered into lease agreements for copier equipment and modular classrooms at varying years and terms as follows:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copier Equipment	2019	5	2025	Monthly
Modular Classrooms	2019	5	2025	Monthly
Modular Classrooms	2021	2	2023	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	$ 93,772	$ 4,679	$ 98,451
2024	55,969	1,523	57,492
2025	4,776	24	4,800
Total	$ 154,517	$ 6,226	$ 160,743

General Obligation Bonds:

On April 30, 2015, the District issued $23,230,000 in General Obligation Refunding Bonds. These serial bonds have interest rates varying from 2.0 percent to 5.0 percent. The final stated maturity on the issue is December 1, 2034. Proceeds were used to refund $23,250,000 of the outstanding 2007 school facilities construction and improvement bonds. Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

The bonds were sold at a premium of $2,868,109. Proceeds of $25,811,196 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2007 school facilities construction and improvement bonds.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by $1,760,267. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the District's future annual debt service requirements to maturity for the 2015 general obligation bonds:

Fiscal Year	General Obligation Bonds		
Ending June 30	Principal	Interest	Total
2023	$ 925,000	$ 333,813	$ 1,258,813
2024	1,000,000	285,688	1,285,688
2025	1,085,000	233,563	1,318,563
2026	1,175,000	177,063	1,352,063
2027	1,265,000	125,550	1,390,550
2028 - 2031	2,975,000	210,634	3,185,634
Total	$ 8,425,000	$ 1,366,311	$ 9,791,311

On February 24, 2021, the District issued General Obligation Refunding Bonds (Series 2021 refunding bonds). These bonds refunded $10,540,000 of the Series 2015 issue current interest bonds. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the debt service fund (a nonmajor governmental fund). On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

The original issue was comprised of both current interest serial bonds, par value $10,060,000, and capital appreciation bonds, par value $480,000. The interest rates on the current interest bonds range from 0.957% - 4.0%. The capital appreciation bonds mature on December 1, 2034 (stated interest rate 15.00) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $3,260,000. Payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2034.

The reacquisition price exceeded the net carrying amount of the old debt by $1,344,068. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the District's future annual debt service requirements to maturity for the 2021 general obligation bonds:

Fiscal Year	General Obligation Bonds			Capital Appreciation		
Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2023	$ 290,000	$ 198,282	$ 488,282	$ -	$ -	$ -
2024	300,000	119,482	419,482	-	-	-
2025	315,000	174,182	489,182	-	-	-
2026	330,000	161,282	491,282	-	-	-
2027	345,000	153,031	498,031	-	-	-
2028 - 2032	6,285,000	464,904	6,749,904	-	-	-
2033 - 2036	2,095,000	21,558	2,116,558	480,000	2,780,000	3,260,000
Total	$ 9,960,000	$ 1,292,721	$ 11,252,721	$ 480,000	$ 2,780,000	$ 3,260,000

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

On October 25, 2017, the District issued $4,385,000 in Certificates of Participation. These bonds consist of both serial and term certificates. The serial certificates have interest rates varying from 1.05 percent to 2.125 percent and the term certificates have an interest rate of 4.00 percent. The final stated maturity on the issue is June 1, 2037. The bonds were sold at a premium of $206,264. Principal and interest payments are made from the permanent improvement fund (a nonmajor governmental fund).

Fiscal Year	Certificates of Participation		
Ending June 30	Principal	Interest	Total
2023	$ 180,000	$ 127,738	$ 307,738
2024	185,000	124,138	309,138
2025	190,000	120,438	310,438
2026	195,000	116,400	311,400
2027	200,000	108,600	308,600
2028 - 2032	1,135,000	415,600	1,550,600
2033 - 2037	1,380,000	170,000	1,550,000
Total	$ 3,465,000	$ 1,182,914	$ 4,647,914

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2022, are a voted debt margin of $50,130,989 (including available funds of $1,252,812), an unvoted debt margin of $791,202, and an Energy Conservation debt margin of $7,120,818.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, general liability, and vehicles. Vehicle policies include liability coverage for bodily injury, property damage, pollution, and cyber. Real property and contents have a liability limit of $120,816,902 with 100% co-insurance. The District's fleet insurance policy has a combined single limit of $5,000,000 each occurrence. The District has liability insurance coverage limits of $5,000,000 each occurrence and $5,000,000 annual aggregate.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last year.

Wood County Schools Benefit Plan Association

The District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an Educational Service Center. The Association is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. The District pays monthly premiums to the Association for employee medical and dental benefits. The Association is responsible for the management and operations of the program and the payment of all claims. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

NOTE 11 - RISK MANAGEMENT - (Continued)

Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of monthly premiums. Financial information may be obtained from Huntington Retirement Plan Services, 519 Madison Avenue, 3rd Floor, Toledo, Ohio 43604.

SWOEPC Worker's Compensation Group Rating

The District participates in the Southwest Ohio Educational Purchasing Council's Worker's Compensation Group Rating Plan, part of a shared services council of governments. This Group Rating Plan allows school districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers. Each year the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

Ohio SchoolComp Group Rating Plan (GRP)

For fiscal year 2022, the District participated in the Ohio SchoolComp Group Rating Plan (GRP), sponsored by the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The GRP is an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. is a third party administrator for the plan and provides administrative, cost control, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy – Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $688,239 for fiscal year 2022. Of this amount, $18,100 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $2,142,170 for fiscal year 2022. Of this amount, $383,908 is reported as pension obligation payable.

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

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

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.130087000%	0.121516880%	
Proportion of the net pension liability current measurement date	0.117525900%	0.121549171%	
Change in proportionate share	-0.012561100%	0.000032291%	
Proportionate share of the net pension liability	$ 4,336,365	$ 15,541,154	$ 19,877,519
Pension expense	$ (532,762)	$ (169,547)	$ (702,309)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 419	$ 480,147	$ 480,566
Changes of assumptions	91,311	4,311,394	4,402,705
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	1,814	1,154	2,968
Contributions subsequent to the measurement date	688,239	2,142,170	2,830,409
Total deferred outflows of resources	$ 781,783	$ 6,934,865	$ 7,716,648

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 112,460	$ 97,412	$ 209,872
Net difference between projected and actual earnings on pension plan investments	2,233,354	13,393,503	15,626,857
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	551,428	356,407	907,835
Total deferred inflows of resources	$ 2,897,242	$ 13,847,322	$ 16,744,564

$2,830,409 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (922,943)	$ (2,394,894)	$ (3,317,837)
2024	(664,241)	(1,985,425)	(2,649,666)
2025	(531,010)	(2,012,211)	(2,543,221)
2026	(685,504)	(2,662,097)	(3,347,601)
Total	$ (2,803,698)	$ (9,054,627)	$(11,858,325)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of investment expense, including inflation
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 7,214,646	$ 4,336,365	$ 1,908,984

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 29,102,765	$ 15,541,154	$ 4,081,622

Changes Between Measurement Date and Reporting Date – In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time 3% cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age sixty requirement for retirement age and service eligibility that was set to take effect in 2026. It is unknown what the effect these changes will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $88,048.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $88,048 for fiscal year 2022. Of this amount, $88,048 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.135336800%	0.121516880%	
Proportion of the net OPEB liability/asset current measurement date	0.121290600%	0.121549171%	
Change in proportionate share	-0.014046200%	0.000032291%	
Proportionate share of the net OPEB liability	$ 2,295,524	$ -	$ 2,295,524
Proportionate share of the net OPEB asset	$ -	$ (2,562,765)	$ (2,562,765)
OPEB expense	$ (142,687)	$ (176,497)	$ (319,184)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 24,468	$ 91,252	$ 115,720
Changes of assumptions	360,113	163,697	523,810
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	101,746	31,170	132,916
Contributions subsequent to the measurement date	88,048	-	88,048
Total deferred outflows of resources	$ 574,375	$ 286,119	$ 860,494

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,143,273	$ 469,549	$ 1,612,822
Net difference between projected and actual earnings on OPEB plan investments	49,874	710,357	760,231
Changes of assumptions	314,352	1,528,880	1,843,232
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	642,199	38,137	680,336
Total deferred inflows of resources	$ 2,149,698	$ 2,746,923	$ 4,896,621

$88,048 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (377,697)	$ (697,502)	$ (1,075,199)
2024	(378,047)	(679,729)	(1,057,776)
2025	(357,511)	(684,149)	(1,041,660)
2026	(300,570)	(300,935)	(601,505)
2027	(182,096)	(100,824)	(282,920)
Thereafter	(67,448)	2,335	(65,113)
Total	$ (1,663,369)	$ (2,460,804)	$ (4,124,173)

Actuarial Assumptions - SERS

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,844,432	$ 2,295,524	$ 1,857,017

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,767,365	$ 2,295,524	$ 3,000,982

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,162,577	$ 2,562,765	$ 2,897,061

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,883,516	$ 2,562,765	$ 2,166,127

NOTE 14 - OTHER EMPLOYEE BENEFITS - DEFERRED COMPENSATION PLANS

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

The plan Agreement states that the District and the Ohio Public Employees Deferred Compensation Board have no liability for losses under the plan with the exception of fraud or wrongful taking.

NOTE 15 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

During fiscal year 2018, the District issued $4,385,000 in capital related certificates of participation. These proceeds may be used to reduce the capital improvements set-aside amount for future years. The amount presented for current year offset from bond proceeds is limited to an amount needed to reduce the capital improvement set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $4,376,557 at June 30, 2022.

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	483,632
Current year offsets	(483,632)
Current year offset from bond proceeds	-
Total	$ -
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

NOTE 16 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General	$ 16,561
Other Governmental	3,077,199
Total	$ 3,093,760

NOTE 17- CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is party to legal proceedings seeking damages or injunctive relief generally incidental to its operations. The management of the District does not feel this will have a material effect, if any, on the financial statements.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized adjustments for fiscal year 2022. As a result, the impact of the adjustments on the fiscal year 2022 financial statements resulted in a receivable to the District in the amount of $83,384, which has since been received.

NOTE 18 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	$ 19,465,208	$ 19,299,396	$ 19,282,696	$ (16,700)
Income taxes	3,782,965	4,176,109	4,176,109	-
Intergovernmental	9,821,106	10,425,008	9,000,695	(1,424,313)
Investment earnings	176,127	179,000	174,732	(4,268)
Tuition and fees	192,615	615,794	568,489	(47,305)
Rental income	6,799	12,500	12,500	-
Charges for services	41,074	51,449	38,449	(13,000)
Contributions and donations	359	1,000	1,000	-
Miscellaneous	295,184	300,000	87,706	(212,294)
Total revenues	33,781,437	35,060,256	33,342,376	(1,717,880)
Expenditures:				
Current:				
Instruction	20,359,553	20,541,937	18,924,418	1,617,519
Support services	11,795,417	12,279,801	11,155,356	1,124,445
Operation of non-instructional services	3,000	3,000	150	2,850
Extracurricular activities	642,332	646,835	642,736	4,099
Facilities acquisition and construction	61,000	61,000	41,653	19,347
Total expenditures	32,861,302	33,532,573	30,764,313	2,768,260
Excess (deficiency) of revenues over (under) expenditures	920,135	1,527,683	2,578,063	1,050,380
Other financing sources (uses):				
Refund of prior year's expenditures	491,974	500,000	18,106	(481,894)
Refund of prior year's receipts	(1,000)	(1,000)	-	1,000
Transfers (out)	(2,545,000)	(2,008,295)	(1,878,843)	129,452
Advances in	18,041	21,384	21,384	-
Advances (out)	(50,000)	(550,000)	(540,353)	9,647
Other uses	(2,900)	(2,900)	-	2,900
Total other financing sources (uses)	(2,088,885)	(2,040,811)	(2,379,706)	(338,895)
Net change in fund balance	(1,168,750)	(513,128)	198,357	711,485
Fund balance at beginning of year	18,273,789	18,273,789	18,273,789	-
Prior year encumbrances appropriated	25,328	25,328	25,328	-
Fund balance at end of year	$ 17,130,367	$ 17,785,989	$ 18,497,474	$ 711,485

SEE ACCOMPANYING NOTE TO THE ,REQUIRED SUPPLEMENTARY INFORMATION

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General fund
Budget basis	$ 198,357
Net adjustment for revenue accruals	(306,695)
Net adjustment for expenditure accruals	(774,009)
Net adjustment for other sources/uses	1,090,052
Funds budgeted elsewhere	174,285
Adjustment for encumbrances	29,717
GAAP basis	$ 411,707

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, escrow funds, and the termination benefits fund.

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BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE FISCAL YEARS

	2022	**2021**	**2020**	**2019**
District's proportion of the net pension liability	0.11752590%	0.13008700%	0.13541980%	0.13559730%
District's proportionate share of the net pension liability	$ 4,336,365	$ 8,604,228	$ 8,102,404	$ 7,765,909
District's covered payroll	$ 4,071,407	$ 4,504,907	$ 4,631,267	$ 4,209,422
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.51%	191.00%	174.95%	184.49%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

* The amounts present each fiscal year were determined as of 6/30 of the previous fiscal year.

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.14090880%	0.14081740%	0.14480070%	0.13770900%	0.13770900%
$ 8,416,990	$ 10,306,534	$ 8,262,468	$ 6,969,374	$ 8,189,112
$ 4,709,600	$ 4,294,957	$ 4,359,256	$ 4,001,558	$ 3,402,478
178.72%	239.97%	189.54%	174.17%	240.68%
69.50%	62.98%	69.16%	71.70%	65.52%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE FISCAL YEARS

	2022	**2021**	**2020**	**2019**
District's proportion of the net pension liability	0.12154917%	0.12151688%	0.12121816%	0.12432841%
District's proportionate share of the net pension liability	$ 15,541,154	$ 29,402,761	$ 26,806,668	$ 27,337,026
District's covered payroll	$ 15,349,800	$ 14,733,100	$ 14,239,050	$ 14,224,879
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.25%	199.57%	188.26%	192.18%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

* The amounts present each fiscal year were determined as of 6/30 of the previous fiscal year.

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.12579838%	0.12378224%	0.12910286%	0.13504783%	0.13504783%
$ 29,883,675	$ 41,433,647	$ 35,680,254	$ 32,848,306	$ 39,128,687
$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154	$ 14,883,243
211.39%	311.97%	264.38%	238.06%	262.90%
75.30%	66.80%	72.10%	74.70%	69.30%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 688,239	$ 569,997	$ 630,687	$ 625,221
Contributions in relation to the contractually required contribution	(688,239)	(569,997)	(630,687)	(625,221)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,915,993	$ 4,071,407	$ 4,504,907	$ 4,631,267
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014	2013
	$ 568,272	$ 659,344	$ 601,294	$ 574,550	$ 554,616	$ 470,903
	(568,272)	(659,344)	(601,294)	(574,550)	(554,616)	(470,903)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 4,209,422	$ 4,709,600	$ 4,294,957	$ 4,359,256	$ 4,001,558	$ 3,402,478
	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 2,142,170	$ 2,148,972	$ 2,062,634	$ 1,993,467
Contributions in relation to the contractually required contribution	(2,142,170)	(2,148,972)	(2,062,634)	(1,993,467)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,301,214	$ 15,349,800	$ 14,733,100	$ 14,239,050
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 1,991,483	$ 1,979,139	$ 1,859,393	$ 1,889,414	$ 1,793,760	$ 1,934,822
(1,991,483)	(1,979,139)	(1,859,393)	(1,889,414)	(1,793,760)	(1,934,822)
$ -	$ -	$ -	$ -	$ -	$ -
$ 14,224,879	$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154	$ 14,883,243
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.12129060%	0.13533680%	0.13875930%	0.13747220%
District's proportionate share of the net OPEB liability	$ 2,295,524	$ 2,941,312	$ 3,489,505	$ 3,813,850
District's covered payroll	$ 4,071,407	$ 4,504,907	$ 4,631,267	$ 4,209,422
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.38%	65.29%	75.35%	90.60%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017
	0.14254740%	0.14196110%
	$ 3,825,598	$ 4,046,416
	$ 4,709,600	$ 4,294,957
	81.23%	94.21%
	12.46%	11.49%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.12154917%	0.12151688%	0.12121816%	0.12432841%
District's proportionate share of the net OPEB liability/(asset)	$ (2,562,765)	$ (2,135,658)	$ (2,007,663)	$ (1,997,830)
District's covered payroll	$ 15,349,800	$ 14,733,100	$ 14,239,050	$ 14,224,879
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.70%	14.50%	14.10%	14.04%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.12579838%	0.12378224%
$ 4,908,189	$ 6,619,906
$ 14,136,707	$ 13,281,379
34.72%	49.84%
47.10%	37.30%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 88,048	$ 78,407	$ 88,579	$ 23,156
Contributions in relation to the contractually required contribution	(88,048)	(78,407)	(88,579)	(23,156)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,915,993	$ 4,071,407	$ 4,504,907	$ 4,631,267
Contributions as a percentage of covered payroll	1.79%	1.93%	1.97%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	94,910	$	75,645	$	68,650	$	102,713	$	39,997	$	37,080
	(94,910)		(75,645)		(68,650)		(102,713)		(39,997)		(37,080)
$	-	$	-	$	-	$	-	$	-	$	-
$	4,209,422	$	4,709,600	$	4,294,957	$	4,359,256	$	4,001,558	$	3,402,478
	2.25%		1.61%		1.60%		2.36%		1.00%		1.09%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,301,214	$ 15,349,800	$ 14,733,100	$ 14,239,050
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	**2017**	**2016**	**2015**	**2014**	**2013**
$ -	$ -	$ -	$ -	$ 139,570	$ 148,832
-	-	-	-	(139,570)	(148,832)
$ -	$ -	$ -	$ -	$ -	$ -
$ 14,224,879	$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154	$ 14,883,243
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

PENSION (CONTINUED)

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2022	$145,058
National School Lunch Program:			
Cash Assistance	10.555	2022	714,110
COVID-19 Cash Assistance	10.555	2022	101,323
Non-Cash Assistance (Commodities)	10.555	2022	86,496
Total National School Lunch Program			901,929
Total Child Nutrition Cluster			1,046,987
COVID-19 Child and Adult Care Food Program	10.558	2022	662
COVID-19 Pandemic EBT Administrative Costs	10.649	2022	3,063
Total U.S. Department of Agriculture			**1,050,712**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010A	2021	42,004
Title I Grants to Local Educational Agencies	84.010A	2022	318,077
Title I Grants to Local Educational Agencies - Expanding Opportunity	84.010A	2022	13,812
Total Title I Grants to Local Education Agencies			373,893
Special Education Cluster:			
Special Education Grants to States	84.027A	2021	17,079
Special Education Grants to States	84.027A	2022	825,447
COVID-19 Special Education Grants to States	84.027X	2022	16,738
Total Special Education Grants to States			859,264
Special Education Preschool Grants	84.173A	2021	1,032
Special Education Preschool Grants	84.173A	2022	24,689
COVID-19 Special Education Preschool Grants	84.173X	2022	9,483
Total Special Education Preschool Grants			35,204
Total Special Education Cluster:			894,468
English Language Acquisition State Grants	84.365A	2021	343
English Language Acquisition State Grants	84.365A	2022	840
Total English Language Acquisition State Grants			1,183
Supporting Effective Instruction State Grants	84.367A	2021	30,503
Supporting Effective Instruction State Grants	84.367A	2022	63,866
Total Supporting Effective Instruction State Grants			94,369
Student Support and Academic Enrichment Program	84.424A	2021	37,115
Student Support and Academic Enrichment Program	84.424A	2022	2,630
Total Student Support and Academic Enrichment Program			39,745
COVID-19 Education Stabilization Fund	84.425D	2022	60,696
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	2022	856,981
COVID-19 Education Stabilization Fund (ARP ESSER)	84.425U	2022	1,235,931
COVID-19 Education Stabilization Fund (ARP Homeless)	84.425W	2022	326
Total COVID-19 Education Stabilization Fund			2,153,934
Total U.S. Department of Education			**3,557,592**
FEDERAL COMMUNICATIONS COMMISSION			
Direct Program			
COVID-19 Emergency Connectivity Fund Program	32.009	2022	350,000
Total Federal Communication Commission			**350,000**
Total Expenditures of Federal Awards			**$4,958,304**

The accompanying notes are an integral part of this schedule.

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Bowling Green City School District, Wood County, Ohio (the District) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

Program Title	AL Number	Amt. Transferred
COVID-19 Education Stabilization Fund	84.425U	$700,000
COVID-19 Special Education Grants to States	84.027X	$132,188
COVID-19 Special Education Preschool Grants	84.173X	$1,558
COVID-19 Education Stabilization Fund (Homeless)	84.425W	$16,867
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	$491,121
Title I Grants to Local Education Agencies	84.010A	$132,675
Title I Grants to Local Education Agencies Expanding Opportunity	84.010A	$1,000
Supporting Effective Instruction State Grants	84.367A	$123,229
Student Support and Academic Enrichment Program	84.424A	$17,259
Food Service Subsidy - Breakfast	10.553	$82,270
Food Service Subsidy - Lunch	10.555	$405,011

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE G – PASS THROUGH FUNDS

The District was awarded federal program allocation to be administered on their behalf by the Wood County Education Service Center. For 2022, the District's allocation was as follows:

Program Title	AL Number	Allocation	Administered By
Grants to Local Educational Agencies	84.010A	$119,047	Wood County ESC

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OHIO AUDITOR OF STATE
KEITH FABER

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

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

Bowling Green City School District
Wood County
137 Clough Street
Bowling Green, Ohio 43402

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 23, 2023, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 23, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Bowling Green City School District
Wood County
137 Clough Street
Bowling Green, Ohio 43402

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bowling Green City School District, Wood County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Bowling Green City School District's major federal programs for the year ended June 30, 2022. Bowling Green City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Bowling Green City School District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 23, 2023

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BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund – AL #84.425 Title I Grants to Local Education Agencies – AL #84.010
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

Bowling Green City Schools

Mr. Francis R. Scruci
Superintendent

137 Clough Street
Bowling Green, Ohio 43402
419-352-3576
www.bgcs.k12.oh.us
Fax: 419.352.1701

Mrs. Cathy M. Schuller
Treasurer

Mrs. Melanie Garbig
Executive Director of Pupil Services

Mrs. Angela Schaal
Executive Director of Teaching & Learning

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Finding was first issued in the 2020 audit. Material weakness regarding financial reporting due to errors on the financial statements.	Fully corrected.	

Mr. Jeffrey Dever
High School Principal

Mr. Eric Radabaugh
Middle School Principal

Mrs. Alyssa Karaffa
Conneaut Elementary Principal

Mr. Zebulun Kellough
Crim Elementary Principal

Mrs. Kathleen Daney
Kenwood Elementary Principal

MISSION STATEMENT: BGCS is committed to high academic expectations and extracurricular opportunities in an inclusive, caring, safe, and healthy environment. We empower and support teachers to be responsive to each student through a challenging and engaging curriculum. We partner with families and community to ensure student success.

OHIO AUDITOR OF STATE
KEITH FABER

BOWLING GREEN CITY SCHOOL DISTRICT

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/30/2023

88 East Broad Street, Columbus, Ohio 43215
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