



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY  
JUNE 30, 2021**

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**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY  
JUNE 30, 2020**

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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 Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

**Opinion**

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

**Emphasis of Matter**

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *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 listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2022

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**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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 2021 are as follows:

- In total, net position increased \$2,311,090. Net position of governmental activities increased \$2,231,956, which represents a 53.59% increase from 2020's deficit balance of \$4,164,944. Net position of business-type activities increased \$79,134 or 5.30% from 2020's deficit balance of \$1,494,299.
- General revenues accounted for \$35,914,865 in revenue or 87.96% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$4,917,613 or 12.04% of total governmental activities revenues of \$40,832,478.
- The District had \$38,600,522 in expenses related to governmental activities; only \$4,917,613 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 \$35,914,865 were used to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$35,810,597 in revenues and other financing sources and \$34,013,206 in expenditures and other financing uses. The fund balance of the general fund increased \$1,797,391 from a balance of \$20,186,099 to \$21,983,490.

**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 2021?" 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 funds. 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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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**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2021 and June 30, 2020.

|   | <b>Net Position</b>   |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Governmental          |                       | Business-Type         |                       | Total                 |                       |
|   | Activities            |                       | Activities            |                       |                       |                       |
|   | <u>2021</u>           | <u>2020</u>           | <u>2021</u>           | <u>2020</u>           | <u>2021</u>           | <u>2020</u>           |
| <b><u>Assets</u></b>                              |                       |                       |                       |                       |                       |                       |
| Current assets                                    | \$ 53,615,695         | \$ 49,117,636         | \$ 130,372            | \$ 197,890            | \$ 53,746,067         | \$ 49,315,526         |
| Capital assets, net                               | <u>30,710,025</u>     | <u>31,635,828</u>     | <u>54,566</u>         | <u>66,282</u>         | <u>30,764,591</u>     | <u>31,702,110</u>     |
| Total assets                                      | <u>84,325,720</u>     | <u>80,753,464</u>     | <u>184,938</u>        | <u>264,172</u>        | <u>84,510,658</u>     | <u>81,017,636</u>     |
| <b><u>Deferred outflows of resources</u></b>      |                       |                       |                       |                       |                       |                       |
| Unamortized deferred charges<br>on debt refunding | 1,939,828             | 1,308,917             | -                     | -                     | 1,939,828             | 1,308,917             |
| Pension   | 6,432,177             | 6,592,945             | 86,851                | 276,126               | 6,519,028             | 6,869,071             |
| OPEB  | <u>1,010,536</u>      | <u>821,451</u>        | <u>74,950</u>         | <u>133,515</u>        | <u>1,085,486</u>      | <u>954,966</u>        |
| Total deferred outflows of resources              | <u>9,382,541</u>      | <u>8,723,313</u>      | <u>161,801</u>        | <u>409,641</u>        | <u>9,544,342</u>      | <u>9,132,954</u>      |
| <b><u>Liabilities</u></b>                         |                       |                       |                       |                       |                       |                       |
| Current liabilities                               | 2,591,007             | 2,606,480             | 21,480                | 57,060                | 2,612,487             | 2,663,540             |
| Long-term liabilities:                            |                       |                       |                       |                       |                       |                       |
| Due within one year                               | 1,602,178             | 1,268,336             | -                     | -                     | 1,602,178             | 1,268,336             |
| Due in more than one year:                        |                       |                       |                       |                       |                       |                       |
| Net pension liability                             | 37,347,367            | 33,977,056            | 659,622               | 932,016               | 38,006,989            | 34,909,072            |
| Other amounts                                     | 27,187,540            | 27,692,051            | 32,281                | 51,076                | 27,219,821            | 27,743,127            |
| Net OPEB liability                                | <u>2,602,974</u>      | <u>3,088,109</u>      | <u>338,338</u>        | <u>401,396</u>        | <u>2,941,312</u>      | <u>3,489,505</u>      |
| Total liabilities                                 | <u>71,331,066</u>     | <u>68,632,032</u>     | <u>1,051,721</u>      | <u>1,441,548</u>      | <u>72,382,787</u>     | <u>70,073,580</u>     |
| <b><u>Deferred inflows of resources</u></b>       |                       |                       |                       |                       |                       |                       |
| Property taxes levied for the next fiscal year    | 19,614,224            | 18,869,975            | -                     | -                     | 19,614,224            | 18,869,975            |
| Pension   | 711,121               | 2,710,055             | 239,071               | 260,649               | 950,192               | 2,970,704             |
| OPEB  | <u>3,984,838</u>      | <u>3,429,659</u>      | <u>471,112</u>        | <u>465,915</u>        | <u>4,455,950</u>      | <u>3,895,574</u>      |
| Total deferred inflows of resources               | <u>24,310,183</u>     | <u>25,009,689</u>     | <u>710,183</u>        | <u>726,564</u>        | <u>25,020,366</u>     | <u>25,736,253</u>     |
| <b><u>Net Position</u></b>                        |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                  | 6,141,307             | 5,937,853             | 54,566                | 66,282                | 6,195,873             | 6,004,135             |
| Restricted  | 3,587,802             | 2,817,121             | -                     | -                     | 3,587,802             | 2,817,121             |
| Unrestricted (deficit)                            | <u>(11,662,097)</u>   | <u>(12,919,918)</u>   | <u>(1,469,731)</u>    | <u>(1,560,581)</u>    | <u>(13,131,828)</u>   | <u>(14,480,499)</u>   |
| Total net position (deficit)                      | <u>\$ (1,932,988)</u> | <u>\$ (4,164,944)</u> | <u>\$ (1,415,165)</u> | <u>\$ (1,494,299)</u> | <u>\$ (3,348,153)</u> | <u>\$ (5,659,243)</u> |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2021, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, respectively, not accounted for as deferred inflows/outflows.

The table below shows the change in net position for fiscal years 2021 and 2020. Due to practicality, 2020 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB Statement No. 84 (see Note 3). Rather, the cumulative impact of applying GASB Statement No. 84 is reflected in the beginning net position for 2020.

|   | <b>Change in Net Position</b> |                       |                             |                       |                       |                       |
|---|-------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|   | Governmental<br>Activities    |                       | Business-Type<br>Activities |                       | Totals                |                       |
|   | <u>2021</u>                   | <u>2020</u>           | <u>2021</u>                 | <u>2020</u>           | <u>2021</u>           | <u>2020</u>           |
| <b><u>Revenues</u></b>                  |                               |                       |                             |                       |                       |                       |
| Program revenues:                       |                               |                       |                             |                       |                       |                       |
| Charges for services and sales          | \$ 974,261                    | \$ 1,036,825          | \$ 32,955                   | \$ 348,084            | \$ 1,007,216          | \$ 1,384,909          |
| Operating grants and contributions      | 3,861,134                     | 3,451,577             | 554,213                     | 488,355               | 4,415,347             | 3,939,932             |
| Capital grants and contributions        | 82,218                        | 58,149                | -                           | -                     | 82,218                | 58,149                |
| General revenues:                       |                               |                       |                             |                       |                       |                       |
| Property taxes                          | 21,959,461                    | 20,231,580            | -                           | -                     | 21,959,461            | 20,231,580            |
| Income taxes                            | 4,145,187                     | 3,641,352             | -                           | -                     | 4,145,187             | 3,641,352             |
| Grants and entitlements not restricted  | 9,189,673                     | 8,805,466             | -                           | -                     | 9,189,673             | 8,805,466             |
| Investment earnings                     | 86,023                        | 502,034               | 432                         | 1,719                 | 86,455                | 503,753               |
| Miscellaneous                           | 534,521                       | 267,479               | 7,600                       | 60                    | 542,121               | 267,539               |
| Total revenues                          | <u>40,832,478</u>             | <u>37,994,462</u>     | <u>595,200</u>              | <u>838,218</u>        | <u>41,427,678</u>     | <u>38,832,680</u>     |
| <b><u>Expenses</u></b>                  |                               |                       |                             |                       |                       |                       |
| Program expenses:                       |                               |                       |                             |                       |                       |                       |
| Instruction                             | 24,065,542                    | 23,511,408            | -                           | -                     | 24,065,542            | 23,511,408            |
| Support services                        | 12,085,524                    | 11,207,245            | -                           | -                     | 12,085,524            | 11,207,245            |
| Operation of non-instructional services | 505,607                       | 404,266               | -                           | -                     | 505,607               | 404,266               |
| Extracurricular activities              | 961,577                       | 1,100,563             | -                           | -                     | 961,577               | 1,100,563             |
| Interest and fiscal charges             | 982,272                       | 1,020,157             | -                           | -                     | 982,272               | 1,020,157             |
| Food service                            | -                             | -                     | 516,066                     | 1,090,049             | 516,066               | 1,090,049             |
| Total expenses                          | <u>38,600,522</u>             | <u>37,243,639</u>     | <u>516,066</u>              | <u>1,090,049</u>      | <u>39,116,588</u>     | <u>38,333,688</u>     |
| Changes in net position                 | 2,231,956                     | 750,823               | 79,134                      | (251,831)             | 2,311,090             | 498,992               |
| Net position at beginning of year       | <u>(4,164,944)</u>            | <u>(4,915,767)</u>    | <u>(1,494,299)</u>          | <u>(1,242,468)</u>    | <u>(5,659,243)</u>    | <u>(6,158,235)</u>    |
| Net position at end of year             | <u>\$ (1,932,988)</u>         | <u>\$ (4,164,944)</u> | <u>\$ (1,415,165)</u>       | <u>\$ (1,494,299)</u> | <u>\$ (3,348,153)</u> | <u>\$ (5,659,243)</u> |

**Governmental Activities**

Net position of the District's governmental activities increased \$2,231,956 over the deficit balance of \$4,164,944. Total governmental expenses of \$38,600,522 were offset by program revenues of \$4,917,613 and general revenues of \$35,914,865. Program revenues supported 12.74% of the total governmental expenses.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Expenses of the governmental activities increased \$1,356,883. This increase is primarily the result of an increase in pension expense and salaries and benefit expenses. The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 86.44% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$24,065,542 or 62.35% of total governmental expenses for fiscal year 2021.

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 2021 and 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

|   | Total Cost of<br>Services<br><u>2021</u> | Net Cost of<br>Services<br><u>2021</u> | Total Cost of<br>Services<br><u>2020</u> | Net Cost of<br>Services<br><u>2020</u> |
|---|--|--|--|--|
| Program expenses:                       |  |  |  |  |
| Instruction                             | \$ 24,065,542                            | \$ 21,079,326                          | \$ 23,511,408                            | \$ 20,624,788                          |
| Support services                        | 12,085,524                               | 10,803,152                             | 11,207,245                               | 10,360,011                             |
| Operation of non-instructional services | 505,607                                  | 70,023                                 | 404,266                                  | (19,674)                               |
| Extracurricular activities              | 961,577                                  | 748,136                                | 1,100,563                                | 711,806                                |
| Interest and fiscal charges             | <u>982,272</u>                           | <u>982,272</u>                         | <u>1,020,157</u>                         | <u>1,020,157</u>                       |
| Total expenses                          | <u>\$ 38,600,522</u>                     | <u>\$ 33,682,909</u>                   | <u>\$ 37,243,639</u>                     | <u>\$ 32,697,088</u>                   |

The dependence upon tax revenues during fiscal year 2021 for governmental activities is apparent, as 87.59% of 2021 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 \$595,200 and expenses of \$516,066 for fiscal year 2021. The District's business-type activities do not receive support from tax revenues. Net position of the food service fund increased \$79,134. 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 \$28,504,650 which is \$3,587,617 more than last year's total of \$24,917,033. The schedule on the following page indicates the fund balance and the total change in fund balance as of June 30, 2021, and 2020.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|                    | <u>Fund Balance</u><br><u>June 30, 2021</u> | <u>Fund Balance</u><br><u>June 30, 2020</u> | <u>Change</u>       |
|--------------------|---|---|---------------------|
| General            | \$ 21,983,490                               | \$ 20,186,099                               | \$ 1,797,391        |
| Other governmental | <u>6,521,160</u>                            | <u>4,730,934</u>                            | <u>1,790,226</u>    |
| Total              | <u>\$ 28,504,650</u>                        | <u>\$ 24,917,033</u>                        | <u>\$ 3,587,617</u> |

**General Fund**

The district's general fund balance increased \$1,797,391 during fiscal year 2021. The District's increase in taxes is a result of the timing of taxes available for advance from the County. Tax collections in 2020 were extended due to COVID-19, which resulted in a lower amount of tax advances available in 2020. The decrease in interest earnings was a result of market value fluctuations in the District's investment portfolio.

|                            | <u>2021</u><br><u>Amount</u> | <u>2020</u><br><u>Amount</u> | <u>Percentage</u><br><u>Change</u> |
|----------------------------|------------------------------|------------------------------|------------------------------------|
| <b><u>Revenues</u></b>     |                              |                              |                                    |
| Taxes                      | \$ 24,077,861                | \$ 21,716,178                | 10.88 %                            |
| Intergovernmental          | 10,077,387                   | 9,678,728                    | 4.12 %                             |
| Tuition and fees           | 745,550                      | 539,053                      | 38.31 %                            |
| Interest                   | 84,980                       | 505,373                      | (83.18) %                          |
| Extracurricular activities | 27,319                       | 38,544                       | (29.12) %                          |
| Other revenues             | <u>584,399</u>               | <u>491,461</u>               | 18.91 %                            |
| Total                      | <u>\$ 35,597,496</u>         | <u>\$ 32,969,337</u>         | 7.97 %                             |

The table that follows assists in illustrating the expenditures of the general fund. During fiscal year 2021, expenditures of the general fund remained relatively stable with a slight increase of 2.76%. Instruction and support services expenditures increased primarily due to an increase in salaries and benefit costs. Debt service expenditures increased as a result of bond issuance costs related to the bond refunding. These costs were offset by bond premiums reported as an other financing source.

|   | <u>2021</u><br><u>Amount</u> | <u>2020</u><br><u>Amount</u> | <u>Percentage</u><br><u>Change</u> |
|---|------------------------------|------------------------------|------------------------------------|
| <b><u>Expenditures</u></b>              |                              |                              |                                    |
| Instruction                             | \$ 20,605,592                | \$ 20,162,632                | 2.20 %                             |
| Support services                        | 10,499,520                   | 10,256,138                   | 2.37 %                             |
| Extracurricular activities              | 662,260                      | 686,847                      | (3.58) %                           |
| Facilities acquisition and construction | 20,376                       | 20,376                       | - %                                |
| Debt service                            | <u>272,515</u>               | <u>74,611</u>                | 265.25 %                           |
| Total                                   | <u>\$ 32,060,263</u>         | <u>\$ 31,200,604</u>         | 2.76 %                             |

**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.



**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

During the course of fiscal year 2021, the District amended its general fund budget. For the general fund, final budgeted revenues and other financing sources were \$343,359 less than actual revenues and other financing sources of \$34,896,250. The original budgeted revenues and other financing sources of \$34,581,095 were \$28,204 higher than final budgeted revenues and other financing sources of \$34,552,891.

General fund final appropriations and other financing uses were \$35,811,315. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled \$34,569,314, which was \$1,242,001 less than the final budget appropriations and other financing uses. The final appropriations and other financing uses were \$216,602 greater than the original appropriations and other financing uses of \$35,594,713.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2021, the District had \$30,764,591 invested in land, buildings/improvements, furniture/equipment, and vehicles. \$30,710,025 was reported in the governmental activities and \$54,566 was reported in the business-type activities. The following table shows fiscal year 2021 balances compared to 2020:

**Capital Assets on June 30  
(Net of Depreciation)**

|                          | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                  | <u>Total</u>         |                      |
|--------------------------|--------------------------------|----------------------|---------------------------------|------------------|----------------------|----------------------|
|                          | <u>2021</u>                    | <u>2020</u>          | <u>2021</u>                     | <u>2020</u>      | <u>2021</u>          | <u>2020</u>          |
| Land                     | \$ 278,664                     | \$ 278,664           | \$ -                            | \$ -             | \$ 278,664           | \$ 278,664           |
| Construction in progress | 758,050                        | -                    | -                               | -                | 758,050              | -                    |
| Building/improvements    | 27,814,250                     | 29,031,156           | -                               | -                | 27,814,250           | 29,031,156           |
| Furniture/equipment      | 958,093                        | 1,489,511            | 54,566                          | 66,282           | 1,012,659            | 1,555,793            |
| Vehicles                 | 900,968                        | 836,497              | -                               | -                | 900,968              | 836,497              |
| Total                    | <u>\$ 30,710,025</u>           | <u>\$ 31,635,828</u> | <u>\$ 54,566</u>                | <u>\$ 66,282</u> | <u>\$ 30,764,591</u> | <u>\$ 31,702,110</u> |

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

***Debt Administration***

At June 30, 2021 the District had \$19,830,251 in general obligation bonds outstanding (including accreted interest), \$3,645,000 in certificates of participation outstanding, and \$206,521 in capital leases. Of this total debt outstanding, \$1,201,522 is due within one year and \$22,480,250 is due in more than one year. The following table summarizes the bonds and leases outstanding:

**Outstanding Debt at June 30**

|                               | <u>Governmental<br/>Activities<br/>2021</u> | <u>Governmental<br/>Activities<br/>2020</u> |
|-------------------------------|---|---|
| General obligation bonds      | \$ 19,830,251                               | \$ 20,600,000                               |
| Certificates of participation | 3,645,000                                   | 3,820,000                                   |
| Capital leases                | <u>206,521</u>                              | <u>276,019</u>                              |
| Total                         | <u>\$ 23,681,772</u>                        | <u>\$ 24,696,019</u>                        |

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

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Economic Factors**

The latest five-year forecast in May, 2021 projected a positive cash balance through fiscal year 2024. However, the long term financial stability of the District is not without challenges.

In Ohio, property revaluations are performed every six years with an update every three years. Wood County completed a triennial update in 2020. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 71.3% of the district's resources. Collection rates for the 2<sup>nd</sup> half 2020 collection did not show sharp declines due to increased delinquencies.

Wood County experienced a triennial update in the 2020 tax year which were collected in FY21. The 2020 update increased overall assessed values by \$44.0 million or an increase of 6.09%. A full reappraisal will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II and lower Current Agricultural Use Values (CAUV) authorized by HB49. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

State foundation funding has remained flat for years for Bowling Green City School District. HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions; student wellness and success funding (SWSF) and enrollment growth supplement funds. Student Wellness and Success is new revenue to school districts in FY20 and FY21 but is restricted in use and must be placed in Fund 467 and are NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. Our district is estimated to receive enrollment growth money for FY21 and will treat it as guaranteed FY22-25.

Significant changes were implemented in the tax structure by the Ohio General Assembly beginning in fiscal year 2006. To summarize, tangible personal property tax was phased out and replaced with "hold harmless" TPP reimbursement payments to replace these revenues. These reimbursements were scheduled to be phased out and were at a rate of 2% of the District's total revenues for each of fiscal year 2012 and 2013. The state biennial budget for 2014 and 2015 sustained the reimbursement amount from 2013. The state budget bill for fiscal years 2018 and 2019 as passed by the General Assembly reinstated a phase-out of the reimbursement. Later the General Assembly passed SB 208 that provided a supplement for fiscal years 2018 and 2019 such that no school district would receive less overall state funding than it had in 2015. However, Bowling Green City Schools' revenues have increased such that it is no longer eligible for a supplement.

The Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a \$300.5 million reduction of state foundation funding to school districts by the end of June 2020. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated \$160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, funding remained relatively unchanged for the rest of FY21. Governor DeWine submitted his FY22-FY23 biennial budget (Sub. HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding Bill, was introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. The next hearing is scheduled for November of 2021.

With the District still recovering from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy and knowing that School districts play a vital role in their communities; we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic.

The Board of Education and the Administration of the Bowling Green City School District have committed themselves to providing a sound educational program for the citizens of the District. Accordingly, facilities, programs and operational practices have been and will continue to be under constant review to determine what, if any, changes are needed. To that end, instructional and curriculum staff have been added. In July 2017, the Board approved a \$4.4 million addition to the Middle School for which Certificates of Participation were issued to finance the project. Also, during that summer, the Board approved a \$71,990,000 (6.0 Mill) bond levy for the November 2017 ballot for High School Renovations/Addition and a consolidated elementary building. After passage failed in November 2017 and again in May 2018, the Board established a community driven plan through the development of both a Financial Task Force and Facilities Task Force. Over the course of a nine-month period the Task Forces held over 15 meetings involving nearly 100 residents and at the conclusion in March 2019, presented a plan to the Board.

The Task Forces recommended to pursue a single new elementary building at a cost of \$40,000,000 total, split the cost evenly between property tax and income tax, and shorten the term to 30 years. As a result of the recommendation, the Board proceeded with a combined ballot request of a tax Bond issue (1.6 Mills) for \$20,000,000 and a traditional income tax (.25%) for a period of 30 years which was placed on the November 5, 2019 ballot. The income tax would have been used to support \$20,000,000 in COPS and would also have generated excess receipts to be used for maintenance. Excess taxes may also be used to retire the COPS early. The result of the November 5, 2019 capital campaign was a loss by just 32 votes. Extensive needs to the District's aging buildings are still a concern of the Board and they plan to continue the evaluation of possible options to resolve the issues.

In March of 2020, the Board of Education placed two critical levy renewals on the ballot asking voters to convert both for a continuing period of time. A 4.2 mill Current Expense and a \$1 Million Dollar Substitute Levy were both approved by voters even with the March primary being delayed into June, due to the COVID-19 health emergency. This approval by the voters helps to stabilize a portion of revenues for operations.

As part of the Board's efforts to restructure its numerous temporary tax levies, the District has passed the first resolution necessary to place a proposal to renew its 0.50% school district income tax on the November 2, 2021 ballot. This is the eighth time residents of the BG schools have voted on this tax since it was first approved in November of 1992. The tax generates approximately \$3.9 million per year to support the general operations of the district. The tax was previously presented as a temporary levy requiring renewal every five years. The November 2021 ballot seeks to convert the temporary levy into a continuing levy. As a continuing levy the renewal will NOT increase taxes. The purpose of the continuing term is to eliminate the number of times taxpayers are required to vote on the existing levy. This will reduce ballot fatigue and the associated costs of continually placing the levy on the ballot. In addition, by making this a continuing levy the Board can free up reserves for additional educational purposes. The levy passed.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

March of 2020 also began the onset of eight Petitions to Transfer being filed with the District and the Ohio Department of Education for territories of real property to secede from the Bowling Green City School District. The total estimated loss of revenue through real property tax, income tax, and Rover Pipeline public utility tax exceeds \$6,000,000 and will have a significant impact to the District should voters approve all petitions. However, the law 3311.242 is under appeal in the Federal Supreme Court and a ruling that was expected in May was delayed until July with the COVID-19 health emergency and could overturn this law declaring it unconstitutional. At the August 2020 special election, four of the eight petitions for secession were approved by voters; however, these were subsequently determined to be unconstitutional.

**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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2021

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Assets:</b>  |                                    |                                     |                       |
| Equity in pooled cash, cash equivalents and investments | \$ 26,236,513                      | \$ -                                | \$ 26,236,513         |
| Receivables:  |                                    |                                     |                       |
| Property taxes  | 22,824,414                         | -                                   | 22,824,414            |
| Income taxes  | 1,700,986                          | -                                   | 1,700,986             |
| Accounts  | 32,172                             | -                                   | 32,172                |
| Accrued interest  | 2,089                              | -                                   | 2,089                 |
| Intergovernmental                                       | 362,278                            | 129,182                             | 491,460               |
| Prepayments   | 304,910                            | 3,364                               | 308,274               |
| Materials and supplies inventory                        | -                                  | 14,501                              | 14,501                |
| Internal balance  | 16,675                             | (16,675)                            | -                     |
| Net OPEB asset  | 2,135,658                          | -                                   | 2,135,658             |
| Capital assets:   |                                    |                                     |                       |
| Nondepreciable capital assets                           | 1,036,714                          | -                                   | 1,036,714             |
| Depreciable capital assets, net                         | 29,673,311                         | 54,566                              | 29,727,877            |
| Capital assets, net                                     | <u>30,710,025</u>                  | <u>54,566</u>                       | <u>30,764,591</u>     |
| Total assets  | <u>84,325,720</u>                  | <u>184,938</u>                      | <u>84,510,658</u>     |
| <b>Deferred outflows of resources:</b>                  |                                    |                                     |                       |
| Unamortized deferred charges on debt refunding          | 1,939,828                          | -                                   | 1,939,828             |
| Pension   | 6,432,177                          | 86,851                              | 6,519,028             |
| OPEB  | 1,010,536                          | 74,950                              | 1,085,486             |
| Total deferred outflows of resources                    | <u>9,382,541</u>                   | <u>161,801</u>                      | <u>9,544,342</u>      |
| <b>Liabilities:</b>                                     |                                    |                                     |                       |
| Accounts payable  | 47,460                             | 307                                 | 47,767                |
| Accrued wages and benefits payable                      | 1,912,921                          | 11,359                              | 1,924,280             |
| Intergovernmental payable                               | 106,916                            | 81                                  | 106,997               |
| Pension obligation payable                              | 462,138                            | 9,733                               | 471,871               |
| Accrued interest payable                                | 61,572                             | -                                   | 61,572                |
| Long-term liabilities:                                  |                                    |                                     |                       |
| Due within one year                                     | 1,602,178                          | -                                   | 1,602,178             |
| Due in more than one year:                              |                                    |                                     |                       |
| Net pension liability                                   | 37,347,367                         | 659,622                             | 38,006,989            |
| Net OPEB liability                                      | 2,602,974                          | 338,338                             | 2,941,312             |
| Other amounts due in more than one year                 | 27,187,540                         | 32,281                              | 27,219,821            |
| Total liabilities                                       | <u>71,331,066</u>                  | <u>1,051,721</u>                    | <u>72,382,787</u>     |
| <b>Deferred inflows of resources:</b>                   |                                    |                                     |                       |
| Property taxes levied for the next fiscal year          | 19,614,224                         | -                                   | 19,614,224            |
| Pension   | 711,121                            | 239,071                             | 950,192               |
| OPEB  | 3,984,838                          | 471,112                             | 4,455,950             |
| Total deferred inflows of resources                     | <u>24,310,183</u>                  | <u>710,183</u>                      | <u>25,020,366</u>     |
| <b>Net position:</b>                                    |                                    |                                     |                       |
| Net investment in capital assets                        | 6,141,307                          | 54,566                              | 6,195,873             |
| Restricted for:   |                                    |                                     |                       |
| Capital projects  | 1,380,757                          | -                                   | 1,380,757             |
| Debt service  | 840,849                            | -                                   | 840,849               |
| State funded programs                                   | 940,012                            | -                                   | 940,012               |
| Federally funded programs                               | 35,059                             | -                                   | 35,059                |
| Student activities                                      | 215,974                            | -                                   | 215,974               |
| Other purposes  | 175,151                            | -                                   | 175,151               |
| Unrestricted (deficit)                                  | (11,662,097)                       | (1,469,731)                         | (13,131,828)          |
| Total net position                                      | <u>\$ (1,932,988)</u>              | <u>\$ (1,415,165)</u>               | <u>\$ (3,348,153)</u> |

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, 2021

|   | Expenses             | Program Revenues               |                                    |                                  |
|---|----------------------|--------------------------------|------------------------------------|----------------------------------|
|   |                      | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental activities:</b>         |                      |                                |                                    |                                  |
| Instruction                             | \$ 24,065,542        | \$ 778,657                     | \$ 2,207,559                       | \$ -                             |
| Support services                        | 12,085,524           | 2,900                          | 1,197,254                          | 82,218                           |
| Operation of non-instructional services | 505,607              | 38                             | 435,546                            | -                                |
| Extracurricular activities              | 961,577              | 192,666                        | 20,775                             | -                                |
| Interest and fiscal charges             | 982,272              | -                              | -                                  | -                                |
| <b>Total governmental activities</b>    | <b>38,600,522</b>    | <b>974,261</b>                 | <b>3,861,134</b>                   | <b>82,218</b>                    |
| <b>Business-type activities:</b>        |                      |                                |                                    |                                  |
| Food service                            | 516,066              | 32,955                         | 554,213                            | -                                |
| <b>Total business-type activities</b>   | <b>516,066</b>       | <b>32,955</b>                  | <b>554,213</b>                     | <b>-</b>                         |
| <b>Totals</b>                           | <b>\$ 39,116,588</b> | <b>\$ 1,007,216</b>            | <b>\$ 4,415,347</b>                | <b>\$ 82,218</b>                 |

**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  
Miscellaneous  
Total general revenues

Change in net position

**Net position at beginning of year**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue  
and Changes in Net Position**

| <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (21,079,326)                    | \$ -                                | \$ (21,079,326)       |
| (10,803,152)                       | -                                   | (10,803,152)          |
| (70,023)                           | -                                   | (70,023)              |
| (748,136)                          | -                                   | (748,136)             |
| (982,272)                          | -                                   | (982,272)             |
| (33,682,909)                       | -                                   | (33,682,909)          |
| -                                  | 71,102                              | 71,102                |
| -                                  | 71,102                              | 71,102                |
| (33,682,909)                       | 71,102                              | (33,611,807)          |
| 19,753,048                         | -                                   | 19,753,048            |
| 1,496,060                          | -                                   | 1,496,060             |
| 710,353                            | -                                   | 710,353               |
| 4,145,187                          | -                                   | 4,145,187             |
| 9,189,673                          | -                                   | 9,189,673             |
| 86,023                             | 432                                 | 86,455                |
| 534,521                            | 7,600                               | 542,121               |
| 35,914,865                         | 8,032                               | 35,922,897            |
| 2,231,956                          | 79,134                              | 2,311,090             |
| (4,164,944)                        | (1,494,299)                         | (5,659,243)           |
| <u>\$ (1,932,988)</u>              | <u>\$ (1,415,165)</u>               | <u>\$ (3,348,153)</u> |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

|  | General              | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-----------------------------------|--------------------------------|
| <b>Assets:</b>   |                      |                                   |                                |
| Equity in pooled cash, cash equivalents<br>and investments | \$ 19,811,104        | \$ 6,425,409                      | \$ 26,236,513                  |
| Receivables:   |                      |                                   |                                |
| Property taxes   | 20,605,275           | 2,219,139                         | 22,824,414                     |
| Income taxes   | 1,700,986            | -                                 | 1,700,986                      |
| Accounts   | 32,172               | -                                 | 32,172                         |
| Accrued interest   | 2,089                | -                                 | 2,089                          |
| Interfund loans  | 24,152               | -                                 | 24,152                         |
| Intergovernmental  | 129,147              | 233,131                           | 362,278                        |
| Prepayments  | 292,060              | 12,850                            | 304,910                        |
| Due from other funds                                       | 42,039               | -                                 | 42,039                         |
| Total assets   | <u>\$ 42,639,024</u> | <u>\$ 8,890,529</u>               | <u>\$ 51,529,553</u>           |
| <b>Liabilities:</b>  |                      |                                   |                                |
| Accounts payable   | \$ 10,528            | \$ 36,932                         | \$ 47,460                      |
| Accrued wages and benefits payable                         | 1,771,961            | 140,960                           | 1,912,921                      |
| Compensated absences payable                               | 140,243              | -                                 | 140,243                        |
| Intergovernmental payable                                  | 105,006              | 1,910                             | 106,916                        |
| Pension obligation payable                                 | 425,996              | 36,142                            | 462,138                        |
| Interfund loans payable                                    | -                    | 7,477                             | 7,477                          |
| Due to other funds   | -                    | 42,039                            | 42,039                         |
| Total liabilities  | <u>2,453,734</u>     | <u>265,460</u>                    | <u>2,719,194</u>               |
| <b>Deferred inflows of resources:</b>                      |                      |                                   |                                |
| Property taxes levied for the next fiscal year             | 17,718,880           | 1,895,344                         | 19,614,224                     |
| Delinquent property tax revenue not available              | 95,166               | 10,860                            | 106,026                        |
| Income tax revenue not available                           | 258,607              | -                                 | 258,607                        |
| Intergovernmental revenue not available                    | 129,147              | 197,705                           | 326,852                        |
| Total deferred inflows of resources                        | <u>18,201,800</u>    | <u>2,103,909</u>                  | <u>20,305,709</u>              |
| <b>Fund balances:</b>                                      |                      |                                   |                                |
| Nonspendable:  |                      |                                   |                                |
| Prepays  | 292,060              | 12,850                            | 304,910                        |
| Unclaimed funds  | 6,879                | -                                 | 6,879                          |
| Restricted:  |                      |                                   |                                |
| Debt service   | -                    | 909,548                           | 909,548                        |
| Capital improvements                                       | -                    | 1,378,021                         | 1,378,021                      |
| Non-public schools   | -                    | 39,087                            | 39,087                         |
| State funded programs                                      | -                    | 912,149                           | 912,149                        |
| Extracurricular  | -                    | 213,766                           | 213,766                        |
| Other purposes   | -                    | 168,272                           | 168,272                        |
| Committed:   |                      |                                   |                                |
| Capital improvements                                       | -                    | 3,053,211                         | 3,053,211                      |
| Termination benefits                                       | 704,026              | -                                 | 704,026                        |
| Insurance payments   | 548,340              | -                                 | 548,340                        |
| Other purposes   | 550                  | -                                 | 550                            |
| Assigned:  |                      |                                   |                                |
| Student instruction  | 2,534                | -                                 | 2,534                          |
| Student and staff support                                  | 74,495               | -                                 | 74,495                         |
| Subsequent year's appropriations                           | 259,724              | -                                 | 259,724                        |
| Unassigned   | <u>20,094,882</u>    | <u>(165,744)</u>                  | <u>19,929,138</u>              |
| Total fund balances  | <u>21,983,490</u>    | <u>6,521,160</u>                  | <u>28,504,650</u>              |
| Total liabilities, deferred inflows and fund balances      | <u>\$ 42,639,024</u> | <u>\$ 8,890,529</u>               | <u>\$ 51,529,553</u>           |

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, 2021

|   |              |                       |
|---|--------------|-----------------------|
| <b>Total governmental fund balances</b>   |              | \$ 28,504,650         |
| <i>Amounts reported for governmental activities on the statement of net position are different because:</i>   |              |                       |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |              | 30,710,025            |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.  |              |                       |
| Property taxes receivable   | \$ 106,026   |                       |
| Income taxes receivable   | 258,607      |                       |
| Intergovernmental receivable  | 326,852      |                       |
| Total   | 691,485      | 691,485               |
| Unamortized premiums on bonds issued are not recognized in the funds.   |              | (2,842,025)           |
| Unamortized amounts on refundings are not recognized in the funds.  |              | 1,939,828             |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.   |              | (61,572)              |
| 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   | 6,432,177    |                       |
| Deferred inflows - pension  | (711,121)    |                       |
| Net pension liability   | (37,347,367) |                       |
| Deferred outflows - OPEB  | 1,010,536    |                       |
| Deferred inflows - OPEB   | (3,984,838)  |                       |
| Net OPEB asset  | 2,135,658    |                       |
| Net OPEB liability  | (2,602,974)  |                       |
| Total   | (35,067,929) | (35,067,929)          |
| 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  | (23,475,251) |                       |
| Capital lease obligations   | (206,521)    |                       |
| Compensated absences  | (2,085,678)  |                       |
| Retirement incentives   | (40,000)     |                       |
| Total   | (25,807,450) | (25,807,450)          |
| <b>Net position of governmental activities</b>  |              | <b>\$ (1,932,988)</b> |

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, 2021

|  | <u>General</u>       | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|--|---|
| <b>Revenues:</b>                             |                      |  |   |
| Property taxes                               | \$ 19,856,339        | \$ 2,217,622                               | \$ 22,073,961                           |
| Income taxes                                 | 4,221,522            | -  | 4,221,522                               |
| Intergovernmental                            | 10,077,387           | 2,894,946                                  | 12,972,333                              |
| Investment earnings                          | 84,980               | 1,043                                      | 86,023                                  |
| Tuition and fees                             | 745,550              | -  | 745,550                                 |
| Extracurricular                              | 27,319               | 165,385                                    | 192,704                                 |
| Rental income                                | 2,900                | -  | 2,900                                   |
| Charges for services                         | 33,107               | -  | 33,107                                  |
| Contributions and donations                  | 15,031               | 32,876                                     | 47,907                                  |
| Miscellaneous                                | 533,361              | 125,233                                    | 658,594                                 |
| Total revenues                               | <u>35,597,496</u>    | <u>5,437,105</u>                           | <u>41,034,601</u>                       |
| <b>Expenditures:</b>                         |                      |  |   |
| Current:                                     |                      |  |   |
| Instruction                                  | 20,605,592           | 1,115,298                                  | 21,720,890                              |
| Support services                             | 10,499,520           | 1,742,166                                  | 12,241,686                              |
| Operation of non-instructional services      | -                    | 469,713                                    | 469,713                                 |
| Extracurricular activities                   | 662,260              | 209,220                                    | 871,480                                 |
| Facilities acquisition and construction      | 20,376               | -  | 20,376                                  |
| Debt service:                                |                      |  |   |
| Principal retirement                         | 52,359               | 977,139                                    | 1,029,498                               |
| Interest and fiscal charges                  | 7,055                | 840,772                                    | 847,827                                 |
| Bond issuance costs                          | 213,101              | -  | 213,101                                 |
| Total expenditures                           | <u>32,060,263</u>    | <u>5,354,308</u>                           | <u>37,414,571</u>                       |
| Excess of revenues over (under) expenditures | <u>3,537,233</u>     | <u>82,797</u>                              | <u>3,620,030</u>                        |
| <b>Other financing sources (uses):</b>       |                      |  |   |
| Premium on refunding bonds                   | 213,101              | 1,761,998                                  | 1,975,099                               |
| Issuance of bonds                            | -                    | 10,540,000                                 | 10,540,000                              |
| Transfers in                                 | -                    | 1,952,943                                  | 1,952,943                               |
| Transfers (out)                              | (1,952,943)          | -  | (1,952,943)                             |
| Payment to refunding bond escrow agent       | -                    | (12,547,512)                               | (12,547,512)                            |
| Total other financing sources (uses)         | <u>(1,739,842)</u>   | <u>1,707,429</u>                           | <u>(32,413)</u>                         |
| Net change in fund balances                  | 1,797,391            | 1,790,226                                  | 3,587,617                               |
| <b>Fund balances at beginning of year</b>    | <u>20,186,099</u>    | <u>4,730,934</u>                           | <u>24,917,033</u>                       |
| <b>Fund balances at end of year</b>          | <u>\$ 21,983,490</u> | <u>\$ 6,521,160</u>                        | <u>\$ 28,504,650</u>                    |

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, 2021

|  |              |              |
|--|--------------|--------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$           | 3,587,617    |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>  |              |              |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.   |              |              |
| Capital asset additions  | \$ 1,046,497 |              |
| Current year depreciation  | (1,972,300)  |              |
| Total  |              | (925,803)    |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |              |              |
| Property taxes   | (114,500)    |              |
| Income taxes   | (76,335)     |              |
| Intergovernmental  | 117,859      |              |
| Total  |              | (72,976)     |
| Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.   |              |              |
|  |              | 1,029,498    |
| Issuance of bonds and capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.  |              |              |
|  |              | (10,540,000) |
| Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year: |              |              |
| Bonds refunded   | 10,540,000   |              |
| Premiums and deferred amounts refunded   | 663,444      |              |
| Deferred charges on refundings   | 1,344,068    |              |
| Total  |              | 12,547,512   |
| Premiums on bonds are amortized over the life of the issuance in the statement of activities   |              |              |
|  |              | (1,975,099)  |

**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 (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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            | 26,561    |        |
| Accreted interest on capital appreciation bonds | (15,251)  |        |
| Amortization of bond premiums                   | 193,746   |        |
| Amortization of deferred charges                | (126,400) |        |
| Total   | 78,656    | 78,656 |

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

|         |           |           |
|---------|-----------|-----------|
| Pension | 2,675,272 |           |
| OPEB    | 69,388    |           |
| Total   | 2,744,660 | 2,744,660 |

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 | (4,207,417) |             |
| OPEB    | 177,648     |             |
| Total   | (4,029,769) | (4,029,769) |

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.

(212,340)

**Change in net position of governmental activities**

**\$ 2,231,956**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2021

|  | <b>Business-Type<br/>Activity -<br/>Food<br/>Service</b> |
|--|--|
| <b>Assets:</b>                         |  |
| Current assets:                        |  |
| Receivables:                           |  |
| Intergovernmental                      | \$ 129,182   |
| Prepayments                            | 3,364  |
| Materials and supplies inventory       | 14,501   |
| Total current assets                   | 147,047  |
| Noncurrent assets:                     |  |
| Depreciable capital assets, net        | 54,566   |
| Total noncurrent assets                | 54,566   |
| Total assets                           | 201,613  |
| <b>Deferred outflows of resources:</b> |  |
| Pension                                | 86,851   |
| OPEB                                   | 74,950   |
| Total deferred outflows of resources   | 161,801  |
| <b>Liabilities:</b>                    |  |
| Accounts payable                       | 307  |
| Accrued wages and benefits             | 11,359   |
| Pension obligation payable             | 9,733  |
| Interfund loan payable                 | 16,675   |
| Intergovernmental payable              | 81   |
| Total current liabilities              | 38,155   |
| Long-term liabilities:                 |  |
| Compensated absences payable           | 32,281   |
| Net pension liability                  | 659,622  |
| Net OPEB liability                     | 338,338  |
| Total long-term liabilities            | 1,030,241  |
| Total liabilities                      | 1,068,396  |
| <b>Deferred inflows of resources:</b>  |  |
| Pension                                | 239,071  |
| OPEB                                   | 471,112  |
| Total deferred inflows of resources    | 710,183  |
| <b>Net position:</b>                   |  |
| Investment in capital assets           | 54,566   |
| Unrestricted (deficit)                 | (1,469,731)  |
| Total net position (deficit)           | \$ (1,415,165)   |

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  
JUNE 30, 2021

|  | <b>Business-Type<br/>Activity -<br/>Food<br/>Service</b> |
|--|--|
| <b>Operating revenues:</b>                         |  |
| Sales/charges for services                         | \$ 32,955  |
| Other  | 7,600  |
| Total operating revenues                           | <u>40,555</u>  |
| <b>Operating expenses:</b>                         |  |
| Personal services                                  | 242,517  |
| Purchased services                                 | 4,037  |
| Materials and supplies                             | 253,467  |
| Depreciation                                       | 11,716   |
| Other  | 4,329  |
| Total operating expenses                           | <u>516,066</u>   |
| Operating loss                                     | <u>(475,511)</u>   |
| <b>Nonoperating revenues:</b>                      |  |
| Grants and subsidies                               | 492,787  |
| Interest revenue                                   | 432  |
| Federal donated commodities                        | 61,426   |
| Total nonoperating revenues                        | <u>554,645</u>   |
| Change in net position                             | 79,134   |
| <b>Net position (deficit) at beginning of year</b> | <u>(1,494,299)</u>                                       |
| <b>Net position (deficit) at end of year</b>       | <u>\$ (1,415,165)</u>                                    |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
JUNE 30, 2021

|   | <u><b>Business-Type<br/>Activity -<br/>Food<br/>Service</b></u> |
|---|---|
| <b>Cash flows from operating activities:</b>            |   |
| Cash received from sales/charges for services           | \$ 32,955   |
| Cash received from other operations                     | 7,600   |
| Cash payments for personal services                     | (399,539)   |
| Cash payments for contractual services                  | (3,181)   |
| Cash payments for materials and supplies                | (190,142)   |
| Cash payments for other expenses                        | <u>(4,825)</u>  |
| Net cash used in operating activities                   | <u>(557,132)</u>  |
| <b>Cash flows from noncapital financing activities:</b> |   |
| Cash received from grants and subsidies                 | 383,552   |
| Cash received from interfund loans                      | <u>16,675</u>   |
| Net cash provided by noncapital financing activities    | <u>400,227</u>  |
| <b>Cash flows from investing activities:</b>            |   |
| Interest received                                       | <u>432</u>  |
| Net cash provided by investing activities               | <u>432</u>  |
| Net decrease in cash and cash equivalents               | (156,473)   |
| <b>Cash and cash equivalents at beginning of year</b>   | <u>156,473</u>  |
| <b>Cash and cash equivalents at end of year</b>         | <u><u>\$ -</u></u>  |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
JUNE 30, 2021

|   |    | <b>Food<br/>Service</b> |
|---|----|-------------------------|
| <b>Reconciliation of operating loss to net cash used in operating activities:</b> |    |                         |
| Operating loss  | \$ | (475,511)               |
| Adjustments:  |    |                         |
| Depreciation  |    | 11,716                  |
| Federal donated commodities   |    | 61,426                  |
| Changes in assets, deferred outflows, liabilities and deferred inflows:           |    |                         |
| Materials and supplies inventory  |    | 1,984                   |
| Prepayments   |    | 1,621                   |
| Deferred outflows - pension   |    | 189,275                 |
| Deferred outflows - OPEB  |    | 58,565                  |
| Accounts payable  |    | (543)                   |
| Accrued wages and benefits  |    | (29,802)                |
| Intergovernmental payable   |    | (368)                   |
| Compensated absences payable  |    | (18,795)                |
| Pension obligation payable  |    | (4,867)                 |
| Net pension liability   |    | (272,394)               |
| Net OPEB liability  |    | (63,058)                |
| Deferred inflows - pension  |    | (21,578)                |
| Deferred inflows - OPEB   |    | 5,197                   |
|   |    | 5,197                   |
| Net cash used in operating activities   | \$ | (557,132)               |

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, 2021

|   | <b>Private-Purpose<br/>Trust</b> |                  |
|---|----------------------------------|------------------|
|   | <b>Scholarship</b>               | <b>Custodial</b> |
| <b>Assets:</b>  |                                  |                  |
| Equity in pooled cash<br>and cash equivalents                   | <u>\$ 112,392</u>                | <u>\$ 23,157</u> |
| Total assets  | <u>112,392</u>                   | <u>23,157</u>    |
| <b>Net position:</b>  |                                  |                  |
| Restricted for individuals, organizations and other governments | <u>112,392</u>                   | <u>23,157</u>    |
| Total net position  | <u>\$ 112,392</u>                | <u>\$ 23,157</u> |

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  
JUNE 30, 2021

|  | <b>Private-Purpose<br/>Trust</b> | <b>Custodial</b> |
|--|----------------------------------|------------------|
|  | <b>Scholarship</b>               |                  |
| <b>Additions:</b>                        |                                  |                  |
| Extracurricular collections for OHSAA    | \$ -                             | \$ 3,533         |
| Earnings on investments                  | 20                               | -                |
| Contributions and donations              | -                                | 7,530            |
| Other custodial fund collections         | -                                | 27,024           |
| <b>Total additions</b>                   | <b>20</b>                        | <b>38,087</b>    |
| <b>Deductions:</b>                       |                                  |                  |
| Extracurricular distributions to OHSAA   | -                                | 2,459            |
| Other custodial fund disbursements       | -                                | 17,983           |
| Scholarships awarded                     | 500                              | -                |
| <b>Total deductions</b>                  | <b>500</b>                       | <b>20,442</b>    |
| Change in net position                   | (480)                            | 17,645           |
| <b>Net position at beginning of year</b> | <b>112,872</b>                   | <b>5,512</b>     |
| <b>Net position at end of year</b>       | <b>\$ 112,392</b>                | <b>\$ 23,157</b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 2,995 students and encompasses an area of approximately one hundred eighteen square miles. The District regularly employs 275 licensed/certified employees and 137 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 two insurance group purchasing pools. See Note 12 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 these non-public schools as directed by these non-public schools. The receipt and expenditure of these auxiliary services monies are accounted for by the District and are reflected in a Special Revenue Fund for financial reporting purposes, but the non-public schools' operations are not reflected in the accompanying financial statements.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

*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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

*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 13 and 14 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2021, but which were levied to finance fiscal year 2022 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 13 and 14 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 2021 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 2021.
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.
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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 2021.
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. Interest revenue credited to the General fund during fiscal year 2021 amounted to \$84,980, which included \$18,767 assigned from other School District funds, while interest in the amount of \$1,043 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 2021. 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 2021, 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.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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. Prepays**

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**

Property, Plant and Equipment - Governmental Activities

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.

Depreciation

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.

| <u>Asset</u>               | <u>Life (years)</u> |
|----------------------------|---------------------|
| Buildings and Improvements | 9-50                |
| Furniture and Equipment    | 5-20                |
| Vehicles                   | 5-10                |

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 13 and 14 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 2021, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**B. Deficit Fund Balances**

Fund balances at June 30, 2021 included the following individual fund deficits:

| <u>Nonmajor funds</u>                   | <u>Deficit</u> |
|---|----------------|
| ESSER                                   | \$ 127,851     |
| Coronavirus Relief                      | 3,012          |
| IDEA Part B                             | 5,356          |
| Title III - Limited English Proficiency | 139            |
| Title I                                 | 24,924         |
| Miscellaneous Federal Grants            | 2,382          |

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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 \$1,454 in undeposited cash on hand which is included on the balance sheet of the District as part of "cash, cash equivalents and investments".

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

**B. Deposits**

At June 30, 2021, the carrying amount of the District's deposits was \$10,141,924 and the bank balance was \$10,273,851. Of the entire bank balance, \$778,908 was covered by federal depository insurance while \$9,494,943 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, 2020 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 2021, all of the District's financial institutions participated in the OPCS.

**C. Investments**

As of June 30, 2021, the District had the following investments and maturities:

| Measurement/<br><u>Investment type</u> | Measurement<br><u>Value</u> | Investment Maturities       |                           |                            |                            |                                   |
|--|-----------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|-----------------------------------|
|  |                             | <u>6 months or<br/>less</u> | <u>7 to 12<br/>months</u> | <u>13 to 18<br/>months</u> | <u>19 to 24<br/>months</u> | <u>Greater than<br/>24 months</u> |
| Fair value:                            |                             |                             |                           |                            |                            |                                   |
| FHLB                                   | \$ 859,969                  | \$ -                        | \$ -                      | \$ -                       | \$ -                       | \$ 859,969                        |
| FHLMC                                  | 1,652,061                   | -                           | -                         | -                          | -                          | 1,652,061                         |
| FFCB                                   | 881,514                     | -                           | 254,272                   | -                          | 127,786                    | 499,456                           |
| Municipal Bonds                        | 747,390                     | 60,000                      | -                         | 70,188                     | -                          | 617,202                           |
| Commercial Paper                       | 3,568,546                   | 3,368,798                   | 199,748                   | -                          | -                          | -                                 |
| Negotiable CDs                         | 7,641,640                   | 1,742,676                   | 2,869,116                 | 504,104                    | 1,511,687                  | 1,014,057                         |
| U.S. Treasury Note                     | 868,107                     | 868,107                     | -                         | -                          | -                          | -                                 |
| U.S. Government Money Market           | 4,820                       | 4,820                       | -                         | -                          | -                          | -                                 |
| Amortized cost:                        |                             |                             |                           |                            |                            |                                   |
| STAR Ohio                              | 4,637                       | 4,637                       | -                         | -                          | -                          | -                                 |
| Total                                  | <u>\$ 16,228,684</u>        | <u>\$ 6,049,038</u>         | <u>\$ 3,323,136</u>       | <u>\$ 574,292</u>          | <u>\$ 1,639,473</u>        | <u>\$ 4,642,745</u>               |

The weighted average maturity of investments is 1.43 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2021:

| <u>Measurement/<br/>Investment type</u> | <u>Measurement<br/>Value</u> | <u>% of Total</u> |
|---|------------------------------|-------------------|
| Fair value:                             |                              |                   |
| FHLB                                    | \$ 859,969                   | 5.30              |
| FHLMC                                   | 1,652,061                    | 10.18             |
| FFCB                                    | 881,514                      | 5.43              |
| Municipal Bonds                         | 747,390                      | 4.60              |
| Commercial Paper                        | 3,568,546                    | 21.99             |
| Negotiable CDs                          | 7,641,640                    | 47.09             |
| U.S. Government Treasury Note           | 868,107                      | 5.35              |
| U.S. Government Money Market            | 4,820                        | 0.03              |
| Amortized cost:                         |                              |                   |
| STAR Ohio                               | 4,637                        | 0.03              |
| Total                                   | <u>\$ 16,228,684</u>         | <u>100.00</u>     |

**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:

|   |                      |
|---|----------------------|
| <u>Cash and investments per note</u>  |                      |
| Carrying amount of deposits   | \$ 10,141,924        |
| Investments   | 16,228,684           |
| Cash on hand  | <u>1,454</u>         |
| Total   | <u>\$ 26,372,062</u> |
| <u>Cash, cash equivalents and investments per statement of net position</u> |                      |
| Governmental activities   | \$ 26,236,513        |
| Private-purpose trust funds   | 112,392              |
| Custodial funds   | <u>23,157</u>        |
| Total   | <u>\$ 26,372,062</u> |



**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 2021 represents collections of calendar year 2020 taxes.

Real property taxes received in calendar year 2021 were levied after April 1, 2020 on the assessed value listed as of 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 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020 and were collected in 2020 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, 2021 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, 2021. 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, 2021, was \$2,791,229 for the general fund, \$79,103 for the bond retirement fund (a nonmajor governmental fund), and \$233,832 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:

|   | 2020 Second<br>Half Collections |                | 2021 First<br>Half Collections |                |
|---|---------------------------------|----------------|--------------------------------|----------------|
|   | <u>Amount</u>                   | <u>Percent</u> | <u>Amount</u>                  | <u>Percent</u> |
| Agricultural/residential<br>and other real estate | \$ 668,909,110                  | 89.07          | \$ 702,836,330                 | 90.05          |
| Public utility personal                           | <u>82,124,660</u>               | <u>10.93</u>   | <u>77,649,730</u>              | <u>9.95</u>    |
| Total   | <u>\$ 751,033,770</u>           | <u>100.00</u>  | <u>\$ 780,486,060</u>          | <u>100.00</u>  |

**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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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. There were Ezone agreements on 43 parcels that affected the District. Under these agreements, the District's abated property taxes were \$510,614 in fiscal year 2021.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2021, consisted of taxes, 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                  | \$ 129,147        |
| Total General Fund               | <u>129,147</u>    |
| Other Governmental Funds         |                   |
| Coronavirus relief               | 3,012             |
| ESSER                            | 129,661           |
| IDEA, Part B                     | 5,356             |
| Title III                        | 343               |
| Title I                          | 30,168            |
| IDEA, Preschool                  | 1,032             |
| Supporting Effective Instruction | 31,740            |
| Miscellaneous Federal Grants     | <u>31,819</u>     |
| Total Other Governmental Funds   | <u>233,131</u>    |
| Total Governmental Activities    | <u>\$ 362,278</u> |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 8 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable for the year ended June 30, 2021, consisted of the following, as reported on the fund financial statements:

| <u>Interfund loan from the general fund to:</u> | <u>Amount</u>    |
|---|------------------|
| Nonmajor governmental fund                      | \$ 7,477         |
| Food service fund                               | <u>16,675</u>    |
|   | <u>\$ 24,152</u> |

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, 2021 are reported on the statement of net position.

- B. Interfund balances at June 30, 2021 as reported on the fund statements, consist of the following individual interfund loan receivable and payable:

| <u>Receivable Fund</u> | <u>Payable Funds</u>        | <u>Amount</u>    |
|------------------------|-----------------------------|------------------|
| General Fund           | Nonmajor governmental funds | <u>\$ 42,039</u> |

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2021 are reported on the statement of net position.

- C. Interfund transfers for the year ended June 30, 2021, consisted of the following, as reported on the fund financial statements:

| <u>Transfers to nonmajor governmental funds from:</u> | <u>Amount</u>       |
|---|---------------------|
| General fund  | <u>\$ 1,952,943</u> |

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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 9 - CAPITAL ASSETS**

The following is a summary by category of the changes in governmental activities capital assets at June 30, 2021:

|   | Balance              |                     |                  | Balance              |
|---|----------------------|---------------------|------------------|----------------------|
|   | <u>June 30, 2020</u> | <u>Additions</u>    | <u>Disposals</u> | <u>June 30, 2021</u> |
| <i>Capital assets, not being depreciated:</i> |                      |                     |                  |                      |
| Land  | \$ 278,664           | \$ -                | \$ -             | \$ 278,664           |
| Construction in progress                      | <u>-</u>             | <u>758,050</u>      | <u>-</u>         | <u>758,050</u>       |
| Total capital assets, not being depreciated   | <u>278,664</u>       | <u>758,050</u>      | <u>-</u>         | <u>1,036,714</u>     |
| <i>Capital assets, being depreciated:</i>     |                      |                     |                  |                      |
| Buildings and Improvements                    | 49,877,656           | 40,000              | -                | 49,917,656           |
| Furniture and Equipment                       | 4,677,283            | -                   | -                | 4,677,283            |
| Vehicles                                      | <u>2,571,954</u>     | <u>248,447</u>      | <u>(135,283)</u> | <u>2,685,118</u>     |
| Total capital assets, being depreciated       | <u>57,126,893</u>    | <u>288,447</u>      | <u>(135,283)</u> | <u>57,280,057</u>    |
| <i>Less: accumulated depreciation:</i>        |                      |                     |                  |                      |
| Buildings and Improvements                    | (20,846,500)         | (1,256,906)         | -                | (22,103,406)         |
| Furniture and Equipment                       | (3,187,772)          | (531,418)           | -                | (3,719,190)          |
| Vehicles                                      | <u>(1,735,457)</u>   | <u>(183,976)</u>    | <u>135,283</u>   | <u>(1,784,150)</u>   |
| Total accumulated depreciation                | <u>(25,769,729)</u>  | <u>(1,972,300)</u>  | <u>135,283</u>   | <u>(27,606,746)</u>  |
| Governmental activities capital assets, net   | <u>\$ 31,635,828</u> | <u>\$ (925,803)</u> | <u>\$ -</u>      | <u>\$ 30,710,025</u> |

Depreciation expense was charged to governmental functions as follows:

|                             |                     |
|-----------------------------|---------------------|
| Instruction                 | \$ 1,323,360        |
| Support services            | 577,407             |
| Noninstructional Activities | 17,883              |
| Extracurricular activities  | <u>53,650</u>       |
| Total depreciation expense  | <u>\$ 1,972,300</u> |

A summary of the business-type capital assets at June 30, 2021 follows:

|  | Balance              |                    |                  | Balance              |
|--|----------------------|--------------------|------------------|----------------------|
|  | <u>June 30, 2020</u> | <u>Additions</u>   | <u>Disposals</u> | <u>June 30, 2021</u> |
| <i>Capital assets, being depreciated:</i>    |                      |                    |                  |                      |
| Furniture and Equipment                      | <u>\$ 368,305</u>    | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 368,305</u>    |
| Total capital assets, being depreciated      | <u>368,305</u>       | <u>-</u>           | <u>-</u>         | <u>368,305</u>       |
| <i>Less: accumulated depreciation:</i>       |                      |                    |                  |                      |
| Furniture and Equipment                      | <u>(302,023)</u>     | <u>(11,716)</u>    | <u>-</u>         | <u>(313,739)</u>     |
| Total accumulated depreciation               | <u>(302,023)</u>     | <u>(11,716)</u>    | <u>-</u>         | <u>(313,739)</u>     |
| Business-type activities capital assets, net | <u>\$ 66,282</u>     | <u>\$ (11,716)</u> | <u>\$ -</u>      | <u>\$ 54,566</u>     |

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 10- LONG-TERM OBLIGATIONS**

During the fiscal year 2021, the following changes occurred in long-term obligations:

|                                    | <u>Interest<br/>Rate</u> | <u>Issue<br/>Date</u> | <u>Maturity<br/>Date</u> | <u>Balance<br/>07/01/20</u> | <u>Increase</u>      | <u>Decrease</u>        | <u>Balance<br/>06/30/21</u> | <u>Amount<br/>Due in<br/>One Year</u> |
|------------------------------------|--------------------------|-----------------------|--------------------------|-----------------------------|----------------------|------------------------|-----------------------------|---------------------------------------|
| <u>Governmental activities:</u>    |                          |                       |                          |                             |                      |                        |                             |                                       |
| Compensated absences:              |                          |                       |                          |                             |                      |                        |                             |                                       |
| Sick leave (severance)             |                          |                       |                          | \$ 1,754,814                | \$ 861,447           | \$ (630,753)           | \$ 1,985,508                | \$ 140,243                            |
| Vacation                           |                          |                       |                          | 198,681                     | 175,615              | (133,883)              | 240,413                     | 240,413                               |
| Early retirement incentive         |                          |                       |                          | -                           | 60,000               | (20,000)               | 40,000                      | 20,000                                |
| 2017 Certificates of Participation | 1.05-4.0%                | 10/25/2017            | 6/1/2037                 | 3,820,000                   | -                    | (175,000)              | 3,645,000                   | 180,000                               |
| 2015 Advance Refunding Bonds       | 2.0-5.0%                 | 4/30/2015             | 12/1/2034                | 20,600,000                  | -                    | (11,325,000)           | 9,275,000                   | 850,000                               |
| 2021 Advance Refunding Bonds       | 0.957-4.0%               | 2/24/2021             | 12/1/2034                |                             |                      |                        |                             |                                       |
| Current interest bonds             |                          |                       |                          | -                           | 10,060,000           | -                      | 10,060,000                  | 100,000                               |
| Capital appreciation bonds         |                          |                       |                          | -                           | 480,000              | -                      | 480,000                     | -                                     |
| Accreted interest                  |                          |                       |                          | -                           | -                    | 15,251                 | 15,251                      | -                                     |
| Capital Lease Obligations          |                          |                       |                          | 276,019                     | -                    | (69,498)               | 206,521                     | 71,522                                |
| Net pension liability              |                          |                       |                          | 33,977,056                  | 3,370,311            | -                      | 37,347,367                  | -                                     |
| Net OPEB liability                 |                          |                       |                          | 3,088,109                   | -                    | (485,135)              | 2,602,974                   | -                                     |
| Total governmental activities      |                          |                       |                          | <u>\$ 63,714,679</u>        | <u>\$ 15,007,373</u> | <u>\$ (12,824,018)</u> | <u>65,898,034</u>           | <u>\$ 1,602,178</u>                   |
| Add: unamortized premium on bonds  |                          |                       |                          |                             |                      |                        | 2,842,025                   |                                       |
| Total on statement of net position |                          |                       |                          |                             |                      |                        | <u>\$ 68,740,059</u>        |                                       |
| <u>Business-type activities</u>    |                          |                       |                          |                             |                      |                        |                             |                                       |
| Compensated absences:              |                          |                       |                          |                             |                      |                        |                             |                                       |
| Sick leave (severance)             |                          |                       |                          | \$ 51,076                   | \$ -                 | \$ (18,795)            | \$ 32,281                   | \$ -                                  |
| Net pension liability              |                          |                       |                          | 932,016                     | -                    | (272,394)              | 659,622                     | -                                     |
| Net OPEB liability                 |                          |                       |                          | 401,396                     | -                    | (63,058)               | 338,338                     | -                                     |
| Total business-type activities     |                          |                       |                          | <u>\$ 1,384,488</u>         | <u>\$ -</u>          | <u>\$ (354,247)</u>    | <u>\$ 1,030,241</u>         | <u>\$ -</u>                           |

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 \$40,000 as of June 30, 2021.

Net Pension Liability: The District's net pension liability is described in Note 13. 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 14. The District pays obligations related to employee compensation from the fund benefitting from their services.

Capital Lease Obligation: The District's capital lease obligation is described in Note 11.

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).

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WOOD COUNTY, OHIO**

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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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         |
| 2022           | \$ 850,000               | \$ 378,188   | \$ 1,228,188  |
| 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 - 2031    | 4,240,000                | 336,184      | 4,576,184     |
| Total          | \$ 9,275,000             | \$ 1,744,499 | \$ 11,019,499 |

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. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$955,266 and resulted in a net present value savings of \$763,674.

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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

| Fiscal Year<br>Ending June 30 | General Obligation Bonds |                     |                      | Capital Appreciation |                     |                     |
|-------------------------------|--------------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
|                               | Principal                | Interest            | Total                | Principal            | Interest            | Total               |
| 2022                          | \$ 100,000               | \$ 206,082          | \$ 306,082           | \$ -                 | \$ -                | \$ -                |
| 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 - 2031                   | 4,615,000                | 555,093             | 5,170,093            | -                    | -                   | -                   |
| 2032 - 2036                   | 4,110,000                | 84,400              | 4,194,400            | 480,000              | 2,780,000           | 3,260,000           |
| Total                         | <u>\$ 10,060,000</u>     | <u>\$ 1,498,803</u> | <u>\$ 11,558,803</u> | <u>\$ 480,000</u>    | <u>\$ 2,780,000</u> | <u>\$ 3,260,000</u> |

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<br>Ending June 30 | Certificates of Participation |                     |                     |
|-------------------------------|-------------------------------|---------------------|---------------------|
|                               | Principal                     | Interest            | Total               |
| 2022                          | \$ 180,000                    | \$ 131,338          | \$ 311,338          |
| 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 - 2031                   | 1,090,000                     | 459,200             | 1,549,200           |
| 2032 - 2036                   | 1,325,000                     | 223,000             | 1,548,000           |
| 2037                          | 300,000                       | 12,000              | 312,000             |
| Total                         | <u>\$ 3,645,000</u>           | <u>\$ 1,314,252</u> | <u>\$ 4,959,252</u> |

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, 2021, are a voted debt margin of \$51,338,293 (including available funds of \$909,548), an unvoted debt margin of \$780,486, and an Energy Conservation debt margin of \$7,024,375.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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**NOTE 11 - CAPITAL LEASE OBLIGATION**

In fiscal year 2019, the District entered into a capitalized lease for copier equipment. This lease agreement meets the criteria of capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

In fiscal year 2019, the District entered into another capitalized lease for modular classroom equipment with Mobilease Modular Space, Inc. The lease agreement required a one-time sitework payment of \$286,854 and a monthly payment of \$1,600 for 60 months beginning on or around August 1, 2019 and expiring on or around September 2, 2024.

Capital assets consisting of equipment have been capitalized in the amount of \$644,521. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2021 totaled \$77,014 and were paid by the general fund and the capital projects fund (a nonmajor governmental fund).

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2021:

| Fiscal Year Ending June 30         | Amount     |
|------------------------------------|------------|
| 2022                               | \$ 78,614  |
| 2023                               | 78,614     |
| 2024                               | 58,809     |
| 2025                               | 3,200      |
| Total minimum lease payments       | 219,237    |
| Less: amount representing interest | (11,262)   |
| Total                              | \$ 207,975 |

**NOTE 12 - 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 \$7,000,000 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. Each participating entity's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.



**BOWLING GREEN CITY SCHOOL DISTRICT  
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**NOTE 12 - RISK MANAGEMENT - (Continued)**

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. 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, 3<sup>rd</sup> 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 2021, 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 CompManagement, Inc. is a third party administrator for the plan and provides administrative, cost control, and actuarial services to the GRP.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

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

*Net Pension Liability/Net OPEB Liability/Asset*

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

The net pension/OPEB liability (asset) 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.

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.

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).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 15 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 and postemployment benefits 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

|                              | Eligible to<br>Retire on or before<br>August 1, 2017 *                                | Eligible to<br>Retire after<br>August 1, 2017  |
|------------------------------|---|--|
| Full benefits                | Age 65 with 5 years of services credit; or<br>Any age with 30 years of service credit | Age 67 with 10 years of service credit; or<br>Age 57 with 30 years of service credit |
| Actuarially reduced benefits | Age 60 with 5 years of service credit; or<br>Age 55 with 25 years of service credit   | Age 62 with 10 years of service credit; or<br>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.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The District's contractually required contribution to SERS was \$569,997 for fiscal year 2021. Of this amount, \$7,572 is reported as pension and postemployment benefits 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](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,148,972 for fiscal year 2021. Of this amount, \$385,892 is reported as pension and postemployment benefits 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, 2020, 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:

|  | <u>SERS</u>         | <u>STRS</u>        | <u>Total</u>  |
|--|---------------------|--------------------|---------------|
| Proportion of the net pension liability prior measurement date   | 0.13541980%         | 0.12121816%        |               |
| Proportion of the net pension liability current measurement date | <u>0.13008700%</u>  | <u>0.12151688%</u> |               |
| Change in proportionate share                                    | <u>-0.00533280%</u> | <u>0.00029872%</u> |               |
| Proportionate share of the net pension liability                 | \$ 8,604,228        | \$ 29,402,761      | \$ 38,006,989 |
| Pension expense  | \$ 800,476          | \$ 3,345,941       | \$ 4,146,417  |

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

|   | <u>SERS</u>         | <u>STRS</u>         | <u>Total</u>        |
|---|---------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>   |                     |                     |                     |
| Differences between expected and actual experience  | \$ 16,714           | \$ 65,971           | \$ 82,685           |
| Net difference between projected and actual earnings on pension plan investments                                  | 546,197             | 1,429,860           | 1,976,057           |
| Changes of assumptions  | -                   | 1,578,362           | 1,578,362           |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 37,566              | 125,389             | 162,955             |
| Contributions subsequent to the measurement date  | <u>569,997</u>      | <u>2,148,972</u>    | <u>2,718,969</u>    |
| Total deferred outflows of resources  | <u>\$ 1,170,474</u> | <u>\$ 5,348,554</u> | <u>\$ 6,519,028</u> |

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

|  | SERS       | STRS       | Total      |
|--|------------|------------|------------|
| <b>Deferred inflows of resources</b>   |            |            |            |
| Differences between expected and actual experience   | \$ -       | \$ 188,012 | \$ 188,012 |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | 239,071    | 523,109    | 762,180    |
| Total deferred inflows of resources  | \$ 239,071 | \$ 711,121 | \$ 950,192 |

\$2,718,969 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, 2022.

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

|                             | SERS         | STRS         | Total        |
|-----------------------------|--------------|--------------|--------------|
| Fiscal Year Ending June 30: |              |              |              |
| 2022                        | \$ (128,317) | \$ 895,218   | \$ 766,901   |
| 2023                        | 91,050       | 267,082      | 358,132      |
| 2024                        | 227,665      | 676,452      | 904,117      |
| 2025                        | 171,008      | 649,709      | 820,717      |
| Total                       | \$ 361,406   | \$ 2,488,461 | \$ 2,849,867 |

***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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

|  |  |
|--|--|
| Wage inflation                               | 3.00%  |
| Future salary increases, including inflation | 3.50% to 18.20%                                      |
| COLA or ad hoc COLA                          | 2.50%  |
| Investment rate of return                    | 7.50% net of investment expense, including inflation |
| Actuarial cost method                        | Entry age normal (level percent of payroll)          |

For 2020, 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, 2015.

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<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|------------------------|----------------------|---|
| Cash                   | 2.00 %               | 1.85 %                                    |
| US Equity              | 22.50                | 5.75                                      |
| International Equity   | 22.50                | 6.50                                      |
| Fixed Income           | 19.00                | 2.85                                      |
| Private Equity         | 12.00                | 7.60                                      |
| Real Assets            | 17.00                | 6.60                                      |
| Multi-Asset Strategies | 5.00                 | 6.65                                      |
| Total                  | <u>100.00 %</u>      |   |

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. 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 (7.50%). 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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*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 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

|  | 1% Decrease   | Current<br>Discount Rate | 1% Increase  |
|--|---------------|--------------------------|--------------|
| District's proportionate share<br>of the net pension liability | \$ 11,786,742 | \$ 8,604,228             | \$ 5,934,039 |

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

|                                      | July 1, 2020  |
|--------------------------------------|---|
| Inflation                            | 2.50%   |
| Projected salary increases           | 12.50% at age 20 to<br>2.50% at age 65                    |
| Investment rate of return            | 7.45%, net of investment<br>expenses, including inflation |
| Payroll increases                    | 3.00%   |
| Cost-of-living adjustments<br>(COLA) | 0.00%   |

For the July 1, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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<br>Allocation | Long-Term Expected<br>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                | <u>100.00 %</u>      |   |

\*\*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 pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

|  | 1% Decrease   | Current<br>Discount Rate | 1% Increase   |
|--|---------------|--------------------------|---------------|
| District's proportionate share<br>of the net pension liability | \$ 41,864,413 | \$ 29,402,761            | \$ 18,842,549 |



**BOWLING GREEN CITY SCHOOL DISTRICT  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 14 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 Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. 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, 2021, 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 2021, this amount was \$23,000. 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 2021, the District's surcharge obligation was \$78,407.

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 \$78,407 for fiscal year 2021. Of this amount, \$78,407 is reported as pension and postemployment benefits 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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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, 2020, 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, 2020, 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.

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

|   | <u>SERS</u>         | <u>STRS</u>        | <u>Total</u>   |
|---|---------------------|--------------------|----------------|
| Proportion of the net OPEB liability/asset prior measurement date   | 0.13875930%         | 0.12121816%        |                |
| Proportion of the net OPEB liability/asset current measurement date | <u>0.13533680%</u>  | <u>0.12151688%</u> |                |
| Change in proportionate share                                       | <u>-0.00342250%</u> | <u>0.00029872%</u> |                |
| Proportionate share of the net OPEB liability                       | \$ 2,941,312        | \$ -               | \$ 2,941,312   |
| Proportionate share of the net OPEB asset                           | \$ -                | \$ (2,135,658)     | \$ (2,135,658) |
| OPEB expense  | \$ (44,968)         | \$ (122,957)       | \$ (167,925)   |

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

|  | <u>SERS</u>       | <u>STRS</u>       | <u>Total</u>        |
|--|-------------------|-------------------|---------------------|
| <b>Deferred outflows of resources</b>  |                   |                   |                     |
| Differences between expected and actual experience   | \$ 38,630         | \$ 136,843        | \$ 175,473          |
| Net difference between projected and actual earnings on OPEB plan investments  | 33,142            | 74,848            | 107,990             |
| Changes of assumptions   | 501,391           | 35,253            | 536,644             |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | 140,344           | 46,628            | 186,972             |
| Contributions subsequent to the measurement date   | <u>78,407</u>     | <u>-</u>          | <u>78,407</u>       |
| Total deferred outflows of resources   | <u>\$ 791,914</u> | <u>\$ 293,572</u> | <u>\$ 1,085,486</u> |

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

|  | SERS         | STRS         | Total        |
|--|--------------|--------------|--------------|
| <b>Deferred inflows of resources</b>   |              |              |              |
| Differences between expected and actual experience   | \$ 1,495,862 | \$ 425,393   | \$ 1,921,255 |
| Changes of assumptions   | 74,084       | 2,028,520    | 2,102,604    |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | 382,238      | 49,853       | 432,091      |
| Total deferred inflows of resources  | \$ 1,952,184 | \$ 2,503,766 | \$ 4,455,950 |

\$78,407 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, 2022.

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

|                             | SERS           | STRS           | Total          |
|-----------------------------|----------------|----------------|----------------|
| Fiscal Year Ending June 30: |                |                |                |
| 2022                        | \$ (257,544)   | \$ (547,457)   | \$ (805,001)   |
| 2023                        | (255,147)      | (469,796)      | (724,943)      |
| 2024                        | (255,538)      | (479,029)      | (734,567)      |
| 2025                        | (234,670)      | (483,451)      | (718,121)      |
| 2026                        | (173,043)      | (100,331)      | (273,374)      |
| Thereafter                  | (62,735)       | (103,130)      | (165,865)      |
| Total                       | \$ (1,238,677) | \$ (2,183,194) | \$ (3,421,871) |

***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.

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - 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, 2020 are presented below:

|  |   |
|--|---|
| Wage inflation   | 3.00%   |
| Future salary increases, including inflation   | 3.50% to 18.20%   |
| Investment rate of return  | 7.50% net of investment<br>expense, including inflation |
| Municipal bond index rate:   |   |
| Measurement date   | 2.45%   |
| Prior measurement date   | 3.13%   |
| Single equivalent interest rate, net of plan investment expense,<br>including price inflation: |   |
| Measurement date   | 2.63%   |
| Prior measurement date   | 3.22%   |
| Medical trend assumption:  |   |
| Measurement date   |   |
| Medicare   | 5.25 to 4.75%   |
| Pre-Medicare   | 7.00 to 4.75%   |
| Prior measurement date   |   |
| Medicare   | 5.25 to 4.75%   |
| Pre-Medicare   | 7.00 to 4.75%   |

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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

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WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

|   | 1% Decrease  | Current<br>Discount Rate | 1% Increase  |
|---|--------------|--------------------------|--------------|
| District's proportionate share<br>of the net OPEB liability | \$ 3,600,092 | \$ 2,941,312             | \$ 2,417,582 |

|   | 1% Decrease  | Current<br>Trend Rate | 1% Increase  |
|---|--------------|-----------------------|--------------|
| District's proportionate share<br>of the net OPEB liability | \$ 2,316,059 | \$ 2,941,312          | \$ 3,777,434 |

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

|                                      | July 1, 2020  |          | July 1, 2019  |          |
|--------------------------------------|---|----------|---|----------|
|                                      | Initial   | Ultimate | Initial   | Ultimate |
| Inflation                            | 2.50%   |          | 2.50%   |          |
| Projected salary increases           | 12.50% at age 20 to<br>2.50% at age 65                    |          | 12.50% at age 20 to<br>2.50% at age 65                    |          |
| Investment rate of return            | 7.45%, net of investment<br>expenses, including inflation |          | 7.45%, net of investment<br>expenses, including inflation |          |
| Payroll increases                    | 3.00%   |          | 3.00%   |          |
| Cost-of-living adjustments<br>(COLA) | 0.00%   |          | 0.00%   |          |
| Discount rate of return              | 7.45%   |          | 7.45%   |          |
| Blended discount rate of return      | N/A   |          | N/A   |          |
| Health care cost trends              |   |          |   |          |
| Medical                              |   |          |   |          |
| Pre-Medicare                         | 5.00%   | 4.00%    | 5.87%   | 4.00%    |
| Medicare                             | -6.69%  | 4.00%    | 4.93%   | 4.00%    |
| Prescription Drug                    |   |          |   |          |
| Pre-Medicare                         | 6.50%   | 4.00%    | 7.73%   | 4.00%    |
| Medicare                             | 11.87%  | 4.00%    | 9.62%   | 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 Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

**BOWLING GREEN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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<br>Allocation | Long-Term Expected<br>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                | <u>100.00 %</u>      |   |

\*\*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 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

**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, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) 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<br>Discount Rate | 1% Increase  |
|--|---|--------------------------|--------------|
|  | District's proportionate share<br>of the net OPEB asset | \$ 1,858,161             | \$ 2,135,658 |

|  | 1% Decrease   | Current<br>Trend Rate | 1% Increase  |
|--|---|-----------------------|--------------|
|  | District's proportionate share<br>of the net OPEB asset | \$ 2,356,488          | \$ 2,135,658 |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 15 - 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 16 - 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, 2021.

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.

|   | <u>Capital<br/>Improvements</u> |
|---|---------------------------------|
| Set-aside balance June 30, 2020             | \$ -                            |
| Current year set-aside requirement          | 523,758                         |
| Current year offsets                        | (523,758)                       |
| Current year offset from bond proceeds      | <u>-</u>                        |
| Total                                       | <u>\$ -</u>                     |
| Balance carried forward to fiscal year 2022 | <u>\$ -</u>                     |
| Set-aside balance June 30, 2021             | <u>\$ -</u>                     |

**NOTE 17 - 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:

| <u>Fund</u>        | <u>Year-End<br/>Encumbrances</u> |
|--------------------|----------------------------------|
| General            | \$ 402,852                       |
| Other Governmental | <u>458,065</u>                   |
| Total              | <u>\$ 860,917</u>                |



**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 18 - 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**

As of the balance sheet date, the District was not involved in any litigation as either defendant or plaintiff.

**C. Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by Schools through the State, which can extend past fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 have been finalized and resulted in a net receivable to the School District of \$816, which has since been received.

**NOTE 19 – 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 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**NOTE 20 - SUBSEQUENT EVENT**

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$2,424,054 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported \$240,884 in tuition and fees from the resident school districts which will be direct funded to the District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2021

|   | Budgeted Amounts     |                      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------|----------------------|----------------------|---|
|   | Original             | Final                |                      |   |
| <b>Revenues:</b>  |                      |                      |                      |   |
| From local sources:   |                      |                      |                      |   |
| Taxes . . . . .   | \$ 23,056,459        | \$ 23,037,840        | \$ 22,895,164        | \$ (142,676)  |
| Intergovernmental. . . . .  | 10,013,197           | 10,005,061           | 10,006,031           | 970   |
| Earnings on investments . . . . .                                     | 406,030              | 405,876              | 189,704              | (216,172)   |
| Tuition and fees. . . . .   | 656,330              | 655,729              | 739,568              | 83,839  |
| Rental income . . . . .   | 7,064                | 7,062                | 2,000                | (5,062)   |
| Contract services. . . . .  | 40,174               | 40,159               | 18,060               | (22,099)  |
| Miscellaneous . . . . .   | 285,760              | 285,495              | 326,727              | 41,232  |
| Total revenues . . . . .  | <u>34,465,014</u>    | <u>34,437,222</u>    | <u>34,177,254</u>    | <u>(259,968)</u>  |
| <b>Expenditures:</b>  |                      |                      |                      |   |
| Current:  |                      |                      |                      |   |
| Instruction. . . . .  | 20,964,639           | 21,245,003           | 21,004,360           | 240,643   |
| Support services. . . . .   | 11,641,121           | 11,091,141           | 10,157,078           | 934,063   |
| Non-instructional services. . . . .                                   | 3,000                | 3,000                | -                    | 3,000   |
| Extracurricular activities . . . . .                                  | 642,053              | 642,428              | 627,018              | 15,410  |
| Facilities acquisition and construction. . . . .                      | 21,000               | 21,000               | 20,376               | 624   |
| Debt service  | -                    | 213,102              | 213,101              |   |
| Total expenditures . . . . .  | <u>33,271,813</u>    | <u>33,215,674</u>    | <u>32,021,933</u>    | <u>1,193,741</u>  |
| Excess (deficiency) of revenues over (under)<br>expenditures. . . . . | <u>1,193,201</u>     | <u>1,221,548</u>     | <u>2,155,321</u>     | <u>933,773</u>  |
| <b>Other financing sources (uses):</b>                                |                      |                      |                      |   |
| Transfers (out). . . . .  | (2,300,000)          | (2,542,741)          | (2,525,998)          | 16,743  |
| Advances in. . . . .  | 110                  | 107                  | 3,449                | 3,342   |
| Advances (out) . . . . .  | (10,000)             | (50,000)             | (21,384)             | 28,616  |
| Other uses. . . . .   | (12,900)             | (2,900)              | -                    | 2,900   |
| Other sources. . . . .  | -                    | -                    | 213,101              | 213,101   |
| Refund of prior year's expenditures . . . . .                         | 115,971              | 115,562              | 502,448              | 386,886   |
| Total other financing sources (uses) . . . . .                        | <u>(2,206,819)</u>   | <u>(2,479,972)</u>   | <u>(1,828,384)</u>   | <u>651,588</u>  |
| Net change in fund balance . . . . .                                  | (1,013,618)          | (1,258,424)          | 326,937              | 1,585,361   |
| <b>Fund balance at beginning of year . . . . .</b>                    | 17,807,983           | 17,807,983           | 17,807,983           | -   |
| <b>Prior year encumbrances appropriated . . . . .</b>                 | 138,869              | 138,869              | 138,869              | -   |
| <b>Fund balance at end of year . . . . .</b>                          | <u>\$ 16,933,234</u> | <u>\$ 16,688,428</u> | <u>\$ 18,273,789</u> | <u>\$ 1,585,361</u>                                     |

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, 2021

**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**

|   | <u>General fund</u> |
|---|---------------------|
| Budget basis                            | \$ 326,936          |
| Net adjustment for revenue accruals     | 1,167,369           |
| Net adjustment for expenditure accruals | (83,132)            |
| Net adjustment for other sources/uses   | 88,542              |
| Funds budgeted elsewhere                | 272,348             |
| Adjustment for encumbrances             | 25,328              |
| GAAP basis                              | \$ 1,797,391        |

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 EIGHT FISCAL YEARS

|  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  |
|--|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability   | 0.13008700%  | 0.13541980%  | 0.13559730%  | 0.14090880%  |
| District's proportionate share of the net pension liability  | \$ 8,604,228 | \$ 8,102,404 | \$ 7,765,909 | \$ 8,416,990 |
| District's covered payroll   | \$ 4,504,907 | \$ 4,631,267 | \$ 4,209,422 | \$ 4,709,600 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 191.00%      | 174.95%      | 184.49%      | 178.72%      |
| Plan fiduciary net position as a percentage of the total pension liability                         | 68.55%       | 70.85%       | 71.36%       | 69.50%       |

\* 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

| <u>2017</u>   | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  |
|---------------|--------------|--------------|--------------|
| 0.14081740%   | 0.14480070%  | 0.13770900%  | 0.13770900%  |
| \$ 10,306,534 | \$ 8,262,468 | \$ 6,969,374 | \$ 8,189,112 |
| \$ 4,294,957  | \$ 4,359,256 | \$ 4,001,558 | \$ 3,402,478 |
| 239.97%       | 189.54%      | 174.17%      | 240.68%      |
| 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 EIGHT FISCAL YEARS

|  | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.12151688%   | 0.12121816%   | 0.12432841%   | 0.12579838%   |
| District's proportionate share of the net pension liability  | \$ 29,402,761 | \$ 26,806,668 | \$ 27,337,026 | \$ 29,883,675 |
| District's covered payroll   | \$ 14,733,100 | \$ 14,239,050 | \$ 14,224,879 | \$ 14,136,707 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 199.57%       | 188.26%       | 192.18%       | 211.39%       |
| Plan fiduciary net position as a percentage of the total pension liability                         | 75.48%        | 77.40%        | 77.31%        | 75.30%        |

\* 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



| <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |
|---------------|---------------|---------------|---------------|
| 0.12378224%   | 0.12910286%   | 0.13504783%   | 0.13504783%   |
| \$ 41,433,647 | \$ 35,680,254 | \$ 32,848,306 | \$ 39,128,687 |
| \$ 13,281,379 | \$ 13,495,814 | \$ 13,798,154 | \$ 14,883,243 |
| 311.97%       | 264.38%       | 238.06%       | 262.90%       |
| 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

|  | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution                                  | \$ 569,997       | \$ 630,687       | \$ 625,221       | \$ 568,272       |
| Contributions in relation to the contractually required contribution | <u>(569,997)</u> | <u>(630,687)</u> | <u>(625,221)</u> | <u>(568,272)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered payroll   | \$ 4,071,407     | \$ 4,504,907     | \$ 4,631,267     | \$ 4,209,422     |
| Contributions as a percentage of covered payroll                     | 14.00%           | 14.00%           | 13.50%           | 13.50%           |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 659,344       | \$ 601,294       | \$ 574,550       | \$ 554,616       | \$ 470,903       | \$ 484,645       |
| <u>(659,344)</u> | <u>(601,294)</u> | <u>(574,550)</u> | <u>(554,616)</u> | <u>(470,903)</u> | <u>(484,645)</u> |
| <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| \$ 4,709,600     | \$ 4,294,957     | \$ 4,359,256     | \$ 4,001,558     | \$ 3,402,478     | \$ 3,603,309     |
| 14.00%           | 14.00%           | 13.18%           | 13.86%           | 13.84%           | 13.45%           |

**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 |                    |                    |                    |
|--|-----------------------|--------------------|--------------------|--------------------|
|  | <u>2021</u>           | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        |
| Contractually required contribution                                  | \$ 2,148,972          | \$ 2,062,634       | \$ 1,993,467       | \$ 1,991,483       |
| Contributions in relation to the contractually required contribution | <u>(2,148,972)</u>    | <u>(2,062,634)</u> | <u>(1,993,467)</u> | <u>(1,991,483)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| District's covered payroll   | \$ 15,349,800         | \$ 14,733,100      | \$ 14,239,050      | \$ 14,224,879      |
| Contributions as a percentage of covered payroll                     | 14.00%                | 14.00%             | 14.00%             | 14.00%             |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>        | <u>2013</u>        | <u>2012</u>        |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 1,979,139       | \$ 1,859,393       | \$ 1,889,414       | \$ 1,793,760       | \$ 1,934,822       | \$ 1,848,230       |
| <u>(1,979,139)</u> | <u>(1,859,393)</u> | <u>(1,889,414)</u> | <u>(1,793,760)</u> | <u>(1,934,822)</u> | <u>(1,848,230)</u> |
| <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| \$ 14,136,707      | \$ 13,281,379      | \$ 13,495,814      | \$ 13,798,154      | \$ 14,883,243      | \$ 14,217,150      |
| 14.00%             | 14.00%             | 14.00%             | 13.00%             | 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 FIVE FISCAL YEARS

|   | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  |
|---|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net OPEB liability   | 0.13533680%  | 0.13875930%  | 0.13747220%  | 0.14254740%  | 0.14196110%  |
| District's proportionate share of the net OPEB liability  | \$ 2,941,312 | \$ 3,489,505 | \$ 3,813,850 | \$ 3,825,598 | \$ 4,046,416 |
| District's covered payroll  | \$ 4,504,907 | \$ 4,631,267 | \$ 4,209,422 | \$ 4,709,600 | \$ 4,294,957 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 65.29%       | 75.35%       | 90.60%       | 81.23%       | 94.21%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                         | 18.17%       | 15.57%       | 13.57%       | 12.46%       | 11.49%       |

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

**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 FIVE FISCAL YEARS

|   | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>   | <u>2017</u>   |
|---|----------------|----------------|----------------|---------------|---------------|
| District's proportion of the net OPEB liability/asset   | 0.12151688%    | 0.12121816%    | 0.12432841%    | 0.12579838%   | 0.12378224%   |
| District's proportionate share of the net OPEB liability/(asset)                                      | \$ (2,135,658) | \$ (2,007,663) | \$ (1,997,830) | \$ 4,908,189  | \$ 6,619,906  |
| District's covered payroll  | \$ 14,733,100  | \$ 14,239,050  | \$ 14,224,879  | \$ 14,136,707 | \$ 13,281,379 |
| District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 14.50%         | 14.10%         | 14.04%         | 34.72%        | 49.84%        |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset                         | 182.10%        | 174.70%        | 176.00%        | 47.10%        | 37.30%        |

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

**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

|  | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     |
|--|-----------------|-----------------|-----------------|-----------------|
| Contractually required contribution                                  | \$ 78,407       | \$ 88,579       | \$ 23,156       | \$ 94,910       |
| Contributions in relation to the contractually required contribution | <u>(78,407)</u> | <u>(88,579)</u> | <u>(23,156)</u> | <u>(94,910)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| District's covered payroll   | \$ 4,071,407    | \$ 4,504,907    | \$ 4,631,267    | \$ 4,209,422    |
| Contributions as a percentage of covered payroll                     | 1.93%           | 1.97%           | 0.50%           | 2.25%           |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



| <u>2017</u>     | <u>2016</u>     | <u>2015</u>      | <u>2014</u>     | <u>2013</u>     | <u>2012</u>     |
|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| \$ 75,645       | \$ 68,650       | \$ 102,713       | \$ 39,997       | \$ 37,080       | \$ 50,842       |
| <u>(75,645)</u> | <u>(68,650)</u> | <u>(102,713)</u> | <u>(39,997)</u> | <u>(37,080)</u> | <u>(50,842)</u> |
| <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| \$ 4,709,600    | \$ 4,294,957    | \$ 4,359,256     | \$ 4,001,558    | \$ 3,402,478    | \$ 3,603,309    |
| 1.61%           | 1.60%           | 2.36%            | 1.00%           | 1.09%           | 1.41%           |

**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 |               |               |               |
|--|-----------------------|---------------|---------------|---------------|
|  | <u>2021</u>           | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
| Contractually required contribution                                  | \$ -                  | \$ -          | \$ -          | \$ -          |
| Contributions in relation to the contractually required contribution | <u>-</u>              | <u>-</u>      | <u>-</u>      | <u>-</u>      |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered payroll   | \$ 15,349,800         | \$ 14,733,100 | \$ 14,239,050 | \$ 14,224,879 |
| Contributions as a percentage of covered payroll                     | 0.00%                 | 0.00%         | 0.00%         | 0.00%         |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ -          | \$ -          | \$ -          | \$ 139,570    | \$ 148,832    | \$ 153,108    |
| -             | -             | -             | (139,570)     | (148,832)     | (153,108)     |
| <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| \$ 14,136,707 | \$ 13,281,379 | \$ 13,495,814 | \$ 13,798,154 | \$ 14,883,243 | \$ 14,217,150 |
| 0.00%         | 0.00%         | 0.00%         | 1.00%         | 1.00%         | 1.00%         |

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PENSION

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*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 years 2019-2021.

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 years 2018-2021.

*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 years 2019-2021.

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 years 2019-2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

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

(Continued)

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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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%.

*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.

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 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

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**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b>                               | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass Through<br/>Entity Identifying<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|---|------------------------------------|---|---------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>   |                                    |   |                                       |
| <i>Passed Through Ohio Department of Education</i>  |                                    |   |                                       |
| <u>Child Nutrition Cluster:</u>   |                                    |   |                                       |
| School Breakfast Program  |                                    |   |                                       |
| COVID-19 School Breakfast Program   | 10.553                             | 2021  | \$25,328                              |
| School Breakfast Program  | 10.553                             | 2021  | 104,609                               |
| Total School Breakfast Program  |                                    |   | <u>129,937</u>                        |
| National School Lunch Program   |                                    |   |                                       |
| COVID-19 Cash Assistance  | 10.555                             | 2021  | 34,398                                |
| Cash Assistance   | 10.555                             | 2021  | 209,584                               |
| Non-Cash Assistance (Commodities)   | 10.555                             | 2021  | 61,426                                |
| Total National School Lunch Program   |                                    |   | <u>305,408</u>                        |
| Total Child Nutrition Cluster   |                                    |   | <u>435,345</u>                        |
| COVID-19 Child and Adult Care food Program  | 10.558                             | 2021  | 89                                    |
| Child and Adult Care Food Program   | 10.558                             | 2021  | 2,124                                 |
| Total Child and Adult Care Food Program   |                                    |   | <u>2,213</u>                          |
| Total U.S. Department of Agriculture  |                                    |   | <u>437,558</u>                        |
| <b>U.S. DEPARTMENT OF EDUCATION</b>   |                                    |   |                                       |
| <i>Passed Through Ohio Department of Education</i>  |                                    |   |                                       |
| Title I Grants to Local Education Agencies  | 84.010A                            | 2021  | 331,647                               |
| Title I Grants to Local Education Agencies - Expanding Opportunities for Each Child Non-Competitive Grant | 84.010A                            | 2021  | 8,316                                 |
| Total Title I Grants to Local Education Agencies  |                                    |   | <u>339,963</u>                        |
| <u>Special Education Cluster:</u>   |                                    |   |                                       |
| Special Education Grants to States  | 84.027A                            | 2021  | 582,063                               |
| Special Education Preschool Grants  | 84.173A                            | 2021  | 24,797                                |
| Total Special Education Cluster   |                                    |   | <u>606,860</u>                        |
| English Language Acquisition State Grants   | 84.365A                            | 2021  | 1,446                                 |
| Supporting Effective Instruction State Grants   | 84.367A                            | 2021  | 37,684                                |
| Student Support and Academic Enrichment Program   | 84.424A                            | 2020  | 233                                   |
| Student Support and Academic Enrichment Program   | 84.424A                            | 2021  | 41,241                                |
| Total Student Support and Academic Enrichment Program   |                                    |   | <u>41,474</u>                         |
| COVID-19 Education Stabilization Fund   | 84.425D                            | 2021  | 109,778                               |
| COVID-19 Education Stabilization Fund (ESSER II)  | 84.425D                            | 2022  | 11,340                                |
| Total COVID-19 Education Stabilization Fund   |                                    |   | <u>121,118</u>                        |
| Total U.S. Department of Education  |                                    |   | <u>1,148,545</u>                      |
| <b>U.S. DEPARTMENT OF TREASURY</b>  |                                    |   |                                       |
| <i>Passed Through Ohio Office of Budget and Management</i>  |                                    |   |                                       |
| COVID-19 Coronavirus Relief Fund - Broadband Ohio Connectivity  | 21.019                             | 2021  | 61,343                                |
| COVID-19 Coronavirus Relief Fund  | 21.019                             | 2021  | 160,069                               |
| Total COVID-19 Coronavirus Relief Fund  |                                    |   | <u>221,412</u>                        |
| Total U.S. Department of Treasury   |                                    |   | <u>221,412</u>                        |
| <b>Total Expenditures of Federal Awards</b>   |                                    |   | <u><b>\$1,807,515</b></u>             |

*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, 2021**

**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 fiscal year ended June 30, 2021. 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 program that benefitted from the use of those donated food commodities.

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with 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 2021 to 2022 programs:

| <u>Program Title</u>   | <u>CFDA<br/>Number</u> | <u>Amt. Transferred</u> |
|--|------------------------|-------------------------|
| Title I Grants to Local Educational Agencies                         | 84.010A                | \$ 72,904               |
| Title I Expanding Opportunities for Each Child Non-Competitive Grant | 84.010A                | 790                     |
| Supporting Effective Instruction State Grants                        | 84.367A                | 114,808                 |
| English Language Acquisition State Grants                            | 84.365A                | 840                     |
| Student Support and Academic Enrichment                              | 84.424A                | 25,234                  |
| Special Education - Grants to States                                 | 84.027A                | 117,631                 |



**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, 2021  
(Continued)**

**NOTE G – PASS THROUGH FUNDS**

The District was awarded federal program allocations to be administered on their behalf by the Wood County Educational Service Center. For 2021, the District's Allocation was as follows:

| <u>Program Title</u>                 | <u>CFDA<br/>Number</u> | <u>Allocation</u> | <u>Administered By</u> |
|--------------------------------------|------------------------|-------------------|------------------------|
| Grants to Local Educational Agencies | 84.010A                | \$ 136,777        | Wood County ESC        |

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

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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 9, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2021-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***District's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings or corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2022



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Columbus, Ohio 43215  
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(800) 282-0370

**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 the Major Federal Programs***

We have audited Bowling Green City School District, Wood County, Ohio (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Bowling Green City School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Programs***

In our opinion, Bowling Green City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2021.

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

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2022

**BOWLING GREEN CITY SCHOOL DISTRICT  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

|  |
|--|
| <b>1. SUMMARY OF AUDITOR'S RESULTS</b> |
|--|

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

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

**FINDING NUMBER 2021-001**

**Material Weakness – Financial Reporting**

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

The 070 Capital Projects fund balance was not classified in accordance with Governmental Accounting Standards Board Statement No. 54 (codified as GASB Cod. 1800.165 - .179) requirements. Committed fund balance was incorrectly recorded as unassigned fund balance in the amount of \$3,053,211.

This error was the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. In addition to the error noted above, we also identified additional misstatements made by the compiler ranging from \$12,075 to \$294,165 that we have brought to the District's attention.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Treasurer and Board, to identify and correct errors and omissions.

**Officials' Response:**

The District hires a CPA firm that specializes in governmental reporting to assist in the preparation of the financial statements. This error was made by the CPA firm and was clerical in nature, with the amount reported in an incorrect line on the final report. This resulted in a change in classification of fund balance in a nonmajor fund – it did not impact net position, revenues or expenditures. The District will work with the CPA firm to ensure this issue is corrected in future reports and balances are reported in accordance with GASB 54 guidance.

**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

**Mrs. Cathy M. Schuller**  
Treasurer

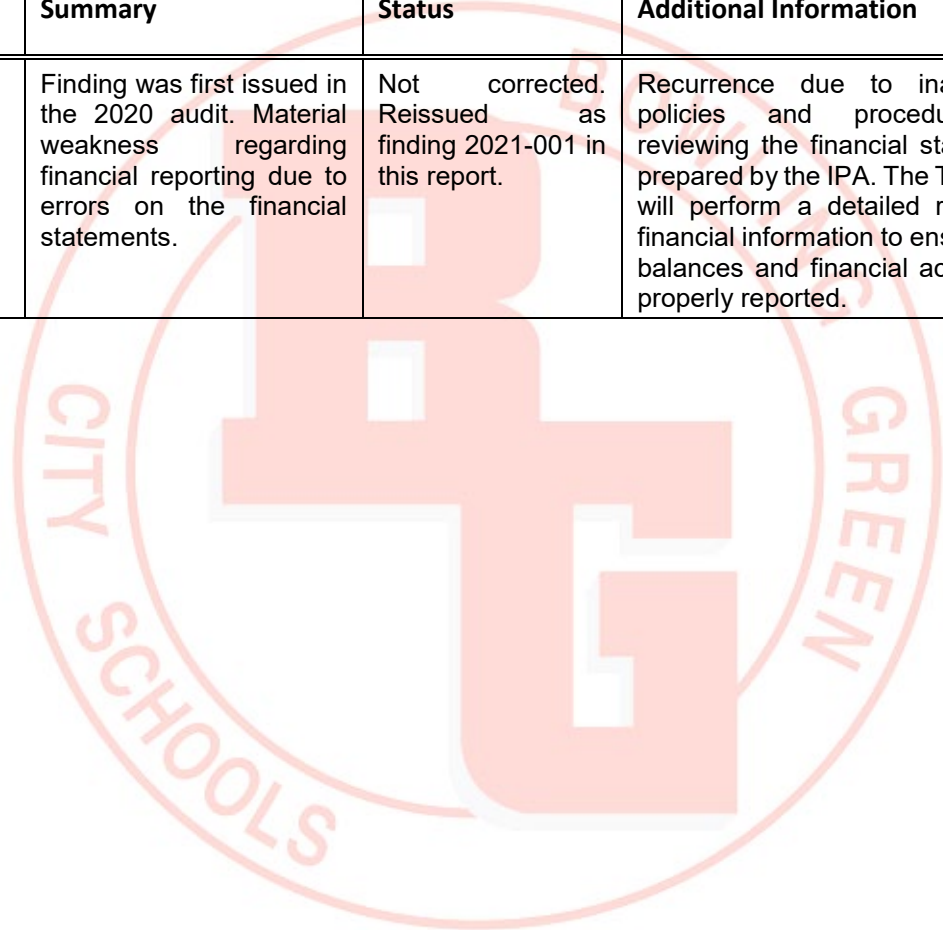
**Mrs. Angela Schaal**  
Executive Director of Teaching & Learning

[www.bgcs.k12.oh.us](http://www.bgcs.k12.oh.us)  
Fax: 419.352.1701

**Ms. Alexandra Reucher**  
Executive Director of Pupil Services

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) JUNE 30, 2021

| Finding Number | Finding Summary  | Status  | Additional Information  |
|----------------|--|---|---|
| 2020-001       | Finding was first issued in the 2020 audit. Material weakness regarding financial reporting due to errors on the financial statements. | Not corrected. Reissued as finding 2021-001 in this report. | Recurrence due to inadequate policies and procedures in reviewing the financial statements prepared by the IPA. The Treasurer will perform a detailed review of financial information to ensure fund balances and financial activity are properly reported. |



**Mr. Daniel Black**  
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.

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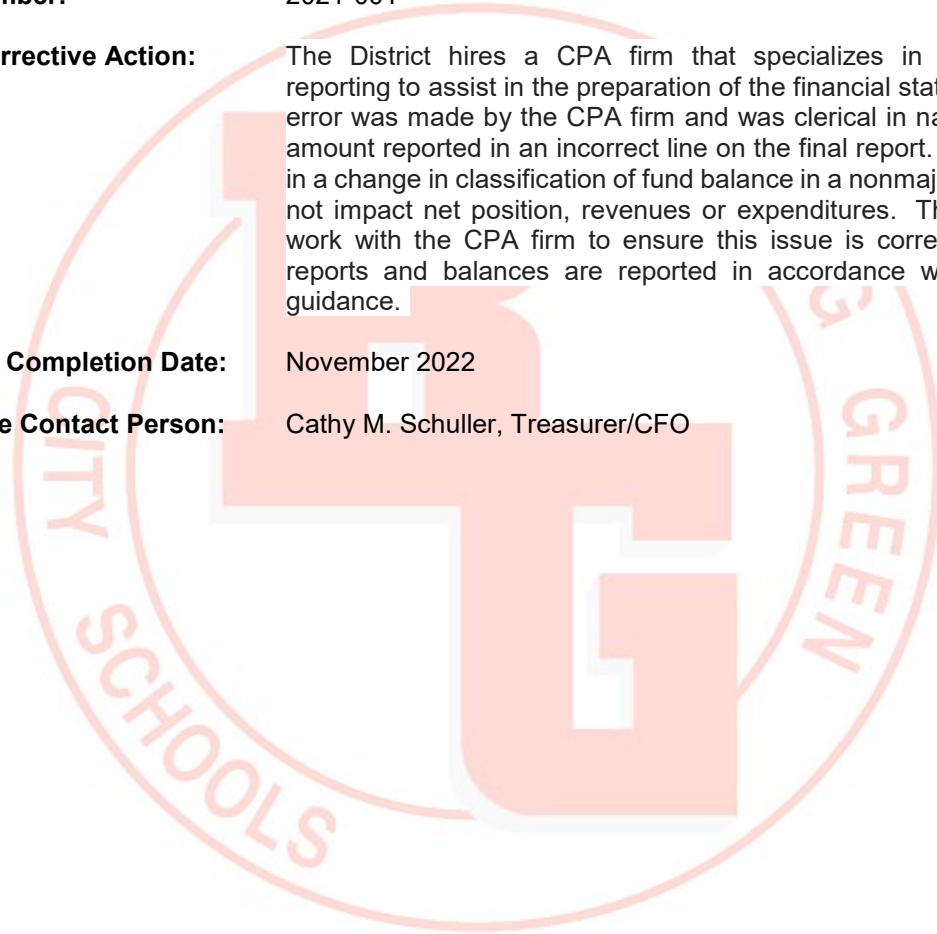
## **CORRECTIVE ACTION PLAN** **2 CFR § 200.511(c)** **JUNE 30, 2021**

**Finding Number:** 2021-001

**Planned Corrective Action:** The District hires a CPA firm that specializes in governmental reporting to assist in the preparation of the financial statements. This error was made by the CPA firm and was clerical in nature, with the amount reported in an incorrect line on the final report. This resulted in a change in classification of fund balance in a nonmajor fund – it did not impact net position, revenues or expenditures. The District will work with the CPA firm to ensure this issue is corrected in future reports and balances are reported in accordance with GASB 54 guidance.

**Anticipated Completion Date:** November 2022

**Responsible Contact Person:** Cathy M. Schuller, Treasurer/CFO



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# 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 5/26/2022**

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

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