BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 8, 2024

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, 2023. 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 2023 are as follows:

- In total, net position increased $2,581,095. Net position of governmental activities increased $2,255,031, which represents a 40.02% increase from 2022's balance of $5,634,274. Net position of business-type activities increased $326,064 or 60.43% from 2022's deficit balance of ($539,592).

- General revenues accounted for $36,302,385 in revenue or 86.68% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $5,578,868 or 13.32% of total governmental activities revenues of $41,881,253.

- The District had $39,626,222 in expenses related to governmental activities; only $5,578,868 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 $36,302,385 were used to provide for these programs.

- The District's major governmental fund is the general fund. The general fund had $34,738,329 in revenues and $35,984,235 in expenditures and other financing uses. The fund balance of the general fund decreased $1,245,906 from a balance of $22,395,197 to $21,149,291.

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 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 2023?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues* and *expenses* except for fiduciary funds using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Fund

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplemental Information

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

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The District as a Whole

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

The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	$ 57,172,725	$ 57,381,605	$ 749,802	$ 654,926	$ 57,922,527	$ 58,036,531
Capital assets, net	32,439,713	31,748,393	31,119	42,839	32,470,832	31,791,232
Total assets	89,612,438	89,129,998	780,921	697,765	90,393,359	89,827,763
Deferred outflows of resources						
Unamortized deferred charges on debt refunding	1,574,141	1,762,756	-	-	1,574,141	1,762,756
Pension	8,001,295	7,670,998	214,062	45,650	8,215,357	7,716,648
OPEB	881,475	832,832	113,563	27,662	995,038	860,494
Total deferred outflows of resources	10,456,911	10,266,586	327,625	73,312	10,784,536	10,339,898
Liabilities						
Current liabilities	3,519,273	3,487,789	67,420	53,567	3,586,693	3,541,356
Long-term liabilities:						
Due within one year	2,156,722	1,809,265	-	-	2,156,722	1,809,265
Due in more than one year:						
Net pension liability	32,648,466	19,623,723	549,994	253,796	33,198,460	19,877,519
Other amounts	23,866,456	25,466,469	33,988	29,483	23,900,444	25,495,952
Net OPEB liability	1,717,998	2,161,173	146,268	134,351	1,864,266	2,295,524
Total liabilities	63,908,915	52,548,419	797,670	471,197	64,706,585	53,019,616
Deferred inflows of resources						
Property taxes levied for the next fiscal year	19,966,687	20,412,178	-	-	19,966,687	20,412,178
Pension	3,674,527	16,414,323	66,354	330,241	3,740,881	16,744,564
OPEB	4,629,915	4,387,390	458,050	509,231	5,087,965	4,896,621
Total deferred inflows of resources	28,271,129	41,213,891	524,404	839,472	28,795,533	42,053,363
Net Position						
Net investment in capital assets	11,260,352	7,811,010	31,119	42,839	11,291,471	7,853,849
Restricted	3,960,721	4,563,634	-	-	3,960,721	4,563,634
Unrestricted (deficit)	(7,331,768)	(6,740,370)	(244,647)	(582,431)	(7,576,415)	(7,322,801)
Total net position (deficit)	$ 7,889,305	$ 5,634,274	$ (213,528)	$ (539,592)	$ 7,675,777	$ 5,094,682

The net pension liability and the net OPEB liability (asset) reported by the School District at June 30, 2023, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

The net pension liability increase and deferred inflows of resources decrease were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

The table below shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services and sales	$ 1,322,767	$ 1,156,302	$ 530,045	$ 137,675	$ 1,852,812	$ 1,293,977
Operating grants and contributions	3,794,327	6,431,442	746,692	1,429,117	4,541,019	7,860,559
Capital grants and contributions	461,774	82,268	-	-	461,774	82,268
General revenues:						
Property taxes	22,784,354	20,979,349	-	-	22,784,354	20,979,349
Income taxes	4,734,565	4,653,529	-	-	4,734,565	4,653,529
Grants and entitlements not restricted	7,947,936	8,123,276	-	-	7,947,936	8,123,276
Investment earnings	653,042	(261,412)	23,987	995	677,029	(260,417)
Miscellaneous	182,488	124,141	8,203	-	190,691	124,141
Total revenues	41,881,253	41,288,895	1,308,927	1,567,787	43,190,180	42,856,682
Expenses						
Program expenses:						
Instruction	24,380,140	21,023,149		-	24,380,140	21,023,149
Support services	12,714,162	10,760,327		-	12,714,162	10,760,327
Operation of non-instructional services	429,262	420,034		-	429,262	420,034
Extracurricular activities	1,471,503	1,052,410		-	1,471,503	1,052,410
Interest and fiscal charges	631,155	672,234		-	631,155	672,234
Food service	-	-	982,863	692,214	982,863	692,214
Total expenses	39,626,222	33,928,154	982,863	692,214	40,609,085	34,620,368
Changes in net position	2,255,031	7,360,741	326,064	875,573	2,581,095	8,236,314
Net position (deficit) at beginning of year	5,634,274	(1,726,467)	(539,592)	(1,415,165)	5,094,682	(3,141,632)
Net position (deficit) at end of year	$ 7,889,305	$ 5,634,274	$ (213,528)	$ (539,592)	$ 7,675,777	$ 5,094,682

Governmental Activities

Net position of the District's governmental activities increased $2,255,031 over the balance of $5,634,274. Total governmental expenses of $39,626,222 were offset by program revenues of $5,578,868 and general revenues of $36,302,385. Program revenues supported 14.08% of the total governmental expenses.

Expenses of the governmental activities increased $5,698,068. This increase is primarily the result of an increase in pension expense. The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 84.68% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled $24,380,140 or 61.53% of total governmental expenses for fiscal year 2023.

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 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction	$ 24,380,140	$ 21,378,036	$ 21,023,149	$ 17,778,881
Support services	12,714,162	11,221,456	10,760,327	7,218,646
Operation of non-instructional services	429,262	30,680	420,034	32,284
Extracurricular activities	1,471,503	786,027	1,052,410	556,097
Interest and fiscal charges	631,155	631,155	672,234	672,234
Total expenses	$ 39,626,222	$ 34,047,354	$ 33,928,154	$ 26,258,142

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 87.69% of 2023 instruction activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State are the primary support for the District's students.

Business-Type Activities

Business-type activities consist of food service operations. This program had revenues of $1,308,927 and expenses of $982,863 for fiscal year 2023. The District's business-type activities do not receive support from tax revenues. Net position of the food service fund increased $326,064.

The District's Funds

The District's governmental funds reported a combined fund balance of $28,929,863 which is $1,524,449 less than last year's total of $30,454,312. The schedule on the following page indicates the fund balance and the total change in fund balance as of June 30, 2023, and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General	$ 21,149,291	$ 22,395,197	$ (1,245,906)
Other governmental	7,780,572	8,059,115	(278,543)
Total	$ 28,929,863	$ 30,454,312	$ (1,524,449)

General Fund

The District's general fund balance decreased $1,245,906 during fiscal year 2023. While fund balance decreased overall, both revenue and expenditures increased during fiscal year 2023. The increase in interest earnings and the fair value adjustment was a result of market value fluctuations in the District's investment portfolio.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Taxes	$ 24,306,488	$ 23,508,227	3.40 %
Intergovernmental	8,894,765	9,088,801	(2.13) %
Tuition and fees	607,578	607,407	0.03 %
Interest and fair value adjustment	653,042	(261,412)	349.81 %
Extracurricular activities	60,234	43,822	37.45 %
Other revenues	216,222	159,643	35.44 %
Total	$ 34,738,329	$ 33,146,488	4.80 %

The table that follows assists in illustrating the expenditures of the general fund. During fiscal year 2023, expenditures of the general fund increased by 10.34%. The District received Federal ESSER grant funding that allowed certain instructional expenses to be paid from nonmajor governmental funds rather than the general fund in both fiscal year 2022 and 2023, resulting in a fluctuation of expenditures reported in the general fund. Some of the increase in expenditures related to instruction and support services were related to salary and benefit increases, most of which are determined based on negotiated agreements.

	2023 Amount	2022 Amount	Percentage Change
Expenditures			
Instruction	$ 21,788,015	$ 18,902,467	15.27 %
Support services	11,948,856	11,752,801	1.67 %
Operation of non-instructional services	300	300	- %
Extracurricular activities	879,502	690,145	27.44 %
Facilities acquisition and construction	-	20,163	(100.00) %
Debt service	79,251	79,251	- %
Total	$ 34,695,924	$ 31,445,127	10.34 %

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District amended its general fund budget. For the general fund, final budgeted revenues and other financing sources of $35,056,310 were equal to actual revenues and other financing sources of $35,056,310. The original budgeted revenues and other financing sources of $35,164,199 were $107,889 higher than final budgeted revenues and other financing sources of $35,056,310.

General fund final appropriations and other financing uses were $38,313,508. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $35,670,870, which was $2,642,638 less than the final budget appropriations and other financing uses. The final appropriations and other financing uses were $99,040 greater than the original appropriations and other financing uses of $38,214,468.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $32,470,832 invested in land, buildings/improvements, furniture/equipment, vehicles and intangible right to use leases. $32,439,713 was reported in the governmental activities and $31,119 was reported in the business-type activities. The following table shows fiscal year 2023 balances compared to 2022:

Capital Assets on June 30
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 278,664	$ 278,664	$ -	$ -	$ 278,664	$ 278,664
Construction in progress	-	2,256,301	-	-	-	2,256,301
Building/improvements	30,606,138	27,441,674	-	-	30,606,138	27,441,674
Furniture/equipment	477,929	697,781	31,119	42,839	509,048	740,620
Vehicles	888,339	871,641	-	-	888,339	871,641
Intangible right to use:						
Leased buildings	20,865	59,402	-	-	20,865	59,402
Software	121,535	-	-	-	121,535	-
Leased equipment	46,243	142,930	-	-	46,243	142,930
Total	$ 32,439,713	$ 31,748,393	$ 31,119	$ 42,839	$ 32,470,832	$ 31,791,232

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

Debt Administration

At June 30, 2023 the District had $17,834,591 in general obligation bonds outstanding (including accreted interest), $3,285,000 in certificates of participation outstanding, and $60,745 in capital leases. Of this total debt outstanding, $1,540,969 is due within one year and $19,639,367 is due in more than one year. The following table summarizes the bonds and leases outstanding:

Outstanding Debt at June 30

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds	$ 17,834,591	$ 18,958,706
Certificates of participation	3,285,000	3,465,000
Lease obligations	60,745	154,517
Total	$ 21,180,336	$ 22,578,223

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

Economic Factors

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

A reappraisal of real property will occur in 2023 for collection in 2024 for which we are estimating a 20% composite increase for residential/agricultural and a 1% increase for commercial/industrial property. CAUV values represent 9.1% of Class I residential/agricultural values a HB49 authorized a reduction in CAUV computations that results in these values falling on average by 30%. A reduction of value has been weighted in to our average Class I value change in 2020. This caused somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers and resulted in lower taxes to our District in FY23.

Our District was on the formula in FY22, but moved to the guarantee in FY23 and is expected to remain there through FY26 with the recently adopted Fair School Funding Plan (FSFP), should it continue to be fully phased in by the legislators. The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years. The State budget for FY24-25 is expected to continue the implementation of the FSFP, but any update to the input data for base costs and a final phase in for FY26-27 is unknown. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25. For this reason, funding is held relatively constant FY23 through FY26.

The District has a .5% income tax that was renewed for a continuing period of time, on November 2, 2021. The .5% income tax equated to $4.8 million in tax dollars in FY23. The District experienced an increase of 16.5% when compared to FY22 revenue. Income tax revenue is expected to continually increase on an annual basis.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months, but bounced back in FY22 to pre-pandemic FY20 levels. However, Casino revenues decreased again in FY23 by 3.02%.

While our district was aided with three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) funding, which began in fiscal year 2020, the final year of ESSER funds must be spent or encumbered by September 30, 2024 and will end in FY25.

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

Contacting the District's Financial Management

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

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash, cash equivalents and investments	$ 27,005,734	$ 714,031	$ 27,719,765
Receivables:			
Property taxes	24,280,371	-	24,280,371
Income taxes	2,053,217	-	2,053,217
Accounts	4,864	11,056	15,920
Accrued interest	14,090	-	14,090
Intergovernmental	407,510	-	407,510
Prepayments	349,675	4,586	354,261
Materials and supplies inventory	6,866	20,129	26,995
Net OPEB asset	3,050,398	-	3,050,398
Capital assets:			
Nondepreciable capital assets	278,664	-	278,664
Depreciable capital assets, net	32,161,049	31,119	32,192,168
Capital assets, net	32,439,713	31,119	32,470,832
Total assets	89,612,438	780,921	90,393,359
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,574,141	-	1,574,141
Pension	8,001,295	214,062	8,215,357
OPEB	881,475	113,563	995,038
Total deferred outflows of resources	10,456,911	327,625	10,784,536
Liabilities:			
Accounts payable	56,946	-	56,946
Accrued wages and benefits payable	2,816,546	47,784	2,864,330
Intergovernmental payable	96,505	584	97,089
Pension obligation payable	503,084	19,052	522,136
Accrued interest payable	46,192	-	46,192
Long-term liabilities:			
Due within one year	2,156,722	-	2,156,722
Due in more than one year:			
Net pension liability	32,648,466	549,994	33,198,460
Net OPEB liability	1,717,998	146,268	1,864,266
Other amounts due in more than one year	23,866,456	33,988	23,900,444
Total liabilities	63,908,915	797,670	64,706,585
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	19,966,687	-	19,966,687
Pension	3,674,527	66,354	3,740,881
OPEB	4,629,915	458,050	5,087,965
Total deferred inflows of resources	28,271,129	524,404	28,795,533
Net position:			
Net investment in capital assets	11,260,352	31,119	11,291,471
Restricted for:			
Capital projects	1,746,718	-	1,746,718
Debt service	1,157,150	-	1,157,150
State funded programs	284,842	-	284,842
Federally funded programs	4,545	-	4,545
Student activities	392,179	-	392,179
Other purposes	375,287	-	375,287
Unrestricted (deficit)	(7,331,768)	(244,647)	(7,576,415)
Total net position (deficit)	$ 7,889,305	$ (213,528)	$ 7,675,777

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, 2023

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction	$ 24,380,140	$ 616,805	$ 2,385,299	$ -
Support services	12,714,162	47,473	983,459	461,774
Operation of non-instructional services	429,262	69,838	328,744	-
Extracurricular activities	1,471,503	588,651	96,825	-
Interest and fiscal charges	631,155	-	-	-
Total governmental activities	39,626,222	1,322,767	3,794,327	461,774
Business-type activities:				
Food service	982,863	530,045	746,692	-
Total business-type activities	982,863	530,045	746,692	-
Totals	$ 40,609,085	$ 1,852,812	$ 4,541,019	$ 461,774

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

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (21,378,036)	$ -	$ (21,378,036)
(11,221,456)	-	(11,221,456)
(30,680)	-	(30,680)
(786,027)	-	(786,027)
(631,155)	-	(631,155)
(34,047,354)	-	(34,047,354)
-	293,874	293,874
-	293,874	293,874
(34,047,354)	293,874	(33,753,480)
20,480,975	-	20,480,975
1,731,872	-	1,731,872
571,507	-	571,507
4,734,565	-	4,734,565
7,947,936	-	7,947,936
653,042	23,987	677,029
182,488	8,203	190,691
36,302,385	32,190	36,334,575
2,255,031	326,064	2,581,095
5,634,274	(539,592)	5,094,682
$ 7,889,305	$ (213,528)	$ 7,675,777

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash, cash equivalents and investments	$ 19,436,962	$ 7,568,772	$ 27,005,734
Receivables:			
Property taxes	21,883,690	2,396,681	24,280,371
Income taxes	2,053,217	-	2,053,217
Accounts	4,840	24	4,864
Accrued interest	14,090	-	14,090
Interfund loans	26,434	-	26,434
Intergovernmental	603	406,907	407,510
Prepayments	335,564	14,111	349,675
Materials and supplies inventory	6,866	-	6,866
Due from other funds	192,963	-	192,963
Total assets	$ 43,955,229	$ 10,386,495	$ 54,341,724
Liabilities:			
Accounts payable	$ 14,064	$ 42,882	$ 56,946
Accrued wages and benefits payable	2,664,552	151,994	2,816,546
Compensated absences payable	165,741	5,665	171,406
Intergovernmental payable	84,000	12,505	96,505
Pension and postemployment obligation payable	453,276	49,808	503,084
Interfund loans payable	-	26,434	26,434
Due to other funds	-	192,963	192,963
Early retirement incentive payable	166,000	-	166,000
Total liabilities	3,547,633	482,251	4,029,884
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	17,979,937	1,986,750	19,966,687
Delinquent property tax revenue not available	964,234	67,108	1,031,342
Income tax revenue not available	314,134	-	314,134
Intergovernmental revenue not available	-	69,814	69,814
Total deferred inflows of resources	19,258,305	2,123,672	21,381,977
Fund balances:			
Nonspendable:			
Materials and supplies inventory	6,866	-	6,866
Prepaids	335,564	14,111	349,675
Unclaimed funds	6,879	-	6,879
Restricted:			
Debt service	-	1,342,724	1,342,724
Capital improvements	-	1,724,819	1,724,819
Non-public schools	-	2,808	2,808
State funded programs	-	276,658	276,658
Extracurricular	-	391,623	391,623
Other purposes	-	368,408	368,408
Committed:			
Capital improvements	-	3,758,512	3,758,512
Termination benefits	819,487	-	819,487
Insurance payments	529,077	-	529,077
Other purposes	550	-	550
Assigned:			
Student instruction	80,172	-	80,172
Student and staff support	244,984	-	244,984
Subsequent year's appropriations	5,056,447	-	5,056,447
Unassigned (deficit)	14,069,265	(99,091)	13,970,174
Total fund balances	21,149,291	7,780,572	28,929,863
Total liabilities, deferred inflows and fund balances	$ 43,955,229	$ 10,386,495	$ 54,341,724

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, 2023

Total governmental fund balances		$ 28,929,863
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		32,439,713
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 1,031,342	
Income taxes receivable	314,134	
Intergovernmental receivable	69,814	
Total		1,415,290
Unamortized premiums on bonds issued are not recognized in the funds.		(2,237,757)
Unamortized amounts on refundings are not recognized in the funds.		1,574,141
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(46,192)
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	8,001,295	
Deferred inflows - pension	(3,674,527)	
Net pension liability	(32,648,466)	
Deferred outflows - OPEB	881,475	
Deferred inflows - OPEB	(4,629,915)	
Net OPEB asset	3,050,398	
Net OPEB liability	(1,717,998)	
Total		(30,737,738)
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	(21,119,591)	
Lease obligations	(60,745)	
Compensated absences	(2,267,679)	
Total		(23,448,015)
Net position of governmental activities		$ 7,889,305

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, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 19,570,798	$ 2,242,803	$ 21,813,601
Income taxes	4,735,690	-	4,735,690
Intergovernmental	8,894,765	2,947,240	11,842,005
Investment earnings and fair value adjustment	653,042	3,058	656,100
Tuition and fees	607,578	-	607,578
Extracurricular	60,234	508,331	568,565
Rental income	24,507	2,000	26,507
Charges for services	9,227	92,229	101,456
Contributions and donations	53,014	115,421	168,435
Miscellaneous	129,474	228,712	358,186
Total revenues	34,738,329	6,139,794	40,878,123
Expenditures:			
Current:			
Instruction	21,788,015	1,828,640	23,616,655
Support services	11,948,856	2,838,231	14,787,087
Operation of non-instructional services	300	419,296	419,596
Extracurricular activities	879,502	546,449	1,425,951
Debt service:			
Principal retirement	75,575	1,413,197	1,488,772
Interest and fiscal charges	3,676	660,835	664,511
Total expenditures	34,695,924	7,706,648	42,402,572
Excess of revenues over (under) expenditures	42,405	(1,566,854)	(1,524,449)
Other financing sources (uses):			
Transfers in	-	1,288,311	1,288,311
Transfers (out)	(1,288,311)	-	(1,288,311)
Total other financing sources (uses)	(1,288,311)	1,288,311	-
Net change in fund balances	(1,245,906)	(278,543)	(1,524,449)
Fund balances at beginning of year	22,395,197	8,059,115	30,454,312
Fund balances at end of year	$ 21,149,291	$ 7,780,572	$ 28,929,863

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, 2023

Net change in fund balances - total governmental funds		$ (1,524,449)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 2,618,280	
Current year depreciation	(1,926,960)	
Total		691,320
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	970,753	
Income taxes	(1,125)	
Intergovernmental	(19,612)	
Total		950,016
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,488,772
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	10,721	
Accreted interest on capital appreciation bonds	(90,885)	
Amortization of bond premiums	302,135	
Amortization of deferred charges	(188,615)	
Total		33,356
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,962,521	
OPEB	97,544	
Total		3,060,065
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	(2,917,171)	
OPEB	639,382	
Total		(2,277,789)
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.		(166,260)
Change in net position of governmental activities		$ 2,255,031

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Nonmajor Enterprise Fund
Assets:	
Current assets:	
Equity in pooled cash	
and cash equivalents	$ 714,031
Receivables:	
Accounts	11,056
Prepayments	4,586
Materials and supplies inventory	20,129
Total current assets	749,802
Noncurrent assets:	
Depreciable capital assets, net	31,119
Total noncurrent assets	31,119
Total assets	780,921
Deferred outflows of resources:	
Pension	214,062
OPEB	113,563
Total deferred outflows of resources	327,625
Liabilities:	
Accrued wages and benefits	47,784
Pension and postemployment obligation payable	19,052
Intergovernmental payable	584
Total current liabilities	67,420
Long-term liabilities:	
Compensated absences payable	33,988
Net pension liability	549,994
Net OPEB liability	146,268
Total long-term liabilities	730,250
Total liabilities	797,670
Deferred inflows of resources:	
Pension	66,354
OPEB	458,050
Total deferred inflows of resources	524,404
Net position:	
Investment in capital assets	31,119
Unrestricted (deficit)	(244,647)
Total net position (deficit)	$ (213,528)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Nonmajor Enterprise Fund
Operating revenues:		
Sales/charges for services	$	530,045
Other		8,203
Total operating revenues		538,248
Operating expenses:		
Personal services		375,674
Purchased services		10,514
Materials and supplies		557,010
Depreciation		11,720
Other		27,945
Total operating expenses		982,863
Operating loss		(444,615)
Nonoperating revenues:		
Grants and subsidies		658,981
Interest revenue		23,987
Federal donated commodities		87,711
Total nonoperating revenues		770,679
Change in net position		326,064
Net position (deficit) at beginning of year		(539,592)
Net position (deficit) at end of year	$	(213,528)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from sales/charges for services	530,045
Cash received from other operations	8,203
Cash payments for personal services	(620,521)
Cash payments for contractual services	(10,514)
Cash payments for materials and supplies	(480,082)
Cash payments for other expenses	(25,650)
Net cash used in operating activities	(598,519)
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies	671,963
Net cash provided by noncapital financing activities	671,963
Cash flows from investing activities:	
Interest received	23,987
Net cash provided by investing activities	23,987
Net increase in cash and cash equivalents	97,431
Cash and cash equivalents at beginning of year	616,600
Cash and cash equivalents at end of year	$ 714,031

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Funds
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (444,615)
Adjustments:	
Depreciation	11,720
Federal donated commodities	87,711
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Materials and supplies inventory	1,354
Accounts receivable	(11,056)
Prepayments	(725)
Deferred outflows - pension	(168,412)
Deferred outflows - OPEB	(85,901)
Accounts payable	(1,081)
Accrued wages and benefits	12,801
Intergovernmental payable	179
Compensated absences payable	4,505
Pension obligation payable	1,954
Net pension liability	296,198
Net OPEB liability	11,917
Deferred inflows - pension	(263,887)
Deferred inflows - OPEB	(51,181)
Net cash used in operating activities	$ (598,519)

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, 2023

	Private-Purpose Trust	
	Scholarship	**Custodial**
Assets:		
Equity in pooled cash and cash equivalents	$ 111,482	$ 25,247
Total assets	111,482	25,247
Net position:		
Restricted for individuals, organizations and other governments	111,482	25,247
Total net position	$ 111,482	$ 25,247

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust	Custodial
	Scholarship	
Additions:		
Earnings on investments	$ 20	$ -
Contributions and donations	-	4,000
Other custodial fund collections	-	17,949
Total additions	20	21,949
Deductions:		
Other custodial fund disbursements	-	27,842
Scholarships awarded	500	-
Total deductions	500	27,842
Change in net position	(480)	(5,893)
Net position at beginning of year	111,962	31,140
Net position at end of year	$ 111,482	$ 25,247

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1- DESCRIPTION OF THE SCHOOL DISTRICT

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

The District serves 2,702 students and encompasses an area of approximately one hundred eighteen square miles. The District regularly employs 230 licensed/certified employees and 119 non-certified/unlicensed employees. In addition, the District employed substitute employees to cover the duties of absent bus drivers while contracting with an employment service for all other substitute employees and certain paraprofessionals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

Jointly Governed Organization:

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus - Financial Statements

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which Governmental Fund financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets plus deferred outflows and current liabilities plus deferred inflows, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D. Basis of Accounting

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

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 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. 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.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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 2023 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 2023.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

6. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2023.

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

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

F. Cash and Investments

Cash received by the District is pooled with individual fund balance integrity maintained. Monies for all funds are maintained in this pool or temporarily used to purchase short-term cash equivalent investments (maturity date within three months of the date acquired by the District) which are stated at cost. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio statutes, all investment earnings are credited to the General Fund except those specified according to Board Resolution. Interest earnings are allocated to these funds based on average monthly cash balances. Cash basis interest revenue credited to the General fund during fiscal year 2023 amounted to $653,042, which included $185,897 assigned from other School District funds, while interest in the amount of $3,058 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 invested in STAR Ohio. 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 their 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 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding $100 million is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

G. Inventory

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

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

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

H. Prepaids

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

I. Capital Assets and Depreciation

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

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

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

Asset	Life (years)
Buildings and Improvements	9-50
Furniture and Equipment	5-20
Vehicles	5-10
Intangible leased assets	3-6

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Intergovernmental Revenues

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

K. Compensated Absences

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

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

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

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

L. Long-Term Obligations

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

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

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

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

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

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

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

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

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

O. Net Position

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Transactions

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

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

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

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

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

Q. Estimates

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

R. Unamortized Bond Premiums/Deferred Charges on Refunding

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

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

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

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

S. Fair Market Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB Statement No. 96 has been incorporated into the financial statements of the District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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

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.

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

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.

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.

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

A. Cash on Hand

At fiscal year end, the District had $11,454 in undeposited cash on hand which is included on the balance sheet of the District as part of "cash, cash equivalents and investments".

B. Deposits

At June 30, 2023, the carrying amount of the District's deposits was $9,648,053 and the bank balance was $9,787,861. Of the entire bank balance, $566,092 was covered by federal depository insurance while $9,221,769 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. For 2023, all of the District's financial institutions participated in the OPCS.

C. Investments

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	$ 2,265,486	$ -	$ 246,316	$ 991,531	$ -	$ 1,027,639
FHLMC	1,673,545	886,384	-	-	-	787,161
FFCB	950,895	-	244,914	-	463,827	242,154
Municipal Bonds	554,704	84,878	-	85,631	-	384,195
Commercial Paper	2,632,566	1,434,340	1,198,226	-	-	-
Negotiable CDs	2,739,907	248,802	721,089	439,522	1,125,006	205,488
U.S. Treasury Note	1,887,270	493,496	292,957	240,225	335,070	525,522
U.S. Government Money Market	1,365,558	1,365,558	-	-	-	-
Amortized cost:						
STAR Ohio	4,127,056	4,127,056	-	-	-	-
Total	$ 18,196,987	$ 8,640,514	$ 2,703,502	$ 1,756,909	$ 1,923,903	$ 3,172,159

The weighted average maturity of investments is 0.92 years.

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

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

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

Credit Risk: The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The District's investment in municipal bonds were rated AA for Northwood LSD by Standard & Poor's and for the remaining bonds, Aa1 and Aa2, respectively 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, 2023:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
FHLB	$ 2,265,486	12.45%
FHLMC	1,673,545	9.20%
FFCB	950,895	5.23%
Municipal Bonds	554,704	3.05%
Commercial Paper	2,632,566	14.47%
Negotiable CDs	2,739,907	15.06%
U.S. Government Treasury Note	1,887,270	10.37%
U.S. Government Money Market	1,365,558	7.50%
Amortized cost:		
STAR Ohio	4,127,056	22.68%
Total	$ 18,196,987	100.00%

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

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

Cash and investments per note	
Carrying amount of deposits	$ 9,648,053
Investments	18,196,987
Cash on hand	11,454
Total	$ 27,856,494

Cash, cash equivalents and investments per statement of net position	
Governmental activities	$ 27,005,734
Business-type activities	714,031
Private-purpose trust funds	111,482
Custodial funds	25,247
Total	$ 27,856,494

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 2023 represents collections of calendar year 2022 taxes.

Real property taxes received in calendar year 2023 were levied after April 1, 2022 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 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022 and were collected in 2022 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, 2023 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, 2023. 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, 2023, was $2,939,519 for the general fund, $259,329 for the bond retirement fund (a nonmajor governmental fund), and $83,494 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:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 710,762,530	89.83	$ 716,320,430	90.07
Public utility personal	80,439,440	10.17	78,992,150	9.93
Total	$ 791,201,970	100.00	$ 795,312,580	100.00
Tax Rate per $1,000 of assessed valuation	$56.94		$57.04	

NOTE 5 - TAXES - (Continued)

B. School District Income Tax

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

NOTE 6 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

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

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

The Ezone agreements entered into by the City of Bowling Green and Wood County affect the property tax receipts collected and distributed to the District. Under these agreements, the District’s abated property taxes were $465,222 in fiscal year 2023.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023, consisted of taxes, accrued interest, accounts (charges for services and fees), intergovernmental receivables and interfund receivables (discussed in Note 8). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of the specific State programs and the current year guarantee of federal funds, income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	
General Fund	
Ohio Department of Education Foundation	$ 603
Total General Fund	603
Other Governmental Funds	
ESC of Lake Erie West	25,188
ESSER	91,731
IDEA	26,018
Title I	69,330
Student Support and Academic Enrichment	556
Supporting Effective Instruction	23,674
Miscellaneous Federal Grants	170,410
Total Other Governmental Funds	406,907
Total Governmental Activities	$ 407,510

NOTE 8 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable for the year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

Interfund loan from the general fund to:	Amount
Nonmajor governmental funds	$ 26,434

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, 2023 are reported on the statement of net position.

B. Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	Amount
General fund	$ 1,288,311

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.

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NOTE 9 - CAPITAL ASSETS

The following is a summary by category of the changes in governmental activities capital assets at June 30, 2023:

	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	$ 278,664	$ -	$ -	$ 278,664
Construction in progress	2,256,301	2,209,919	(4,466,220)	-
Total capital assets, not being depreciated/amortized	2,534,965	2,209,919	(4,466,220)	278,664
Capital assets, being depreciated/amortized:				
Buildings and Improvements	50,801,032	4,504,733	-	55,305,765
Furniture and Equipment	4,743,343	-	-	4,743,343
Vehicles	2,708,272	237,150	-	2,945,422
Intangible right to use:				
Leased Buildings	97,939	-	-	97,939
Leased Equipment	147,137	-	-	147,137
Software	-	132,698	-	132,698
Total capital assets, being depreciated/amortized	58,497,723	4,874,581	-	63,372,304
Less: accumulated depreciation/amortization:				
Buildings and Improvements	(23,359,358)	(1,340,269)	-	(24,699,627)
Furniture and Equipment	(4,045,562)	(219,852)	-	(4,265,414)
Vehicles	(1,836,631)	(220,452)	-	(2,057,083)
Intangible right to use:				
Leased Buildings	(38,537)	(38,537)	-	(77,074)
Leased Equipment	(4,207)	(96,687)	-	(100,894)
Software	-	(11,163)	-	(11,163)
Total accumulated depreciation/amortization	(29,284,295)	(1,926,960)	-	(31,211,255)
Governmental activities capital assets, net	$ 31,748,393	$ 5,157,540	$ (4,466,220)	$ 32,439,713

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

Instruction	$ 1,262,816
Support services	595,884
Noninstructional Activities	17,065
Extracurricular activities	51,195
Total depreciation/amortization expense	$ 1,926,960

NOTE 9 - CAPITAL ASSETS - (Continued)

A summary of the business-type capital assets at June 30, 2023 follows:

	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets, being depreciated:				
Furniture and Equipment	$ 368,305	$ -	$ -	$ 368,305
Total capital assets, being depreciated	368,305	-	-	368,305
Less: accumulated depreciation:				
Furniture and Equipment	(325,466)	(11,720)	-	(337,186)
Total accumulated depreciation	(325,466)	(11,720)	-	(337,186)
Business-type activities capital assets, net	$ 42,839	$ (11,720)	$ -	$ 31,119

NOTE 10- LONG-TERM OBLIGATIONS

During the fiscal year 2023, the following changes occurred in long-term obligations:

	Interest Rate	Issue Date	Maturity Date	Balance 07/01/22	Increase	Decrease	Balance 06/30/23	Amount Due in One Year
Governmental activities:								
Compensated absences:								
Sick leave (severance)				$ 1,893,326	$ 323,612	$ (56,200)	$ 2,160,738	$ 171,406
Vacation				244,293	204,267	(170,213)	278,347	278,347
Early retirement incentive				20,000	166,000	(20,000)	166,000	166,000
2017 Certificates of Participation	1.05-4.0%	10/25/2017	6/1/2037	3,465,000	-	(180,000)	3,285,000	185,000
2015 Advance Refunding Bonds	2.0-5.0%	4/30/2015	12/1/2034	8,425,000	-	(925,000)	7,500,000	1,000,000
2021 Advance Refunding Bonds	0.957-4.0%	2/24/2021	12/1/2034					
Current interest bonds				9,960,000	-	(290,000)	9,670,000	300,000
Capital appreciation bonds				480,000	-	-	480,000	-
Accreted interest				93,706	90,885	-	184,591	-
Lease Obligations				154,517	-	(93,772)	60,745	55,969
Net pension liability				19,623,723	13,024,743	-	32,648,466	-
Net OPEB liability				2,161,173	-	(443,175)	1,717,998	-
Total governmental activities				$ 46,520,738	$ 13,809,507	$ (2,178,360)	58,151,885	$ 2,156,722
Add: unamortized premium on bonds							2,237,757	
Total on statement of net position							$ 60,389,642	
Businsess-type activities								
Compensated absences:								
Sick leave (severance)				$ 29,483	$ 4,505	$ -	$ 33,988	$ -
Net pension liability				253,796	296,198	-	549,994	-
Net OPEB liability				134,351	11,917	-	146,268	-
Total business-type activities				$ 417,630	$ 312,620	$ -	$ 730,250	$ -

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The District has established a Severance Benefits Fund, as permitted by H.B. 426, to liquidate accumulated sick leave upon retirement of employees while sick leave and vacation benefits enjoyed by active employees are paid by the fund from which the employee is normally paid, in most cases the General Fund.

The District offered an early retirement incentive for the term July 1, 2019 through June 30, 2020. Employees who met the criteria were eligible for a one time severance payment of $15,000 plus an additional payment of $5,000 for each of the three years following retirement. The final payment of $20,000 was made during fiscal year 2023.

The District offered an early retirement incentive for the term of July 1, 2022 through June 30, 2024. All bargaining unit members who have been employed by the Bowling Green City School District a minimum of ten (10) years and who meet STRS retirement criteria shall be eligible for a one-time $40,000 severance bonus. The bargaining unit member must submit a letter of resignation to the Superintendent for the purpose of retirement by December 1, 2022 for an effective retirement date with STRS on or before July 1, 2023 or by December 1, 2023 for an effective retirement date with STRS on or before July 1, 2024 to be eligible for this payment. This retirement incentive automatically expires June 30, 2024. The District's retirement incentive liability was $166,000 at June 30, 2023.

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

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

Lease Obligations: The District has entered into lease agreements for the use of right to use buildings and equipment. The District reports an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund and the permanent improvement nonmajor capital improvements fund.

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

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

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

Fiscal Year	Principal	Interest	Total
2024	$ 55,969	$ 1,523	$ 57,492
2025	4,776	24	4,800
Total	$ 60,745	$ 1,547	$ 62,292

General Obligation Bonds:

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

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
2024	$ 1,000,000	$ 285,688	$ 1,285,688
2025	1,085,000	233,563	1,318,563
2026	1,175,000	177,063	1,352,063
2027	1,265,000	125,550	1,390,550
2028	1,345,000	78,194	1,423,194
2029 - 2031	1,630,000	132,440	1,762,440
Total	$ 7,500,000	$ 1,032,498	$ 8,532,498

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

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

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

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

Fiscal Year	General Obligation Bonds			Capital Appreciation		
Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 300,000	$ 119,482	$ 419,482	$ -	$ -	$ -
2025	315,000	174,182	489,182	-	-	-
2026	330,000	161,282	491,282	-	-	-
2027	345,000	153,031	498,031	-	-	-
2028	350,000	79,059	429,059	-	-	-
2029 - 2033	8,030,000	407,403	8,437,403	-	-	-
2034 - 2036	-	-	-	480,000	2,780,000	3,260,000
Total	$ 9,670,000	$ 1,094,439	$ 10,764,439	$ 480,000	$ 2,780,000	$ 3,260,000

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year	Certificates of Participation		
Ending June 30	Principal	Interest	Total
2024	$ 185,000	$ 124,138	$ 309,138
2025	190,000	120,438	310,438
2026	195,000	116,400	311,400
2027	200,000	108,600	308,600
2028	210,000	100,600	310,600
2029 - 2033	1,180,000	370,200	1,550,200
2034 - 2037	1,125,000	114,800	1,239,800
Total	$ 3,285,000	$ 1,055,176	$ 4,340,176

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, 2023, are a voted debt margin of $55,270,856 (including available funds of $17,650,000), an unvoted debt margin of $795,313, and an Energy Conservation debt margin of $7,157,813.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, general liability, and vehicles. Vehicle policies include liability coverage for bodily injury, property damage, pollution, and cyber. Real property and contents have a liability limit of $126,857,749 with 100% co-insurance. The District's fleet insurance policy has a combined single limit of $5,000,000 each occurrence. The District has liability insurance coverage limits of $5,000,000 each occurrence and $5,000,000 annual aggregate.

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

Wood County Schools Benefit Plan Association

The District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an Educational Service Center. The Association is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. The District pays monthly premiums to the Association for employee medical and dental benefits.

The Association is responsible for the management and operations of the program and the payment of all claims. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

NOTE 11 - RISK MANAGEMENT - (Continued)

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

SWOEPC Worker's Compensation Group Rating

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

Ohio SchoolComp Group Rating Plan (GRP)

For fiscal year 2023, the District participated in the Ohio SchoolComp Group Rating Plan (GRP), sponsored by the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The GRP is an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. is a third party administrator for the plan and provides administrative, cost control, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $809,235 for fiscal year 2023. Of this amount, $51,439 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $2,216,778 for fiscal year 2023. Of this amount, $364,848 is reported as pension obligation payable.

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

The net pension liability was measured as of June 30, 2022, 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 contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.117525900%	0.121549171%	
Proportion of the net pension liability current measurement date	0.129603400%	0.117806350%	
Change in proportionate share	0.012077500%	-0.003742821%	
Proportionate share of the net pension liability	$ 7,009,960	$ 26,188,500	$ 33,198,460
Pension expense	$ 217,297	$ 2,627,265	$ 2,844,562

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 283,909	$ 335,248	$ 619,157
Net difference between projected and actual earnings on pension plan investments		911,303	911,303
Changes of assumptions	69,168	3,133,976	3,203,144
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	454,971	769	455,740
Contributions subsequent to the measurement date	809,235	2,216,778	3,026,013
Total deferred outflows of resources	$ 1,617,283	$ 6,598,074	$ 8,215,357

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 46,018	$ 100,178	$ 146,196
Net difference between projected and actual earnings on pension plan investments	244,619	-	244,619
Changes of assumptions	-	2,358,983	2,358,983
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	176,572	814,511	991,083
Total deferred inflows of resources	$ 467,209	$ 3,273,672	$ 3,740,881

$3,026,013 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, 2024.

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:			
2024	$ 83,362	$ (291,558)	$ (208,196)
2025	200,404	(313,437)	(113,033)
2026	(349,438)	(943,320)	(1,292,758)
2027	406,511	2,655,939	3,062,450
Total	$ 340,839	$ 1,107,624	$ 1,448,463

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

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

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 10,318,326	$ 7,009,960	$ 4,222,706

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 39,561,290	$ 26,188,500	$ 14,879,260

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2023, 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 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $105,849.

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 $105,849 for fiscal year 2023. Of this amount, $105,849 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, 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, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.121290600%	0.121549171%	
Proportion of the net OPEB liability/asset current measurement date	0.132781500%	0.117806350%	
Change in proportionate share	0.011490900%	-0.003742821%	
Proportionate share of the net OPEB liability	$ 1,864,266	$ -	$ 1,864,266
Proportionate share of the net OPEB asset	$ -	$ (3,050,398)	$ (3,050,398)
OPEB expense	$ (209,486)	$ (546,756)	$ (756,242)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 15,671	$ 44,221	$ 59,892
Net difference between projected and actual earnings on OPEB plan investments	9,689	53,096	62,785
Changes of assumptions	296,537	129,937	426,474
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	321,407	18,631	340,038
Contributions subsequent to the measurement date	105,849	-	105,849
Total deferred outflows of resources	$ 749,153	$ 245,885	$ 995,038

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,192,519	$ 458,116	$ 1,650,635
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes of assumptions	765,298	2,163,030	2,928,328
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	482,582	26,420	509,002
Total deferred inflows of resources	$ 2,440,399	$ 2,647,566	$ 5,087,965

$105,849 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, 2024.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (457,077)	$ (696,684)	$ (1,153,761)
2025	(436,271)	(701,442)	(1,137,713)
2026	(375,493)	(329,759)	(705,252)
2027	(247,054)	(135,720)	(382,774)
2028	(138,728)	(177,854)	(316,582)
Thereafter	(142,472)	(360,222)	(502,694)
Total	$ (1,797,095)	$ (2,401,681)	$ (4,198,776)

Actuarial Assumptions - SERS

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,315,447	$ 1,864,266	$ 1,500,041

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,437,684	$ 1,864,266	$ 2,421,452

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,820,013	$ 3,050,398	$ 3,247,743
District's proportionate share of the net OPEB asset	$ 3,164,005	$ 3,050,398	$ 2,906,998

NOTE 14 - OTHER EMPLOYEE BENEFITS - DEFERRED COMPENSATION PLANS

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

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

NOTE 15 - SET-ASIDES

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

During fiscal year 2018, the District issued $4,385,000 in capital related certificates of participation. These proceeds may be used to reduce the capital improvements set-aside amount for future years. The amount presented for current year offset from bond proceeds is limited to an amount needed to reduce the capital improvement set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $4,376,557 at June 30, 2023.

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	572,714
Current year offsets	(572,714)
Current year offset from bond proceeds	-
Total	$ -
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 16 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General	$ 243,491
Other Governmental	245,714
Total	$ 489,205

NOTE 17- CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized adjustments for fiscal year 2023. As a result, the impact of the adjustments on the fiscal year 2023 statements resulted in a payable for the District in the amount of $5,515, which has since been repaid.

NOTE 18 – SIGNIFICANT SUBSEQUENT EVENT

On November 7, 2023, the electors of the Bowling Green City School District voted with a majority in favor to approve the passage of the proposition of issuing bonds in the amount not to exceed $72,800,000 for the purpose of constructing a high school and related facilities and renovating and improving existing facilities, including under a program of the Ohio Facilities Construction Commission. When sold, the issuance of bonds will be financed with a maximum maturity of 30 years.

On November 21, 2023, the Board approved both a Note Resolution and a Bond Resolution authorizing the issuance of notes in the amount of not to exceed $72,800,000 in anticipation of the issuance of bonds for the purpose of constructing a high school and related facilities and renovating and improving existing facilities, including under a program of the Ohio Facilities Construction Commission; furnishing and equipping the same; improving the sites thereof; and acquiring land and interests in land as necessary in connection therewith; and authorizing and approving related matters. At this same meeting the Board also approved a Request for Qualifications for Design Professional Services related to the building project. On December 28, 2023, the District sold $15,000,000 in School Facilities Bond Anticipation Notes.

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, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 19,748,556	$ 19,051,162	$ 19,051,162	$ -
Income taxes	4,489,116	4,859,754	4,859,754	-
Intergovernmental	9,258,210	8,983,051	8,983,051	-
Investment earnings	209,021	699,399	699,399	-
Tuition and fees	555,396	521,750	521,750	-
Rental income	13,573	25,007	25,007	-
Charges for services	50,396	9,227	9,227	-
Contributions and donations	1,059	1,385	1,385	-
Miscellaneous	205,977	139,254	139,254	-
Total revenues	34,531,304	34,289,989	34,289,989	-
Expenditures:				
Current:				
Instruction	21,558,611	21,735,994	21,006,159	729,835
Support services	13,301,474	13,461,859	11,898,749	1,563,110
Operation of non-instructional services	3,000	3,000	150	2,850
Extracurricular activities	739,383	739,317	711,631	27,686
Facilities acquisition and construction	61,000	33,090	18,183	14,907
Total expenditures	35,663,468	35,973,260	33,634,872	2,338,388
Excess (deficiency) of revenues over (under) expenditures	(1,132,164)	(1,683,271)	655,117	2,338,388
Other financing sources (uses):				
Refund of prior year's expenditures	26,037	24,125	24,125	-
Refund of prior year's receipts	(1,000)	(1,000)	-	1,000
Transfers (out)	(2,500,000)	(2,291,448)	(1,810,488)	480,960
Advances in	606,858	742,196	742,196	-
Advances (out)	(50,000)	(47,800)	(225,510)	(177,710)
Total other financing sources (uses)	(1,918,105)	(1,573,927)	(1,269,677)	304,250
Net change in fund balance	(3,050,269)	(3,257,198)	(614,560)	2,642,638
Fund balance at beginning of year	18,497,474	18,497,474	18,497,474	-
Prior year encumbrances appropriated	29,717	29,717	29,717	-
Fund balance at end of year	$ 15,476,922	$ 15,269,993	$ 17,912,631	$ 2,642,638

SEE ACCOMPANYING NOTE TO THE BASIC FINANCIAL STATEMENTS

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ (614,560)
Net adjustment for revenue accruals	245,160
Net adjustment for expenditure accruals	(1,114,726)
Net adjustment for other sources/uses	(18,634)
Funds budgeted elsewhere	350
Adjustment for encumbrances	256,504
GAAP basis	$ (1,245,906)

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.

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 TEN FISCAL YEARS

	2023	**2022**	**2021**	**2020**
District's proportion of the net pension liability	0.12960340%	0.11752590%	0.13008700%	0.13541980%
District's proportionate share of the net pension liability	$ 7,009,960	$ 4,336,365	$ 8,604,228	$ 8,102,404
District's covered payroll	$ 4,915,993	$ 4,071,407	$ 4,504,907	$ 4,631,267
District's proportionate share of the net pension liability as a percentage of its covered payroll	142.59%	106.51%	191.00%	174.95%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

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

2019		2018		2017		2016		2015		2014	
	0.13559730%		0.14090880%		0.14081740%		0.14480070%		0.13770900%		0.13770900%
$	7,765,909	$	8,416,990	$	10,306,534	$	8,262,468	$	6,969,374	$	8,189,112
$	4,209,422	$	4,709,600	$	4,294,957	$	4,359,256	$	4,001,558	$	3,402,478
	184.49%		178.72%		239.97%		189.54%		174.17%		240.68%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.11780635%	0.12154917%	0.12151688%	0.12121816%
District's proportionate share of the net pension liability	$ 26,188,500	$ 15,541,154	$ 29,402,761	$ 26,806,668
District's covered payroll	$ 15,301,214	$ 15,349,800	$ 14,733,100	$ 14,239,050
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.15%	101.25%	199.57%	188.26%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

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

2019	2018	2017	2016	2015	2014
0.12432841%	0.12579838%	0.12378224%	0.12910286%	0.13504783%	0.13504783%
$ 27,337,026	$ 29,883,675	$ 41,433,647	$ 35,680,254	$ 32,848,306	$ 39,128,687
$ 14,224,879	$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154	$ 14,883,243
192.18%	211.39%	311.97%	264.38%	238.06%	262.90%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 809,235	$ 688,239	$ 569,997	$ 630,687
Contributions in relation to the contractually required contribution	(809,235)	(688,239)	(569,997)	(630,687)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,780,250	$ 4,915,993	$ 4,071,407	$ 4,504,907
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	$ 625,221	$ 568,272	$ 659,344	$ 601,294	$ 574,550	$ 554,616
	(625,221)	(568,272)	(659,344)	(601,294)	(574,550)	(554,616)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 4,631,267	$ 4,209,422	$ 4,709,600	$ 4,294,957	$ 4,359,256	$ 4,001,558
	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

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

	2023	2022	2021	2020
Contractually required contribution	$ 2,216,778	$ 2,142,170	$ 2,148,972	$ 2,062,634
Contributions in relation to the contractually required contribution	(2,216,778)	(2,142,170)	(2,148,972)	(2,062,634)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,834,129	$ 15,301,214	$ 15,349,800	$ 14,733,100
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,993,467	$ 1,991,483	$ 1,979,139	$ 1,859,393	$ 1,889,414	$ 1,793,760
(1,993,467)	(1,991,483)	(1,979,139)	(1,859,393)	(1,889,414)	(1,793,760)
$ -	$ -	$ -	$ -	$ -	$ -
$ 14,239,050	$ 14,224,879	$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154
14.00%	14.00%	14.00%	14.00%	14.00%	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 SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.13278150%	0.12129060%	0.13533680%	0.13875930%
District's proportionate share of the net OPEB liability	$ 1,864,266	$ 2,295,524	$ 2,941,312	$ 3,489,505
District's covered payroll	$ 4,915,993	$ 4,071,407	$ 4,504,907	$ 4,631,267
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.92%	56.38%	65.29%	75.35%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.13747220%	0.14254740%	0.14196110%
$ 3,813,850	$ 3,825,598	$ 4,046,416
$ 4,209,422	$ 4,709,600	$ 4,294,957
90.60%	81.23%	94.21%
13.57%	12.46%	11.49%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.11780635%	0.12154917%	0.12151688%	0.12121816%
District's proportionate share of the net OPEB liability/(asset)	$ (3,050,398)	$ (2,562,765)	$ (2,135,658)	$ (2,007,663)
District's covered payroll	$ 15,301,214	$ 15,349,800	$ 14,733,100	$ 14,239,050
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.94%	16.70%	14.50%	14.10%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

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

2019		2018		2017	
	0.12432841%		0.12579838%		0.12378224%
$	(1,997,830)	$	4,908,189	$	6,619,906
$	14,224,879	$	14,136,707	$	13,281,379
	14.04%		34.72%		49.84%
	176.00%		47.10%		37.30%

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 105,849	$ 88,048	$ 78,407	$ 88,579
Contributions in relation to the contractually required contribution	(105,849)	(88,048)	(78,407)	(88,579)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,780,250	$ 4,915,993	$ 4,071,407	$ 4,504,907
Contributions as a percentage of covered payroll	1.83%	1.79%	1.93%	1.97%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	23,156	$	94,910	$	75,645	$	68,650	$	102,713	$	39,997
	(23,156)		(94,910)		(75,645)		(68,650)		(102,713)		(39,997)
$	-	$	-	$	-	$	-	$	-	$	-
$	4,631,267	$	4,209,422	$	4,709,600	$	4,294,957	$	4,359,256	$	4,001,558
	0.50%		2.25%		1.61%		1.60%		2.36%		1.00%

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

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,834,129	$ 15,301,214	$ 15,349,800	$ 14,733,100
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	$ -	$ -	$ -	$ -	$ -	$ 139,570
	-	-	-	-	-	(139,570)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 14,239,050	$ 14,224,879	$ 14,136,707	$ 13,281,379	$ 13,495,814	$ 13,798,154
	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit receipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- 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 assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, 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.

- 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%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

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.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	2022	$82,270
School Breakfast Program	10.553	2023	93,203
Total School Breakfast Program			175,473
National School Lunch Program:			
Cash Assistance	10.555	2022	405,011
Cash Assistance	10.555	2023	478,534
COVID-19 Cash Assistance	10.555	2023	74,613
Non-Cash Assistance (Commodities)	10.555	2023	87,711
Total National School Lunch Program:			1,045,869
Total Child Nutrition Cluster			1,221,342
COVID-19 Pandemic EBT Administrative Costs	10.649	2023	3,135
Total U.S. Department of Agriculture			**1,224,477**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Facilities Construction Commission			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	OFCC-SS1-33860	37,535
Total U.S. Department of Treasury			**37,535**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010A	FY22	37,442
Title I Grants to Local Educational Agencies	84.010A	FY23	360,585
Total Title I Grants to Local Educational Agencies			398,027
Special Education Cluster			
Special Education Grants to States	84.027A	FY22	3,001
COVID-19 Special Education Grants to States	84.027X	FY22	220
Special Education Grants to States	84.027A	FY23	723,699
COVID-19 Special Education Grants to States	84.027X	FY23	68,618
Total Special Education Grants to States			795,538
Special Education Preschool Grants	84.173A	FY23	25,608
COVID-19 Special Education Preschool Grants	84.173X	FY23	1,484
Total Special Education Preschool Grants			27,092
Total Special Education Cluster			822,630
Supporting Effective Instruction State Grants	84.367A	FY22	9,498
Supporting Effective Instruction State Grants	84.367A	FY23	82,397
Total Supporting Effective Instruction State Grants			91,895
Student Support and Academic Enrichment Program	84.424A	FY23	22,082
COVID-19 Education Stabilization Fund (ARP Homeless ESSER II)	84.425W	FY23	12,404
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	FY22	81,546
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	FY23	466,800
COVID-19 Education Stabilization Fund (ARP ESSER)	84.425U	FY22	1,302,622
COVID-19 Education Stabilization Fund (ARP ESSER)	84.425U	FY23	248,755
COVID-19 Education Stabilization Fund (ESSER I)	84.425D	FY22	3,800
Total COVID-19 Education Stabilization Fund			2,115,927
Total U.S. Department of Education			**3,450,561**
Total Expenditures of Federal Awards			**$4,712,573**

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, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Bowling Green City School District, Wood County, Ohio (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number	Amt. Transferred
School Breakfast Program	10.553	$ 1,577
National School Lunch Program	10.555	$ 8,099
Title I Grants to Local Education Agencies	84.010A	$ 149,310
Supporting Effective Instruction State Grants	84.367A	$ 56,175
Student Support and Academic Enrichment Program	84.424A	$ 26,457
COVID-19 Education Stabilization Fund (Homeless)	84.425W	$ 5,601
COVID-19 Education Stabilization Fund (ARP ESSER III)	84.425U	$ 291,518

NOTE G – PASS THROUGH FUNDS

The District was awarded federal program allocation to be administered on their behalf by the Wood County Educational Service Center. For 2023, the District's allocation was as follows:

Program Title	AL Number	Allocation	Administered By
Grants to Local Educational Agencies	84.010A	$164,718	Wood County ESC

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OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 8, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

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

To the Boad of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Bowling Green City School District's, Wood County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Bowling Green City School District's major federal program for the year ended June 30, 2023. Bowling Green City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Bowling Green City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

February 8, 2024

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BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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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 2/13/2024

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