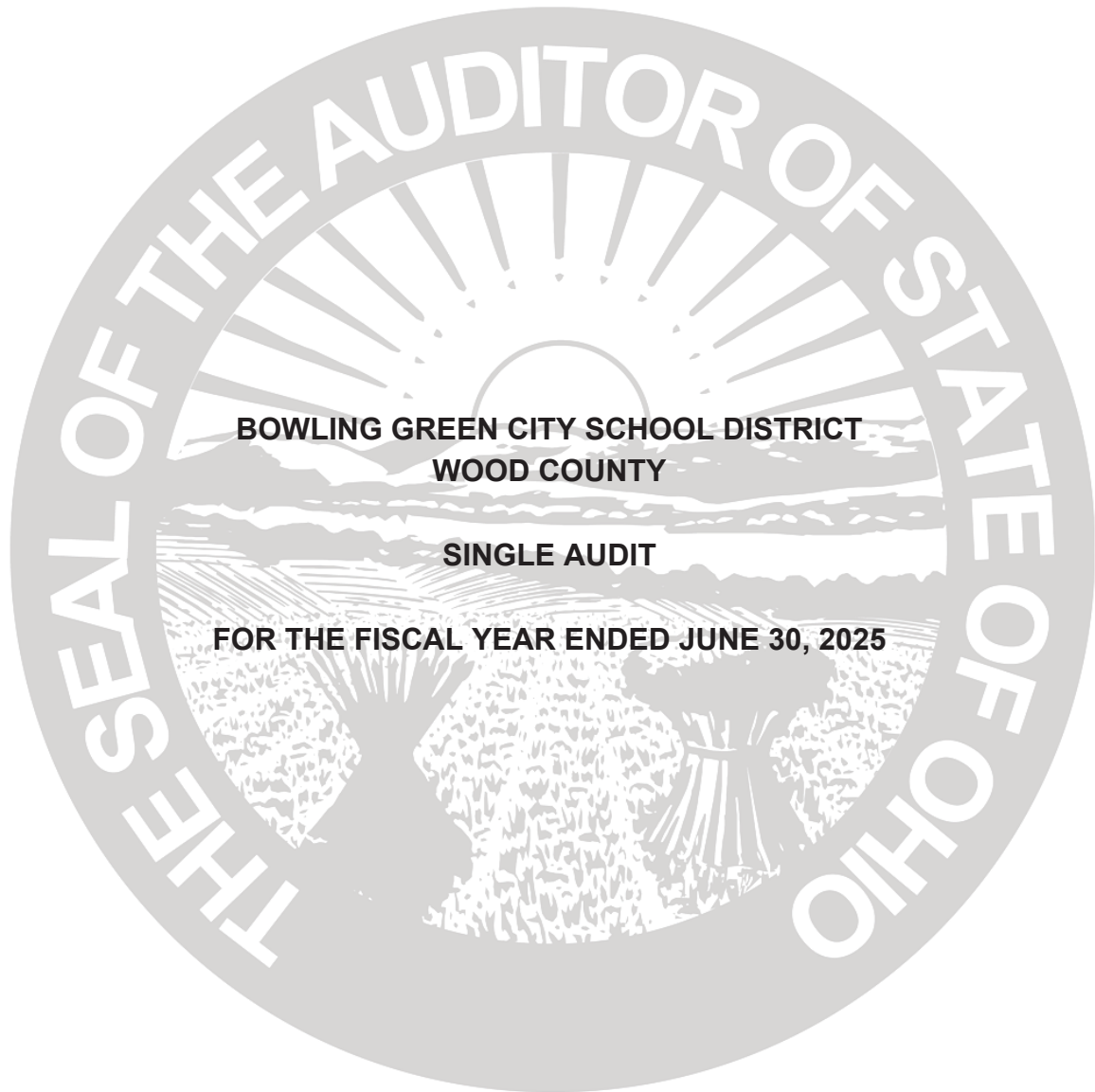




**BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY
JUNE 30, 2025**

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WOOD COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

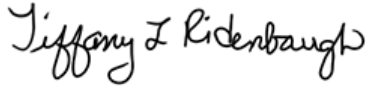
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements,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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026, 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
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 24, 2026

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

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, 2025. 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 2025 are as follows:

- In total, net position increased \$5,810,123. Net position of governmental activities increased \$5,791,297 which represents a 101.84% increase from 2024's restated balance of \$5,686,737. Net position of business-type activities increased \$18,826 or 8.10% from 2024's restated deficit balance of (\$232,481).
- General revenues accounted for \$47,127,119 in revenue or 91.27% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$4,505,705 or 8.73% of total governmental activities revenues of \$51,632,824.
- The District had \$45,841,527 in expenses related to governmental activities; only \$4,505,705 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 \$47,127,119 were used to provide for these programs.
- The District's major governmental funds are the general fund, the bond retirement and the building fund.
- The general fund had \$38,656,186 in revenues and other financing sources and \$40,492,694 in expenditures and other financing uses. The fund balance of the general fund decreased \$1,836,508 from a balance of \$18,965,893 to \$17,129,385.
- The bond retirement fund had \$5,828,341 in revenues and \$8,954,299 in expenditures. The fund balance of the bond retirement fund decreased \$3,125,958 from a balance of \$6,258,393 to \$3,132,435.
- The building fund had \$3,732,863 in revenues and \$3,580,666 in expenditures. The fund balance of the building fund increased \$152,197 from a balance of \$73,842,437 to \$73,994,634.

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 District's major governmental funds are the general fund, the bond retirement fund and the building fund. The food service fund and the contracted services fund are the District's only proprietary funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

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 2025?" 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 and contracted service fund are included in business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Fund

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

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 statements 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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund provides a meaningful comparison of actual results with the budget. 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 is also included.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

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, 2025 and June 30, 2024.

	Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Assets</u>						
Current assets	\$ 139,101,938	\$ 140,611,507	\$ 762,243	\$ 744,533	\$ 139,864,181	\$ 141,356,040
Capital assets, net	<u>36,342,660</u>	<u>32,771,519</u>	<u>19,453</u>	<u>23,213</u>	<u>36,362,113</u>	<u>32,794,732</u>
Total assets	<u>175,444,598</u>	<u>173,383,026</u>	<u>781,696</u>	<u>767,746</u>	<u>176,226,294</u>	<u>174,150,772</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges on debt refunding	1,196,910	1,385,525	-	-	1,196,910	1,385,525
Pension	8,763,874	7,175,119	232,616	355,772	8,996,490	7,530,891
OPEB	<u>1,270,952</u>	<u>1,528,586</u>	<u>219,871</u>	<u>272,359</u>	<u>1,490,823</u>	<u>1,800,945</u>
Total deferred outflows of resources	<u>11,231,736</u>	<u>10,089,230</u>	<u>452,487</u>	<u>628,131</u>	<u>11,684,223</u>	<u>10,717,361</u>
<u>Liabilities</u>						
Current liabilities	6,494,339	4,671,969	61,374	61,204	6,555,713	4,733,173
Long-term liabilities:						
Due within one year	7,550,825	5,657,449	55,447	7,103	7,606,272	5,664,552
Due in more than one year:						
Net pension liability	31,596,797	32,381,373	738,925	799,262	32,335,722	33,180,635
Other amounts	93,034,462	94,567,724	48,445	30,684	93,082,907	94,598,408
Net OPEB liability	<u>1,273,133</u>	<u>2,124,560</u>	<u>149,416</u>	<u>245,430</u>	<u>1,422,549</u>	<u>2,369,990</u>
Total liabilities	<u>139,949,556</u>	<u>139,403,075</u>	<u>1,053,607</u>	<u>1,143,683</u>	<u>141,003,163</u>	<u>140,546,758</u>
<u>Deferred inflows of resources</u>						
Property taxes levied for the next fiscal year	27,691,736	26,786,318	-	-	27,691,736	26,786,318
Pension	3,786,339	2,291,523	46,219	11,234	3,832,558	2,302,757
OPEB	<u>3,770,669</u>	<u>3,718,245</u>	<u>348,012</u>	<u>384,164</u>	<u>4,118,681</u>	<u>4,102,409</u>
Total deferred inflows of resources	<u>35,248,744</u>	<u>32,796,086</u>	<u>394,231</u>	<u>395,398</u>	<u>35,642,975</u>	<u>33,191,484</u>
<u>Net Position</u>						
Net investment in capital assets	14,741,421	9,529,910	19,453	23,213	14,760,874	9,553,123
Restricted	11,342,487	11,705,787	-	-	11,342,487	11,705,787
Unrestricted (deficit)	<u>(14,605,874)</u>	<u>(9,962,602)</u>	<u>(233,108)</u>	<u>(166,417)</u>	<u>(14,838,982)</u>	<u>(10,129,019)</u>
Total net position (deficit)	<u>\$ 11,478,034</u>	<u>\$ 11,273,095</u>	<u>\$ (213,655)</u>	<u>\$ (143,204)</u>	<u>\$ 11,264,379</u>	<u>\$ 11,129,891</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The net pension liability and the net OPEB liability (asset) reported by the School District at June 30, 2025, 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The table below shows the change in net position for fiscal years 2025 and 2024. The net position as of June 30, 2024 was restated as described in Note 3.

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 1,199,020	\$ 1,261,071	\$ 571,964	\$ 470,743	\$ 1,770,984	\$ 1,731,814
Operating grants and contributions	3,306,685	3,726,750	830,040	778,697	4,136,725	4,505,447
Capital grants and contributions	-	119,520	-	-	-	119,520
General revenues:						
Property taxes	27,360,894	23,888,727	-	-	27,360,894	23,888,727
Income taxes	5,048,806	4,870,687	-	-	5,048,806	4,870,687
Payments in lieu of taxes	363,542	-	-	-	363,542	-
Grants and entitlements not restricted	8,873,782	8,736,387	-	-	8,873,782	8,736,387
Investment earnings	5,298,045	2,874,129	14,554	36,910	5,312,599	2,911,039
Miscellaneous	182,050	489,941	7,740	2,839	189,790	492,780
Total revenues	<u>51,632,824</u>	<u>45,967,212</u>	<u>1,424,298</u>	<u>1,289,189</u>	<u>53,057,122</u>	<u>47,256,401</u>
Program expenses:						
Instruction	\$ 25,690,905	26,188,484	-	-	25,690,905	26,188,484
Support services	14,223,253	12,313,244	-	-	14,223,253	12,313,244
Operation of non-instructional services	318,115	308,533	-	-	318,115	308,533
Extracurricular activities	1,570,228	1,533,214	-	-	1,570,228	1,533,214
Interest	4,039,026	2,239,947	-	-	4,039,026	2,239,947
Food service	-	-	1,333,487	1,218,865	1,333,487	1,218,865
Special enterprise	-	-	71,985	-	71,985	-
Total expenses	<u>45,841,527</u>	<u>42,583,422</u>	<u>1,405,472</u>	<u>1,218,865</u>	<u>47,246,999</u>	<u>43,802,287</u>
Changes in net position	5,791,297	3,383,790	18,826	70,324	5,810,123	3,454,114
Net position (deficit) as previously reported	<u>11,273,095</u>	<u>7,889,305</u>	<u>(143,204)</u>	<u>(213,528)</u>	<u>11,129,891</u>	<u>7,675,777</u>
Restatement - change in accounting principle	(5,586,358)	-	(89,277)	-	(5,675,635)	-
Net position (deficit) at beginning of year (restated)	<u>5,686,737</u>	<u>-</u>	<u>(232,481)</u>	<u>-</u>	<u>5,454,256</u>	<u>-</u>
Net position (deficit) at end of year	<u>\$ 11,478,034</u>	<u>\$ 11,273,095</u>	<u>\$ (213,655)</u>	<u>\$ (143,204)</u>	<u>\$ 11,264,379</u>	<u>\$ 11,129,891</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Governmental Activities

Net position of the District's governmental activities increased \$5,791,297 from \$5,686,737 to \$11,478,034 (as restated). Total governmental expenses of \$45,841,527 were offset by program revenues of \$4,505,705 and general revenues of \$47,127,119. Program revenues supported 9.83% of the total governmental expenses. The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 79.96% of total governmental revenue.

Expenses of the governmental activities increased \$3,258,105. A large part of this increase was due to an increase of \$1,799,079 in interest expense. The District issued \$72,800,000 in general obligation bonds during 2024 for construction of a new high school, which resulted in an increase in interest payments.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$25,690,905 or 56.04% of total governmental expenses for fiscal year 2025.

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 2025 and 2024. 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	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
Program expenses:				
Instruction	\$ 25,690,905	\$ 22,918,595	\$ 26,188,484	\$ 22,992,766
Support services	14,223,253	13,459,656	12,313,244	11,452,744
Operation of non-instructional services	318,115	26,687	308,533	(109,724)
Extracurricular activities	1,570,228	891,858	1,533,214	900,348
Interest and fiscal charges	<u>4,039,026</u>	<u>4,039,026</u>	<u>2,239,947</u>	<u>2,239,947</u>
Total expenses	<u>\$ 45,841,527</u>	<u>\$ 41,335,822</u>	<u>\$ 42,583,422</u>	<u>\$ 37,476,081</u>

The dependence upon tax revenues during fiscal year 2025 for governmental activities is apparent, as 89.21% of 2025 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 and contracted services. These programs had revenues of \$1,424,298 and expenses of \$1,405,472 for fiscal year 2025. The District's business-type activities do not receive support from tax revenues. Net position of the business-type activities funds increased \$18,826.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The District's Funds

The District's governmental funds reported a combined fund balance of \$102,545,316 which is \$4,388,326 less than last year's total of \$106,933,642. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025, and 2024.

	<u>Fund Balance</u> <u>June 30, 2025</u>	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Change</u>
General	\$ 17,129,385	\$ 18,965,893	\$ (1,836,508)
Bond retirement	3,132,435	6,258,393	(3,125,958)
Building	73,994,634	73,842,437	152,197
Other governmental	<u>8,288,862</u>	<u>7,866,919</u>	<u>421,943</u>
Total	<u>\$ 102,545,316</u>	<u>\$ 106,933,642</u>	<u>\$ (4,388,326)</u>

General Fund

The District's general fund balance decreased \$1,836,508 during fiscal year 2025. While fund balance decreased overall, revenues increased during fiscal year 2025. The fund balance decrease was partially due to a transfer out of \$1,233,736 from the general fund to the capital projects fund.

	<u>2025</u> <u>Amount</u>	<u>2024</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 26,165,398	\$ 24,759,980	5.68 %
Intergovernmental	9,818,800	9,805,360	0.14 %
Tuition and fees	682,137	677,851	0.63 %
Interest and fair value adjustment	1,565,182	1,659,733	(5.70) %
Extracurricular activities	45,459	35,515	28.00 %
Other revenues	<u>188,920</u>	<u>507,800</u>	(62.80) %
Total	<u>\$ 38,465,896</u>	<u>\$ 37,446,239</u>	2.72 %

The table that follows assists in illustrating the expenditures of the general fund. During fiscal year 2025, expenditures of the general fund increased by 2.35%. The increase in expenditures related to instruction and support services were related to salary and benefit increases determined based on negotiated agreements and insurance costs.

	<u>2025</u> <u>Amount</u>	<u>2024</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 24,794,840	\$ 24,296,287	2.05 %
Support services	13,285,481	12,934,671	2.71 %
Operation of non-instructional services	1,410	2,418	(41.69) %
Extracurricular activities	919,301	941,176	(2.32) %
Facilities acquisition and construction	188,290	145,499	29.41 %
Debt service	<u>69,636</u>	<u>38,292</u>	81.86 %
Total	<u>\$ 39,258,958</u>	<u>\$ 38,358,343</u>	2.35 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Bond Retirement Fund

The bond retirement fund had \$5,828,341 in revenues and \$8,954,299 in expenditures. The fund balance of the bond retirement fund decreased \$3,125,958 from a balance of \$6,258,393 to \$3,132,435. The fund balance decrease was primarily due to principal and interest expenditures exceeding property tax collections.

Building Fund

The building fund had \$3,732,863 in revenues and \$3,580,666 in expenditures. The fund balance of the building fund increased \$152,197 from a balance of \$73,842,437 to \$73,994,634. The only source of revenue was investment earnings and fair value increases, as the fund has a cash balance of \$74,880,669 due to the issuance of bonds for construction in the previous year.

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 2025, the District amended its general fund budget. For the general fund, final budgeted revenues and other financing sources of \$38,183,718 were \$84,984 less than actual revenues and other financing sources. The original budgeted revenues and other financing sources of \$34,240,299 were \$3,943,420 lower than final budgeted revenues and other financing sources of \$38,183,719.

General fund final appropriations and other financing uses were \$41,881,973. The actual budget basis expenditures and other financing uses for fiscal year 2025 totaled \$40,473,371 which was \$1,408,602 less than the final budget appropriations and other financing uses. The final appropriations and other financing uses were \$336,610 more than the original appropriations and other financing uses of \$41,545,363.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$36,362,113 invested in land, buildings/improvements, furniture/equipment, vehicles and intangible right to use leases. \$36,342,660 was reported in the governmental activities and \$19,453 was reported in the business-type activities. The following table shows fiscal year 2025 balances compared to 2024:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 278,664	\$ 278,664	\$ -	\$ -	\$ 278,664	\$ 278,664
Construction in progress	4,580,412	1,666,271	-	-	4,580,412	1,666,271
Building/improvements	29,737,951	29,538,886	-	-	29,737,951	29,538,886
Furniture/equipment	981,638	403,548	19,453	23,213	1,001,091	426,761
Vehicles	556,098	679,372	-	-	556,098	679,372
Intangible right to use:						
Leased buildings	87,062	46,233	-	-	87,062	46,233
Software	120,835	158,545	-	-	120,835	158,545
Total	\$ 36,342,660	\$ 32,771,519	\$ 19,453	\$ 23,213	\$ 36,362,113	\$ 32,794,732

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Debt Administration

At June 30, 2025 the District had \$84,511,844 in general obligation bonds outstanding (including accreted interest), \$2,910,000 in certificates of participation outstanding, \$90,295 in lease obligations and \$156,291 in financed purchase obligation. Of this total debt outstanding, \$3,142,436 is due within one year and \$84,525,994 is due in more than one year. The following table summarizes the bonds, COPS and leases outstanding:

Outstanding Debt at June 30

	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
General obligation bonds	\$ 84,511,844	\$ 89,439,877
Certificates of participation	2,910,000	3,100,000
Lease obligations	90,295	50,318
Financed purchase obligation	<u>156,291</u>	<u>-</u>
Total	<u>\$ 87,668,430</u>	<u>\$ 92,590,195</u>

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

Economic Factors

Ohio's economic outlook is for slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%. The state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for affordable housing. In the short term, the state anticipates continued to moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

A reappraisal of real property occurred in 2023 for collection in 2024. Property values increased 26.19% throughout the district. Residential/agricultural property values increased 28.62% while commercial and industrial property increased 12.96%. CAUV values represent 13.49% of Class I residential/agricultural values. As a result of the growth in valuation, the district's effective rate for residential/agricultural property fell below the twenty (20.00) mill floor and is currently being assessed at twenty mills. Additional valuation growth will result in an increase in property taxes for class a property. Tax year 2024 collecting in calendar year 2025 experienced a minimal 1.67% growth in valuation.

Our District was on the guarantee for fiscal year 2025 and is expected to remain there through fiscal year 2030 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 state budget represented 20.95% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. The current state budget for fiscal years 2026 and 2027 continues to implement the FSFP. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond fiscal year 2027.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The District has a 1/2% income tax that was renewed for a continuing period of time, on November 2, 2021. The 1/2% income tax generated \$ 4,853,009 in tax dollars in fiscal year 2025. The District actually experienced a decrease of \$11,791 or .25% from the previous fiscal years collection. On May 6th of 2025, the community supported increasing the current ½% income tax levy to 1.25% effective January 1, 2026. The new levy is projected to generate an additional \$ 6,683,566 annually for a five-year period of time.

Casino revenue increased in fiscal year 2025 by 7.68% or \$12,165. Casino revenues have fluctuated over the past three years but expected to increase in 2026.

In fiscal year 2019 the Rover Pipeline began operations and public utility value brought additional funding to the District. The Bowling Green Board of Education decided to designate the funds generated from the pipeline installation to be used for Capital Projects throughout the district. The NEXUS Pipeline (southbound) went into operations in fiscal year 2020 and provided significant 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 statewide. On August 13th, 2025 the Ohio Supreme Court rendered a decision favoring political subdivisions and ruling against Rover's requested valuation. Details have not been released at the time of this report being prepared.

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 Matt Feasel, Treasurer, Bowling Green City School District, 137 Clough Street, Bowling Green, Ohio 43402.

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

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 102,597,862	\$ 744,430	\$ 103,342,292
Receivables:			
Property taxes	30,558,368	-	30,558,368
Income taxes	2,278,483	-	2,278,483
Payment in lieu of taxes	67,515	-	67,515
Accounts	16,381	-	16,381
Accrued interest	479,716	-	479,716
Intergovernmental	183,889	4,160	188,049
Prepayments	415,363	574	415,937
Materials and supplies inventory	6,104	17,239	23,343
Internal balance	4,160	(4,160)	-
Net OPEB asset	2,494,097	-	2,494,097
Capital assets:			
Nondepreciable/amortizable capital assets:	4,859,076	-	4,859,076
Depreciable/amortizable capital assets, net	31,483,584	19,453	31,503,037
Capital assets, net	<u>36,342,660</u>	<u>19,453</u>	<u>36,362,113</u>
Total assets	<u>175,444,598</u>	<u>781,696</u>	<u>176,226,294</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,196,910	-	1,196,910
Pension	8,763,874	232,616	8,996,490
OPEB	1,270,952	219,871	1,490,823
Total deferred outflows of resources	<u>11,231,736</u>	<u>452,487</u>	<u>11,684,223</u>
Liabilities:			
Accounts payable	217,778	-	217,778
Contracts payable	1,240,408	-	1,240,408
Accrued wages and benefits payable	3,307,669	41,897	3,349,566
Matured compensated absences payable	122,303	-	122,303
Intergovernmental payable	177,299	531	177,830
Pension obligation payable	618,782	18,946	637,728
Accrued interest payable	810,100	-	810,100
Long-term liabilities:			
Due within one year	7,550,825	55,447	7,606,272
Due in more than one year:			
Net pension liability	31,596,797	738,925	32,335,722
Net OPEB liability	1,273,133	149,416	1,422,549
Other amounts due in more than one year	93,034,462	48,445	93,082,907
Total liabilities	<u>139,949,556</u>	<u>1,053,607</u>	<u>141,003,163</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	27,691,736	-	27,691,736
Pension	3,786,339	46,219	3,832,558
OPEB	3,770,669	348,012	4,118,681
Total deferred inflows of resources	<u>35,248,744</u>	<u>394,231</u>	<u>35,642,975</u>
Net position:			
Net investment in capital assets	14,741,421	19,453	14,760,874
Restricted for:			
Capital projects	5,804,314	-	5,804,314
Debt service	1,937,780	-	1,937,780
OPEB	2,494,097	-	2,494,097
Student activities	374,768	-	374,768
Other purposes	731,528	-	731,528
Unrestricted (deficit)	<u>(14,605,874)</u>	<u>(233,108)</u>	<u>(14,838,982)</u>
Total net position (deficit)	<u>\$ 11,478,034</u>	<u>\$ (213,655)</u>	<u>\$ 11,264,379</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental activities:			
Instruction	\$ 25,690,905	\$ 617,875	\$ 2,154,435
Support services	14,223,253	18,025	745,572
Operation of non-instructional services	318,115	10	291,418
Extracurricular activities	1,570,228	563,110	115,260
Interest and fiscal charges	4,039,026	-	-
Total governmental activities	45,841,527	1,199,020	3,306,685
Business-type activities:			
Food service	1,333,487	499,979	830,040
Special enterprise	71,985	71,985	-
Total business-type activities	1,405,472	571,964	830,040
Totals	\$ 47,246,999	\$ 1,770,984	\$ 4,136,725

General revenues:

Property taxes levied for:

General purposes

Debt service

Capital outlay

Payments in lieu of taxes

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 (deficit) at beginning of year, as previously reported

Restatement - change in accounting principle

Net position (deficit) at beginning of year, restated

Net position (deficit) 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
\$ (22,918,595)	\$ -	\$ (22,918,595)
(13,459,656)	-	(13,459,656)
(26,687)	-	(26,687)
(891,858)	-	(891,858)
(4,039,026)	-	(4,039,026)
(41,335,822)	-	(41,335,822)
-	(3,468)	(3,468)
-	-	-
-	(3,468)	(3,468)
(41,335,822)	(3,468)	(41,339,290)
21,204,121	-	21,204,121
5,615,344	-	5,615,344
541,429	-	541,429
363,542	-	363,542
5,048,806	-	5,048,806
8,873,782	-	8,873,782
5,298,045	14,554	5,312,599
182,050	7,740	189,790
47,127,119	22,294	47,149,413
5,791,297	18,826	5,810,123
11,273,095	(143,204)	11,129,891
(5,586,358)	(89,277)	(5,675,635)
5,686,737	(232,481)	5,454,256
\$ 11,478,034	\$ (213,655)	\$ 11,264,379

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash, cash equivalents and investments	\$ 16,730,380	\$ 2,657,414	\$ 74,880,699	\$ 8,329,369	\$ 102,597,862
Receivables:					
Property taxes	23,857,937	6,094,452	-	605,979	30,558,368
Income taxes	2,278,483	-	-	-	2,278,483
Payment in lieu of taxes	-	-	-	67,515	67,515
Accounts	15,781	-	-	600	16,381
Accrued interest	125,373	-	354,343	-	479,716
Interfund loans	9,599	-	-	-	9,599
Intergovernmental	-	-	-	183,889	183,889
Prepayments	413,548	-	-	1,815	415,363
Materials and supplies inventory	6,104	-	-	-	6,104
Due from other funds	80,726	-	-	-	80,726
Total assets	<u>\$ 43,517,931</u>	<u>\$ 8,751,866</u>	<u>\$ 75,235,042</u>	<u>\$ 9,189,167</u>	<u>\$ 136,694,006</u>
Liabilities:					
Accounts payable	\$ 153,079	\$ -	\$ -	\$ 64,699	\$ 217,778
Contracts payable	-	-	1,240,408	-	1,240,408
Accrued wages and benefits payable	3,222,163	-	-	85,506	3,307,669
Matured compensated absences payable	122,303	-	-	-	122,303
Early retirement incentive payable	84,500	-	-	-	84,500
Intergovernmental payable	176,115	-	-	1,184	177,299
Pension and postemployment obligation payable	607,906	-	-	10,876	618,782
Interfund loans payable	-	-	-	5,439	5,439
Due to other funds	-	-	-	80,726	80,726
Total liabilities	<u>4,366,066</u>	<u>-</u>	<u>1,240,408</u>	<u>248,430</u>	<u>5,854,904</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	21,551,525	5,592,142	-	548,069	27,691,736
Delinquent property tax revenue not available	123,580	27,289	-	3,314	154,183
Income tax revenue not available	347,375	-	-	-	347,375
Intergovernmental revenue not available	-	-	-	100,492	100,492
Total deferred inflows of resources	<u>22,022,480</u>	<u>5,619,431</u>	<u>-</u>	<u>651,875</u>	<u>28,293,786</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	6,104	-	-	-	6,104
Prepays	413,548	-	-	1,815	415,363
Restricted:					
Debt service	-	3,132,435	-	-	3,132,435
Capital improvements	-	-	73,994,634	2,125,355	76,119,989
Non-public schools	-	-	-	15,440	15,440
Extracurricular	-	-	-	374,288	374,288
Other purposes	-	-	-	731,528	731,528
Committed:					
Capital improvements	-	-	-	5,140,928	5,140,928
Termination benefits	719,451	-	-	-	719,451
Insurance payments	686,065	-	-	-	686,065
Other purposes	550	-	-	-	550
Assigned:					
Student instruction	62,049	-	-	-	62,049
Student and staff support	213,712	-	-	-	213,712
Subsequent year's appropriations	7,632,352	-	-	-	7,632,352
Unassigned (deficit)	<u>7,395,554</u>	<u>-</u>	<u>-</u>	<u>(100,492)</u>	<u>7,295,062</u>
Total fund balances	<u>17,129,385</u>	<u>3,132,435</u>	<u>73,994,634</u>	<u>8,288,862</u>	<u>102,545,316</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 43,517,931</u>	<u>\$ 8,751,866</u>	<u>\$ 75,235,042</u>	<u>\$ 9,189,167</u>	<u>\$ 136,694,006</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total governmental fund balances		\$ 102,545,316
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		36,342,660
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds		
Property taxes receivable	\$ 154,183	
Income taxes receivable	347,375	
Intergovernmental receivable	100,492	
Total		602,050
Unamortized premiums on bonds issued are not recognized in the funds.		(4,620,144)
Unamortized amounts on refundings are not recognized in the funds.		1,196,910
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds		(810,100)
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	8,763,874	
Deferred inflows - pension	(3,786,339)	
Net pension liability	(31,596,797)	
Deferred outflows - OPEB	1,270,952	
Deferred inflows - OPEB	(3,770,669)	
Net OPEB asset	2,494,097	
Net OPEB liability	(1,273,133)	
Total		(27,898,015)
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	(87,421,844)	
Lease obligations	(90,295)	
Financed purchase obligations	(156,291)	
Compensated absences	(8,212,213)	
Total		(95,880,643)
Net position of governmental activities		<u>\$ 11,478,034</u>

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, 2025

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 21,140,285	\$ 5,603,430	\$ -	\$ 539,698	\$ 27,283,413
Income taxes	5,025,113	-	-	-	5,025,113
Intergovernmental	9,818,800	224,911	-	1,929,297	11,973,008
Investment earnings and fair value adjustment	1,565,182	-	3,732,863	272	5,298,317
Tuition and fees	682,137	-	-	-	682,137
Extracurricular	45,459	-	-	448,954	494,413
Rental income	16,280	-	-	-	16,280
Charges for services	6,190	-	-	-	6,190
Contributions and donations	42,099	-	-	122,480	164,579
Payment in lieu of taxes	-	-	-	363,542	363,542
Miscellaneous	124,351	-	-	19,076	143,427
Total revenues	<u>38,465,896</u>	<u>5,828,341</u>	<u>3,732,863</u>	<u>3,423,319</u>	<u>51,450,419</u>
Expenditures:					
Current:					
Instruction	24,794,840	-	-	1,253,571	26,048,411
Support services	13,285,481	49,018	-	1,615,979	14,950,478
Operation of non-instructional services	1,410	-	-	354,031	355,441
Extracurricular activities	919,301	-	-	611,719	1,531,020
Facilities acquisition and construction	-	-	3,580,666	80,574	3,661,240
Capital outlay	188,290	-	-	79,283	267,573
Debt service:					
Principal retirement	54,202	5,050,000	-	207,103	5,311,305
Interest and fiscal charges	15,434	3,855,281	-	125,735	3,996,450
Total expenditures	<u>39,258,958</u>	<u>8,954,299</u>	<u>3,580,666</u>	<u>4,327,995</u>	<u>56,121,918</u>
Excess of revenues over (under) expenditures	<u>(793,062)</u>	<u>(3,125,958)</u>	<u>152,197</u>	<u>(904,676)</u>	<u>(4,671,499)</u>
Other financing sources (uses):					
Sale of assets	2,000	-	-	13,600	15,600
Transfers in	-	-	-	1,233,736	1,233,736
Transfers (out)	(1,233,736)	-	-	-	(1,233,736)
Lease and financed purchase transactions	188,290	-	-	79,283	267,573
Total other financing sources (uses)	<u>(1,043,446)</u>	<u>-</u>	<u>-</u>	<u>1,326,619</u>	<u>283,173</u>
Net change in fund balances	(1,836,508)	(3,125,958)	152,197	421,943	(4,388,326)
Fund balances at beginning of year	<u>18,965,893</u>	<u>6,258,393</u>	<u>73,842,437</u>	<u>7,866,919</u>	<u>106,933,642</u>
Fund balances at end of year	<u>\$ 17,129,385</u>	<u>\$ 3,132,435</u>	<u>\$ 73,994,634</u>	<u>\$ 8,288,862</u>	<u>\$ 102,545,316</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds	\$	(4,388,326)
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*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	\$ 5,413,193	
Current year depreciation/amortization	(1,842,052)	
Total		3,571,141

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

Property taxes	77,481	
Income taxes	23,693	
Intergovernmental	65,631	
Total		166,805

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.	5,311,305
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Issuance of financed purchases and leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.	(267,573)
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**BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	(139,851)	
Accreted interest on capital appreciation bonds	(121,967)	
Amortization of bond premiums	407,857	
Amortization of deferred charges	<u>(188,615)</u>	
Total		(42,576)

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

Pension	3,404,494	
OPEB	<u>89,562</u>	
Total		3,494,056

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	(2,525,979)	
OPEB	<u>646,329</u>	
Total		(1,879,650)

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.

(173,885)

Change in net position of governmental activities

\$ 5,791,297

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Nonmajor Enterprise Funds
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 744,430
Receivables:	
Intergovernmental	4,160
Prepayments	574
Materials and supplies inventory	17,239
Total current assets	766,403
Noncurrent assets:	
Depreciable capital assets, net	19,453
Total noncurrent assets	19,453
Total assets	785,856
Deferred outflows of resources:	
Pension	232,616
OPEB	219,871
Total deferred outflows of resources	452,487
Liabilities:	
Accrued wages and benefits	41,897
Compensated absences	55,447
Pension and postemployment obligation payable	18,946
Interfund loan payable	4,160
Intergovernmental payable	531
Total current liabilities	120,981
Long-term liabilities:	
Compensated absences payable	48,445
Net pension liability	738,925
Net OPEB liability	149,416
Total long-term liabilities	936,786
Total liabilities	1,057,767
Deferred inflows of resources:	
Pension	46,219
OPEB	348,012
Total deferred inflows of resources	394,231
Net position:	
Investment in capital assets	19,453
Unrestricted (deficit)	(233,108)
Total net position (deficit)	\$ (213,655)

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, 2025

	Nonmajor Enterprise Funds
Operating revenues:	
Sales/charges for services	\$ 499,979
Other	79,725
Total operating revenues	<u>579,704</u>
Operating expenses:	
Personal services	732,105
Purchased services	25,112
Materials and supplies	640,049
Depreciation	3,760
Other	4,446
Total operating expenses	<u>1,405,472</u>
Operating loss	<u>(825,768)</u>
Nonoperating revenues:	
Grants and subsidies	742,494
Interest revenue	14,554
Federal donated commodities	87,546
Total nonoperating revenues	<u>844,594</u>
Change in net position	18,826
Net position (deficit) at beginning of year, as previously reported	(143,204)
Restatement - change in accounting principle	(89,277)
Net position (deficit) at beginning of year, restated	<u>(232,481)</u>
Net position (deficit) at end of year	<u><u>\$ (213,655)</u></u>

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, 2025

	Nonmajor Enterprise Funds
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 499,979
Cash received from other operations	75,565
Cash payments for personal services	(726,162)
Cash payments for contractual services	(25,686)
Cash payments for materials and supplies	(550,438)
Cash payments for other expenses	(4,446)
Net cash used in operating activities	(731,188)
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies	742,494
Cash received from interfund loans	4,160
Net cash provided by noncapital financing activities	746,654
Cash flows from investing activities:	
Interest received	14,554
Net cash provided by investing activities	14,554
Net increase in cash and cash equivalents	30,020
Cash and cash equivalents at beginning of year	714,410
Cash and cash equivalents at end of year	<u><u>\$ 744,430</u></u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonmajor Enterprise Funds
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (825,768)
Adjustments:	
Depreciation	3,760
Federal donated commodities	87,546
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Materials and supplies inventory	2,065
Intergovernmental receivable	(4,160)
Prepayments	10,245
Deferred outflows - pension	123,156
Deferred outflows - OPEB	52,488
Accrued wages and benefits	(2,311)
Intergovernmental payable	(27)
Compensated absences payable	(23,172)
Pension obligation payable	2,508
Net pension liability	(60,337)
Net OPEB liability	(96,014)
Deferred inflows - pension	34,985
Deferred inflows - OPEB	(36,152)
Net cash used in operating activities	<u><u>\$ (731,188)</u></u>

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, 2025

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Custodial</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 110,525	\$ 27,078
Total assets	<u>110,525</u>	<u>27,078</u>
Net position:		
Restricted for individuals, organizations and other governments	<u>110,525</u>	<u>27,078</u>
Total net position	<u>\$ 110,525</u>	<u>\$ 27,078</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
	<u>Scholarship</u>	
Additions:		
From local sources:		
Earnings on investments	\$ 22	\$ -
Contributions and donations	-	37,492
Other custodial fund collections	-	14,688
Total additions	<u>22</u>	<u>52,180</u>
Deductions:		
Other custodial fund disbursements	-	35,463
Scholarships awarded	<u>500</u>	<u>-</u>
Total deductions	<u>500</u>	<u>35,463</u>
Change in net position	(478)	16,717
Net position at beginning of year	<u>111,003</u>	<u>10,361</u>
Net position at end of year	<u>\$ 110,525</u>	<u>\$ 27,078</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, of the 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 2,385 students and encompasses an area of approximately one hundred eighteen square miles. The District regularly employs 251 licensed/certified employees and 109 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 members appointed from the participating School Districts' elected Boards. 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 Center's 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 are the District's major governmental funds:

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.

Building fund - The building fund is used to account for the receipts and expenditures related to general obligation bond proceeds. All proceeds from the sale of bonds, except premiums, are reported in this fund. Expenditures represent the costs of construction and improvements to District facilities.

Bond Retirement Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, the School District's general obligation debt, including the four school improvement bonds previously approved by voters within the School District's boundaries.

Other governmental funds of the District are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 funds account for its food service operation and special activities.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources 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, 2025, but which were levied to finance fiscal year 2026 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 2025 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2025.
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 level of expenditures for all funds. This is considered the legal level of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
4. Any revisions that alter the total of any fund appropriation 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 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 2025.
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 level for all 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 2025 amounted to \$1,565,182 which included \$580,091 assigned from other District funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2025, 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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 manner of the shorter of the lease term or the useful life of the underlying asset.

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

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

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2025, the District has implemented GASB Statement No. 101, “*Compensated Absences*” and GASB Statement No. 102, “*Certain Risk Disclosures*”.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Title I	\$ 91,161
Supporting Effective Instruction	9,287

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Restatement of Net Position

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

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;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

A. Cash on Hand

At fiscal year end, the District had \$10,000 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, 2025, the carrying amount of the District's deposits was \$8,417,842 and the bank balance was \$8,518,904. Of the entire bank balance, \$716,602 was covered by federal depository insurance while \$7,802,302 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 2025, all of the District's financial institutions participated in the OPCS.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

C. Investments

As of June 30, 2025, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	\$8,771,891	\$ 949,849	\$ 4,475,053	\$ 1,547,436	\$ -	\$ 1,799,553
FHLMC	6,615,389	5,719,054	-	-	896,335	-
FFCB	3,566,552	-	235,737	249,540	906,686	2,174,589
Municipal Bonds	5,406,595	5,406,595	-	-	-	-
Commercial Paper	34,457,427	19,004,494	15,452,933	-	-	-
Negotiable CDs	5,663,020	1,844,563	3,220,027	499,506	-	98,924
U.S. Treasury Notes	19,205,560	5,039,159	2,006,318	2,267,857	1,004,727	8,887,499
U.S. Government Money Market	6,791,700	6,791,700	-	-	-	-
Amortized cost:						
STAR Ohio	4,573,919	4,573,919	-	-	-	-
Total	<u>\$ 95,052,053</u>	<u>\$ 49,329,333</u>	<u>\$ 25,390,068</u>	<u>\$ 4,564,339</u>	<u>\$ 2,807,748</u>	<u>\$ 12,960,565</u>

The weighted average maturity of investments is .87 years.

The District's investments in federal agency securities (FHLB, FHLMC, FFCB), commercial paper, treasury notes, 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.

Credit Risk: The District's investments in commercial paper were rated P-1 by Moody's Investor Services and/or A-1/A-1+ by Standard & Poor's. The District's investment in municipal bonds were either rated Aa1, Aa2 or MIG1 by Moody's Investor Services, and/or AA, AA+ or SP-1+ by Standard & Poor's. The District's investments in U.S. Treasury notes and in federal agency securities were rated AA+ and Aa1 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, 2025:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
Fair value:		
FHLB	\$ 8,771,891	9.23%
FHLMC	6,615,389	6.96%
FFCB	3,566,552	3.75%
Municipal Bonds	5,406,595	5.69%
Commercial Paper	34,457,427	36.25%
Negotiable CDs	5,663,020	5.96%
U.S. Treasury Notes	19,205,560	20.20%
U.S. Government Money Market	6,791,700	7.15%
Amortized cost:		
STAR Ohio	4,573,919	4.81%
Total	<u>\$ 95,052,053</u>	<u>100.00%</u>

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 8,417,842
Investments	95,052,053
Cash on hand	<u>10,000</u>
Total	<u>\$ 103,479,895</u>
<u>Cash, cash equivalents and investments per statement of net position</u>	
Governmental activities	\$ 102,597,862
Business-type activities	744,430
Private-purpose trust funds	110,525
Custodial funds	<u>27,078</u>
Total	<u>\$ 103,479,895</u>

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 2025 represents collections of calendar year 2024 taxes.

Real property taxes received in calendar year 2025 were levied after April 1, 2024 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 - TAXES - (Continued)

Public utility property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024 and were collected in 2024 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 advance to the District its portion of the taxes collected. Second-half real property tax payments collected by June 30, 2025 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, 2025. 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, 2025 and 2024 were:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 2,182,832	\$ 2,440,351
Bond retirement fund	475,021	630,679
Nonmajor governmental funds:		
Permanent improvement fund	54,596	63,994

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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:

	2024 First Half Collections		2025 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 887,969,210	91.21	\$ 902,750,870	91.21
Public utility personal	<u>85,599,420</u>	<u>8.79</u>	<u>87,031,830</u>	<u>8.79</u>
Total	<u>\$ 973,568,630</u>	<u>100.00</u>	<u>\$ 989,782,700</u>	<u>100.00</u>
Tax Rate per \$1,000 of assessed valuation	\$60.73		\$60.73	

B. School District Income Tax

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 \$522,710 in fiscal year 2025.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2025, consisted of taxes, payment in lieu 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	
Other Governmental Funds	
Other Miscellaneous Grants	\$ 2,670
IDEA	4,586
Title I	165,075
Student Support and Academic Enrichment	368
Supporting Effective Instruction	11,190
Total Other Governmental Funds	<u>183,889</u>
Total Governmental Activities	<u>\$ 183,889</u>

NOTE 8 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable for the year ended June 30, 2025, consisted of the following, as reported on the fund financial statements:

<u>Interfund loan from the general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 5,439
Nonmajor enterprise funds	<u>4,160</u>
	<u>\$ 9,599</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 - INTERFUND TRANSACTIONS - (Continued)

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, 2025 are reported on the statement of net position.

- B.** Interfund transfers for the year ended June 30, 2025, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	<u>\$ 1,233,736</u>

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

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

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

- C.** Interfund balances at June 30, 2025 as reported on the fund statements, consist of the following amounts due to /due from other funds:

<u>Receivable Fund</u>	<u>Payable Funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 80,726</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2025 are reported on the statement of net position.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9 - CAPITAL ASSETS

The following is a summary by category of the changes in governmental activities capital assets at June 30, 2025:

	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 278,664	\$ -	\$ -	\$ 278,664
Construction in progress	<u>1,666,271</u>	<u>4,396,419</u>	<u>(1,482,278)</u>	<u>4,580,412</u>
Total capital assets, not being depreciated/amortized	<u>1,944,935</u>	<u>4,396,419</u>	<u>(1,482,278)</u>	<u>4,859,076</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and Improvements	55,447,408	1,492,401	-	56,939,809
Furniture and Equipment	4,856,560	857,364	-	5,713,924
Vehicles	2,927,222	70,004	-	2,997,226
Intangible right to use:				
Leased Buildings	164,881	79,283	(59,384)	184,780
Leased Equipment	147,137	-	(147,137)	-
Software	<u>207,418</u>	<u>-</u>	<u>-</u>	<u>207,418</u>
Total capital assets, being depreciated/amortized	<u>63,750,626</u>	<u>2,499,052</u>	<u>(206,521)</u>	<u>66,043,157</u>
<i>Less: accumulated depreciation/amortization:</i>				
Buildings and Improvements	(25,908,522)	(1,293,336)	-	(27,201,858)
Furniture and Equipment	(4,453,012)	(279,274)	-	(4,732,286)
Vehicles	(2,247,850)	(193,278)	-	(2,441,128)
Intangible right to use:				
Leased Buildings	(118,648)	(38,454)	59,384	(97,718)
Leased Equipment	(147,137)	-	147,137	-
Software	<u>(48,873)</u>	<u>(37,710)</u>	<u>-</u>	<u>(86,583)</u>
Total accumulated depreciation/amortization	<u>(32,924,042)</u>	<u>(1,842,052)</u>	<u>206,521</u>	<u>(34,559,573)</u>
Governmental activities capital assets, net	<u>\$ 32,771,519</u>	<u>\$ 5,053,419</u>	<u>\$ (1,482,278)</u>	<u>\$ 36,342,660</u>

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

Instruction	\$ 1,220,093
Support services	556,008
Noninstructional Activities	16,488
Extracurricular activities	<u>49,463</u>
Total depreciation/amortization expense	<u>\$ 1,842,052</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 9 - CAPITAL ASSETS - (Continued)

A summary of the business-type capital assets at June 30, 2025 follows:

	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
<i>Capital assets, being depreciated:</i>				
Furniture and Equipment	\$ 356,230	\$ -	\$ -	\$ 356,230
Total capital assets, being depreciated	368,305	-	-	356,230
<i>Less: accumulated depreciation:</i>				
Furniture and Equipment	(333,017)	(3,760)	-	(336,777)
Total accumulated depreciation	(333,017)	(3,760)	-	(336,777)
Business-type activities capital assets, net	<u>\$ 23,213</u>	<u>\$ (3,760)</u>	<u>\$ -</u>	<u>\$ 19,453</u>

NOTE 10- LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (See Note 3 for detail), this District has restated compensated absences as of June 30, 2024 which is reflected in the schedule below. During the fiscal year 2025, the following changes occurred in long-term obligations:

	Interest Rate	Issue Date	Maturity Date	Restated Balance 06/30/24	Increase	Decrease	Balance 06/30/25	Amount Due in One Year
<u>Governmental activities:</u>								
Compensated absences:								
Sick leave (severance)*				\$ 7,802,865	\$ 143,083	\$ -	\$ 7,945,948	\$ 4,057,624
Vacation				235,463	30,802	-	266,265	266,265
Early retirement incentive				124,500	84,500	(124,500)	84,500	84,500
2017 Certificates of Participation	1.05-4.0%	10/25/2017	6/1/2037	3,100,000	-	(190,000)	2,910,000	195,000
2015 Advance Refunding Bonds	2.0-5.0%	4/30/2015	12/1/2034	6,500,000	-	(1,085,000)	5,415,000	1,175,000
2024 General Obligation Bonds	4.0-5.0%	10/1/2024	10/1/2053	72,800,000	-	(3,650,000)	69,150,000	1,370,000
2021 Advance Refunding Bonds	0.957-4.0%	2/24/2021	12/1/2034	9,370,000	-	(315,000)	9,055,000	330,000
Capital appreciation bonds				480,000	-	-	480,000	-
Accreted interest				289,877	121,967	-	411,844	-
Lease Obligations				50,318	79,283	(39,306)	90,295	37,827
Financed Purchase Obligations				-	188,290	(31,999)	156,291	34,609
Net pension liability				32,381,373	-	(784,576)	31,596,797	-
Net OPEB liability				2,124,560	-	(851,427)	1,273,133	-
Total governmental activities				<u>\$ 135,258,956</u>	<u>\$ 647,925</u>	<u>\$ (7,071,808)</u>	<u>128,835,073</u>	<u>\$ 7,550,825</u>
Add: unamortized premium on bonds							4,620,144	
Total on statement of net position							<u>\$ 133,455,217</u>	
<u>Business-type activities</u>								
Compensated absences:								
Sick leave (severance)*				\$ 123,265	\$ -	\$ (19,373)	\$ 103,892	\$ 55,447
Net pension liability				799,262	-	(60,337)	738,925	-
Net OPEB liability				245,430	-	(96,014)	149,416	-
Total business-type activities				<u>\$ 1,167,957</u>	<u>\$ -</u>	<u>\$ (175,724)</u>	<u>\$ 992,233</u>	<u>\$ 55,447</u>

*Changes in compensated absences are netted for reporting purposes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 of July 1, 2024 through June 30, 2026. 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, 2024 for an effective retirement date with STRS on or before July 1, 2025 or by December 1, 2025 for an effective retirement date with STRS on or before July 1, 2026 to be eligible for this payment. Failure of a bargaining unit member to retire with STRS on or before July 1, 2025 or on or before July 1, 2026 will result in the total forfeiture of all rights to the one-time \$40,000 severance bonus. Payment shall be made within sixty (60) calendar days of receipt of final certification of retirement from active services by STRS to the Board. This retirement incentive automatically expires June 30, 2026.

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 benefitting from their services.

Lease Obligations: The District has entered into lease agreements for the use of right to use buildings. 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 modular classrooms at varying years and terms as follows:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Modular Classrooms	2019	5	2025	Monthly
Modular Classrooms	2024	2	2026	Monthly
Modular Classrooms	2025	5	2030	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 37,827	\$ 5,349	\$ 43,176
2027	15,659	3,541	19,200
2028	16,925	2,275	19,200
2029	18,294	906	19,200
2030	1,590	10	1,600
Total	<u>\$ 90,295</u>	<u>\$ 12,081</u>	<u>\$ 102,376</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds:

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

The bonds were sold at a premium of \$2,868,109. Proceeds of \$25,811,196 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2007 school facilities construction and improvement bonds. 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 Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
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	-	52,976	52,976
2030	-	52,976	52,976
2031	1,630,000	26,488	1,656,488
Total	<u>\$ 5,415,000</u>	<u>\$ 513,247</u>	<u>\$ 5,928,247</u>

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 330,000	\$ 161,282	\$ 491,282	\$ -	\$ -	\$ -
2027	345,000	153,031	498,031	-	-	-
2028	350,000	79,059	429,059	-	-	-
2029	1,785,000	133,565	1,918,565	-	-	-
2030	1,845,000	104,175	1,949,175	-	-	-
2031 - 2035	4,400,000	169,663	4,569,663	480,000	2,780,000	3,260,000
Total	<u>\$ 9,055,000</u>	<u>\$ 800,775</u>	<u>\$ 9,855,775</u>	<u>\$ 480,000</u>	<u>\$ 2,780,000</u>	<u>\$ 3,260,000</u>

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

Fiscal Year Ending June 30	Certificates of Participation		
	Principal	Interest	Total
2026	\$ 195,000	\$ 116,400	\$ 311,400
2027	200,000	108,600	308,600
2028	210,000	100,600	310,600
2029	220,000	92,200	312,200
2030	225,000	83,400	308,400
2031 - 2035	1,275,000	274,000	1,549,000
2036 - 2037	585,000	35,400	620,400
Total	<u>\$ 2,910,000</u>	<u>\$ 810,600</u>	<u>\$ 3,720,600</u>

On March 5, 2024, the District issued School Facilities Construction Bonds (Series 2024A and B). These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. The final maturity is October 1, 2053. The interest rates range from 4.0% to 5.0%. 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.

**BOWLING GREEN CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the 2025 general obligation bonds:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	\$ 1,370,000	\$ 3,054,569	\$ 4,424,569
2027	1,040,000	2,994,319	4,034,319
2028	1,120,000	2,940,319	4,060,319
2029	1,175,000	2,882,944	4,057,944
2030	1,235,000	2,822,694	4,057,694
2031 - 2035	7,500,000	13,062,845	20,562,845
2036 - 2040	9,955,000	10,896,720	20,851,720
2041 - 2045	13,020,000	8,154,320	21,174,320
2046 - 2050	16,570,000	5,105,307	21,675,307
2051 - 2054	16,165,000	1,369,810	17,534,810
Total	<u>\$ 69,150,000</u>	<u>\$ 53,283,847</u>	<u>\$ 122,433,847</u>

Financed Purchase Obligations: The District has entered into financed purchase agreements for the purchase of copier equipment. The payments will be paid from the general fund. The purchase agreement requires 60 monthly payments of \$3,805 with an interest rate of 7.86%. The final maturity is June 15, 2029. The following is a schedule of future payments under the purchase agreements:

Fiscal Year	Principal	Interest	Total
2026	\$ 34,609	\$ 11,055	\$ 45,664
2027	37,428	8,236	45,664
2028	40,476	5,188	45,664
2029	43,778	1,886	45,664
Total	<u>\$ 156,291</u>	<u>\$ 26,365</u>	<u>\$ 182,656</u>

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025, are a voted debt margin of \$8,112,878 (including available funds of \$3,132,435), an unvoted debt margin of \$989,783, and an Energy Conservation debt margin of \$8,908,044.

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 \$177,948,429 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.

**BOWLING GREEN CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - RISK MANAGEMENT - (Continued)

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

Wood County Schools Benefit Plan Association

The District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an Educational Service Center. The Association is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. Each participating member's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of monthly premiums. Financial information may be obtained from Huntington Retirement Plan Services, 519 Madison Avenue, 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 School Comp Group Rating Plan (GRP)

For fiscal year 2025, the District participated in the Ohio School Comp 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District'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, 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 before August 1, 2017 *	Eligible to Retire on or 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.

**BOWLING GREEN CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar years 2024 and 2025.

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, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$860,955 for fiscal year 2025. Of this amount, \$85,646 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers and other faculty members 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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2021, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - May 1, 2030, any member can retire with unreduced benefits with 32 years of service credit at any age; or five years of service credit and age 65. Effective on or after June 1, 2030, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

**BOWLING GREEN CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 30 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2024 - May 1, 2025, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60. Effective on or after June 1, 2025 - May 1, 2030, retirement eligibility for reduced benefits is 27 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2030, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2032, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all of their member contributions and 11.09% 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. The remaining 2.91% 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 is deposited into the member's DC account 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 at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. 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 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$2,633,969 for fiscal year 2025. Of this amount, \$452,008 is reported as pension and postemployment benefits payable.

Net 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, 2024, 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.

**BOWLING GREEN CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.139680300%	0.118238460%	
Proportion of the net pension liability current measurement date	<u>0.137522600%</u>	<u>0.131489080%</u>	
Change in proportionate share	<u>-0.002157700%</u>	<u>0.013250620%</u>	
Proportionate share of the net pension liability	\$ 7,035,099	\$ 25,300,623	\$ 32,335,722
Pension expense	\$ 977,902	\$ 1,736,311	\$ 2,714,213

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 268,594	\$ 1,593,276	\$ 1,861,870
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes of assumptions	62,933	1,165,991	1,228,924
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	262,788	2,147,984	2,410,772
Contributions subsequent to the measurement date	<u>860,955</u>	<u>2,633,969</u>	<u>3,494,924</u>
Total deferred outflows of resources	<u>\$ 1,455,270</u>	<u>\$ 7,541,220</u>	<u>\$ 8,996,490</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 13,853	\$ 13,853
Net difference between projected and actual earnings on pension plan investments	440,041	2,175,337	2,615,378
Changes of assumptions	-	877,656	877,656
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>77,057</u>	<u>248,614</u>	<u>325,671</u>
Total deferred inflows of resources	<u>\$ 517,098</u>	<u>\$ 3,315,460</u>	<u>\$ 3,832,558</u>

\$3,494,924 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, 2026.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:			
2026	\$ (218,164)	\$ (1,152,752)	\$ (1,370,916)
2027	513,662	2,838,143	3,351,805
2028	(88,885)	(126,273)	(215,158)
2029	(129,396)	32,673	(96,723)
Total	<u>\$ 77,217</u>	<u>\$ 1,591,791</u>	<u>\$ 1,669,008</u>

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or ad hoc COLA	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement
Investment rate of return	7.00% net of investment expenses	7.00% net of investment expenses
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)

In 2024, mortality rates were based on the following:

Service Retirement: 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**BOWLING GREEN CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Disabled Retirement: 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.

Contingent Survivor: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% 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.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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.

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate - Total pension liability for 2024 was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14%. 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. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31%.

**BOWLING GREEN CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), 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	\$ 10,762,731	\$ 7,035,099	\$ 3,896,638

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
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%, effective July 1, 2017	0.00%, effective July 1, 2017

For the June 30, 2024 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 Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, 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 Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 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.

**BOWLING GREEN CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00 %	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. 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, 2024.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) 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	\$ 40,814,339	\$ 25,300,623	\$ 12,178,685

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**BOWLING GREEN CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net pension liability.

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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, 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 2025, this amount was \$30,000. 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 2025, the District's surcharge obligation was \$100,073.

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 \$100,073 for fiscal year 2025. Of this amount, \$100,073 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

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. All benefit recipients 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, 2025, STRS did not allocate any employer contributions to post-employment health care.

Net 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, 2024, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB			
liability/asset prior measurement date	0.143858500%	0.118238460%	
Proportion of the net OPEB			
liability/asset current measurement date	<u>0.139671600%</u>	<u>0.131489080%</u>	
Change in proportionate share	<u>-0.004186900%</u>	<u>0.013250620%</u>	
Proportionate share of the net			
OPEB liability	\$ 1,422,549	\$ -	\$ 1,422,549
Proportionate share of the net			
OPEB asset	\$ -	\$ (2,494,097)	\$ (2,494,097)
OPEB expense	\$ (150,238)	\$ (565,258)	\$ (715,496)

**BOWLING GREEN CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2025, 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	\$ -	\$ 108,423	\$ 108,423
Net difference between projected and actual earnings on OPEB plan investments	6,944	-	6,944
Changes of assumptions	610,557	306,990	917,547
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	355,592	2,244	357,836
Contributions subsequent to the measurement date	<u>100,073</u>	<u>-</u>	<u>100,073</u>
Total deferred outflows of resources	<u>\$ 1,073,166</u>	<u>\$ 417,657</u>	<u>\$ 1,490,823</u>
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,533,876	\$ 268,793	\$ 1,802,669
Net difference between projected and actual earnings on OPEB plan investments	-	107,086	107,086
Changes of assumptions	653,466	1,124,822	1,778,288
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>349,550</u>	<u>81,088</u>	<u>430,638</u>
Total deferred inflows of resources	<u>\$ 2,536,892</u>	<u>\$ 1,581,789</u>	<u>\$ 4,118,681</u>

\$100,073 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, 2026.

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:			
2026	\$ (395,058)	\$ (394,972)	\$ (790,030)
2027	(273,925)	(178,745)	(452,670)
2028	(200,920)	(225,764)	(426,684)
2029	(165,790)	(210,761)	(376,551)
2030	(163,698)	(172,700)	(336,398)
Thereafter	<u>(270,199)</u>	<u>18,810</u>	<u>(251,389)</u>
Total	<u>\$ (1,469,590)</u>	<u>\$ (1,164,132)</u>	<u>\$ (2,633,722)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023 are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal bond index rate	3.93%	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation	4.88%	4.27%
Medical trend assumption	7.00 to 4.40%	6.75 to 4.40%

In 2024, the following mortality assumptions were used:

Healthy Retirees - 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.

Disabled Retirees - 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.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, the following mortality assumptions were used:

Healthy Retirees - 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.

Disabled Retirees - 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.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. 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 is projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 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 was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

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 proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of 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	\$ 1,896,918	\$ 1,422,549	\$ 1,045,598

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 961,590	\$ 1,422,549	\$ 2,028,442

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024		June 30, 2023	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
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%	
Discount rate of return	7.00%		7.00%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-112.22%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	-15.14%	3.94%	1.33%	4.14%

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For the June 30, 2024 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 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.

Actuarial assumptions used in the June 30, 2024 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.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on 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, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

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, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of 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 proportionate share of 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 2,027,865	\$ 2,494,097	\$ 2,899,819
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 2,927,226	\$ 2,494,097	\$ 1,973,203

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, 2025.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 15 - SET-ASIDES - (Continued)

	<u>Capital Improvements</u>
Set-aside balance June 30, 2024	\$ -
Current year set-aside requirement	590,769
Current year offsets	(590,769)
Current year offset from bond proceeds	<u>-</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2026	<u>\$ -</u>
Set-aside balance June 30, 2025	<u>\$ -</u>

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:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 185,935
Building	6,629,128
Other Governmental	<u>39,331</u>
Total	<u>\$ 6,854,394</u>

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations. The District's management is of the opinion that the ultimate disposition of legal proceedings will not have a material effect, if any, on the financial condition of the District.

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 and Workforce (ODEW) 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, ODEW adjustments for fiscal year 2025 have been finalized and resulted in an additional liability for the District in the amount of \$2,063, which has been repaid.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - over (under) Actual Amounts
	Original	Final		
Budgetary revenues and other financing sources	\$ 34,240,299	\$ 38,183,719	\$ 38,268,703	\$ 84,984
Budgetary expenditures and other financing uses	41,545,363	41,881,973	40,473,371	(1,408,602)
Net change in fund balance	(7,305,064)	(3,698,254)	(2,204,668)	1,493,586
Budgetary fund balance at beginning of year	16,641,570	16,641,570	16,641,570	-
Prior year encumbrances appropriated	80,911	80,911	80,911	-
Budgetary fund balance at end of year	<u>\$ 9,417,417</u>	<u>\$ 13,024,227</u>	<u>\$ 14,517,813</u>	<u>\$ 1,493,586</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.13752260%	\$ 7,035,099	\$ 5,848,679	120.29%	78.52%
2024	0.13968030%	7,718,056	5,780,250	133.52%	76.06%
2023	0.12960340%	7,009,960	4,915,993	142.59%	75.82%
2022	0.11752590%	4,336,365	4,071,407	106.51%	82.86%
2021	0.13008700%	8,604,228	4,504,907	191.00%	68.55%
2020	0.13541980%	8,102,404	4,631,267	174.95%	70.85%
2019	0.13559730%	7,765,909	4,209,422	184.49%	71.36%
2018	0.14090880%	8,416,990	4,709,600	178.72%	69.50%
2017	0.14081740%	10,306,534	4,294,957	239.97%	62.98%
2016	0.14480070%	8,262,468	4,359,256	189.54%	69.16%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 860,955	\$ (860,955)	\$ -	\$ 6,149,679	14.00%
2024	818,815	(818,815)	-	5,848,679	14.00%
2023	809,235	(809,235)	-	5,780,250	14.00%
2022	688,239	(688,239)	-	4,915,993	14.00%
2021	569,997	(569,997)	-	4,071,407	14.00%
2020	630,687	(630,687)	-	4,504,907	14.00%
2019	625,221	(625,221)	-	4,631,267	13.50%
2018	568,272	(568,272)	-	4,209,422	13.50%
2017	659,344	(659,344)	-	4,709,600	14.00%
2016	601,294	(601,294)	-	4,294,957	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.13148908%	\$ 25,300,623	\$ 18,990,400	133.23%	82.55%
2024	0.11823846%	25,462,579	15,834,129	160.81%	80.02%
2023	0.11780635%	26,188,500	15,301,214	171.15%	78.88%
2022	0.12154917%	15,541,154	15,349,800	101.25%	87.78%
2021	0.12151688%	29,402,761	14,733,100	199.57%	75.48%
2020	0.12121816%	26,806,668	14,239,050	188.26%	77.40%
2019	0.12432841%	27,337,026	14,224,879	192.18%	77.31%
2018	0.12579838%	29,883,675	14,136,707	211.39%	75.30%
2017	0.12378224%	41,433,647	13,281,379	311.97%	66.80%
2016	0.12910286%	35,680,254	13,495,814	264.38%	72.10%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 2,633,969	\$ (2,633,969)	\$ -	\$ 18,814,064	14.00%
2024	2,658,656	(2,658,656)	-	18,990,400	14.00%
2023	2,216,778	(2,216,778)	-	15,834,129	14.00%
2022	2,142,170	(2,142,170)	-	15,301,214	14.00%
2021	2,148,972	(2,148,972)	-	15,349,800	14.00%
2020	2,062,634	(2,062,634)	-	14,733,100	14.00%
2019	1,993,467	(1,993,467)	-	14,239,050	14.00%
2018	1,991,483	(1,991,483)	-	14,224,879	14.00%
2017	1,979,139	(1,979,139)	-	14,136,707	14.00%
2016	1,859,393	(1,859,393)	-	13,281,379	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.13967160%	\$ 1,422,549	\$ 5,848,679	24.32%	44.50%
2024	0.14385850%	2,369,990	5,780,250	41.00%	30.02%
2023	0.13278150%	1,864,266	4,915,993	37.92%	30.34%
2022	0.12129060%	2,295,524	4,071,407	56.38%	24.08%
2021	0.13533680%	2,941,312	4,504,907	65.29%	18.17%
2020	0.13875930%	3,489,505	4,631,267	75.35%	15.57%
2019	0.13747220%	3,813,850	4,209,422	90.60%	13.57%
2018	0.14254740%	3,825,598	4,709,600	81.23%	12.46%
2017	0.14196110%	4,046,416	4,294,957	94.21%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 100,073	\$ (100,073)	\$ -	\$ 6,149,679	2.00%
2024	97,744	(97,744)	-	5,848,679	1.67%
2023	105,849	(105,849)	-	5,780,250	1.83%
2022	88,048	(88,048)	-	4,915,993	1.79%
2021	78,407	(78,407)	-	4,071,407	1.93%
2020	88,579	(88,579)	-	4,504,907	1.97%
2019	23,156	(23,156)	-	4,631,267	0.50%
2018	94,910	(94,910)	-	4,209,422	2.25%
2017	75,645	(75,645)	-	4,709,600	1.61%
2016	68,650	(68,650)	-	4,294,957	1.60%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2025	0.13148908%	\$ (2,494,097)	\$ 18,990,400	13.13%	158.01%
2024	0.11823846%	(2,299,575)	15,834,129	14.52%	168.52%
2023	0.11780635%	(3,050,398)	15,301,214	19.94%	230.73%
2022	0.12154917%	(2,562,765)	15,349,800	16.70%	174.73%
2021	0.12151688%	(2,135,658)	14,733,100	14.50%	182.10%
2020	0.12121816%	(2,007,663)	14,239,050	14.10%	174.74%
2019	0.12432841%	(1,997,830)	14,224,879	14.04%	176.00%
2018	0.12579838%	4,908,189	14,136,707	34.72%	47.10%
2017	0.12378224%	6,619,906	13,281,379	49.84%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 18,814,064	0.00%
2024	-	-	-	18,990,400	0.00%
2023	-	-	-	15,834,129	0.00%
2022	-	-	-	15,301,214	0.00%
2021	-	-	-	15,349,800	0.00%
2020	-	-	-	14,733,100	0.00%
2019	-	-	-	14,239,050	0.00%
2018	-	-	-	14,224,879	0.00%
2017	-	-	-	14,136,707	0.00%
2016	-	-	-	13,281,379	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - BUDGETARY PROCESS

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 statement of revenue, 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); and
- (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 is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (2,204,668)
Net adjustment for revenue accruals	16,778
Net adjustment for expenditure accruals	1,113,608
Net adjustment for other sources/uses	(1,043,446)
Funds budgeted elsewhere	1,966
Adjustments for encumbrances	<u>279,254</u>
GAAP Basis	<u>\$ (1,836,508)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the public school support fund, escrow funds, and the termination benefits fund.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- 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 recipients 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%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- 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.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- 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.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

Changes in assumptions:

- 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: 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%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change 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.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change 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%.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- 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%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change 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 non-Medicare 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.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- 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.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

Change 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 prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- 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, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

**BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education and Workforce</i>		
<u>Child Nutrition Cluster</u>		
School Breakfast Program	10.553	\$132,630
National School Lunch Program:		
Cash Assistance	10.555	592,854
Non-Cash Assistance (Commodities)	10.555	87,546
Total National School Lunch Program		680,400
Total Child Nutrition Cluster		813,030
Total U.S. Department of Agriculture		813,030
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education and Workforce</i>		
Title I Grants to Local Educational Agencies	84.010A	650,403
<u>Special Education Cluster</u>		
Special Education Grants to States	84.027A	914,924
Special Education Preschool Grants	84.173A	27,197
Total Special Education Cluster		942,121
Supporting Effective Instruction State Grants	84.367A	47,611
Student Support and Academic Enrichment Program	84.424A	45,969
Student Support and Academic Enrichment Program - Stronger Connections	84.424F	30,458
Total Student Support and Academic Enrichment Program		76,427
COVID-19 Education Stabilization Fund - ARP ESSER III	84.425U	18,270
Total U.S. Department of Education		1,734,832
Total Expenditures of Federal Awards		\$2,547,862

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, 2025**

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, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – COST SHARING (INCLUDING MATCHING) REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (cost sharing or matching funds) to support the Federally-funded programs. The District has met its cost sharing requirements. The Schedule does not include the expenditure of non-Federal cost sharing funds.

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with Ohio Department of Education and Workforce's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2025 to 2026 programs:

Bowling Green City School District
Wood County
Notes to the Schedule of Expenditures of Federal Awards
Page 2

<u>Program Title</u>	<u>AL Number</u>	<u>Amt.</u> <u>Transferred</u>
Title I Grants to Local Educational Agencies	84.010A	\$ 15,550
Supporting Effective Instruction State Grants	84.367A	\$ 77,476
Student Support and Academic Enrichment Program	84.424A	\$ 22,032



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bowling Green City School District, Wood County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 24, 2026, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

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.

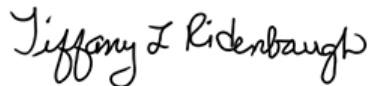
Report on Compliance and Other Matters

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 24, 2026



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bowling Green City School District, Wood County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Bowling Green City School District's major federal programs for the year ended June 30, 2025. Bowling Green City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Bowling Green City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 24, 2026

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**BOWLING GREEN CITY SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

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):	Special Education Cluster Title I Grants to Local Education Agencies – AL #84.010A
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

Bowling Green City Schools

Dr. Ted M. Haselman
Superintendent

137 Clough Street
Bowling Green, Ohio 43402
419-354-0800

Mr. Matt A. Feasel
Treasurer

Mrs. Rachel Newell
Executive Director of Teaching & Learning

www.bgcs.k12.oh.us
Fax: 419.352.1701

Mrs. Alexandra Willibey
Executive Director of Pupil Services

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR § 200.511(b) JUNE 30, 2025

Finding Number	Finding Summary	Status	Additional Information
2024-001	Finding was first issued in the 2024 audit. Material weakness regarding financial reporting due to errors on the financial statements.	Partially corrected. Reissued in the management letter.	

Mr. Daniel Black
High School Principal

Mr. Eric Radabaugh
Middle School Principal

Mrs. Alyssa Karaffa
Conneaut Elementary Principal

Mr. Scott Best
Crim Elementary Principal

Mr. Michel Bechstein
Kenwood Elementary Principal

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

OHIO AUDITOR OF STATE KEITH FABER



BOWLING GREEN CITY SCHOOL DISTRICT

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/31/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov